BCB 30

30 YEARS AND BEYOND

ANNUAL REPORT 2019

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BCB 30

30 YEARS AND BEYOND

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of BCB Berhad, I am pleased to present this Annual Report and Financial Statements of BCB Berhad for the financial year ended 30 June 2019.

OVERVIEW

The year 2019 saw the Malaysian economy in a rather subdued mode. Growth (gross domestic product or GDP) is expected to moderate at 4.6% this year as compared to 4.7% chalked up in the previous year. Nevertheless, strong domestic demand, services and exports are expected to continue propelling growth. As in the past, solid domestic demand will continue to be the main driving force propelling Malaysia's growth forward in years 2019 and 2020.

The potential risks to Malaysia's economic growth are primarily external ones, stemming from the present escalating trade wars between the United States and China, which will ultimately have an unbarring impact on the entire global economies.

Against this bleak global backdrop, the government has embarked on a fiscal spending mode by reviving mega-infrastructural projects to cushion against a potential slowing of exports.

The Malaysian property market continues to be on consolidation mode; partly because Bank Negara Malaysia has yet to relax on the stringent but prudent credit policy imposed on the sector since a few years back. Because of this policy, the Group continues to lose many potential buyers who were unable to secure a bank loan or a higher desired loan margin of financing. The continuing issue of unsold, mainly Bumi quota units, is a major issue which the industry has yet to see a resolution. It is thus hoped that a standardized release mechanism can be put in place soon to address these unsold units and to subsequently sell them.

The past financial year was indeed very challenging for the Group. The Group was lucky to turn out a set of better than expected results. On overall, its projects are "holding out well" because of the employment of target marketing, competitive pricing, superior concept, practical design and the strategic location of its properties/products.

Chairman's Statement
(cont'd)

Financial Review

During the financial year, the Group posted a turnover of RM425.39 million compared with RM292.25 million achieved in the previous year (after restatement). Group profit before tax increased to RM74.20 million compared with RM13.81 million achieved in the previous year (after restatement) while Group profit after tax increased to RM56.98 million compared with RM8.30 million achieved in the previous year (after restatement).

REVIEW OF OPERATIONS

Property Development

The Group experienced strong sales for its products amidst in a more competitive and sluggish market environment.

New development phases in the Group's flagship development projects in Batu Pahat, Johor - Taman Bukit Perdana, Evergreen Heights and Bandar Putera Indah continue to generate interest from homebuyers. These three townships are strategically sited close to public amenities and they continue to provide value to homebuyers in terms of better/attractive designs, quality finishes, superb landscaping, excellent infrastructures, and competitive pricing.

In Medini Iskandar Malaysia, the Group's high-end condominium project, Elysia Park Residence, continue to generate sales and interest from mainly foreign buyers despite an overall weak sentiment for property development projects within the Iskandar Malaysia region. It is situated in front of Gleneagles Hospital and a walking distance to Legoland Malaysia. Phase 1 with an initial GDV of RM600 million was revised upwards to RM752 million and comprises of 3, 44 storey tower blocks was officially launched in August 2015. Total sales to-date is about RM460 million.

In the Klang Valley, the Group' high-end landed project, Home Tree in Kota Kemuning officially launched its sub phases, 2A and 2B of Phase 2 with a combined GDV of RM270 million comprising 35 units of 3 storey bungalows and 78 units of 3 storey semi-Ds on August 27, 2017. Phase 2C with a GDV of RM97 million and comprising of 46 units of 3 storey semi-Ds was launched in April 2019. Total sales for these 3 sub-phases to-date is about RM210 million.

The Group expects this Klang Valley project in addition to existing projects in Johor to contribute generously to its earnings in the near term.

Johor

a) <u>Taman Bukit Perdana, Batu Pahat</u>

This 400 acres mixed development township is located 1.5km from Batu Pahat town centre and continue to record strong sales during the year.

To date, over 4,000 units have been sold for a total sales value of about RM600 million. As at to-date, this township is almost fully developed.

b) <u>Evergreen Heights, Batu Pahat</u>

This 400 acres mixed development township is located 8km south of Batu Pahat town centre. It is located next to the 18-hole Bukit Banang Golf and Country Club and is distinct as it emphasizes quality living set amidst natural surroundings.

Its development is architecturally attractive with beautifully landscaped terrain. There is also a 12-acre park and lake for family recreational purposes.

To date, over 3,000 units have been sold for a total sales value of about RM1.0 billion. This township is currently 85% developed with another 80 acres of undeveloped land. We are confident that future launches and sales at this township will continue to appeal and attract strong demand given the wide range of amenities, facilities and infrastructure already put in place or due to be put in place in the next few years.

Chairman's Statement
(cont'd)

c) Bandar Putera Indah, Batu Pahat

This 390 acres mixed development township is located in the vicinity of Tongkang Pecah, about 11km north-east of Batu Pahat town centre. This entire project will have a GDV of about RM1.1 billion.

The concept here emphasizes quality living set amidst natural surroundings with architecturally attractive designs and beautifully landscaped terrain.

Since its maiden launching in year 2011, the take-up rate has been very encouraging. We will be rolling out more new phases soon. We are confident of this township's future contribution to the Group's earnings.

d) Elysia Park Residence, Medini, Iskandar Malaysia

This 7.81 acres high-end high-rise development is a joint venture between BCB Berhad (holding a 60% equity stake) and a developer from Hong Kong, China called United Harvest Group Company Limited.

This is a 129 years leasehold project consisting of 6, 44 storey tower blocks sitting on a 9 storey car park podium. It has a GDV of about RM1.3 billion and will be developed over 5 years. Phase 1 has 981 units sited in 3 tower blocks. There are eight types of unit layouts to choose from and they come in various designs and sizes ranging from 515 s.f. to 1,251 s.f.

This project is expected to generate considerable interest from locals as well as foreigners simply because Medini is a special economic zone; whereby foreigners are exempted from the buying and selling restrictions imposed elsewhere in the country. Phase 1 was officially launched on August 7, 2015.

Despite the "over-supply" fear syndrome for all development projects within Iskandar Malaysia and the recent controversy over development sales of Forest City project nearby and difficulties encountered by buyers in securing bank loans; the Group was fortunate as it managed to secure quite a number of foreign buyers. To-date about RM460 million in sales has been recorded.

Klang Valley

a) Home Tree at Kota Kemuning, Shah Alam, Selangor

A high-end gated and guarded community sited on 151 acres of land located along the Klang river and comprising about 200 units of high-end bungalows plus various other categories of houses and commercial properties. This project is located in Kota Kemuning and has a 3.5km long river frontage. It was officially launched on June 22, 2013.

This development is a joint venture between BCB Berhad (holding a 70% stake) and Landshine Limited, an affiliate of a reputable property developer in Xiamen, China. It will have a nature theme as it is fronting 3.5km of the Klang River. It will be designed to harmonize with nature and have club houses, jogging tracks, an esplanade and observation decks along the water front.

The whole development project will have a GDV of about RM1.8 billion and is targeted for completion in about 5 years time. Phase 1 has a GDV of about RM283 million and is almost fully sold. The entire Phase 2 has a GDV of RM600 million. However, only sub-phases 2A and 2B were launched on August 27, 2017.

Subsequent launch of other sub-phases will take place soon.

Others

Existing townships with on-going developments are as follows:

- Taman Sri Kluang (Kluang, Johor)
- Taman Pulai Utama (Johor Bahru, Johor)
- Taman Megah (Pontian, Johor)

Chairman's Statement
(cont'd)

Project Management

On the project management front, the Group has earned a name for itself in Johor via its management of the vibrant Taman Saujana township in Kluang; which is offering gated security features.

a) Taman Saujana

This 250 acres township is the first in Kluang town to offer a residential gated security concept to homebuyers. A sophisticated security system involving Touch Card access and perimeter fencing are featured for the higher-end products of this township.

Construction

The Group's construction division continues to be the main contractor for the Group's various development projects. Consolidated revenue of this division was RM14.06 million during the financial year. Its main objective is to assist the Group in ensuring timely delivery of quality products at competitive pricing.

Shortage of labor and increasing cost of building materials remain a continuing source of concern for this division. To mitigate these issues, the Group has started sourcing certain materials from overseas while ensuring that product quality is not compromised.

Hotel

The Group's Prime City Hotel, a 212-room hotel located in the heart of Kluang has maintained its market position as the town's main avenue for the hosting of business and social functions.

However, consolidated revenue of this division fell to RM1.14 million during the financial year.

In order to mitigate costs and cap losses, the Group had on January 1, 2019 leased out the entire hotel operations and retrenched its remaining staff.

CORPORATE DEVELOPMENTS

Proposed Dividend

The Group is not proposing any dividend this year in spite of a set of good results, partly to conserve cash in the face of a rather subdued and challenging market.

Prospects

The property market is expected to remain flat for the whole of this year (2019).

Against this dim backdrop, the Group believes that good location, competitive pricing, attractive and practical designs, superior layouts and quality finishing will see it through this tough time. The Group will also continue its efforts in enhancing operational efficiency and effectiveness by putting in place stronger cost control measures.

Nevertheless, going forward, the Group is optimistic of a turnaround in the second half of year 2020.

Appreciation

On behalf of the Board of Directors, I would like to express our gratitude and appreciation to all our employees for their dedicated service and contribution to the success of the Group. To our shareholders, valued customers, business associates and Governmental authorities, I would like to convey our sincere thanks for their continued support and confidence in the Group.

Last but not least, my special thanks to my fellow Board members for their counsel, invaluable contributions and understanding in the past year and I look forward to their support in the future.

ASH'ARI BIN AYUB
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Operations

The Malaysian property market for year 2019 remains sluggish as a result of a tight credit policy put in place since a few years back. The other dampener is the escalating trade war between the United States of America and China.

Nevertheless as in the past, the residential sector continues to provide the main impetus for the property market. The commercial sector however has received a "jab in the arm" with the abolishment of the Goods and Services Tax. Its less burdensome replacement, the Sales and Service Tax has also placed many construction materials off its scope thus is added impetus for the construction and hence property industry. Against this backdrop, location and branding remain as key drivers of continued growth for most developers.

The Group is fortunate that its existing projects / undeveloped land banks are strategically located. The past 9 years saw the Group embarking on a brand building exercise in the country. The Group's philosophy is to provide good quality product designs and layouts at reasonable prices. In addition, the Group emphasizes conservation of the environment and strives to incorporate "Green" concepts into all its product designs.

Klang Valley

The Group has an existing high-end project in the Klang Valley.

a) Home Tree

Is located on 151 acres of land in Kota Kemuning, Shah Alam, Selangor. It is a high-end landed mixed development project comprising 3 storey bungalows, shoplots as well as various types of houses when fully completed. The whole project is gated and guarded with a GDV of about RM1.8 billion.

Phase 1 (GDV RM283 million) comprising of 101 units of 3 storey bungalows is almost fully sold. It is a unique development offering "cul-de-sac" bungalows – American style and without front gates. It is reasonably priced at about RM500 per s.f. or RM2.7 million per unit.

Sub-phases 2A and 2B (GDV RM270 million) comprising of about 35 units of 3 storey bungalows and 78 units of 3 storey Semi-Ds were officially launched on August 27, 2017. This is followed by sub-phase 2C in April 2019 (GDV RM97 million) which has 46 units of 3 storey Semi-Ds.

To-date, about RM210 million in sales have been recorded for all 3 sub-phases.

Johor

The Group has 3 main township projects in Batu Pahat collectively garnering about 60% share of the market. In addition, it is also the largest developer in Kluang. It also has various on-going projects in Johor Bahru.

a) Bandar Putera Indah

This 390 acres township is an up-coming satellite suburb of Batu Pahat town. With the gradual growth of Batu Pahat town now reaching its fringe, prices are expected to firm up in the future. Double storey terrace houses are reasonably priced below RM500,000 per unit.

Total GDV is about RM1.1 billion. To-date more than RM400 million worth of properties have been sold.

b) Elysia Park Residence

Is located on a 7.81 acres land in Medini, Iskandar Malaysia and is wrapped around a park – hence its name. It is located right in front of the Gleneagles Hospital. It is also within walking distance to Legoland and commands a view of Singapore.

Management Discussion and Analysis
(cont'd)

Medini, being designated a special economic zone by the government has a lot of incentives to offer to both developers as well as end-purchasers. In Medini, there are no restrictions on foreigners buying or re-selling properties. First tier end-purchasers are also exempted from the Real Property Gains Tax (RPGT) when they re-sell their properties.

This high-end project will have 6 tower blocks and a GDV of about RM1.3 billion. It will be developed over 6 years. Phase 1 comprising 3, 44 storey tower blocks with a GDV of about RM700 million was officially launched on August 7, 2015.

Total sales recorded to-date is about RM460 million.

2. Financial Performance

The Group's five years performance (as can be seen in the five years' financial highlight) has been quite satisfactory.

During the financial year, the Group posted a turnover of RM425.39 million compared with RM292.25 million achieved in the previous year (after restatement). Group profit before tax increased to RM74.20 million compared with RM13.81 million achieved in the previous year (after restatement) while Group profit after tax increased to RM56.98 million compared with RM8.30 million achieved in the previous year (after restatement).

Nevertheless, the Group's fundamentals remain strong as a result of strategic decisions made 9 years ago whereby quality lands were acquired in the Klang Valley at low prices and a major corporate rebranding exercise was carried out.

In the Klang Valley, the Group has sold more than RM800 million worth of properties from its 2 high-end projects (Home Tree and Concerto, a high-rise project in North Kiara, Kuala Lumpur which was fully completed in December 2015 and is now 90% sold) over the past 7 years.

In Medini, the Group has sold about RM460 million worth of properties from its high-end condominium project called Elysia Park Residence. This is despite a weak sentiment on property developments within the Iskander Malaysia region.

The Group foresees minimal risk in investing in Medini as the growth potential in Iskandar Malaysia is still generally strong. Any slowdown is anticipated to be short term in nature.

The Group is not proposing any dividend for financial year ended June 30, 2019 to conserve cash.

SUSTAINABILITY STATEMENT

BCB Berhad is pleased to present our Sustainability Statement that highlights the Company's sustainability plans and strategies as well as for its subsidiaries ("the Group") for the financial year reporting period of 1 July 2018 to 30 June 2019.

This report has been prepared in accordance to Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements on Global Reporting Initiative guidelines.

OUR COMMITMENT - "BUILDING COMMUNITIES AND BEYOND"

The Group's motto of "Building Communities and Beyond" means establishing beyond normal communities. In this regard, the Group endeavors to set up communities which are blessed on both the social as well as economic fronts. The Group has placed strong emphasis on good building designs and environmental features in all its projects. We believe that once this is in place, economic values will then come in naturally to benefit the community.

On the corporate front, it means creating values for the Group's stakeholders via the adoption of good corporate practice and governance as well as the deployment of skills, expertise and ideas within the Group in its daily operations.

Corporate Vision

To be a premier developer and to create values to all our stakeholders.

Corporate Mission

To not only sell a property but an "opportunity" to our buyers. This opportunity is derived from good location and design plus quality work finishes and will translate into economic gains to buyers as well as stakeholders.

Our Sustainability Objectives

1) To earn trust and respect
2) To create values for all our stakeholders
3) To build quality products
4) To create a safe and good working environment for our staff

Organization

The Group was listed in the main board of Bursa Malaysia in the year 1995. Since then, it has grown by leaps and bounds. It used to operate chiefly in Johor state but in the year 2010, it embarked on an ambitious journey to the Klang Valley. This move spurred the Group to go on a rebranding exercise in order to be noticed. Consequently, the Group managed to win numerous property awards (I Property, Starproperty, Property Insight etc) for its two main developments in the Klang Valley (Concerto and Home Tree) as well as its development in Medini, Johor Bahru (Elysia Park Residence).

These awards are a testament to its new employment of superior layouts, designs and quality works in its operations. The Group has incorporated its sustainability strategies into its business module and philosophy. It now conducts its business in a more ethical, responsible and sustainable manner. It also ensures that all its new projects and offices are designed / follow proper guidelines on sustainability issued by the various authorities.

The main business segments of the Group are:

i) Property development
ii) Construction
iii) Investment

Sustainability Business Model Strategy

The Group's business model is to always build what people need. Location and connectivity of its land bank is very important to the sustainability of the Group's future business.

To achieve economies of scale, the Group makes it a point to construct and source building materials on its own; if possible, in order to maximize profits.

On quality control, the Group has engaged a QLASSIC consultant to assess all its on-going projects.

Review of Operations

The full details of the Group's review of operations can be found under the Management Discussion and Analysis of this Annual Report.

Sustainability Statement
(cont'd)

Sustainability Governance and Structure

The Group acknowledges the importance of maintaining a sustainable corporate governance in this present challenging business environment. It has also identified material issues with respect to economic, environmental and social ("EES") risks and will strive to continuously incorporate new sustainability initiatives/ policies to improve business operations.

The sustainability governance structure is headed by the Board of Directors ("the Board"). Reporting to the Board will be the Sustainability Steering Committee ("SSC") which is represented by the Group Managing Director and other Executive Directors. The SSC is headed/chaired by an Executive Director. The SSC has a supervisory role over the Sustainability Working Committee ("SWC") which is headed by Head of departments and senior management.

Board of Directors

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Sustainability Steering Committee

↓

Sustainability Working Committee

Roles

i)	Board of Directors Oversees the Group's overall sustainability performance
ii)	Sustainability Steering Committee Presents approved sustainability policies/initiatives to Board Review mitigation plans for identified EES risk and other areas
iii)	Sustainability Working Committee Identify, monitor and manage EES risks in respective divisions Look into Safety, Health, Environmental and Quality issues

Assessing Identified Material Issues

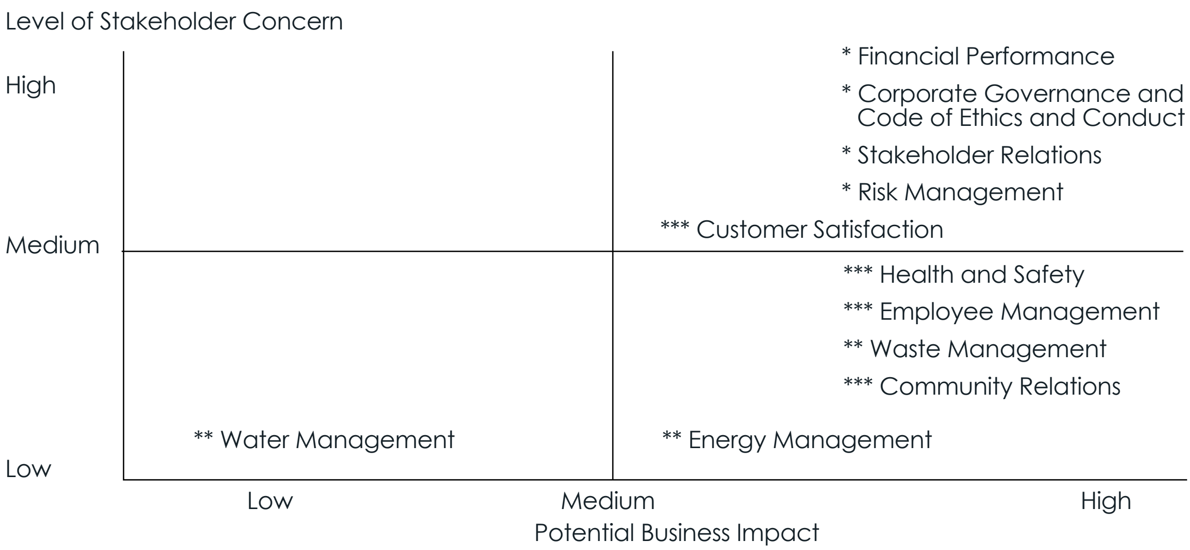
The Group strives to put in place an efficient risk management system to support the sustainability of its business. Our materiality issues assessing process involves 3 stages:

1) Identification
2) Ranking
3) Approval

Once a material issue which has an impact on the Group's business activity is identified, they are ranked after discussion between the SSC and SWC members. The SSC will then give approval before presenting it to the Board.

