

**BCB BERHAD**

Registration No.: 198801004645 (172003-W)  
(Incorporated In Malaysia)

Summary of the key matters discussed at the Thirty-Second Annual General Meeting (“32nd AGM” or “the Meeting”) of the Company held at Hotel Anika, Level 11, Layang Layang Hall, No. 1, 3 & 5, Jalan Dato Rauf, 86000 Kluang, Johor Darul Takzim on Thursday, 10 December 2020 at 10.30 a.m.

**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

The Chairman informed that the Audited Financial Statements for the financial year ended 30 June 2020 and the Reports of Directors and Auditors thereon were circulated to all the shareholders of the Company within the statutory period.

The Chairman then proceeded to invite questions from the shareholders and proxies.

Questions posted by Mr. Ong Teik Khoon and response of the Board are set out in Appendix I attached hereto.

Upon answering all questions raised, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2020 and the Reports of Directors and Auditors thereon, be received.

For the rest of the items on the Agenda stated below, there were no questions raised by the shareholders. All the resolutions tabled at the Meeting and voted upon by polling were duly passed by the shareholders, with the results of the polling announced accordingly to Bursa Malaysia Securities Berhad on 10 December 2020.

**2. ORDINARY RESOLUTION 1  
RE-ELECTION OF EN. ASH’ARI BIN AYUB**

**3. ORDINARY RESOLUTION 2  
RE-ELECTION OF MS. TAN LINDY**

**4. ORDINARY RESOLUTION 3  
DIRECTORS’ FEES AND DIRECTORS’ BENEFITS**

**5. ORDINARY RESOLUTION 4  
RE-APPOINTMENT OF AUDITORS**

**6. ORDINARY RESOLUTION 5  
PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS, ENCIK ASH’ARI BIN AYUB**

**7. ORDINARY RESOLUTION 6  
PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS, TAN SRI DATUK SERI ISMAIL BIN YUSOF**

8. **ORDINARY RESOLUTION 7  
AUTHORITY TO ISSUE SHARES**
9. **ORDINARY RESOLUTION 8  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
10. **ORDINARY RESOLUTION 9  
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

**ANY OTHER BUSINESS**

There were no other matters discussed.

## Appendix I

1. Q. What are the company's plans for the post Covid period to ensure sustainability and to maintain its competitiveness in the market?

A. The Company has adopted a more conservative approach by concentrating on ever green product- landed residential properties to sustain its business and remain competitive.

2. Q. Are there any plans on cost cutting especially on the high salary structure of the Board members/ controlling shareholders, for instance by reducing salary which is a fixed cost and increasing variable cost such as bonus and rewarded based on KPI? Salary and benefits of directors is about 33% of staff cost.

A. The Company has already done first round of cost cutting in term of downsizing the staff workforce in all branches and will further consider all other approach to cut cost including operational costs. All rewards previously are based on KPI. Current rewards consideration has been put on hold at the moment including directors.

The company is of the view that cutting salary & benefits is not necessary at the moment as we are not in dire need of this extreme measure.

3. Q. How can the company stand out amongst its peers in terms of profitability and margins?

A. With current weak property market conditions, the company has to weight a balance between sustainability and profitability.

4. Q. Are there any plans to improve cash flow by disposing inventories, Non-current and current which now totalled RM 1.015 billion?

A. Non-current inventory

- RM 366 million land held for property development (future development)

Current inventory

- RM 544 million on going project,
- RM 105 million closing stock

The company has been working hard to dispose most of its inventories by providing attractive discount to improve cash flow. The company even engaged Maybank Houzkey financing to customer for easy entry as lease then buy later arrangement. The company has also engaged more property sales agent as part of the sales strategy.

5. Q. What are the likely and realistic scenarios to enable the company to reward its shareholders?

A. The company will always consider any possible scenarios to reward its shareholders, however, the current market environment has been very uncertain and volatile. Business sustainability is always the priority before any reward can be distributed to the shareholders

6. Q. Will the company consider reward to shareholders via bonus issue of shares or via issue of free warrants?

A. The company considers dividend distribution will be more preferable by shareholders.

7. Q. Re Internal Audit, what was the most significant and important issue that the auditors brought up last year?

A. Internal Audit is based on risk base. There are 4 significant risks identified during the year. The most significant risks are quality of workmanship and consultant/contractor performance.

For quality of workmanship risk, we have received a third-party quality assessment - Qlassic rating of 79% and 81% for project in Kota Kamuning and Elysia in Johor respectively. This has provided further assurance to our commitment on the quality of workmanship.

For consultant/contractor performance, we are very careful in selecting consultant and contractors both pre and post assessment of their performance. We have been appointing reputable geotechnical and structural consultant in all our projects even for contractors, they are among the reputable contractors in the market.