Materiality Matrix

The materiality matrix derived from our materiality assessment process is presented below:



Sustainability Statement
(cont'd)

Economic
* Financial Performance * Corporate Governance and Code of Ethics and Conduct * Stakeholder Relations * Risk Management

Environmental
** Waste Management ** Energy Management ** Water Management

Social
*** Employee Management *** Health and Safety *** Customer Satisfaction *** Community Relations

Based on the above matrix, the Group rate financial performance, good corporate governance, stakeholder relations, risk management and customer satisfaction as top priority material matters. However, these matrix are not cast in stone and shall be reviewed on a yearly basis by management.

A) Economic

Financial Performance

The Group aspires to churn out better financial results yearly via on-going exercises to clear inventories, regular building up of its land banks via purchases of strategically located lands and regular launching of new smaller scaled projects/ phases. We have also put in place systems and policies to enhance overall operational efficiencies.

As the economic environment has become challenging the past few years, the Group has not been able to reward its stakeholders via issuance of dividends in order to conserve cash. Nevertheless, the Group endeavors to reward its stakeholders when the time is right.

Corporate Governance and Code of Ethics and Conduct

The Group adheres to the governing principles of the Malaysian Code on Corporate Governance to govern its operations. It also strives to be transparent in its business dealings and at the same time adhere to other various policies or standard operating procedures already put in place. Management is also guided by an internal limit of authority set for its operations. Many of these policies can be found in the CG report in this Annual Report.

The Group also adheres to a Code of Ethics and Conduct to preserve its business integrity and accountability. This code of Ethics and Conduct is relayed to its staff via internal memos, meetings etc.

Stakeholder Relations

In the course of its business, the Group has to interact and engage with various stakeholders. The Group values all its stakeholders and believes in partnership and collaboration with them to achieve sustainability growth.

The Group categorizes its stakeholders in the following manner:

1) Customers
2) Employees
3) Shareholders
4) Suppliers, Consultants and Contractors
5) Regulator

Customers	Quality Issues	Feedback Sessions
Employees	Remuneration And Benefits	Staff Appraisals And Training
	Employee Satisfaction	Management Meetings And Interaction
	Work Environment	
Shareholders	Group Financial Performance	Annual General Meeting
	Corporate Governance	Annual Report
		Corporate Website
		Media Interviews

Customers	Quality Issues	Feedback Sessions
Suppliers, Consultants And Contractors	Payment Schedule	Negotiation / Re-Negotiation
	Pricing Of Products / Services	Open Tenders
	Transparency In Award	
Regulators	Various Statutory Compliance	Regular Meetings And Inspections
Stakeholder Group	Areas Of Concern	Engagement Method

- **Customers**

Customers are very important for the Group as they drive the Group's sales. As such, we have in place a customer – company relationship policy of addressing complaint issues, safety and security matters and feedbacks.

- **Employees**

The Group values its employees and strives to reward and motivate them. Consequently most of its employees are long serving with the Group.

- **Shareholders**

The Group owes a duty of care to its shareholders. Hence it has put in place proper reporting governance and policies. Interaction with them is via Annual General Meetings or the Media.

- **Suppliers, Consultants and Contractors**

The Group interacts with its various suppliers, consultants and contractors on a regular basis. Areas of concern are addressed while new awards are tendered in a transparent manner.

- **Regulators**

The Group's operations are regulated by various regulators/authorities. In this aspect, we hold regular dialogs and meetings with them.

Risk Management

The Group is cognizance of the fact that its business operations is not without risks. Nevertheless, it strives to manage all forms of risks by adhering to a risk management program. Details of it are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control in this Annual Report.

B) Environmental

Waste Management

The Group is aware that waste management is a major issue in the property development and construction industry. The Group strives to abide by the law and in this context liaises closely with the Department of Environment to dispose of its waste in a responsible and proper manner via the employment of legitimate waste disposal contractors licensed by the department.

Energy Management

The Group has an energy saving policy in place for all its offices, construction sites and shopping mall. In its shopping mall (U-Mall, Taman Pulai Utama, Johor Bahru), the Group has fitted energy savings lights in the common areas of the mall. As a result, energy consumption has fallen by around 30% the past financial year.

Most of the houses in its various new projects are now designed to let in more sunlight and air - with the intention of helping owners save on energy usage.

Water Management

The Group has a water saving policy in place for all its offices, construction sites and shopping mall. It has also incorporated a rain harvesting system into its Home Tree high-end landed development project in Kota Kemuning, Shah Alam, Selangor.

This system collects rain water from the roof and channels it into a separate water tank for later use in gardening and out-doors washing. The Group is currently in the process of implementing this rain harvesting system into some of its projects in Batu Pahat, Johor.

Sustainability Statement
(cont'd)

C) Social

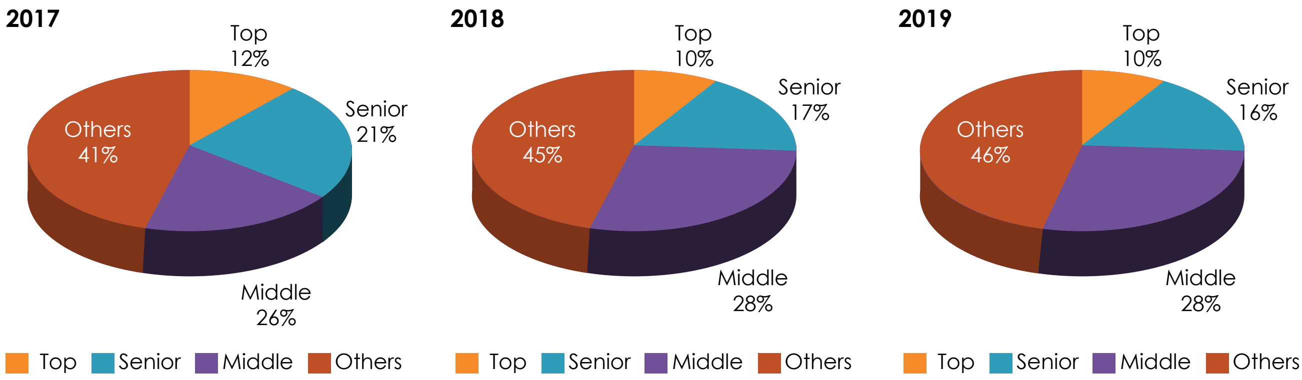
The Group is appreciative of its staff and the support received from the community. Thus, we believe in giving back to the community and in looking after our staff.

Employee Management

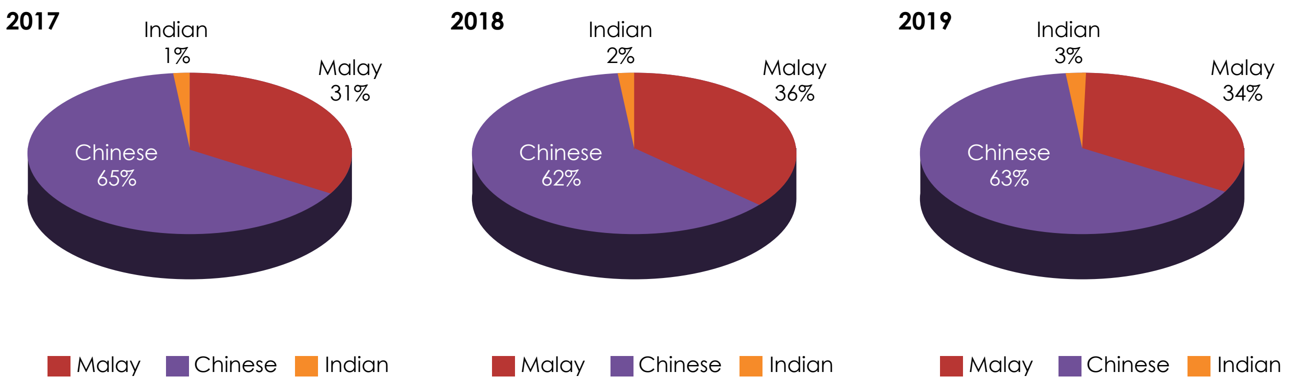
The Group believes its employees are the main driving force of its business.

- The Group believes its human resources are an important asset and hence, constantly invest in its employees by sending them for relevant training courses and workshops to upgrade their skills and knowledge.
- The Board has a diversity policy in place and its members are of both genders, various age groups, ethnicity, education background and experiences.
- There is also a yearly employee appraisal system in placed to motivate and reward its employees.
- The Group also ensures that its employees' health, welfare and safety are not compromised at the workplace. For the whole of financial year 2019, there has not been any mishap at the Group's various project sites.
- The Group also provides a harassment-free workplace regardless of race, sex and religion.

Employment Diversity in Term of Level



Employment Diversity in Term of Race



Sustainability Statement
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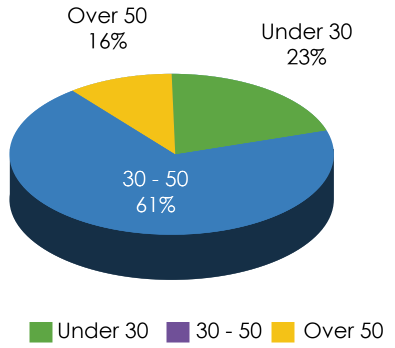
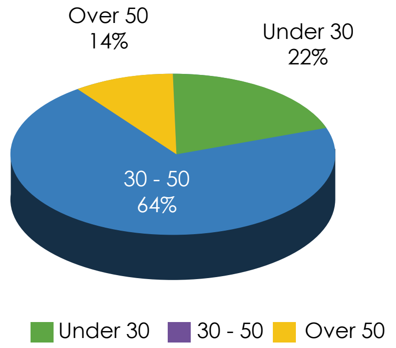
Employment Diversity in Term of Age

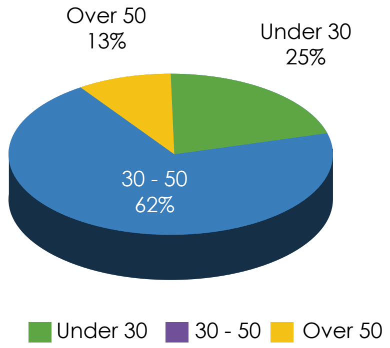
2017



2018

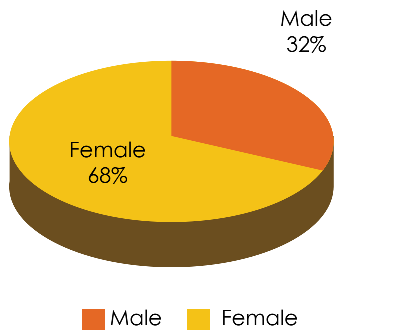


2019

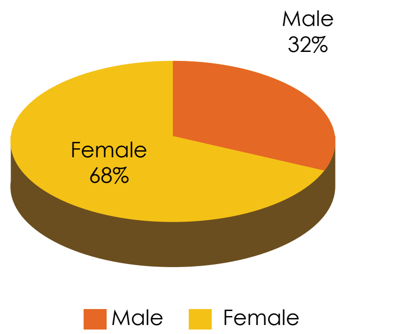


Employment Diversity in Term of Gender

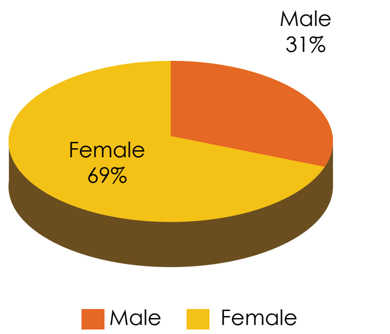
2017



2018



2019



Health and Safety

Health and safety is of paramount importance to the Group in view of the industry we are in. We have in place a Health and Safety policy to address issues of concern affecting both our staff as well as sub-contracted workers. All workers in our construction sites are required to wear safety gears (helmets, shoes, gloves etc) at all times. Regular fogging and pest control operations are also carried out at the construction sites.

During the financial year, the Group is glad to report no major accidents in any of its construction sites.

Customer Satisfaction

Customer satisfaction is very important for the Group. In this aspect, the Group strives to provide quality products to its customers. We have in place policies and processes to monitor, address and mitigate issues like building defects via the engagement of building quality assessment consultants on QLASSIC matters for all on-going projects.

Sustainability Statement
(cont'd)

Community Relations

The Group believes in giving back to the community.

- Over the years, the Group has heeded the Government's call to build more affordable housing for the people. This is reflected in its townships which are all mixed development in nature, thus catering to all income groups.

- The Group also looks after the welfare of its home buyers by ensuring all its projects such as its flagship townships of Taman Perdana, Evergreen Heights and Bandar Putera Indah have safety features, adequate greens, proper landscaping and spacious recreational parks with facilities for family recreation, interaction and relaxation.

- The Group has also "adopted" a 4.8 acres park, named Mahkota Park which is beside its 7.81 acres Elysia Park Residence project in Medini Iskandar Malaysia, Johor Bahru, Johor. As this park is hilly, the group has spent a lot of time and resources to beautify, landscape and maintain it. A jogging track was added all the way to the summit. At the summit is an arch (with 4 elephant tusks holding up a crown) in conjunction with HRH Sultan Ibrahim Ismail Ibni Almarhum Sultan Iskandar's coronation. This attraction on the summit of the park will encourage more members of the public to use it. HRH Sultan Ibrahim Ismail Ibni Almarhum Sultan Iskandar had on 7th August 2015 formally officiated the opening of Mahkota Park to members of the public.

  Maintenance of the park will be undertaken by the Group as part of its CSR program. To-date, the Group has spent more than RM5.0 million on construction and maintenance of the park.

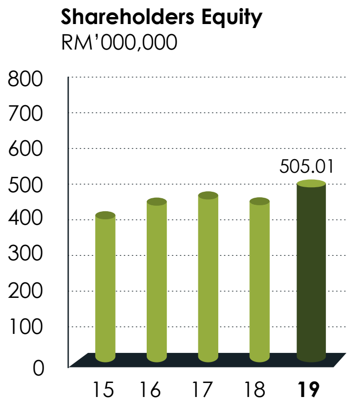
- During the year, the group made donations totaling about RM100,000.00 to various schools and charitable causes for sports, cultural and social welfare activities.

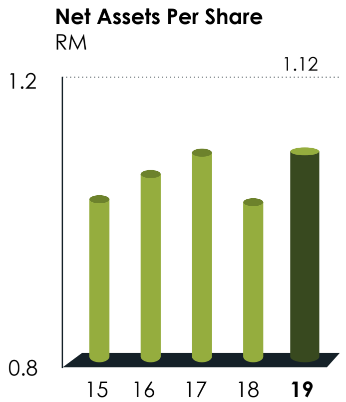
FIVE YEARS' FINANCIAL HIGHLIGHTS

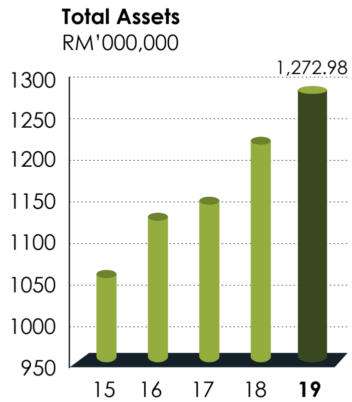
Consolidated Statement of Financial Position as at 30 June for the financial year

	2015 RM '000	2016 RM '000	2017 RM '000	2018 RM '000 (Restated)	2019 RM '000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(3,119)	(3,121)	(3,167)	(3,168)	(3,371)
Non-Distributable Shares	6,788	6,788	6,788	6,788	6,788
Retained Earnings	202,250	227,931	237,728	213,940	252,950
Non-Controlling Interests	12,821	11,789	13,034	24,429	42,394
Shareholders' Equity	424,990	449,637	460,633	448,239	505,011
Represented by:					
Property, Plant and Equipment	66,278	62,797	60,987	57,633	50,361
Investment Properties	22,879	61,693	60,580	57,859	57,775
Land Held for Development	83,149	142,620	119,375	254,188	337,664
Other Non-Current Assets	-	1,447	2,961	8,206	2,225
Current Assets	908,916	876,899	925,005	845,108	825,637
Current Liabilities	(451,240)	(384,385)	(444,425)	(540,636)	(529,748)
	457,676	492,514	480,580	304,472	295,889
Non Current Liabilities	(204,992)	(311,434)	(263,850)	(234,119)	(238,903)
	424,990	449,637	460,633	448,239	505,011
Total Assets	1,081,222	1,145,456	1,168,908	1,222,994	1,273,662
Number of Ordinary Shares of RM 0.50 in Issue ('000)	412,500	412,500	412,500	412,500	412,500
Net Assets Per Share (RM) *	1.03	1.09	1.12	1.03	1.12

* The Net Assets Per Share of the Group is calculated based on the net assets value at the balance sheet date divided by the number of ordinary shares in issue at the balance sheet date. The comparatives have been restated to account for subdivision of every one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each (Share Split Exercise) which was completed on 7 January 2016. Upon completion of the Share Split Exercise, the initial 206,250,000 ordinary shares of RM1.00 each were subdivided into 412,500,000 ordinary shares of RM0.50 each.







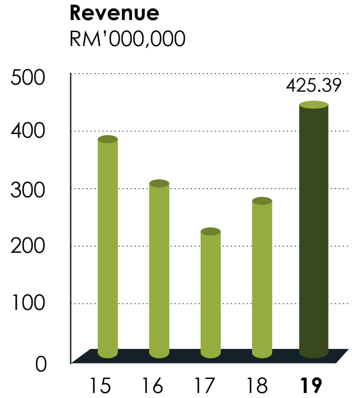
Five Years' Financial Highlights
(cont'd)

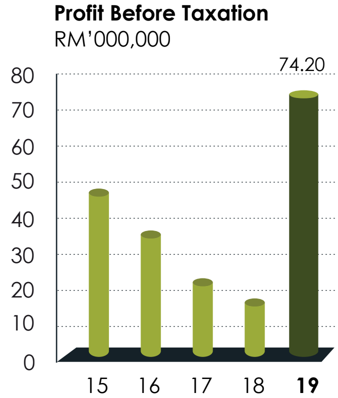
Consolidated Statements of Comprehensive Income as at 30 June for the financial year

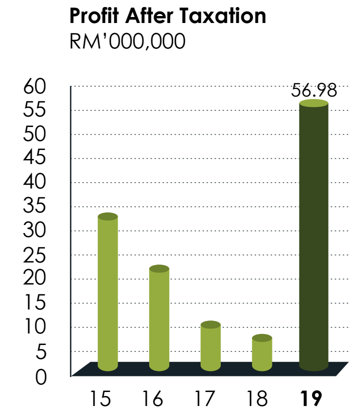
	2015 RM '000	2016 RM '000	2017 RM '000	2018 RM '000 (Restated)	2019 RM '000
Revenue	398,740	301,084	222,154	292,254	425,394
Profit Before Charging Depreciation and Interest Expenses	70,821	60,759	39,003	31,081	89,987
Depreciation	(3,232)	(3,457)	(3,428)	(3,250)	(2,923)
Interest Expenses	(19,471)	(19,381)	(14,525)	(14,019)	(12,866)
Profit Before Taxation	48,118	37,921	21,050	13,812	74,198
Taxation	(13,871)	(13,523)	(10,009)	(5,512)	(17,223)
Profit After taxation	34,247	24,398	11,041	8,300	56,975
Adjusted Weighted Average Number of Shares in Issue **	400,464	400,462	400,361	400,359	399,631
Basic EPS (sen) ***	8.47	6.41	2.45	1.72	9.76

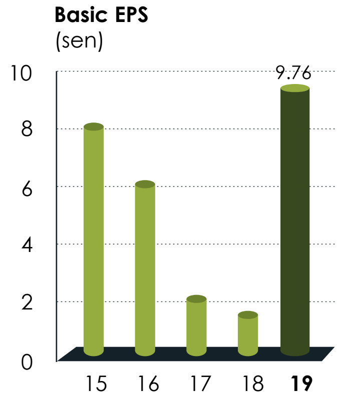
** The comparatives have been restated to account for the subdivision of every one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each (Share Split Exercise) which was completed on 7 January 2016.

*** The Basic Earning Per Share is arrived by dividing the Group's profit attritible to shareholders by the weighted average number of ordinary shares (Share Split Exercise) in issue during the financial year. The comparatives have been restated to account for the subdivision of every one (1) ordinary share of RM1.00 into two (2) ordinary share of RM0.50 each, which was completed on 7 January 2016.









CORPORATE INFORMATION

Board of Directors

Ash'ari Bin Ayub
Chairman
Independent Non-Executive Director

Tan Sri Dato' Tan Seng Leong
Group Managing Director

Tan Sri Datuk Seri Ismail Bin Yusof
Independent Non-Executive Director

Tan Lay Hiang
Executive Director

Tan Lindy
Executive Director

Tan Vin Sern
Executive Director

Low Kok Yung
Executive Director

Tan Kok Wee
Independent Non-Executive Director

Audit Committee

Tan Sri Datuk Seri Ismail Bin Yusof
Chairman

Ash'ari Bin Ayub
Member

Tan Kok Wee
Member

Nomination & Remuneration Committee

Tan Sri Datuk Seri Ismail Bin Yusof
Chairman

Ash'ari Bin Ayub
Member

Tan Kok Wee
Member

Company Secretaries

Ng Heng Hooi
(MAICSA No. 7048492)

Wong Mee Kiat
(MAICSA No. 7058813)

Auditors

BDO PLT
Chartered Accountants
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

Tel: 03-2616 2888
Fax: 03-2616 2970

Registered Office

No. 4B, 2nd & 3rd Floor, Jalan Sentol
South Wing - Kluang Parade
86000 Kluang, Johor Darul Tak'zim

Tel: 07-776 0089 (5 lines)
Fax: 07-772 0089

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

Tel: 03-2783 9299
Fax: 03-2783 9222

Principal Bankers

Malayan Banking Berhad

United Overseas Bank
(Malaysia) Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Stock Number: BCB 6602

Corporate Website

www.bcbbhd.com.my

CORPORATE STRUCTURE

Building Communities & Beyond

BCB BERHAD (172003-W)

Investment holding, property development and hotel operations

PROPERTY

100%
Johbase Development Sdn Bhd
Property development and letting of properties

100%
BCB Land Sdn Bhd
Property development

100%
BCB Resources Sdn Bhd
Property development

100%
BCB Management Sdn Bhd
Project management services

70%
BCB Development Sdn Bhd
Property development and letting of properties

100%
Total Builder Generation Sdn Bhd
Engaged in the business of general construction

86.6%
Global Earnest Sdn Bhd
Property development and letting of properties

60%
BCB Heights Sdn Bhd
Property development

75%
BCB Medini Development Sdn Bhd
Property development

100%
BCB Medini Residences Sdn Bhd
Property development and investment

100%
BCB Ventures Sdn Bhd
Property development and investment

CONSTRUCTION

100%
BCB Construction Sdn Bhd
Project construction services and property investment

100%
BCB Concrete Sdn Bhd
Manufacturing of concrete products

100%
BCB Road Builder Sdn Bhd
Road construction services

100%
BCB Trading Sdn Bhd
Trading of building materials

OTHERS

100%
Golden Power Construction Sdn Bhd

BOARD OF DIRECTORS' PROFILE

ASH'ARI BIN AYUB

Chairman / Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Ash'ari Bin Ayub, male, aged 77, a Malaysian, was appointed to the Board on 16 May 2001. He passed the professional examination of the Malaysian Association of Certified Public Accountants on 24 June 1967. He is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). He started his career with Coopers Brothers & Co in 1961 and served until 1970. Thereafter, he joined various organizations in government and private sector. He was a Senior Partner of Coopers & Lybrand, Kuala Lumpur (now known as PricewaterhouseCoopers) from 1974 to 1994. He also holds non-executive directorships in Globaltec Formation Berhad and Metrod Holdings Berhad.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2019.

TAN SRI DATO' TAN SENG LEONG

Group Managing Director
Key Senior Management

Tan Sri Dato' Tan Seng Leong, male, aged 63, a Malaysian, was appointed to the Board on 9 November 1988. He is the founder of BCB as well as the Group Managing Director. He oversees the Group's operation and is hands on. He is an entrepreneur with considerable experience in the property development industry. He obtained his Diploma in Building Construction and Management (London) and Master of Business Administration in 1981 and 1992 respectively. In 1995, he obtained his Fellowship of International Institute of Business Management and Member of Institute of Management (United Kingdom). He was conferred a PhD in Property Development and Management (U.S.A.) in 1996.

He is also a director of BCB's subsidiaries and several private companies. He is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2019.

TAN SRI DATUK SERI ISMAIL BIN YUSOF

Independent Non-Executive Director
Chairman of Audit Committee
Chairman of Nomination and Remuneration Committee

Tan Sri Datuk Seri Ismail Bin Yusof, male, aged 75, a Malaysian, was appointed to the Board on 14 July 1998. He holds a Bachelor of Arts (Hons) from University of Malaya in 1967 and served in various capacities with the Government from 1967 to 1991. He was previously the Secretary of The Federal Territory Development Division in the Prime Minister's Department. Currently, he is a member of the Board of Trustees and the Executive Vice-Chairman of the Albukhary Foundation. He also holds non-executive directorships in Minho (M) Berhad and South Malaysia Industries Berhad.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2019.

TAN LAY HIANG

Executive Director
Key Senior Management

Tan Lay Hiang, female, aged 52, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales and marketing aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property development firms in Kluang. She also holds directorships in BCB's subsidiaries.

She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2019.

Board of Directors' Profile
(cont'd)

TAN LINDY
Executive Director
Key Senior Management

Tan Lindy, female, aged 35, a Malaysian, was appointed to the Board on 22 May 2008 and is responsible for the Group's property development projects. She holds a Bachelor of Commerce from University of Melbourne, Australia. She also holds directorships in BCB's subsidiaries.

She is deemed in conflict of interest with the Company by virtue of her interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2019.

TAN VIN SERN
Executive Director
Key Senior Management

Tan Vin Sern, male, aged 36, a Malaysian, was appointed to the Board on 25 May 2010 and is responsible for the Group's property development projects. He holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. He is a member of the Malaysian Institute of Accountants (MIA) and CPA, Australia. He also holds directorships in BCB's subsidiaries.

He is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

He attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2019.

LOW KOK YUNG
Executive Director
Key Senior Management

Low Kok Yung, male, aged 50, a Malaysian, was appointed to the Board on 1 February 2013 and he oversees the Group's financial matters. Prior to his appointment as Executive Director of BCB, he was the Group's Financial Controller. He graduated from Newcastle University, Australia with a Bachelor of Commerce degree (majoring in Accounting). He is a member of the Malaysian Institute of Accountants (MIA) and CPA, Australia. He has more than 25 years of experience in the accounting field. He also holds directorships in BCB's subsidiaries.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2019.

TAN KOK WEE
Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Tan Kok Wee, male, aged 43, a Malaysian, was appointed to the Board on 18 October 2018. He graduated from LaTrobe University, Australia with a Bachelor of Economics (Banking & Finance). He has also obtained a Postgraduate Diploma in Finance from University of Melbourne, Australia and Masters of Business (Banking & Finance) from Monash University, Australia.

He started his career with Fu Tai Umbrella Industries Sdn Bhd from 2000 to 2002 as a Financial Analyst. Thereafter, he joined OSK Securities Berhad as Business Development Executive until 2003, where he was exposed to various corporate finance assignments. Between 2003 to 2007, he was a Business Analyst at YanFull (Shanghai) Co. Ltd., a subsidiary of Golden Plus Holdings Berhad where he was involved in project management related to real estate housing development. He became director of Venture Consulting Pte. Ltd., a consulting firm providing accounting, corporate secretarial and tax services since 2007 until todate. He is also a Director of Singflux Technology Pte Ltd since 2014, a company that deals in waste recycling.

He attended three (3) of three (3) Board Meetings held in the financial year ended 30 June 2019.

Notes:-
1. Tan Sri Dato' Tan Seng Leong and Tan Lay Hiang are siblings.
2. Tan Lindy and Tan Vin Sern are children of Tan Sri Dato' Tan Seng Leong.
3. Except as disclosed above, none of the other Directors has any family relationship with any Directors and / or major shareholders of the Company.
4. Except as disclosed above, none of the Directors hold any directorships in other public companies.
5. None of the Directors have any conflict of interest with the Company.
6. None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
7. None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE

TAN KIAN WHOO
Group Chief Financial Officer

Tan Kian Whoo, male, aged 43, a Malaysian, was appointed by the Company as Group Chief Financial Officer on 21 October 2019. He graduated from the University of Technology Sydney, Australia with a Bachelor Degree in Accounting and Finance. He holds a professional qualification as a Certified Practising Accountant (CPA), Australia and is also a member of the Malaysian Institute of Accountants (MIA).

He began his career with Ernst & Young as an external auditor in year 2000 and subsequently joined the property development industry in year 2006. Prior to his appointment, he has held various senior finance positions in others public listed companies in Malaysia. He has more than 19 years of experience in the finance sector.

He does not hold any directorship in any public companies. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company. He has not been convicted for offences within the past 5 years other than traffic offences and does not have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the report of the Audit Committee ("AC") for the financial year ended 30 June 2019.

MEMBERS

During the financial year 2019, the AC comprised of three (3) members, all of who are independent non-executive directors. The AC comprised of the following members:-

Chairman	:	Tan Sri Datuk Seri Ismail Bin Yusof (Independent Non-Executive Director)
Members	:	Ash'ari Bin Ayub (Independent Non-Executive Director)
		Tan Kok Wee (Independent Non-Executive Director)

AUDIT COMMITTEE MEETINGS

The AC held five (5) meetings during the financial year ended 30 June 2019. Details of the attendance of the meeting by the Committee Members are set out in the Corporate Governance Overview Statement.

ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

During the financial year, the activities of the AC included:

(i.) reviewed the internal auditors' audit plan and programme for the year;

(ii.) reviewed the internal audit plan, internal audit report and follow up report on the Group operations;

(iii.) reviewed the external auditors' scope of work and audit plan for the financial year ended 30 June 2019;

(iv.) reviewed the external auditors' reports, management letter and management's response;

(v.) considered the re-appointment of the external auditors and make recommendation to the Board for approval;

(vi.) reviewed the unaudited quarterly financial statements and the audited financial statements of the Company and the Group, upon being satisfied that inter alia, the financial reporting and the disclosure requirements of the relevant authorities had been complied with;

(vii.) reviewed the related party transactions of a revenue or trading nature, and conflict of interest situation that may arise within the Group;

(viii.) reviewed the proposal on renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature;

(ix.) reviewed the Company's compliance, in particular the quarterly and year end financial statements with the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board;

(x.) reviewed the Audit Committee Report for inclusion in the Annual Report; and

(xi.) reviewed the report on the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

Audit Committee Report
(cont'd)

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Messrs. ShineWing TY TEOH Risk & Governance Sdn Bhd ("TYT"). Its principal responsibility is to provide independent assurance to, and assist, the Board in discharging its duties and responsibilities.

The annual internal audit plan is reviewed and approved by the Committee at the beginning of each financial year prior to their execution. TYT performs routine audit on and reviews all operating business units within the Group, with emphasis on principal risk areas. The audit adopts a risk-based approach towards planning and conduct of audits, guided by the risk management framework adopted.

The Committee is to:

- review the adequacy of the scope, functions and resources of internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programmes; and
- consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit functions.

Three (3) internal audit assignments were completed during the financial year on three (3) areas of the Group; namely

(i.) Property Division (Versis Medini) – contract award and progress claim (main contractor)
(ii.) Construction Division (Versis Kluang) – contract award and progress claim (sub contractor)
(iii.) Property Division (U-Mall, Johor Bahru) – tenancy management, rental billing and rental collection

In addition to that, the Internal Audit will also be reviewing procedures for the recurrent related party transactions.

Internal audit reports were issued to the AC and the Board and tabled at the AC's meetings. The Audit reports incorporated TYT's findings, recommendations for improvements and follow-up on the implementation of the recommendations and Management's improvement actions.

During the year, the costs incurred for the internal audit function was RM75,000.00.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of BCB Berhad ("Board") is committed to the implementation and maintenance of good corporate governance practices and procedures throughout the Group.

This statement sets out the principles of good corporate governance practiced by the Group and the extent to which the Group applied with the principles and standards of governance and behavior recommended in the Malaysia Code on Corporate Governance ("Code") throughout the financial year ended 30 June 2019.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Functions reserved for the Board and those delegated to Management

The Board has full and effective control over the business undertakings of the Company subject to the powers reserved for shareholders under the Company's Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and other applicable laws. This includes responsibility for determining the Company's overall strategic direction as well as the approval of annual and interim results, specific items of investments and divestments, as well as the risk management framework and internal control policies and procedures for the Company.

The Managing Director is responsible for matters which are not specifically reserved for the Board or delegated to the Board committees such as the day-to-day management of the operations of the Company.

Roles and responsibilities

The Board's role and responsibilities are set out in the Company's Board Charter. The Board is led by the Chairman/ Group Managing Director and is supported by its Board Members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group.

The Board, in discharging its fiduciary and leadership functions, has overall responsibility for the Group strategic planning and direction, corporate policies formulation, as well overseeing the Company's business conduct and ethnics, corporate governance, investor relations, risk management and internal controls.

In carrying out its responsibilities, the Board has established dedicated Board Committees and functions, and conducts respective reviews. The Board ensures the senior management is of sufficient calibre to implement Board's strategies and corporate objectives, promote sustainability and safeguard the interest of the stakeholders of the Group.

While the day-to-day management of the operations of the Company is delegated to the Managing Director, the Board retains effective control over important policies and processes covering areas such as internal controls, risk management and the remuneration of executives and employees of the Company.

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC"). The terms of reference of Board Committees detailing the responsibilities of each Committee and how they exercise their authority.

There is a clear division of responsibility between the Chairman and Managing Director to ensure a balance of power and authority. The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Managing Director is responsible for the day-to-day running of the businesses of the Group and to develop and implement strategies.

Roles of the Company Secretaries

The Company Secretaries play an advisory role to the Board in relation to the Company's compliances to relevant regulatory requirements, guidelines and legislation and are capable of carrying out their duties efficiently to ensure the effective functioning of the Board.

Corporate Governance Overview Statement
(cont'd)

The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

Access to information and advice

Each Board member receives quarterly operating results, including a comprehensive review and analysis. Prior to each Board meeting, Directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be sufficiently briefed before the meeting.

Directors have access to all information within the Company whether as full Board or in their individual capacity, in furtherance of their duties. Directors also have direct access to the advice and the services of internal and external legal advisers and the Company Secretaries who are responsible for ensuring that Board procedures are followed.

Formalise and review Board Charter

The Board has adopted a Board Charter which sets out the functions that are reserved for the Board. The Board Charter is available on the Company's website. The Board Charter is subject to an annual review and more frequently, if required, due to a change of law or of company policy that affects the Board Charter.

Code of Conduct

The Group's Codes of Conduct and Ethics govern the standards of conduct and behaviour expected from the Directors and the employees in all aspects of the Group's operations. To ensure its compliance with the Code of Conduct and Ethics, the Board and the Senior Management will ensure all level of officers are properly communicated and informed through emails, notice board or corporate website.

Whistle Blowing Policy

The Group has in place a Whistle Blowing Policy that sets out avenues where legitimate concerns can be objectively investigated and addressed. Employees of the Group are able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

Composition of the Board

The Board currently comprises eight (8) members, of whom three (3) are Independent Non-Executive Directors. The Board has within its members drawn from varied backgrounds, bringing in-depth and diversity in experience and perspectives to the Group's business operations. The Directors' profiles are set out under the section of Profile of Directors contained in this Annual Report.

One-third of the Board comprises Independent Directors as required by the Listing Requirements. The Company recognises the contribution of Independent Directors as vital to the development of the Company's strategies, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. All Independent Directors are independent of management and free from any relationship that could interfere with their independent judgement.

Tenure of Independent Directors

The Company has implemented a cumulative nine (9) years term limit for Independent Directors. The Board has adopted Practice 4.2 of the Code to seek shareholders' approval in the event the Board desires to retain as an independent director, a person who has served in that capacity for more than nine (9) years. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board shall seek shareholders' approval annually through a two (2) tier voting process.

Corporate Governance Overview Statement
(cont'd)

Following an assessment by the NRC and the Board, Tan Sri Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years as at the end of the financial year under review, have been recommended by the Board to continue to act as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, based on the following justifications:-

- They fulfil the criteria under definition on independent director as stated in the Listing Requirements; and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board;
- Their experiences in the financial and other relevant sections enable them to provide the Board and Board Committees with pertinent expertise, skills and competence; and
- They have been with the Company for more than 12 years and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Board and Board Committee meetings.

Appointments to the Board

Candidates for appointment to the Board and Senior Management are selected after taking into consideration the mix of skills, experience and strength that would be relevant for the effective discharge of the Board's responsibilities. For appointment as Director, potential candidates are first evaluated by the NRC and, if recommended by the NRC, subsequently, by the Board based on their respective profiles as well as their character, integrity, professionalism, independence and their ability to commit sufficient time and energy to the Company's matters. Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the existing Directors, management, major shareholders or independent sources.

Gender Diversity Policy

The Board acknowledges the recommendations of the Code on the establishment of a gender diversity policy. There is no plan by the Board to implement a gender diversity policy or target, as the Board adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. This includes the selection of Board members. The Company believes in, and provides equal opportunity to candidates with merit.

The Board is of the view that the suitability of a candidate for the Board is dependent on the candidate's competency, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender.

Currently, there are two (2) female Directors which represents 25% of the Board composition.

Annual Assessment

The NRC annually reviews the size and composition of the Board and the Board Committees in order to ensure the Board and the Board Committees have the requisite competencies and capacity to effectively oversee the overall business and carry out their respective responsibilities. The NRC uses the Board and Board Committee Evaluation Form comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with management and stakeholders and board engagement.

To assess the independence of the Independent Directors, each of the Independent Directors annually provides the NRC with their Self-Assessment Independence Checklist.

During the financial year, the NRC convened three (3) meeting with full attendance of its members and carried out the following activities:-

(i) Reviewed and recommended the re-election of Members of the Board who are retiring at the AGM for shareholders' approval, pursuant to the Constitution of the Company;
(ii) Assessed the annual effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual director, including independent non-executive directors;
(iii) Assessed the independence of independent directors and recommended their retention; and
(iv) Reviewed the remuneration package of the Executive Directors.

Meetings and Time Commitment

The Board usually meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, strategic decisions, business plan and strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules. The Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings.

The record of the Directors' attendance at Board Meeting for the financial year ended 30 June 2019 is contained in the table below:-

Name of Director	Board Meeting	AC Meeting	NRC Meeting
Ash'ari Bin Ayub	5/5	5/5	3/3
Tan Sri Dato' Tan Seng Leong	5/5	-	-
Tan Sri Datuk Seri Ismail Bin Yusof	5/5	5/5	3/3
Tan Lay Hiang	4/5	-	-
Tan Vin Sern	4/5	-	-
Tan Lindy	4/5	-	-
Low Kok Yung	5/5	-	-
Tan Kok Wee *	3/3	3/3	1/1

* *appointed as Director on 18 October 2018*

Directors' Training

The Directors also made time to attend appropriate external training programs to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the Listing Requirements, the details of which are set out below:

Director	Course Name	Date	Organizer
Ash'ari Bin Ayub	MIA International Accountants Conference 2018	9 & 10.10.2018	MIA
	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA
Tan Sri Dato' Tan Seng Leong	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA

Corporate Governance Overview Statement
(cont'd)

Director	Course Name	Date	Organizer
Tan Sri Datuk Seri Ismail Bin Yusof	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA
Tan Lay Hiang	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA
Tan Vin Sern	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA
Tan Lindy	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA
Low Kok Yung	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA
Tan Kok Wee	Mandatory Accreditation Programme (MAP)	14 & 15.01.2019	The Iclif Leadership and Governance Centre
	Sustainability Reporting, Sustainability Reporting Guide & The 6 Sustainability Reporting Toolkits Under Bursa's Listing Requirements – The Intricacies of Sustainability Reporting & Developing a Sustainability Framework	22.04.2019	MAICSA

Remuneration Policy

The Company has established a formal Remuneration Policy and Procedures for Directors and Senior Management.