8. Q. Re External Audit, what was the most significant and important issue that the auditors brought up last year?

A. Please refer to page 38 annual report on Key Audit Matter.

9. Q. Re Management Discussion, what was the most significant and important issue that the management discussed last year?

A. We are addressing current financial year 30.06.2020 instead of last year. The impact of Covid -19, MCO, government initiatives towards company's direction and operation were the significant and important issues discussed by the Management.

10. Q. Independent Directors : considering certain independent directors have been on the Board for 19-22 years, how and in what ways did these directors perform their fiduciary duty to the shareholders?

A. As an independent directors, we always exercise our power and knowledge for proper purpose and in good faith in the best interest of the Group.

11. Q. Independent Directors : do the independent directors have any other business dealings with the company or its major shareholders?

A. No

12. Q. Independent Directors : Throughout the 2 decades of directorship in the company, please detail out the years and type of rewards that the company have declared to the shareholders?

A. I will presume you are referring to Dividend declared. The declaration of dividend is subjected to the performance and cash flows availability of the company. The reasons provided for the earlier undeclared dividend has been deliberated in previous AGM. For current year dividend, we do not recommend any as company need to be sustainable during this pandemic period.

13. Q. Reward to executive directors : other than the Group MD reporting a reduced bonus for FY 30/6/2020, the other executives were still rewarded with the same or increased bonus notwithstanding that during almost half of the FY, the country was in some form of a movement control. With cost cutting the central theme throughout the country, kindly comment why this was the decision made?

A. The disclosure on executive directors' bonuses was in relation to financial year 2019 performance. The company has been in cost cutting mode since early this year when the pandemic started. For 2020 with the current conditions, it is unlikely for the company to consider any reward payment.

14. Q. Gearing ratio : what is the projected ratio for the next 3 years and what is the ratio that the company is comfortable to work within?

A. The company is hopeful to achieve a gearing ratio of 40% in the next 3 years.

15. Q. How often does the Management interact with research analysts and/or fund managers to promote or improve the profile of the company?

A. We do interact with the research analyst and/or fund managers when there is an update.

16. A. How often does the Management interact with the media to promote and improve the profile of the company, apart from product advertisement.

Q. With current weak market conditions, the Company currently do not intend to incur additional promotion costs apart from product digital advertisement.

17. Q. What are the conditions under which the company will undertake share buy back?

A. When market price of the company become unreasonably volatile.

18. Q. How and when will the Board create value for shareholders? When was the last time value was created for shareholders?

A. The Board has always been creating value for shareholder, evidence on the increasing trend on shareholder equity as disclosed in the annual report.

19. Q. Please give the breakdown of the FY2020 revenue of RM 254 million by project.

A. Revenue mainly contributed by project Broadleaf@Kota Kamuning 91mil, Bandar Putera Indah & Evergreen Heights@Batu Pahat 60mil and Elysia@Medini 40mil.

20. Q. Please give the breakdown by project and age of holdings of "Inventories held for sale" of RM 105 million? 105,000,000

A. Mainly from the following:

	RM'mil	
Concerto	43	(5 years)
Bandar Putera Indah	15	(<3 years)
Tmn Pulai Utama	10	(>4 years)
Home Tree	9	(>4 years)
Evergreen Heights	7	(>4 years)

21. Q. What steps will the company take to convert these inventories to cash, especially those held for more than 2 years?

A. Please refer to query no. 4 for reply.

22. Q. Please give the breakdown by project and by major debtors of the Trade and Other Receivables due for more than 120 days of RM 90.7 million, which is an increase of RM 51 million compared to last year.

A. The increase was resulted from the foreign cash buyer in JB project namely Elysia. Most of the sales from Elysia are from foreign cash buyers.

Due to pandemic, foreign buyers are unable to physically taking over their units resulted in slow collection.

23. Q. What actions have been taken and are proposed to take to reduce the amount of RM 90.7 million?

A. Malaysia border needs to be opened to allow the foreign buyers to enter Malaysia for settlement of their outstanding.

24. Q. Please give the breakdown by project and by major debtors of Impairment Losses on 1. Contract assets of RM 1,373,425 and 2. Trade receivables of RM 2,799,435.

A. Majority of the impairment are from project Elysia as most of purchasers are foreign cash buyers and resulted in higher impairment losses.

25. Q. Please give the breakdown by project of the revenue for 1st quarter FY 2021 of RM 76.663 million.

A. Please refer to latest result announcement for Quarter 1 FY2021 made at Bursa website.

26. Q. Capital Management : what are the prescribed gearing ratio and tangible net worth of the Group imposed by financial institutions?

A. Depends on case to case with financial institution.

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