Remuneration Policies and Procedures

The NRC is responsible for implementing remuneration policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Corporate Governance Overview Statement
(cont'd)

In setting the basic salary for each Executive Director, the NRC takes into account the compensation practices of other companies and the performance of each individual director. Salaries are reviewed (although not necessarily increased) annually depending on the category of employment. Salaries are increased only where the Committee believes that adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.

The Board determines fees payable to all Directors subject to the approval of shareholders at each Annual General Meeting. The non-executive members of the Board receive a fixed base fee as consideration for their Board duties.

The remuneration of the Board is determined on the basis of standards in the market and reflects demands to the expected competencies and efforts in light of the scope of their work and the number of board and board committee meetings.

Remuneration of Directors and Senior Management

The details of the Directors' remuneration of the Company for the financial year ended 30 June 2019 is as follows:

Company

	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Benefits[1] (RM)	Total (RM)
Executive Directors					
Tan Sri Dato' Tan Seng Leong	651,000.00	162,750.00	-	-	813,750.00
Tan Lay Hiang	163,398.50	13,500.00	-	-	176,898.50
Tan Vin Sern	126,000.00	10,500.00	-	-	136,500.00
Tan Lindy	360,000.00	30,000.00	-	-	390,000.00
Low Kok Yung	126,000.00	10,500.00	-	-	136,500.00
Non-Executive Directors					
Ash'ari Bin Ayub	-	-	76,000.00	6,500.00	82,500.00
Tan Sri Datuk Seri Ismail Bin Yusof	-	-	48,000.00	6,500.00	54,500.00
Abd Manap Bin Hussain #	-	-	8,000.00	-	8,000.00
Tan Kok Wee *	-	-	34,000.00	3,500.00	37,500.00

Group

	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Benefits[1] (RM)	Total (RM)
Executive Directors					
Tan Sri Dato' Tan Seng Leong	3,000,000.00	702,500.00	-	-	3,702,500.00
Tan Lay Hiang	363,107.77	30,000.00	-	-	393,107.77
Tan Vin Sern	660,000.00	92,500.00	-	-	752,500.00
Tan Lindy	486,000.00	50,000.00	-	-	536,000.00
Low Kok Yung	360,000.00	30,000.00	-	-	390,000.00
Non-Executive Directors					
Ash'ari Bin Ayub	-	-	76,000.00	6,500.00	82,500.00
Tan Sri Datuk Seri Ismail Bin Yusof	-	-	48,000.00	6,500.00	54,500.00
Abd Manap Bin Hussain #	-	-	8,000.00	-	8,000.00
Tan Kok Wee *	-	-	34,000.00	3,500.00	37,500.00

* *appointed as Director on 18 October 2018*
\# *deceased on 25 August 2018*
[1] *Other benefits include meeting allowance, car and driver allowances and medical insurance coverage.*

Corporate Governance Overview Statement
(cont'd)

The Board has chosen to disclose the remuneration of the top five (5) senior management personnel in bands instead of named basis as the Board is of the opinion that disclosure of the senior management personnel names and the various remuneration component would not be in the best interest of the Group due to confidentiality and sensitivity of each remuneration package.

The number of top five (5) senior management's remuneration for the financial year ended 30 June 2019 is as follows:-

Range of Remuneration	Number of Senior Management Staff
RM50,000 – RM500,000	2
RM500,001 – RM1,000,000	2
RM1,000,001 – RM3,800,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee Composition and Chairman

The AC consist of three (3) Independent Non-Executive Directors. The Chairman of the AC is Tan Sri Datuk Seri Ismail Bin Yusof whilst the Chairman of the Board is En. Ash'ari Bin Ayub. Having the position of Board Chairman and AC Chairman assumed by different individuals allows the Board to objectively review the AC's findings and recommendations.

Policy on appointment of a former key audit partner as AC member

The Company has incorporated a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the AC. The policy is codified in the AC's terms of reference.

Suitability, Objectivity and Independence of External Auditors

The Board through the AC, maintains a formal and transparent professional relationship with the External Auditors, Messrs. BDO PLT. The appointment of External Auditors is recommended by the AC which determines the remuneration of the External Auditors. The AC reviews the performance, suitability, independence and objectivity of the External Auditors annually before recommending them for re-appointment at the Annual General Meeting.

The AC also reviews the nature and fees of non-audit services provided by the External Auditors in assessing their independence. In accordance with the MIA By-Laws, BDO PLT rotates its engaging partner once every 5 years to ensure objectivity, independence and integrity of the audit opinions.

The External Auditors also gave their assurance confirming their independence and objectivity throughout the conduct of the audit engagement and the internal processes undertaken by them to determine their independence.

All AC members are financially literate

All members of the AC are financially literate and are able to understand matters under the purview of the AC including financial reporting process. The Committee members possess the necessary qualification, knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.

Corporate Governance Overview Statement
(cont'd)

Risk Management and Internal Control Framework

The Board has established policies and procedures for the oversight and management of material business and financial risks as well as the monitoring of the internal controls that are in place.

The risk management policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of the businesses of the Group. The risks covered in the procedures and reviewed by the internal audit group include operational, market (both business and finance risks), legal and credit risks. The Management and the Board also carry out a regular review of political, regulatory and economic risks in line with the Board's oversight of the strategic direction and position of the Group within the marketplace it operates.

Internal Audit Function

The Group's internal audit function is outsourced to a professional service firm, Messrs. ShineWing TY TEOH Risk Governance Sdn Bhd. The internal auditors perform its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.

The internal audit reports are presented to the AC for its review and deliberation. The AC will be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the AC to ensure independency.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company. Such information is available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's website.

Conduct of General Meeting

The AGM provides the principal platform for dialogue and interactions with the shareholders. At every meeting, the Managing Director sets out the performance of the Group for the financial year then ended. Question and Answer session will then be convened wherein the Directors and the External Auditors will be available to answer to the queries raised by the shareholders.

The Thirtieth AGM of the Company was held on 5 December 2018 while the Notice of Thirtieth AGM of the Company was issued on 31 October 2018. The Notice of AGM was served more than a month, well in advance of the 21-days requirement under the Companies Act 2016. The Notice of general meeting also provides further explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

Leverage Technology to facilitate voting and remote shareholders participation

Shareholders will be provided with the sufficient notices of general meetings and accompanying explanatory material such as notes, Annual Report and/or Circular to make arrangements to attend the general meetings and exercise their rights. Shareholders are encouraged to appoint proxy/proxies to vote on their behalf if they are unable to attend the meeting.

The Company's Thirty-First AGM will be held at Four Seasons Ruili Hotel in the city of Kluang. This venue is easily accessible and it is familiar to most shareholders of the Company since past AGMs were held at the same venue.

The Company will explore the leverage of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company where circumstances permit.

This Corporate Governance Overview Statement was approved by the Board of Directors on 16 October 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2017 requires listed Companies to maintain a sound risk management and system of internal controls in its business operations to safeguard shareholders' investments and the Group's assets.

This statement is prepared in accordance with the requirement under Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements") and is guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers". The Board of Directors ("the Board") of BCB Berhad is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its corporate and business objectives.

RESPONSIBILITIES

The Board

The Board has overall responsibility for overseeing the Group's internal control and risk management systems and for reviewing their adequacy and effectiveness. This process lends support to the role of management in implementing the various policies on risk and control, which have been approved by the Board. Due to limitations that are inherent in any system of internal controls, these systems are designed to manage and mitigate, rather than eliminate, the respective inherent risks that exist in achieving the Group's business objectives. Therefore, such systems of internal controls and risk management can only provide reasonable and not absolute assurance against material misstatement or loss.

Management

The Management is responsible in implementing the process to identify, assess, evaluate, monitor and reporting of risk and the effectiveness of the internal control system. Any identified risk which is material will be communicated to the Board together with an action plan to manage the risk.

RISK MANAGEMENT FRAMEWORK

The Group has in place an on-going process for identifying, assessing, evaluating and monitoring and reporting significant risks for the financial year under review and up to the date of approval of the Annual Report and financial statements. The Board has delegated its authority to the Audit Committee to review and determine the levels of different categories of risk; while Management and Heads of Divisions are delegated the responsibility to manage risks related to their respective division units. The process requires the Management and Division Heads to comprehensively identify and assess the relevant types of risks in terms of likelihood and magnitude of impact, as well as to identify and evaluate the adequacy and effectiveness of applying the mechanisms in place to manage and mitigate these risks. Key risks relating to the Group's operations are deliberated at the business units' and Company's monthly meetings attended by key management personnel and significant risks are communicated to the Board at their scheduled meetings.

Types of Significant Risks	Risk Management Approach
i) Poor workmanship	The Group has engaged a QLASSIC consultant to do regular quality control audits in all its on-going projects.
ii) Non-performing consultants/contractors	The Group has a structured process to continually monitor them.
iii) Slow Sales	ie. For high-end Bungalows at its Kota Kemuning Home Tree phase 2 project in the Klang Valley, the Group has taken steps to meet customers' needs and for ease of customers end-financing loan applications by re-designing its layout to incorporate more semi-D houses.
iv) Ineffective Sales and Marketing plans	The Group will engage/out-source to reputable marketing agents for certain projects with such issues.

Statement on Risk Management and Internal Control (cont'd)

The Audit Committee also has oversight on ensuring compliance with applicable laws, the Listing Requirements, terms and conditions of contracts to which the Group is a party and the conditions of business licenses held by the Group.

The Management is responsible for creating an awareness culture to ensure greater understanding of the importance of effective internal control and risk management systems and that its principles are embedded in key operational processes. This is undertaken through the Group's Code of Conduct, procedures and policies manuals, staff briefings, leadership by example and the Group's remuneration policies.

In light of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued on 31 December 2012, the Board will re-evaluate the existing risk management practices to ensure that it is appropriate and continues to remain relevant to the Group's requirements.

INTERNAL AUDIT FUNCTION

The Audit Committee evaluates the effectiveness of the internal auditor in relation to their defined responsibilities. The independent internal audit function is outsourced to a professional internal audit firm which carries out the internal audit reviews based on internal audit plans approved by the Audit Committee and consequentially, the Board of Directors. The internal audit plans are designed using a risk-based approach, based on the risks identified and assessed by the Management. The results of the audits are presented to the Audit Committee at their quarterly meetings.

Follow up reviews are also carried out to assess the status of implementation of management action plans, which are based on internal audit recommendations. The results of these follow up reviews are also highlighted to the Audit Committee at their quarterly meetings. A total of three internal audit reviews were carried out by the independent internal audit firm for the financial year ended 30 June 2019.

OTHER KEY FEATURES OF THE INTERNAL CONTROLS

1. The Group's risk management principles and procedures are clearly documented. The Group's management operates a risk management process that identifies the key risks faced by the Group.

2. There is a comprehensive budgeting and forecasting system in place that is governed by the policies and guidelines of the Group. The financial results of the various business lines of the Group are reported monthly in the management reports where variances are analysed against respective budget and acted on in a timely manner. Where necessary, budgets are revised, taking into account any changes in business conditions.

3. The Group's Internal Auditors, reporting to the Audit Committee, performs reviews according to approved internal audit plan of business processes against documented and approved policies to assess the overall continuing effectiveness of internal controls and highlight any significant deviation fromthese policies that might enhance risks faced by the Group. The Audit Committee conducts annual reviews on the adequacy of the internal audit function's scope of work and resources.

4. The Audit Committee, on behalf of the Board, reviews and holds discussions with management according to approved internal audit plan on the action taken on internal control issues identified in reports prepared by the Internal Auditors, the External Auditors and the Management.

5. There is a clearly defined framework for appraising significant transactions that involve commitment of the Group's assets, such as the acquisition and disposal of any business, acceptance of projects, capital expenditure and approval of borrowings. Post implementation reviews are conducted and reported to the Board.

6. Policies and standard operating procedures and policies manuals are available physically and in soft copy to all employees and these also include the Group's reporting hierarchy.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 30 June 2019. Their review is performed in accordance with Audit Assurance and Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. The external auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the risk management and internal control system of the Group.

AAPG 3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

The Board has received assurance from the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Company.

The Board is of the view that the risk management and internal control system are operating satisfactorily and has not resulted in any significant breakdown or weaknesses that would cause any material loss to the Group for the financial year ended 30 June 2019.

This statement was made in accordance with a resolution of the Board of directors passed on 16 October 2019.

FINANCIAL STATEMENTS

BCB 30

30 YEARS AND BEYOND

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and hotel operations. The principal activities and the details of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities for the Group and the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	56,975,185	1,430,394
Attributable to:		
Owners of the parent	39,012,759	1,430,394
Non-controlling interests	17,962,426	-
	56,975,185	1,430,394

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in Note 8(e) to the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no new shares or debentures issued during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 728,000 (2018: 2,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM203,320 (2018: RM890). The average price paid for the shares repurchased was RM0.28 (2018: RM0.45) per share. Details of the treasury shares are set out in Note 13 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Tan Seng Leong*
Tan Lay Hiang*
Tan Lindy*
Ash'ari Bin Ayub
Tan Sri Datuk Seri Ismail Bin Yusof
Tan Vin Sern*
Low Kok Yung*
Tan Kok Wee (appointed on 18 October 2018)
Abd Manap Bin Hussain (deceased on 25 August 2018)

* *Directors of the Company and its subsidiaries*

The Directors of the subsidiaries of the Company who held office during the financial year and up to the date of this report, excluding those who are listed above are as follows:

Puan Sri Datin Lim Sui Yong
Tan Vin Shyan
Shi Zhongming
Miao Weiwei
He Jie
Chan Wai Keung Barry
Chan Wai Chung
Kong Lee Kuan
Lai Lucai

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2019 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows.

	← Number of ordinary shares			→
	Balance as at 1.7.2018	**Bought**	**Sold**	**Balance as at 30.6.2019**
Shares in the Company				
Direct interest:				
Low Kok Yung	6,000	-	-	6,000
Indirect interest:				
Tan Sri Dato' Tan Seng Leong^	231,767,400	2,810,000	-	234,577,400

Directors' Report
(cont'd)

DIRECTORS' INTERESTS (cont'd)

	Number of ordinary shares			
	Balance as at 1.7.2018	**Bought**	**Sold**	**Balance as at 30.6.2019**
Shares in ultimate holding company, Evergreen Ratio Sdn. Bhd.				
Direct interests:				
Tan Sri Dato' Tan Seng Leong	700,000	-	-	700,000
Tan Lindy	50,000	-	-	50,000
Tan Vin Sern	100,000	-	-	100,000
Indirect interest:				
Tan Sri Dato' Tan Seng Leong#	50,000	100,000	-	150,000

^ Deemed interest by virtue of his substantial shareholdings in the ultimate holding company, pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

Deemed interest by virtue of shareholdings held by spouse, pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

By virtue of Tan Sri Dato' Tan Seng Leong's substantial interest in the ordinary shares of the ultimate holding company, he is deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interests in ordinary shares or debentures of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who received remunerations from the subsidiaries as Directors of the subsidiaries and the transactions entered into in the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 27 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Fees and other benefits of the Directors who held office during the financial year ended 30 June 2019 are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Non-executive Directors:				
- fees	303,000	496,000	166,000	172,000
Executive Directors:				
- salaries and bonus	5,774,107	5,701,538	1,653,648	1,900,288
- defined contribution plan	977,536	1,000,935	314,193	361,055
- others	50,017	161,008	25,435	75,767
	6,801,660	6,863,481	1,993,276	2,337,110
	7,104,660	7,359,481	2,159,276	2,509,110

The estimated monetary value of benefits-in-kind paid to the Directors of the Group and of the Company during the financial year amounted to RM95,150 (2018: RM95,150) respectively.

INDEMNITY AND INSURANCE

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and the Company against potential costs and liabilities arising from claims brought against the Directors and officers.

During the financial year, the total amount of insurance premium paid for the Directors and officers of the Group and of the Company is RM16,105.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report
(cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

HOLDING COMPANY

The Directors regard Evergreen Ratio Sdn. Bhd., a company incorporated in Malaysia as the holding company and ultimate holding company.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 June 2019 amounted to RM100,500 and RM147,500 respectively.

BDO PLT (LLP0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Tan Sri Dato' Tan Seng Leong
Group Managing Director

Low Kok Yung
Group Finance Director

Kluang, Johor Darul Ta'zim
16 October 2019

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 47 to 123 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Tan Sri Dato' Tan Seng Leong	**Low Kok Yung**
Group Managing Director	Group Finance Director

Kluang, Johor Darul Ta'zim
16 October 2019

STATUTORY DECLARATION

I, Low Kok Yung, being the Director primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 123 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kluang, Johor Darul Ta'zim)
this 16 October 2019)

Low Kok Yung
CA 12915

Before me:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BCB BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BCB Berhad, which comprise the statements of financial position as at 30 June 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition for property development and construction contracts

Revenue from property development of the Group and of the Company for the financial year ended 30 June 2019 amounted to RM336.4 million and RM20.2 million respectively as disclosed in Note 18 to the financial statements. Revenue from construction contracts of the Group for the financial year ended 30 June 2019 amounted to RM14.0 million as disclosed in Note 18 to the financial statements.

We determined these to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group and the Company identify performance obligations that are distinct and material, which are judgemental in the context of the contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group and the Company also estimate total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group and the Company consider the completeness and accuracy of its cost estimation, including its obligations to contract variation, claims and cost contingencies.

Independent Auditors' Report
To the Members of Bcb Berhad (cont'd)

Key Audit Matters (cont'd)

(a) Revenue recognition for property development and construction contracts (cont'd)

Audit response

Our audit procedures included the following:

(i) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group and of the Company;

(ii) Recomputed transaction prices based on contract prices, performance obligations and profit margins of the Group and of the Company;

(iii) Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group and of the Company;

(iv) Inspected documentation to support cost estimates made including contract variations and cost contingencies; and

(v) Compared prior contract budgets to actual outcomes to assess reliability of management's budgeting process.

(b) Recoverability of trade receivables

As at 30 June 2019, trade receivables of the Group and of the Company net of impairment losses amounted to RM108.4 million and RM10.7 million respectively. The details of trade receivables have been disclosed in Note 10 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Audit response

Our audit procedures included the following:

(i) Recomputed the expected credit losses using historical data and forward looking information factors applied by the Group and the Company;

(ii) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses;

(iii) Inquired of management and inspected relevant correspondences that property buyers have secured financing; and

(iv) Assessed recoverability of debts that were past due with reference to the past historical repayment trends, cash received subsequent to year end and discussion with management to enquire the status of attempts by management to recoup the amounts outstanding.

Independent Auditors' Report
To the Members of Bcb Berhad (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
To the Members of Bcb Berhad (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

As stated in Note 3 to the financial statements, BCB Berhad adopted Malaysian Financial Reporting Standards on 1 July 2018 with a transition date of 1 July 2017. These Standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2018 and 1 July 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended 30 June 2018 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 June 2019 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2018 do not contain misstatements that materially affect the financial position as of 30 June 2019 and financial performance and cash flows for the financial year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Koo Swee Lin
03281/08/2020 J
Chartered Accountant

16 October 2019
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
GROUP				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	50,360,723	57,632,831	60,986,597
Investment properties	6	57,774,914	57,858,914	60,580,418
Inventories	7	337,664,101	254,188,012	119,374,684
Deferred tax assets	9	2,225,032	8,206,179	8,054,499
		448,024,770	377,885,936	248,996,198
CURRENT ASSETS				
Inventories	7	649,035,565	705,650,084	815,411,795
Trade and other receivables	10	122,663,741	79,777,281	68,215,092
Contract assets	11	20,591,128	26,670,327	24,125,062
Current tax assets		10,323,738	10,772,398	7,935,564
Cash and bank balances	12	23,023,428	22,237,617	22,589,219
		825,637,600	845,107,707	938,276,732
TOTAL ASSETS		1,273,662,370	1,222,993,643	1,187,272,930
EQUITY AND LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	13	206,250,000	206,250,000	206,250,000
Treasury shares	13	(3,371,015)	(3,167,695)	(3,166,805)
Revaluation reserve	14	6,788,088	6,788,088	6,788,088
Retained earnings		252,950,259	213,939,987	207,050,453
		462,617,332	423,810,380	416,921,736
Non-controlling interests	8(i)	42,394,055	24,429,167	9,768,548
TOTAL EQUITY		505,011,387	448,239,547	426,690,284

Statements of Financial Position
As at 30 June 2019 (cont'd)

	Note	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
GROUP				
LIABILITIES				
NON-CURRENT LIABILITIES				
Borrowings	15	235,395,543	234,118,703	263,849,984
Deferred tax liabilities	9	3,507,174	-	-
		238,902,717	234,118,703	263,849,984
CURRENT LIABILITIES				
Borrowings	15	211,711,927	243,397,553	211,321,174
Trade and other payables	17	257,653,401	228,781,472	217,834,686
Contract liabilities	11	59,346,921	67,402,114	65,268,904
Current tax liabilities		1,036,017	1,054,254	2,307,898
		529,748,266	540,635,393	496,732,662
TOTAL LIABILITIES		768,650,983	774,754,096	760,582,646
TOTAL EQUITY AND LIABILITIES		1,273,662,370	1,222,993,643	1,187,272,930

Statements of Financial Position
As at 30 June 2019 (cont'd)

	Note	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
COMPANY				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	45,056,633	50,594,031	52,585,090
Investment properties	6	7,300,000	7,300,000	7,300,000
Inventories	7	22,581,535	20,285,039	14,480,379
Investment in subsidiaries	8	168,300,106	147,300,087	57,550,013
Deferred tax assets	9	1,851,237	3,429,769	4,020,264
		245,089,511	228,908,926	135,935,746
CURRENT ASSETS				
Inventories	7	158,912,985	189,560,043	216,265,462
Trade and other receivables	10	23,245,912	48,898,293	190,051,897
Contract assets	11	1,036,794	1,220,647	415,356
Current tax assets		4,310,730	5,649,039	3,603,662
Cash and bank balances	12	5,148,033	2,590,343	2,224,608
		192,654,454	247,918,365	412,560,985
TOTAL ASSETS		437,743,965	476,827,291	548,496,731
EQUITY AND LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	13	206,250,000	206,250,000	206,250,000
Treasury shares	13	(3,371,015)	(3,167,695)	(3,166,805)
Revaluation reserve	14	6,788,088	6,788,088	6,788,088
Retained earnings		83,335,272	81,904,878	87,372,635
TOTAL EQUITY		293,002,345	291,775,271	297,243,918
LIABILITIES				
NON-CURRENT LIABILITIES				
Borrowings	15	22,942,498	21,948,770	34,449,544
CURRENT LIABILITIES				
Borrowings	15	58,409,209	71,680,299	69,532,869
Trade and other payables	17	58,154,267	84,072,179	140,434,072
Contract liabilities	11	5,235,646	7,350,772	6,836,328
		121,799,122	163,103,250	216,803,269
TOTAL LIABILITIES		144,741,620	185,052,020	251,252,813
TOTAL EQUITY AND LIABILITIES		437,743,965	476,827,291	548,496,731

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Revenue	18	425,393,897	292,254,233	77,016,030	67,535,945
Cost of sales	19	(275,158,536)	(197,541,155)	(47,511,177)	(46,576,679)
Gross profit		150,235,361	94,713,078	29,504,853	20,959,266
Other operating income		9,925,498	2,776,163	4,977,138	6,533,856
Administrative expenses		(35,248,090)	(38,443,440)	(17,005,491)	(18,974,383)
Marketing and selling expenses		(27,733,737)	(22,055,986)	(2,095,130)	(1,837,092)
Other operating expenses		(10,358,471)	(9,371,885)	(1,530,065)	(715,154)
Finance income	20	243,301	212,450	83,549	97,914
Finance costs	20	(12,866,058)	(14,018,694)	(8,311,608)	(11,025,109)
Profit/(Loss) before tax	22	74,197,804	13,811,686	5,623,246	(4,960,702)
Taxation	23	(17,222,619)	(5,511,558)	(4,192,852)	(507,055)
Profit/(Loss) for the financial year		56,975,185	8,300,128	1,430,394	(5,467,757)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		56,975,185	8,300,128	1,430,394	(5,467,757)
Profit/(Loss) attributable to:					
Owners of the parent		39,012,759	6,889,534	1,430,394	(5,467,757)
Non-controlling interests	8(i)	17,962,426	1,410,594	-	-
		56,975,185	8,300,128	1,430,394	(5,467,757)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		39,012,759	6,889,534	1,430,394	(5,467,757)
Non-controlling interests		17,962,426	1,410,594	-	-
		56,975,185	8,300,128	1,430,394	(5,467,757)
Earnings per share attributable to owners of the parent (sen)					
- Basic and diluted	24	9.76	1.72		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
		← Non-distributable		→	Distributable			
Balance as at 1 July 2017, as previously reported		206,250,000	(3,166,805)	6,788,088	237,727,749	447,599,032	13,033,629	460,632,661
Effects of adoption of MFRSs	30(b)(i)	-	-	-	(30,677,296)	(30,677,296)	(3,265,081)	(33,942,377)
Balance as at 1 July 2017, as restated		206,250,000	(3,166,805)	6,788,088	207,050,453	416,921,736	9,768,548	426,690,284
Profit for the financial year		-	-	-	6,889,534	6,889,534	1,410,594	8,300,128
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	6,889,534	6,889,534	1,410,594	8,300,128
Transactions with owners								
Issuance of shares in subsidiaries	8	-	-	-	-	-	13,250,025	13,250,025
Purchase of treasury shares	13	-	(890)	-	-	(890)	-	(890)
Total transactions with owners		-	(890)	-	-	(890)	13,250,025	13,249,135
Balance as at 30 June 2018		206,250,000	(3,167,695)	6,788,088	213,939,987	423,810,380	24,429,167	448,239,547
Balance as at 1 July 2018		206,250,000	(3,167,695)	6,788,088	213,939,987	423,810,380	24,429,167	448,239,547
Profit for the financial year		-	-	-	39,012,759	39,012,759	17,962,426	56,975,185
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	39,012,759	39,012,759	17,962,426	56,975,185
Transactions with owners								
Acquisition of non-controlling interest	8(e)	-	-	-	(2,487)	(2,487)	2,462	(25)
Purchase of treasury shares	13	-	(203,320)	-	-	(203,320)	-	(203,320)
Total transactions with owners		-	(203,320)	-	(2,487)	(205,807)	2,462	(203,345)
Balance as at 30 June 2019		206,250,000	(3,371,015)	6,788,088	252,950,259	462,617,332	42,394,055	505,011,387

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		← Non-distributable		→	Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Revaluation reserve RM**	**Retained earnings RM**	**Total equity RM**
Balance as at 1 July 2017, as previously reported		206,250,000	(3,166,805)	6,788,088	98,902,356	308,773,639
Effects of adoption of MFRSs	30(b)(i)	-	-	-	(11,529,721)	(11,529,721)
Balance as at 1 July 2017, as restated		206,250,000	(3,166,805)	6,788,088	87,372,635	297,243,918
Loss for the financial year		-	-	-	(5,467,757)	(5,467,757)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(5,467,757)	(5,467,757)
Transaction with owners						
Purchase of treasury shares	13	-	(890)	-	-	(890)
Total transaction with owners		-	(890)	-	-	(890)
Balance as at 30 June 2018		206,250,000	(3,167,695)	6,788,088	81,904,878	291,775,271
Balance as at 1 July 2018		206,250,000	(3,167,695)	6,788,088	81,904,878	291,775,271
Profit for the financial year		-	-	-	1,430,394	1,430,394
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	1,430,394	1,430,394
Transaction with owners						
Purchase of treasury shares	13	-	(203,320)	-	-	(203,320)
Total transaction with owners		-	(203,320)	-	-	(203,320)
Balance as at 30 June 2019		206,250,000	(3,371,015)	6,788,088	83,335,272	293,002,345

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		74,197,804	13,811,686	5,623,246	(4,960,702)
Adjustments:					
Bad debts written off	10(e)	77,558	991,034	22,001	59,766
Deposits written off	10(f)	478,464	-	474,964	-
Depreciation of property, plant and equipment	5	2,923,383	3,250,439	1,941,769	2,129,399
Fair value adjustment on investment properties	6(a)	-	(115,185)	-	-
Finance income	20	(243,301)	(212,450)	(83,549)	(97,914)
Finance costs	20	12,866,058	14,018,694	8,311,608	11,025,109
(Gain)/Loss on disposals of:					
- property, plant and equipment		(2,992,863)	82,654	(2,487,961)	-
- investment properties		(55,000)	(257,511)	-	-
Impairment losses on:					
- contract assets	11(d)	-	304,722	-	51,227
- trade receivables	10(g)	2,766,695	1,686,804	177,794	208,939
- other receivables	10(g)	372,269	2,779,877	83	254,076
Inventories written off	7(c)(iii)	134,382	-	134,382	-
Loss on strike off of subsidiaries		-	-	6	-
Property, plant and equipment written off	5	542	2,646	542	-
Reversal of impairment losses on:					
- contract assets	11(d)	(227,134)	-	(19,444)	-
- trade receivables	10(g)	(111,605)	(378,896)	-	(2,212,882)
- other receivables	10(g)	(1,723,997)	(271,794)	(63,783)	(23,326)
- amounts due from subsidiaries	10(g)	-	-	(893,207)	(1,962,079)
Write back of other payables		(1,017,538)	(266,933)	(1,017,538)	(387,464)
Operating profit before working capital changes		87,445,717	35,425,787	12,120,913	4,084,149
Working capital changes:					
Property development costs		(61,177,565)	(14,110,667)	(4,120,768)	(1,878,815)
Inventories		42,274,405	26,002,786	32,353,694	22,779,574
Trade and other receivables		(44,745,844)	(16,369,214)	4,934,529	79,829,110
Contract assets		6,306,333	(2,849,987)	203,297	(856,518)
Trade and other payables		29,889,467	11,213,719	(24,900,374)	(55,974,429)
Contract liabilities		(8,055,193)	2,133,210	(2,115,126)	514,444
Cash generated from operations		51,937,320	41,445,634	18,476,165	48,497,515
Tax paid		(9,907,133)	(10,100,216)	(1,276,011)	(1,961,937)
Tax refunded		2,603,258	346,500	-	-
Net cash from operating activities		44,633,445	31,691,918	17,200,154	46,535,578

Statements of Cash Flows
For the Financial Year Ended 30 June 2019 (cont'd)

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to land held for property development	7(a)	(8,092,792)	(36,943,736)	(16,746)	-
Acquisition of additional proportionate interest in subsidiaries	8	(25)	-	(25)	(24,750,074)
Interest received		243,301	212,450	83,549	97,914
Proceeds from disposals of:					
- property, plant and equipment		7,631,808	492,193	6,268,880	-
- investment properties		139,000	3,094,200	-	-
Purchase of property, plant and equipment	5(g)	(175,762)	(305,166)	(70,832)	(138,340)
Net cash (used in)/from investing activities		(254,470)	(33,450,059)	6,264,826	(24,790,500)
CASH FLOWS FROM FINANCING ACTIVITIES					
Deposits lifted from licensed banks		200,000	760,775	200,000	200,000
Interest paid		(12,866,058)	(14,018,694)	(8,311,608)	(11,025,109)
Ordinary share capital contributed by non-controlling interests of subsidiaries	8	-	13,250,025	-	-
Purchase of treasury shares	13	(203,320)	(890)	(203,320)	(890)
Repayments of borrowings		(23,860,459)	(4,937,603)	(6,161,402)	(7,870,252)
Repayments of hire purchase creditors		(627,714)	(651,661)	(238,137)	(264,754)
Net cash used in financing activities		(37,357,551)	(5,598,048)	(14,714,467)	(18,961,005)
Net increase/(decrease) in cash and cash equivalents		7,021,424	(7,356,189)	8,750,513	2,784,073
Cash and cash equivalents at beginning of financial year		(34,243,892)	(26,887,703)	(41,757,998)	(44,542,071)
Cash and cash equivalents at end of financial year	12(d)	(27,222,468)	(34,243,892)	(33,007,485)	(41,757,998)

Statements of Cash Flows

For the Financial Year Ended 30 June 2019 (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Borrowings*		Hire purchase creditors	
		Group	Company	Group	Company
	Note	RM	RM	RM	RM
At 1 July 2017		424,841,757	56,953,387	1,978,254	662,347
Cash flows		(4,937,603)	(7,870,252)	(651,661)	(264,754)
Non-cash flows:					
- Purchase of property, plant and equipment	5(g)	-	-	169,000	-
At 30 June 2018		419,904,154	49,083,135	1,495,593	397,593
At 1 July 2018		419,904,154	49,083,135	1,495,593	397,593
Cash flows		(23,860,459)	(6,161,402)	(627,714)	(238,137)
Non-cash flows:					
- Purchase of property, plant and equipment	5(g)	-	-	115,000	115,000
At 30 June 2019		396,043,695	42,921,733	982,879	274,456

* Net of bank overdrafts and hire purchase creditors

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2019

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business and the registered office of the Company are located at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000, Kluang, Johor.

The ultimate holding company of the Company is Evergreen Ratio Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The consolidated financial statements for the financial year ended 30 June 2019 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 16 October 2019.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities for the Group and the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRS') and the provisions of the Companies Act 2016 in Malaysia.

These are the first financial statements of the Group and of the Company prepared in accordance with MFRSs, and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ('FRSs') in Malaysia.

The Group and the Company have consistently applied the same accounting policies in its opening MFRS statements of financial position as at 1 July 2017 and throughout all financial years presented, as if these policies had always been in effect. Comparative figures for the financial years ended 2017 and 2018 in these financial statements have been restated to give effect to these changes, and Note 30 to the financial statements discloses the new MFRSs, amendments to MFRSs adopted during the financial year and the impact of the transition to MFRS on the Group's and the Company's reported financial positions and performances for the financial year then ended.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

BCB Berhad and its subsidiaries are principally engaged in investment holding, property development and management activities, construction and related activities and hotel operations.

BCB Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(a) Property development and management services

Development and property management of residential and commercial properties.

(b) Construction and related activities

Securing and carrying out construction contracts.

(c) Hotel operations

Provision of hotel services as well as food and beverages services.

(d) Others

Dormant companies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year.

No geographical segment information is presented as the operations of the Group and the location of the customers are principally in Malaysia.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities.

Notes to the Financial Statements
30 June 2019 (cont'd)

4. OPERATING SEGMENTS (cont'd)

The following table provides an analysis of the revenue, results, assets, liabilities and other information by business segment of the Group:

2019	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	409,222,662	55,036,464	2,108,652	-	466,367,778
Inter-segment revenue	-	(40,973,881)	-	-	(40,973,881)
Revenue from external customers	409,222,662	14,062,583	2,108,652	-	425,393,897
Results					
Finance income	242,967	-	334	-	243,301
Finance costs	(11,591,788)	(1,270,238)	(4,032)	-	(12,866,058)
Net finance costs	(11,348,821)	(1,270,238)	(3,698)	-	(12,622,757)
Depreciation of property, plant and equipment	1,465,402	348,829	1,104,888	4,264	2,923,383
Segment profit/(loss) before income tax	75,570,950	(129,995)	(1,233,229)	(9,922)	74,197,804
Tax expense	16,136,052	1,086,567	-	-	17,222,619
Other non-cash items:					
Additions to non-current assets other than financial instruments and deferred tax assets	8,320,416	22,378	40,760	-	8,383,554
Bad debts written off	75,668	1,890	-	-	77,558
(Gain)/Loss on disposal of:					
- investment properties	(55,000)	-	-	-	(55,000)
- property, plant and equipment	(2,487,761)	(505,102)	-	-	(2,992,863)
Impairment losses on:					
- trade receivables	2,466,303	285,927	14,465	-	2,766,695
- other receivables	37,899	334,370	-	-	372,269
Inventories written off	134,382	-	-	-	134,382
Property, plant and equipment written off	542	-	-	-	542
Reversal of impairment losses on:					
- contract assets	(121,749)	(105,385)	-	-	(227,134)
- trade receivables	(63,935)	-	(47,670)	-	(111,605)
-other receivables	(1,397,705)	(326,292)	-	-	(1,723,997)
Write back of trade payables	(1,017,538)	-	-	-	(1,017,538)
Segment assets	1,205,080,919	26,360,692	29,271,349	400,640	1,261,113,600
Segment liabilities	704,326,386	58,579,713	1,199,093	2,600	764,107,792

4. OPERATING SEGMENTS (cont'd)

The following table provides an analysis of the revenue, results, assets, liabilities and other information by business segment of the Group (cont'd):

2018	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	277,807,037	55,887,905	4,352,620	-	338,047,562
Inter-segment revenue	-	(45,793,329)	-	-	(45,793,329)
Revenue from external customers	277,807,037	10,094,576	4,352,620	-	292,254,233
Results					
Finance income	212,450	-	-	-	212,450
Finance costs	(12,423,119)	(1,574,868)	(20,707)	-	(14,018,694)
Net finance costs	(12,210,669)	(1,574,868)	(20,707)	-	(13,806,244)
Depreciation of property, plant and equipment	1,434,866	415,381	1,395,928	4,264	3,250,439
Segment profit/(loss) before income tax	8,067,059	7,847,845	(1,373,105)	(730,113)	13,811,686
Tax expense	(5,329,096)	(182,462)	-	-	(5,511,558)
Other non-cash items:					
Additions to non-current assets other than financial instruments and deferred tax assets	37,122,699	167,090	243,298	-	37,533,087
Bad debts written off	883,539	107,495	-	-	991,034
Fair value adjustments on investment properties	-	(115,185)	-	-	(115,185)
(Gain)/Loss on disposal of:					
- investment properties	(30,000)	(227,511)	-	-	(257,511)
- property, plant and equipment	(472)	83,126	-	-	82,654
Impairment losses on:					
- contract assets	154,122	150,600	-	-	304,722
- trade receivables	1,649,654	-	37,150	-	1,686,804
- other receivables	2,124,732	655,145	-	-	2,779,877
Reversal of impairment losses on:					
- trade receivables	(205,897)	(172,999)	-	-	(378,896)
- other receivables	(25,459)	-	(246,335)	-	(271,794)
Property, plant and equipment written off	2,150	496	-	-	2,646
Write back of other payables	(266,933)	-	-	-	(266,933)
Segment assets	1,157,036,207	27,535,296	31,776,578	408,093	1,216,756,174
Segment liabilities	701,630,543	82,041,635	2,755,917	12,855	786,440,950

Notes to the Financial Statements
30 June 2019 (cont'd)

4. OPERATING SEGMENTS (cont'd)

Reconciliations of reportable segment assets and liabilities to the corresponding amounts of the Group are as follows:

	2019 RM	2018 RM
Assets		
Total assets for reportable segments	1,261,113,600	1,216,756,174
Tax assets	11,863,981	18,978,577
Assets of the Group per consolidated statement of financial position	1,272,977,581	1,235,734,751
Liabilities		
Total liabilities for reportable segments	764,107,792	786,440,950
Tax liabilities	3,858,402	1,054,254
Liabilities of the Group per consolidated statement of financial position	767,966,194	787,495,204

5. PROPERTY, PLANT AND EQUIPMENT

Group 2019	Balance as at 1.7.2018 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2019 RM
Carrying amount						
Freehold land	4,602,125	-	(1,163,341)	-	-	3,438,784
Leasehold land	2,728,021	-	-	-	(36,374)	2,691,647
Hotel properties, at valuation	35,954,287	-	-	-	(610,847)	35,343,440
Buildings	6,945,380	-	(3,304,247)	-	(228,419)	3,412,714
Plant and machinery	75,800	5,935	-	-	(48,773)	32,962
Motor vehicles	1,752,642	130,839	(1)	-	(754,047)	1,129,433
Renovation	2,150,340	-	-	-	(421,306)	1,729,034
Furniture, fittings and office equipment	3,424,236	153,988	(171,356)	(542)	(823,617)	2,582,709
	57,632,831	290,762	(4,638,945)	(542)	(2,923,383)	50,360,723

	At 30.6.2019 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	3,438,784	-	-	3,438,784
Leasehold land	3,164,506	-	(472,859)	2,691,647
Hotel properties, at valuation	-	40,997,058	(5,653,618)	35,343,440
Buildings	5,645,854	-	(2,233,140)	3,412,714
Plant and machinery	1,715,531	-	(1,682,569)	32,962
Motor vehicles	8,030,386	-	(6,900,953)	1,129,433
Renovation	9,927,296	-	(8,198,262)	1,729,034
Furniture, fittings and office equipment	19,456,231	-	(16,873,522)	2,582,709
	51,378,588	40,997,058	(42,014,923)	50,360,723

Notes to the Financial Statements
30 June 2019 (cont'd)

5. **PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Group 2018	Balance as at 1.7.2017 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2018 RM
Carrying amount						
Freehold land	4,736,168	-	(134,043)	-	-	4,602,125
Leasehold land	2,764,395	-	-	-	(36,374)	2,728,021
Hotel properties, at valuation	36,486,336	-	-	-	(532,049)	35,954,287
Buildings	7,574,318	-	(296,265)	-	(332,673)	6,945,380
Plant and machinery	109,759	14,778	-	(1)	(48,736)	75,800
Motor vehicles	2,470,321	197,478	(1)	-	(915,156)	1,752,642
Renovation	2,553,879	46,103	-	-	(449,642)	2,150,340
Furniture, fittings and office equipment	4,291,421	215,807	(144,538)	(2,645)	(935,809)	3,424,236
	60,986,597	474,166	(574,847)	(2,646)	(3,250,439)	57,632,831

	At 30.6.2018			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	4,602,125	-	-	4,602,125
Leasehold land	3,164,506	-	(436,485)	2,728,021
Hotel properties, at valuation	-	40,997,058	(5,042,771)	35,954,287
Buildings	11,069,946	-	(4,124,566)	6,945,380
Plant and machinery	1,709,595	-	(1,633,795)	75,800
Motor vehicles	8,222,688	-	(6,470,046)	1,752,642
Renovation	9,927,296	-	(7,776,956)	2,150,340
Furniture, fittings and office equipment	19,622,302	-	(16,198,066)	3,424,236
	58,318,458	40,997,058	(41,682,685)	57,632,831

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2019	Balance as at 1.7.2018 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2019 RM
Carrying amount						
Freehold land	1,920,056	-	(832,398)	-	-	1,087,658
Leasehold land	2,728,021	-	-	-	(36,374)	2,691,647
Hotel properties, at valuation	35,954,287	-	-	-	(610,847)	35,343,440
Buildings	5,995,456	-	(2,948,381)	-	(164,451)	2,882,624
Motor vehicles	435,543	130,839	-	-	(276,773)	289,609
Renovation	1,589,046	-	-	-	(306,013)	1,283,033
Furniture, fittings and office equipment	1,971,622	54,993	(140)	(542)	(547,311)	1,478,622
	50,594,031	185,832	(3,780,919)	(542)	(1,941,769)	45,056,633

	At 30.6.2019			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	1,087,658	-	-	1,087,658
Leasehold land	3,164,506	-	(472,859)	2,691,647
Hotel properties, at valuation	-	40,997,058	(5,653,618)	35,343,440
Buildings	4,534,592	-	(1,651,968)	2,882,624
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	3,803,553	-	(3,513,944)	289,609
Renovation	8,487,038	-	(7,204,005)	1,283,033
Furniture, fittings and office equipment	15,472,804	-	(13,994,182)	1,478,622
	37,722,233	40,997,058	(33,662,658)	45,056,633

Notes to the Financial Statements

30 June 2019 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2018	Balance as at 1.7.2017 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 30.6.2018 RM
Carrying amount				
Freehold land	1,920,056	-	-	1,920,056
Leasehold land	2,764,395	-	(36,374)	2,728,021
Hotel properties, at valuation	36,486,336	-	(532,049)	35,954,287
Buildings	6,238,706	-	(243,250)	5,995,456
Motor vehicles	800,793	-	(365,250)	435,543
Renovation	1,865,432	43,332	(319,718)	1,589,046
Furniture, fittings and office equipment	2,509,372	95,008	(632,758)	1,971,622
	52,585,090	138,340	(2,129,399)	50,594,031

	At 30.6.2018			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	1,920,056	-	-	1,920,056
Leasehold land	3,164,506	-	(436,485)	2,728,021
Hotel properties, at valuation	-	40,997,058	(5,042,771)	35,954,287
Buildings	9,365,084	-	(3,369,628)	5,995,456
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	3,925,854	-	(3,490,311)	435,543
Renovation	8,487,039	-	(6,897,993)	1,589,046
Furniture, fittings and office equipment	15,422,026	-	(13,450,404)	1,971,622
	43,456,647	40,997,058	(33,859,674)	50,594,031

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment, except for hotel properties, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Hotel properties are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Hotel properties are revalued yearly which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

(b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The estimated useful periods and principal annual depreciation rates are as follows:

Leasehold land	87 years
Hotel properties	50 - 87 years
Buildings	50 years
Plant and machinery	20%
Motor vehicles	20%
Renovation	15%
Furniture, fittings and office equipment	10% to 20%

Freehold land has unlimited useful life and is not depreciated.

Hotel properties of the Group and of the Company were revalued by the Directors based on a valuation exercise carried out in July 2019 by an independent professional valuer using the open market value basis.

(c) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been:

	Group and Company	
	2019	**2018**
	RM	**RM**
Hotel properties	17,667,915	17,903,487

Notes to the Financial Statements
30 June 2019 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(d) The fair value of hotel properties (at valuation) of the Group and of the Company are categorised as follows:

Hotel properties	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group and Company				
2019	-	-	35,343,440	35,343,440
2018	-	-	35,954,287	35,954,287

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2019 and 30 June 2018.

(ii) Level 3 fair value of hotel properties (at valuation) was determined by an independent qualified valuer using the comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis.

(iii) The fair value measurements of the hotel properties (at valuation) were based on the highest and best use which did not differ from their actual use.

(e) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property Category	Valuation technique	Significant unobservable inputs
Hotel properties	Comparison method	Adjusted property values

(f) The Group and the Company have assessed and classified leasehold land of the Group and of the Company as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group and the Company arising from the lease term. Consequently, the Group and the Company have classified leasehold land as finance leases in accordance with MFRS 117 Leases.

(g) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Purchase of property, plant and equipment	290,762	474,166	185,832	138,340
Financed by hire purchase and lease arrangements	(115,000)	(169,000)	(115,000)	-
Cash payments on purchase of property, plant and equipment	175,762	305,166	70,832	138,340

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(h) The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase and lease agreements at the end of the reporting period are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Motor vehicles	1,051,531	1,585,964	289,341	434,875

(i) The carrying amount of property, plant and equipment that were charged to financial institutions as securities for bank borrowings granted to the Group and the Company as disclosed in Note 15 to the financial statements are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Carrying amounts				
Freehold land	2,183,658	3,160,056	1,087,658	1,920,056
Buildings	3,051,861	6,457,833	2,610,393	5,769,965
Hotel properties including leasehold land	38,035,087	38,629,776	38,035,087	38,629,776
	43,270,606	48,247,665	41,733,138	46,319,797

6. INVESTMENT PROPERTIES

(a) The details of the investment properties are as follows:

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**RM**	**RM**	**RM**	**RM**
At beginning of financial year		57,858,914	60,580,418	7,300,000	7,300,000
Fair value adjustments		-	115,185	-	-
Disposals		(84,000)	(2,836,689)	-	-
At end of financial year		57,774,914	57,858,914	7,300,000	7,300,000
Investment properties pledged as security for borrowings	15	35,628,914	35,628,914	7,300,000	7,300,000

(b) The investment properties consist of freehold land, leasehold land and buildings which earn rental income from current leases.

(c) Investment properties are initially measured at costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss.

Notes to the Financial Statements
30 June 2019 (cont'd)

6. INVESTMENT PROPERTIES (cont'd)

(d) The fair value of investment properties of the Group and of the Company are categorised as follows:

Land and buildings	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2019	-	-	57,774,914	57,774,914
2018	-	-	57,858,914	57,858,914
Company				
2019	-	-	7,300,000	7,300,000
2018	-	-	7,300,000	7,300,000

(i) There were no transfers between Level 1, Level 2, and Level 3 fair value measurements during the financial year ended 30 June 2019 and 30 June 2018.

(ii) Investment properties at Level 3 fair value measurements are based on the comparison method which refers to recent market transactions of similar properties within the vicinities and the income method that makes reference to rental income expected to be generated from the investment properties.

(iii) The fair value measurement of the investment properties are based on the highest and best use which does not differ from its actual use.

(e) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property Category	Valuation technique	Significant unobservable inputs
Hotel properties	Comparison method	Adjusted property values
Commercial (shoplots)	Comparison method	Adjusted property values
Shopping mall	Income based method	Estimated net income Term rate Reversion rate Commercial yield
Commercial and residential (shophouse and semi detached house)	Comparison method	Adjusted property values

(f) The leasehold land and buildings have remaining lease periods of 84 years and 74 years (2018: 85 years and 75 years) respectively.

(g) Income and direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Rental income	2,341,911	7,117,840	969,331	2,081,201
Repair and maintenance	2,009,477	4,915,024	-	-
Quit rent and assessment	477,869	463,758	151,018	203,765

7. INVENTORIES

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Non-current					
Land held for property development	7(a)	337,664,101	254,188,012	22,581,535	20,285,039
Current					
Property development cost	7(b)	553,652,139	595,046,392	99,470,728	97,629,710
Inventories held for sale	7(c)	95,383,426	110,603,692	59,442,257	91,930,333
		649,035,565	705,650,084	158,912,985	189,560,043

(a) Land held for property development

Group 2019	Note	Freehold land RM	Long term leasehold land RM	Development costs RM	Total RM
At cost					
At beginning of financial year		96,411,925	116,451,669	41,324,418	254,188,012
Additions		-	4,604,849	3,487,943	8,092,792
Transfer to property development costs	7(b)	(741,862)	-	(249,268)	(991,130)
Transfer from property development costs	7(b)	6,336,283	44,676,426	25,361,718	76,374,427
At end of financial year		102,006,346	165,732,944	69,924,811	337,664,101
At beginning of financial year		58,619,533	37,725,276	23,029,875	119,374,684
Additions		35,699,283	-	1,244,453	36,943,736
Transfer to property development costs	7(b)	(1,602,277)	-	(1,578,579)	(3,180,856)
Transfer from property development costs	7(b)	3,695,386	78,726,393	18,628,669	101,050,448
At end of financial year		96,411,925	116,451,669	41,324,418	254,188,012

Notes to the Financial Statements
30 June 2019 (cont'd)

7. INVENTORIES (cont'd)

(a) Land held for property development (cont'd)

Company 2019	Note	Freehold land RM	Long term leasehold land RM	Development costs RM	Total RM
At cost					
At beginning of financial year		14,068,493	-	6,216,546	20,285,039
Additions		-	-	16,746	16,746
Transfer from property development costs	7(b)	616,650	-	1,663,100	2,279,750
At end of financial year		14,685,143	-	7,896,392	22,581,535
2018					
At cost					
At beginning of financial year		12,453,468	-	2,026,911	14,480,379
Transfer from property development costs	7(b)	1,615,025	-	4,189,635	5,804,660
At end of financial year		14,068,493	-	6,216,546	20,285,039

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Carrying amount of land held for property development pledged as security for borrowings	15	223,385,748	176,648,037	462,932	564,319

(i) Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current. The carrying amount of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Borrowing costs capitalised during the financial year for land held for property development of the Group amounted to RM3,340,077 (2018: RM807,968) at interest rates ranging from 5.3% to 6.1% (2018: 5.3%) per annum.

7. INVENTORIES (cont'd)

(b) Property development costs

Group 2019	Note	Freehold land RM	Long term leasehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At cost						
At beginning of financial year		99,102,736	185,702,675	877,773,780	(567,532,799)	595,046,392
Cost incurred during the financial year		1,115,874	1,281,263	265,443,958	-	267,841,095
Transfer from land held for property development	7(a)	741,862	-	249,268	-	991,130
Transfer to land held for property development	7(a)	(6,336,283)	(44,676,426)	(23,865,781)	-	(74,878,490)
Transfer to completed development properties		(1,980,528)	(1,220,537)	(23,987,456)	-	(27,188,521)
Reversal of completed projects		(13,172,683)	(14,690,071)	(330,437,101)	358,299,855	-
Cost recognised in profit or loss during the financial year	19	-	-	-	(208,159,467)	(208,159,467)
At end of financial year		79,470,978	126,396,904	765,176,668	(417,392,411)	553,652,139
2018						
At cost						
At beginning of financial year		112,718,913	264,429,068	892,878,971	(580,008,159)	690,018,793
Cost incurred during the financial year		-	-	186,195,595	-	186,195,595
Transfer from land held for property development	7(a)	1,602,277	-	1,578,579	-	3,180,856
Transfer to land held for property development	7(a)	(3,695,386)	(78,726,393)	(18,628,669)	-	(101,050,448)
Transfer to completed development properties		(713,161)	-	(11,032,209)	-	(11,745,370)
Reversal of completed projects		(10,809,907)	-	(173,218,487)	184,028,394	-
Cost recognised in profit or loss during the financial year	19	-	-	-	(171,553,034)	(171,553,034)
At end of financial year		99,102,736	185,702,675	877,773,780	(567,532,799)	595,046,392

Notes to the Financial Statements
30 June 2019 (cont'd)

7. INVENTORIES (cont'd)

(b) Property development costs (cont'd)

Company 2019	Note	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At cost					
At beginning of financial year		45,740,065	96,838,736	(44,949,091)	97,629,710
Cost incurred during the financial year		1,013,656	18,246,262	-	19,259,918
Transfer to land held for property development	7(a)	(616,650)	(1,663,100)	-	(2,279,750)
Cost recognised in profit or loss during the financial year	19	-	-	(15,139,150)	(15,139,150)
At end of financial year		46,137,071	113,421,898	(60,088,241)	99,470,728
2018					
At cost					
At beginning of financial year		49,433,285	106,928,820	(53,146,512)	103,215,593
Cost incurred during the financial year		-	25,476,265	-	25,476,265
Transfer to land held for property development	7(a)	(1,615,025)	(4,189,635)	-	(5,804,660)
Transfer to completed development properties		(101,578)	(1,558,460)	-	(1,660,038)
Reversal of completed projects		(1,976,617)	(29,818,254)	31,794,871	-
Cost recognised in profit or loss during the financial year	19	-	-	(23,597,450)	(23,597,450)
At end of financial year		45,740,065	96,838,736	(44,949,091)	97,629,710

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
At cost					
Carrying amount of property development costs pledged as security for borrowings	15	188,157,927	259,904,895	39,021,443	39,013,432

7. INVENTORIES (cont'd)

(b) Property development costs (cont'd)

(i) The portion of property development costs where significant development work has been undertaken and which is expected to be completed within the normal operating cycle is considered as a current asset. Property development costs are stated at the lower of costs and net realisable value.

The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

(ii) Borrowing costs capitalised during the financial year for property development activities of the Group and of the Company amounted to RM14,961,587 (2018: RM15,828,151) and RM1,105,081 (2018: RM1,378,921) respectively at interest rates ranging from 5.3% to 6.4% (2018: 5.3% to 6.3%) per annum.

(c) Inventories held for sale

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
At cost					
Completed development properties		94,717,949	109,769,301	59,442,257	91,782,149
Food and beverages		-	4,306	-	4,306
Consumable stocks		665,477	830,085	-	143,878
		95,383,426	110,603,692	59,442,257	91,930,333
Inventories held for sale pledged as security for borrowings	15	54,395,045	63,604,938	42,092,486	61,728,224

(i) Inventories held for sale are stated at the lower of cost and net realisable value. Costs of completed development properties comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs. Costs of food and beverages and consumable stocks are determined on a weighted average basis and first-in, first-out basis respectively.

(ii) During the financial year, the completed development properties and consumable stocks of the Group and of the Company recognised as cost of sales amounted to RM42,299,478 (2018: RM26,640,041) and RM32,339,892 (2018: RM22,656,999) respectively.

(iii) During the financial year, the consumable stocks of the Group and of the Company amounted to RM134,382 (2018: Nil) have been written off.

Notes to the Financial Statements

30 June 2019 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES

	Company 2019 RM	Company 2018 RM
Unquoted shares, at cost	82,300,106	87,300,087
Equity loan	86,000,000	65,000,000
	168,300,106	152,300,087
Less: Impairment losses	-	(5,000,000)
	168,300,106	147,300,087

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by MFRSs.

(b) The advances to subsidiaries are deemed by the Company as a capital contribution as it is considered as a long term investment which are unsecured, interest free and settlement is neither planned not likely to occur in the foreseeable future.

(c) Details of subsidiaries are as follows:

Name of company	Interest in equity held by Company 2019 %	Company 2018 %	Subsidiaries 2019 %	Subsidiaries 2018 %	Principal activities
Subsidiaries					
BCB Concrete Sdn. Bhd.	100%	100%	-	-	Manufacturing of concrete products
BCB Construction Sdn. Bhd.	100%	100%	-	-	Project construction services and property investment
BCB Land Sdn. Bhd.	100%	100%	-	-	Property development
BCB Management Sdn. Bhd.	100%	100%	-	-	Project management services
BCB Medini Residences Sdn. Bhd.	100%	100%	-	-	Property development and investment
BCB Resources Sdn. Bhd.	100%	100%	-	-	Property development
BCB Road Builder Sdn. Bhd.	100%	100%	-	-	Road construction services
BCB Trading Sdn. Bhd.	100%	100%	-	-	Trading of building materials
BCB Ventures Sdn. Bhd.	100%	75%	-	-	Property development and investment
Golden Power Construction Sdn. Bhd.	100%	100%	-	-	Dormant
Johbase Development Sdn. Bhd.	100%	100%	-	-	Property development and letting of properties
Global Earnest Sdn. Bhd.	86.6%	86.6%	-	-	Property development and letting of properties
BCB Medini Development Sdn. Bhd.	75%	75%	-	-	Property development
BCB Development Sdn. Bhd.	70%	70%	-	-	Property development and letting of properties
BCB Heights Sdn. Bhd.	60%	60%	-	-	Property development
BCB Furniture Sdn. Bhd.	-	100%	-	-	Dormant
BCB Technologies Sdn. Bhd.	-	100%	-	-	Dormant
Laser Lagun Sdn. Bhd.	-	100%	-	-	Dormant
Luna Starcity Sdn. Bhd.	-	100%	-	-	Dormant
Subsidiary of BCB Development Sdn. Bhd.					
Total Builder Generation Sdn. Bhd.	-	-	100%	100%	Engaged in the business of general construction

All subsidiaries are audited by BDO PLT.

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) On 30 April 2019, the following wholly-owned subsidiaries of the Company have been struck off from the register of Companies Commission of Malaysia upon the application by the Company:

(i) BCB Furniture Sdn. Bhd.
(ii) BCB Technologies Sdn. Bhd.
(iii) Laser Lagun Sdn. Bhd.
(iv) Luna Starcity Sdn. Bhd.

The striking off of the subsidiaries has no material impact to the Group and the Company.

(e) On 11 July 2018, the Company acquired the remaining 25% equity interest in BCB Ventures Sdn. Bhd., representing 25 ordinary shares for a consideration of RM25. BCB Ventures Sdn. Bhd. become a wholly-owned subsidiary of the Company. The difference of RM2,487 between the purchase consideration and the fair value of net liabilities was recognised in retained earnings as transaction with owners.

(f) In the previous financial year, BCB Heights Sdn. Bhd. ('BHSB') increased its issued and paid-up share capital by 25,000,000. The Company increased its investment by subscribing an additional 15,000,000 shares, representing 60% of the issued and paid-up share capital of BHSB amounting to RM15,000,000. The remaining 10,000,000 shares were subscribed by the non-controlling interest at RM10,000,000. The shareholding interest in BHSB remained the same.

(g) In the previous financial year, BCB Medini Development Sdn. Bhd. ('BMDSB') increased its issued and paid-up share capital by 13,000,000. The Company increased its investment by subscribing an additional 9,750,000 shares, representing 75% of the issued and paid-up share capital of BMDSB amounting to RM9,750,000. The remaining 3,250,000 shares were subscribed by the non-controlling interest at RM3,250,000. The shareholding interest in BMDSB remained the same.

(h) In the previous financial year, BCB Ventures Sdn. Bhd. increased its share capital from RM1 to RM100 vide the allotment of additional 74 and 25 new ordinary shares to the Company and non-controlling interest respectively.

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(i) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

	BCB Development Sdn. Bhd.	BCB Heights Sdn. Bhd.	BCB Medini Development Sdn. Bhd.	BCB Ventures Sdn. Bhd.	Global Earnest Sdn. Bhd.	Total Builder Generation Sdn. Bhd.	Total
2019							
NCI percentage of ownership and voting interest	30.00%	40.00%	25.00%	-	13.40%	30.00%	
Carrying amount of NCI (RM)	11,817,968	17,806,565	3,846,209	-	8,103,480	819,833	42,394,055
Profit allocated to NCI (RM)	3,076,587	12,011,931	1,294,470	-	821,276	758,162	17,962,426
2018							
NCI percentage of ownership and voting interest	30.00%	40.00%	25.00%	25.00%	13.40%	30.00%	
Carrying amount of NCI (RM)	8,741,382	5,794,634	2,551,739	(2,462)	7,282,204	61,670	24,429,167
(Loss)/Profit allocated to NCI (RM)	(735,978)	1,872,589	(393,387)	(2,487)	151,322	518,535	1,410,594

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(j) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	BCB Development Sdn. Bhd. RM	BCB Heights Sdn. Bhd. RM	BCB Medini Development Sdn. Bhd. RM	BCB Ventures Sdn. Bhd. RM	Global Earnest Sdn. Bhd. RM	Total Builder Generation Sdn. Bhd. RM
2019						
Assets and liabilities						
Non-current assets	68,341,474	77,516,429	62,959,887	-	36,888,947	439,296
Current assets	177,153,220	278,793,921	38,224,862	-	32,030,127	8,708,169
Non-current liabilities	(36,254,600)	(131,919,353)	(22,204,353)	-	-	-
Current liabilities	(169,846,867)	(179,874,584)	(63,595,561)	(15,626)	(8,445,344)	(6,414,689)
Net assets/(liabilities)	39,393,227	44,516,413	15,384,835	(15,626)	60,473,730	2,732,776
Results						
Revenue	62,660,714	166,276,232	8,800,131	-	8,790,952	-
Profit/(Loss) for the financial year	10,255,289	30,029,828	5,177,880	(15,726)	6,128,928	2,527,209
Total comprehensive income/(loss)	10,255,289	30,029,828	5,177,880	(15,726)	6,128,928	2,527,209
Cash flows (used in)/from						
- operating activities	(3,019,735)	(9,187,891)	(4,115,578)	(25)	5,667,491	288,004
- investing activities	868,134	(7,085,452)	4,403,094	-	36,953	(237,877)
- financing activities	3,213,190	11,782,071	(613,861)	-	(5,342,583)	-
Net (decrease)/increase in cash and cash equivalents	1,061,589	(4,491,272)	(326,345)	(25)	361,861	50,127

Notes to the Financial Statements
30 June 2019 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(j) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (cont'd)

	BCB Development Sdn. Bhd. RM	BCB Heights Sdn. Bhd. RM	BCB Medini Development Sdn. Bhd. RM	BCB Ventures Sdn. Bhd. RM	Global Earnest Sdn. Bhd. RM	Total Builder Generation Sdn. Bhd. RM
2018						
Assets and liabilities						
Non-current assets	4,247,585	76,473,578	57,084,891	-	29,630,659	967,032
Current assets	199,638,073	237,299,439	28,781,327	25	33,467,220	10,960,458
Non-current liabilities	(47,908,349)	(110,340,266)	(26,892,323)	-	(4,722)	-
Current liabilities	(126,839,371)	(188,946,166)	(48,766,940)	(9,874)	(8,748,355)	(11,721,923)
Net assets/(liabilities)	29,137,938	14,486,585	10,206,955	(9,849)	54,344,802	205,567
Results						
Revenue	12,501,741	98,158,074	1,008,029	-	13,915,654	754,425
(Loss)/Profit for the financial year	(2,453,257)	4,681,474	(1,573,547)	(9,949)	1,129,265	1,728,449
Total comprehensive (loss)/income	(2,453,257)	4,681,474	(1,573,547)	(9,949)	1,129,265	1,728,449
Cash flows (used in)/from						
- operating activities	(22,097,827)	(866,171)	(886,746)	(75)	(1,176,496)	(2,349,382)
- investing activities	8,838,525	(5,031,065)	(6,534,129)	100	6,442,499	2,326,127
- financing activities	4,036,993	7,299,381	8,889,612	-	(5,622,802)	-
Net (decrease)/increase in cash and cash equivalents	(9,222,309)	1,402,145	1,468,737	25	(356,799)	(23,255)

9. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Balance as at 1 July	8,206,179	8,054,499	3,429,769	4,020,264
Recognised in profit or loss (Note 23)	(9,488,321)	151,680	(1,578,532)	(590,495)
Balance as at 30 June	(1,282,142)	8,206,179	1,851,237	3,429,769
Presented after appropriate offsetting:				
Deferred tax assets	6,598,343	10,781,879	5,490,962	6,362,008
Offset against deferred tax liabilities	(4,373,311)	(2,575,700)	(3,639,725)	(2,932,239)
Net deferred tax assets	2,225,032	8,206,179	1,851,237	3,429,769
Deferred tax liabilities	(7,880,485)	(2,575,700)	(3,639,725)	(2,932,239)
Offset against deferred tax assets	4,373,311	2,575,700	3,639,725	2,932,239
Net deferred tax liabilities	(3,507,174)	-	-	-

(b) The components of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets

Group	Unabsorbed capital allowances RM	Other deductible temporary differences RM	Total RM
At 1 July 2018	4,912,896	5,868,983	10,781,879
Recognised in profit or loss	865,989	(5,049,525)	(4,183,536)
At 30 June 2019	5,778,885	819,458	6,598,343
At 1 July 2017	5,027,816	5,093,685	10,121,501
Recognised in profit or loss	(114,920)	775,298	660,378
At 30 June 2018	4,912,896	5,868,983	10,781,879

Notes to the Financial Statements
30 June 2019 (cont'd)

9. DEFERRED TAX (cont'd)

(b) The components of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (cont'd)

Deferred tax assets (cont'd)

Company	Unabsorbed capital allowances RM	Other deductible temporary differences RM	Total RM
At 1 July 2018	4,873,021	1,488,987	6,362,008
Recognised in profit or loss	(201,517)	(669,529)	(871,046)
At 30 June 2019	4,671,504	819,458	5,490,962
At 1 July 2017	5,027,816	1,411,132	6,438,948
Recognised in profit or loss	(154,795)	77,855	(76,940)
At 30 June 2018	4,873,021	1,488,987	6,362,008

Deferred tax liabilities

	Group			Company
	Property, plant and equipment RM	Other taxable temporary differences RM	Total RM	Property, plant and equipment RM
At 1 July 2018	(2,575,700)	-	(2,575,700)	(2,932,239)
Recognised in profit or loss	(743,432)	(4,561,353)	(5,304,785)	(707,486)
At 30 June 2019	(3,319,132)	(4,561,353)	(7,880,485)	(3,639,725)
At 1 July 2017	(2,067,002)	-	(2,067,002)	(2,418,684)
Recognised in profit or loss	(508,698)	-	(508,698)	(513,555)
At 30 June 2018	(2,575,700)	-	(2,575,700)	(2,932,239)

Deferred tax assets are recognised for unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the capital allowances and other deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

9. DEFERRED TAX (cont'd)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2019	2018
	RM	RM
Unutilised tax losses	21,113,415	18,464,124
Unabsorbed capital allowances	724,553	(63,414)
Other deductible temporary differences	83,104	-
	21,921,072	18,400,710

In accordance with the provision in Finance Act 2018, the unutilised tax losses are available for utilisation in the next seven years, for which, any excess at the end of the seventh year, would be disregarded. Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of certain subsidiaries would be available against which the deductible temporary differences could be utilised.

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Trade receivables				
Third parties	106,152,686	65,328,939	11,014,287	11,364,656
Related parties	8,480,942	5,339,569	7,607	911,153
Amount due from ultimate holding company	131,229	341,400	-	-
	114,764,857	71,009,908	11,021,894	12,275,809
Less: Impairment losses	(6,359,147)	(3,962,850)	(357,366)	(388,511)
Total trade receivables	108,405,710	67,047,058	10,664,528	11,887,298
Other receivables				
Third parties	10,501,008	12,559,900	6,510,532	2,082,280
Deposits	4,409,705	3,960,834	1,411,292	1,512,473
Amounts due from subsidiaries	-	-	6,515,822	36,489,223
	14,910,713	16,520,734	14,437,646	40,083,976
Less: Impairment losses on:-				
- third parties	(3,312,552)	(5,273,986)	(1,462,982)	(1,842,998)
- amounts due from subsidiaries	-	-	(485,012)	(1,378,219)
Total other receivables	11,598,161	11,246,748	12,489,652	36,862,759
Total receivables	120,003,871	78,293,806	23,154,180	48,750,057
Prepayments	2,659,870	1,483,475	91,732	148,236
	122,663,741	79,777,281	23,245,912	48,898,293

Notes to the Financial Statements

30 June 2019 (cont'd)

10. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Total receivables are classified as financial assets measured at amortised costs.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 14 to 90 days (2018: 14 to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

(c) Non-trade amounts due from subsidiaries represent advances and payments on behalf, which are unsecured and repayable within next twelve (12) months in cash and cash equivalents. The amounts are interest free except for an amount of RM3,748,487 (2018: RM4,830,449), which bears interest ranging from 7.52% (2018: 7.77%) per annum.

(d) Included in trade receivables of the Group are retention sums for contract works. The retention sums are unsecured, interest free and are expected to be collected as follows:

	Group	
	2019 RM	2018 RM
Repayable as follows:		
Within one (1) year	3,082,678	2,840,803
More than one (1) year	1,093,065	305,475
	4,175,743	3,146,278

(e) During the financial year, the Group and the Company have written off bad debts of RM77,558 (2018: RM991,034) and RM22,001 (2018: RM59,766) respectively against trade and other receivables and amounts due from subsidiaries.

(f) During the financial year, the Group and the Company have written off deposits of RM478,464 (2018: Nil) and RM474,964 (2018: Nil) respectively.

(g) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses ('ECL').

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is determined using historical data and forward looking in estimating future cash flows and the lifetime expected credit loss for the trade receivables is assessed individually. Lifetime expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows for the Group and the Company expect to receive over the lifetime of financial instrument. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within other operating expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

10. TRADE AND OTHER RECEIVABLES (cont'd)

(g) (cont'd)

Impairment for other receivables and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. A significant increase in credit risk is presumed if a debt is more than 365 days past due. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

It requires management to exercise significant judgement in determining the probability of default by trade and other receivables, appropriate forward looking information and significant increase in credit risk.

The reconciliation of movements in the impairment losses of trade receivables is as follows:

Group 2019	**ECL allowance RM**	**Fully credit impaired RM**	**Total RM**
At beginning of financial year	2,189,991	1,772,859	3,962,850
Charge for the financial year	2,362,824	403,871	2,766,695
Reversal during the financial year	(111,605)	-	(111,605)
Written off during the financial year	-	(258,793)	(258,793)
At end of financial year	4,441,210	1,917,937	6,359,147
2018			
At beginning of financial year (as previously stated)	-	-	-
Effects of adoption of MFRS 9	1,140,876	1,514,066	2,654,942
At beginning of financial year (restated)	1,140,876	1,514,066	2,654,942
Charge for the financial year	1,428,011	258,793	1,686,804
Reversal during the financial year	(378,896)	-	(378,896)
At end of financial year	2,189,991	1,772,859	3,962,850

Notes to the Financial Statements
30 June 2019 (cont'd)

10. TRADE AND OTHER RECEIVABLES (cont'd)

(g) (cont'd)

The reconciliation of movements in the impairment losses of trade receivables is as follows: (cont'd)

Company **2019**	**ECL allowance** **RM**	**Fully credit impaired** **RM**	**Total** **RM**
At beginning of financial year	179,572	208,939	388,511
Charge for the financial year	70,154	107,640	177,794
Written off during the financial year	-	(208,939)	(208,939)
At end of financial year	249,726	107,640	357,366
2018			
At beginning of financial year (as previously stated)	-	-	-
Effects of adoption of MFRS 9	2,392,454	-	2,392,454
At beginning of financial year (restated)	2,392,454	-	2,392,454
Charge for the financial year	-	208,939	208,939
Reversal during the financial year	(2,212,882)	-	(2,212,882)
At end of financial year	179,572	208,939	388,511

The reconciliation of movements in the impairment losses of other receivables is as follows:

Group **2019**	**ECL allowance** **RM**	**Fully Credit impaired** **RM**	**Total** **RM**
At beginning of financial year	85,551	5,188,435	5,273,986
Charge for the financial year	37,899	334,370	372,269
Reversal during the financial year	(23,878)	(1,700,119)	(1,723,997)
Written off during the financial year	-	(609,706)	(609,706)
At end of financial year	99,572	3,212,980	3,312,552
2018			
At beginning of financial year (as previously stated)	-	-	-
Effects of adoption of MFRS 9	108,757	2,657,146	2,765,903
At beginning of financial year (restated)	108,757	2,657,146	2,765,903
Charge for the financial year	2,701	2,777,176	2,779,877
Reversal during the financial year	(25,907)	(245,887)	(271,794)
At end of financial year	85,551	5,188,435	5,273,986

10. TRADE AND OTHER RECEIVABLES (cont'd)

(g) (cont'd)

The reconciliation of movements in the impairment losses of other receivables is as follows: (cont'd)

Company **2019**	**ECL allowance RM**	**Fully credit impaired RM**	**Total RM**
At beginning of financial year	244	1,842,754	1,842,998
Charge for the financial year	83	-	83
Reversal during the financial year	-	(63,783)	(63,783)
Written off during the financial year	-	(316,316)	(316,316)
At end of financial year	327	1,462,655	1,462,982
2018			
At beginning of financial year (as previously stated)	-	-	-
Effects of adoption of MFRS 9	23,570	1,588,678	1,612,248
At beginning of financial year (restated)	23,570	1,588,678	1,612,248
Charge for the financial year	-	254,076	254,076
Reversal during the financial year	(23,326)	-	(23,326)
At end of financial year	244	1,842,754	1,842,998

The reconciliation of movements in the impairment losses of amounts due from subsidiaries is as follows:

Company **2019**	**ECL allowance RM**	**Fully credit impaired RM**	**Total RM**
At beginning of financial year	1,078,445	299,774	1,378,219
Reversal during the financial year	(893,207)	-	(893,207)
At end of financial year	185,238	299,774	485,012
2018			
At beginning of financial year (as previously stated)	-	402,561	402,561
Effects of adoption of MFRS 9	3,040,524	-	3,040,524
At beginning of financial year (restated)	3,040,524	402,561	3,443,085
Reversal during the financial year	(1,962,079)	-	(1,962,079)
Written off during the financial year	-	(102,787)	(102,787)
At end of financial year	1,078,445	299,774	1,378,219

Fully credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

10. TRADE AND OTHER RECEIVABLES (cont'd)

(h) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

Group 2019	Gross RM	Impaired RM	Total RM
Current	42,192,387	(1,288,270)	40,904,117
1 to 30 days past due	8,098,517	(241,144)	7,857,373
31 to 60 days past due	7,631,612	(154,594)	7,477,018
61 to 120 days past due	17,184,785	(858,189)	16,326,596
More than 120 days past due	39,657,556	(3,816,950)	35,840,606
	72,572,470	(5,070,877)	67,501,593
	114,764,857	(6,359,147)	108,405,710
2018			
Current	25,820,536	(649,118)	25,171,418
1 to 30 days past due	7,839,039	(253,274)	7,585,765
31 to 60 days past due	5,535,095	(85,581)	5,449,514
61 to 120 days past due	17,566,725	(2,022,525)	15,544,200
More than 120 days past due	14,248,513	(952,352)	13,296,161
	45,189,372	(3,313,732)	41,875,640
	71,009,908	(3,962,850)	67,047,058
Company			
2019			
Current	5,873,256	(70,767)	5,802,489
1 to 30 days past due	317,729	(2,343)	315,386
31 to 60 days past due	602,876	(7,604)	595,272
61 to 120 days past due	98,300	-	98,300
More than 120 days past due	4,129,733	(276,652)	3,853,081
	5,148,638	(286,599)	4,862,039
	11,021,894	(357,366)	10,664,528
2018			
Current	7,197,680	(62,804)	7,134,876
1 to 30 days past due	1,406,696	(13,579)	1,393,117
31 to 60 days past due	121,304	(5,628)	115,676
61 to 120 days past due	1,619,751	(72,928)	1,546,823
More than 120 days past due	1,930,378	(233,572)	1,696,806
	5,078,129	(325,707)	4,752,422
	12,275,809	(388,511)	11,887,298

10. TRADE AND OTHER RECEIVABLES (cont'd)

(i) The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables and also identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The credit risk profile of the Group's trade receivables as at the end of the reporting period are as follows:

Group	2019 RM	2019 % of total	2018 RM	2018 % of total
Property development and management activities	104,955,548	91.5	67,308,905	94.8
Construction and related activities	8,386,035	7.3	2,775,273	3.9
Hotel operations	1,423,274	1.2	925,730	1.3
	114,764,857	100.0	71,009,908	100.0

As at the end of each reporting period, the credit risks exposures and collateral relating to trade receivables of the Group and of the Company are summarised in the table below:

	Maximum exposure RM	Collateral obtained RM	Net exposure RM
Group			
2019			
Property development and management activities	104,955,548	(37,215,369)	67,740,179
Construction and related activities	8,386,035	-	8,386,035
Hotel operations	1,423,274	-	1,423,274
	114,764,857	(37,215,369)	77,549,488
2018			
Property development and management activities	67,308,905	(28,379,160)	38,929,745
Construction and related activities	2,775,273	-	2,775,273
Hotel operations	925,730	-	925,730
	71,009,908	(28,379,160)	42,630,748
Company			
2019			
Property development and management activities	9,598,620	(5,527,639)	4,070,981
Hotel operations	1,423,274	-	1,423,274
	11,021,894	(5,527,639)	5,494,255
2018			
Property development and management activities	11,350,079	(8,798,913)	2,551,166
Hotel operations	925,730	-	925,730
	12,275,809	(8,798,913)	3,476,896

The above collaterals are letters of undertaking from financial institutions for properties sold and deposits received from customers.

10. TRADE AND OTHER RECEIVABLES (cont'd)

(i) (cont'd)

Credit risk arising from property development and management activities

The Group and the Company do not have significant credit risk from their services and their products are predominantly rendered and sold to a large number of property purchasers with financing facilities from reputable banks with high quality external credit rating. For self-financed property purchasers, the Group and the Company extend credit based upon evaluation of the purchasers' general background. The credit risks from property purchasers are limited as the legal title of the property sold remain with the Group and the Company until the purchase consideration are fully paid.

In respect of the Group's investment properties, the Group customarily obtains two months' rental deposit from tenant which acts as collateral as security for the performance of their obligations under the tenancy agreements to mitigate the risk of non-collectability of monthly rentals.

Credit risk arising from construction contracts

The Group seek to control credit risk by dealing with counterparties with appropriate credit histories. Customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known.

Credit risk arising from hotel operations

Credit risk arising from outstanding receivables from customer is minimised by closely monitoring the limit of the Group and of the Company's associations to business partners and their credit worthiness.

Credit risk arising from other receivables

Credit risk arising from other receivables is limited due to the large number of receivables. The historical experience in collection of other receivables fall within the recorded allowances. No additional credit risk beyond amounts allowed for collection losses is inherent in the other receivables.

Credit risk arising from subsidiaries

The amounts due from subsidiaries are monitored closely by the Company and the management is of the view that the carrying amount is fully recoverable.

(j) The interest rate profile of the amount due from a subsidiary as at the end of each reporting period are as follows:

	Company	
	2019	**2018**
	RM	**RM**
Floating rate	3,748,487	4,830,449

10. TRADE AND OTHER RECEIVABLES (cont'd)

(j) (cont'd)

Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Company 2019 RM	Company 2018 RM
Effects of 100 basis points changes to profit/(loss) after tax		
- Increase by 1% (2018: 1%)	28,489	(36,711)
- Decrease by 1% (2018: 1%)	(28,489)	36,711

(k) Trade and other receivables are denominated in RM.

11. CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Contract assets:					
Property development	11(b)	13,271,025	16,243,853	1,036,794	1,220,647
Construction contracts	11(c)	7,320,103	10,426,474	-	-
		20,591,128	26,670,327	1,036,794	1,220,647
Contract liabilities:					
Property development	11(b)	(55,045,800)	(59,038,101)	(5,235,646)	(7,350,772)
Construction contracts	11(c)	(4,301,121)	(8,364,013)	-	-
		(59,346,921)	(67,402,114)	(5,235,646)	(7,350,772)
		(38,755,793)	(40,731,787)	(4,198,852)	(6,130,125)

(a) Contract assets are the rights to considerations for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue recognised over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liabilities are the obligations to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customers. In the case of property development and construction contracts, contract liabilities are the excess of the billings to date over the cumulative revenue recognised.

Notes to the Financial Statements
30 June 2019 (cont'd)

11. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(b) Contract assets/(liabilities) from property development

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
At beginning of financial year	(42,794,248)	(30,390,070)	(6,130,125)	(6,420,972)
Revenue recognised during the year	406,485,139	271,684,749	73,758,905	62,050,749
Less: Progress billings during the year	(405,587,415)	(283,934,805)	(71,847,076)	(61,708,675)
Reversal/(Addition) of impairment losses during the year	121,749	(154,122)	19,444	(51,227)
At end of financial year	(41,774,775)	(42,794,248)	(4,198,852)	(6,130,125)
Represented by:				
Contract assets	13,786,209	16,880,786	1,084,486	1,287,783
Less: Impairment losses	(515,184)	(636,933)	(47,692)	(67,136)
	13,271,025	16,243,853	1,036,794	1,220,647
Contract liabilities	(55,045,800)	(59,038,101)	(5,235,646)	(7,350,772)
	(41,774,775)	(42,794,248)	(4,198,852)	(6,130,125)

(i) The amount of RM50,312,585 and RM6,210,997 recognised in contract liabilities at the beginning of the financial year has been recognised as revenue by the Group and by the Company respectively for the financial year ended 30 June 2019.

(ii) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Within one (1) year	270,385,908	166,287,443	8,612,861	6,999,888
Between one (1) year and five (5) year	13,554,175	90,648,947	-	4,151,848

(c) Contract assets/(liabilities) from construction contracts

	Company	
	2019	**2018**
	RM	**RM**
Contract assets	7,535,434	10,747,190
Less: Impairment losses	(215,331)	(320,716)
	7,320,103	10,426,474
Contract liabilities	(4,301,121)	(8,364,013)
	3,018,982	2,062,461

11. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(c) Contract assets/(liabilities) from construction contracts (cont'd)

(i) The amount of RM302,544 recognised in contract liabilities at the beginning of the financial year has been recognised as revenue by the Group for the financial year ended 30 June 2019.

(ii) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

	Group	
	2019	**2018**
	RM	**RM**
Within one (1) year	4,703,309	20,044,383
Between one (1) year and five (5) year	14,406,000	8,485,309

(d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit loss model as disclosed in Note 10(g) to the financial statements.

The reconciliation of movements in the impairment losses of contract assets is as follows:

ECL allowance	**Group**	**Company**
2019	**RM**	**RM**
At beginning of financial year	957,649	67,136
Reversal during the financial year	(227,134)	(19,444)
At end of financial year	730,515	47,692
2018		
At beginning of financial year (as previously stated)	-	-
Effects of adoption of MFRS 9	652,927	15,909
At beginning of financial year (restated)	652,927	15,909
Charge for the financial year	304,722	51,227
At end of financial year	957,649	67,136

(e) Contract assets and contract liabilities are denominated in RM.

Notes to the Financial Statements
30 June 2019 (cont'd)

12. CASH AND BANK BALANCES

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash and bank balances	22,858,428	21,872,617	5,148,033	2,390,343
Deposits with licensed banks	165,000	365,000	-	200,000
	23,023,428	22,237,617	5,148,033	2,590,343

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) The weighted average effective interest rate of deposits with licensed banks of the Group and of the Company is 1.59% (2018: 1.55%) per annum respectively.

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rate.

(c) Included in cash and bank balances of the Group and of the Company are amounts of RM6,063,361 (2018: RM8,276,926) and RM738,652 (2018: RM901,867) respectively held under Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015.

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash and bank balances	22,858,428	21,872,617	5,148,033	2,390,343
Deposits with licensed banks	165,000	365,000	-	200,000
Bank overdrafts included in borrowings (Note 15)	(50,080,896)	(56,116,509)	(38,155,518)	(44,148,341)
	(27,057,468)	(33,878,892)	(33,007,485)	(41,557,998)
Less:				
Deposits pledged to licensed banks	(165,000)	(365,000)	-	(200,000)
	(27,222,468)	(34,243,892)	(33,007,485)	(41,757,998)

(e) Cash and bank balances are denominated in RM.

Notes to the Financial Statements
30 June 2019 (cont'd)

13. SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares	412,500,000	206,250,000	412,500,000	206,250,000

(a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

(b) At the end of the reporting period, the number of outstanding shares in issue after setting off treasury shares against equity is 399,630,800 (2018: 400,358,800).

Treasury shares

The shareholders of the Company have approved the plan for the Company to repurchase up to 10% of the issued and paid-up share capital of the Company ('Share Buy Back'). The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

At the end of the reporting period, a total of 12,869,200 (2018: 12,141,200) treasury shares at cost of RM3,371,015 (2018: RM3,167,695) were held by the Company in accordance with Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company repurchased 728,000 (2018: 2,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM203,320 (2018: RM890). The average price paid for the shares repurchased was RM0.28 (2018: RM0.45) per share. The Share Buy Back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased had been sold as at 30 June 2019.

14. REVALUATION RESERVE

	Group and Company	
	2019 RM	2018 RM
Hotel properties		
At 1 July/30 June	6,788,088	6,788,088

Notes to the Financial Statements
30 June 2019 (cont'd)

15. BORROWINGS

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Non-current liabilities					
Bridging loans		40,408,611	26,650,285	10,006,271	5,470,144
Term loans		194,492,787	206,591,559	12,867,179	16,310,205
Hire purchase creditors	16	494,145	876,859	69,048	168,421
		235,395,543	234,118,703	22,942,498	21,948,770
Current liabilities					
Bridging loans		27,900,000	10,799,915	-	-
Term loans		98,968,007	126,964,505	3,448,283	10,694,786
Hire purchase creditors	16	488,734	618,734	205,408	229,172
Revolving credits		22,622,290	37,224,890	9,920,000	9,920,000
Bankers' acceptances		11,652,000	11,673,000	6,680,000	6,688,000
Bank overdrafts	12(d)	50,080,896	56,116,509	38,155,518	44,148,341
		211,711,927	243,397,553	58,409,209	71,680,299
Total					
Bridging loans		68,308,611	37,450,200	10,006,271	5,470,144
Term loans		293,460,794	333,556,064	16,315,462	27,004,991
Hire purchase creditors	16	982,879	1,495,593	274,456	397,593
Revolving credits		22,622,290	37,224,890	9,920,000	9,920,000
Bankers' acceptances		11,652,000	11,673,000	6,680,000	6,688,000
Bank overdrafts	12(d)	50,080,896	56,116,509	38,155,518	44,148,341
		447,107,470	477,516,256	81,351,707	93,629,069

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) Bridging loans of the Group and of the Company are secured by the following:

  (i) Certain development properties as disclosed in Note 7(a) and Note 7(b) to the financial statements; and

  (ii) Inventories as disclosed in Note 7(c) to the financial statements.

(c) Term loans of the Group and of the Company are secured by the following:

  (i) Certain investment properties as disclosed in Note 6(a) to the financial statements;

  (ii) Inventories as disclosed in Note 7(c) to the financial statements; and

  (iii) Land and buildings as disclosed in Note 5(i) to the financial statements.

In addition, the term loans of the Group and of the Company are jointly and severally guaranteed by certain Directors of the Company.

15. BORROWINGS (cont'd)

(d) Other short-term borrowings of the Group and of the Company are secured by the followings:

(i) Investment properties as disclosed in Note 6(a) to the financial statements;

(ii) Hotel properties and certain freehold land and buildings as disclosed in Note 5(i) to the financial statements;

(iii) Certain development properties as disclosed in Note 7(a) and Note 7(b) to the financial statements; and

(iv) Certain property, plant and equipment as disclosed in Note 5(h) to the financial statements.

In addition, the other short term borrowings are personally guaranteed by certain Directors of the Company.

(e) The bridging loans and term loans are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier. The repayment terms for the bridging loans and term loans are as follows:

Group **2019**	**On demand or within one (1) year** **RM**	**One (1) to five (5) years** **RM**	**Over five (5) years** **RM**	**Total** **RM**
Term loans	98,968,007	194,144,917	347,870	293,460,794
Bridging loans	27,900,000	38,785,611	1,623,000	68,308,611
	126,868,007	232,930,528	1,970,870	361,769,405
2018				
Term loans	126,964,505	206,215,822	375,737	333,556,064
Bridging loans	10,799,915	26,650,285	-	37,450,200
	137,764,420	232,866,107	375,737	371,006,264
Company				
2019				
Term loans	3,448,283	12,867,179	-	16,315,462
Bridging loans	-	8,383,271	1,623,000	10,006,271
	3,448,283	21,250,450	1,623,000	26,321,733
2018				
Term loans	10,694,786	16,310,205	-	27,004,991
Bridging loans	-	5,470,144	-	5,470,144
	10,694,786	21,780,349	-	32,475,135

Notes to the Financial Statements

30 June 2019 (cont'd)

15. BORROWINGS (cont'd)

(f) The interest rate profile of the borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Fixed rate	982,879	1,495,593	274,456	397,593
Floating rate	446,124,591	476,020,663	81,077,251	93,231,476
	447,107,470	477,516,256	81,351,707	93,629,069

Sensitivity analysis for fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Effects of 100 basis points changes to profit/(loss) after tax				
- Increase by 1% (2018: 1%)	(3,390,547)	(3,617,757)	(616,187)	708,559
- Decrease by 1% (2018: 1%)	3,390,547	3,617,757	616,187	(708,559)

(g) The weighted average effective interest rates of the borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2019 %	**2018 %**	**2019 %**	**2018 %**
Bridging loans	6.1	6.3	6.1	5.9
Term loans	6.2	6.0	6.9	6.8
Hire purchase creditors	4.6	6.3	4.6	4.9
Revolving credits	6.3	6.0	6.4	6.3
Bankers' acceptances	5.1	4.9	5.1	4.7
Bank overdrafts	8.3	8.5	8.2	8.3

(h) Fair value of borrowings

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of the borrowings (excluding hire purchase creditors) are reasonable approximation of fair values due to that they are floating rate instruments that are re-priced to market interest rate on or near to the reporting period.

15. BORROWINGS (cont'd)

(h) Fair value of borrowings (cont'd)

(ii) Hire purchase creditors

The fair values of hire purchase creditors are estimated by discounting expected future cash flows at market incremental lending rate for similar type of instruments available to the Group and the Company at the end of the reporting period.

	2019		2018	
Hire-purchase creditors	**Carrying amount RM**	**Level 2 Fair value RM**	**Carrying amount RM**	**Level 2 Fair value RM**
Group	982,879	906,624	1,495,593	1,417,614
Company	274,456	270,142	397,593	390,260

(i) The table below summarises the maturity profile of the borrowings as at the end of each reporting period based on contractual undiscounted repayment obligations:

Group **2019**	**On demand or within one (1) year RM**	**One (1) to five (5) years RM**	**Over five (5) years RM**	**Total RM**
Bridging loans	31,449,302	41,678,013	1,631,408	74,758,723
Term loans	114,536,365	211,294,708	460,075	326,291,148
Hire purchase creditors	523,834	513,881	-	1,037,715
Revolving credits	22,622,290	-	-	22,622,290
Bankers' acceptances	11,652,000	-	-	11,652,000
Bank overdrafts	50,080,896	-	-	50,080,896
Total undiscounted financial liabilities	230,864,687	253,486,602	2,091,483	486,442,772
2018				
Bridging loans	12,949,200	28,159,823	-	41,109,023
Term loans	143,990,218	223,597,283	514,205	368,101,706
Hire purchase creditors	676,343	924,655	-	1,600,998
Revolving credits	37,224,890	-	-	37,224,890
Bankers' acceptances	11,673,000	-	-	11,673,000
Bank overdrafts	56,116,509	-	-	56,116,509
Total undiscounted financial liabilities	262,630,160	252,681,761	514,205	515,826,126

Notes to the Financial Statements
30 June 2019 (cont'd)

15. BORROWINGS (cont'd)

(i) The table below summarises the maturity profile of the borrowings as at the end of each reporting period based on contractual undiscounted repayment obligations: (cont'd)

Company 2019	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
Bridging loans	610,719	9,672,414	1,631,408	11,914,541
Term loans	4,447,548	13,590,626	-	18,038,174
Hire purchase creditors	212,484	71,944	-	284,428
Revolving credits	9,920,000	-	-	9,920,000
Bankers' acceptances	6,680,000	-	-	6,680,000
Bank overdrafts	38,155,518	-	-	38,155,518
Total undiscounted financial liabilities	60,026,269	23,334,984	1,631,408	84,992,661
2018				
Bridging loans	334,226	6,232,328	-	6,566,554
Term loans	12,037,889	18,135,444	-	30,173,333
Hire purchase creditors	241,920	171,360	-	413,280
Revolving credits	9,920,000	-	-	9,920,000
Bankers' acceptances	6,688,000	-	-	6,688,000
Bank overdrafts	44,148,341	-	-	44,148,341
Total undiscounted financial liabilities	73,370,376	24,539,132	-	97,909,508

(j) Borrowings are denominated in RM.

16. HIRE PURCHASE CREDITORS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Minimum hire purchase payments:				
- not later than one (1) year	523,834	676,343	212,484	241,920
- later than one (1) year not later than five (5) years	513,881	924,655	71,944	171,360
Total minimum hire purchase payments	1,037,715	1,600,998	284,428	413,280
Less: Future finance charges	(54,836)	(105,405)	(9,972)	(15,687)
Present value of hire purchase payments	982,879	1,495,593	274,456	397,593

16. HIRE PURCHASE CREDITORS (cont'd)

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Repayable as follows:					
Current liabilities:					
- not later than one (1) year	15	488,734	618,734	205,408	229,172
Non-current liabilities:					
- later than one (1) year not later than five (5) years	15	494,145	876,859	69,048	168,421
	15	982,879	1,495,593	274,456	397,593

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Trade payables				
Third parties	139,799,692	93,250,280	2,558,533	10,187,937
Amounts due to subsidiaries	-	-	341,700	-
	139,799,692	93,250,280	2,900,233	10,187,937
Other payables				
Third parties	12,501,086	14,052,340	1,367,818	1,555,634
Amounts due to Directors	2,884,965	-	99,207	-
Amounts due to subsidiaries	-	-	25,242,305	41,009,612
Related parties				
- Interest bearing	14,752,134	20,597,754	14,752,134	20,597,754
- Non-interest bearing	42,938,082	43,410,414	1,221,791	970,728
Accruals	14,522,422	19,878,315	2,265,561	1,822,657
Deposits received	30,255,020	37,592,369	10,305,218	7,927,857
	117,853,709	135,531,192	55,254,034	73,884,242
	257,653,401	228,781,472	58,154,267	84,072,179

(a) Trade and other payables are classified as financial liabilities measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company range from 30 to 150 days (2018: 30 to 150 days).

17. TRADE AND OTHER PAYABLES (cont'd)

(c) Included in trade payables of the Group and of the Company are retention sums for contract works. The retention sums are unsecured, interest free and are expected to be payable as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Within one (1) year	7,222,612	19,155,163	2,052,249	1,600,437
More than one (1) year	26,832,324	6,042,403	2,208,007	2,054,411
	34,054,936	25,197,566	4,260,256	3,654,848

(d) Amounts due to Directors are unsecured, interest free and payable within next twelve (12) months in cash and cash equivalents.

(e) Amounts due to related parties of the Group and of the Company are unsecured and payable within next twelve (12) months in cash and cash equivalents. These amounts are interest free except for advances of RM14,752,134 (2018: RM20,597,754) and RM14,752,134 (2018: RM20,597,754) respectively which bear interest at rate of 5.1% (2018: 5.1%) per annum.

(f) Amounts due to subsidiaries are unsecured and payable within next twelve (12) months in cash and cash equivalents. These amounts are interest free except for a total amount of RM18,576,965 (2018: RM52,293,240), which bears interest ranging from 6.12% to 6.36% (2018: 3.7% to 6.36%) per annum.

(g) The maturity profile of the trade and other payables (excluding retention sums for contract works) of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are payable on demand or within one (1) year.

(h) Sensitivity analysis for fixed rate profile of amount due to a related party at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

(i) The interest rate profile of the amounts due to subsidiaries as at the end of each reporting period are as follows:

	Company	
	2019 RM	2018 RM
Floating rate	18,576,965	52,293,240

Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Company	
	2019 RM	2018 RM
Effects of 100 basis points changes to profit/(loss) after tax		
- Increase by 1% (2018: 1%)	(141,185)	397,429
- Decrease by 1% (2018: 1%)	141,185	(397,429)

(j) Trade and other payables are denominated in RM.

18. REVENUE

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Revenue from contracts with customers:				
Property development	336,408,067	228,630,152	20,229,641	25,900,286
Completed properties	70,077,072	43,054,597	53,529,264	36,150,463
Hotel operations	1,139,321	3,403,995	1,139,321	3,403,995
Construction contracts	14,010,183	10,046,036	-	-
Sales of goods	29,360	1,613	-	-
	421,664,003	285,136,393	74,898,226	65,454,744
Other revenue:				
Rental income	3,729,894	7,117,840	2,117,804	2,081,201
	425,393,897	292,254,233	77,016,030	67,535,945
Revenue from contract with customers is recognised as follows:				
At point in time	71,245,753	46,460,205	54,668,585	39,554,458
Over time	350,418,250	238,676,188	20,229,641	25,900,286
	421,664,003	285,136,393	74,898,226	65,454,744

The revenue of the Group and of the Company are derived entirely in Malaysia.

(a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost and construction contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Notes to the Financial Statements
30 June 2019 (cont'd)

18. REVENUE (cont'd)

(a) Revenue from property development and construction contracts (cont'd)

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and transaction price allocation in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

(b) Completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

(c) Hotel operations income

Hotel operations income comprises letting of hotel rooms, sales of food and beverages and other hotel related income, and is recognised upon at a point in time when the products has been transferred or the services has been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

(d) Sale of goods

Revenue from sale of goods is recognised at a point in time when the products has been transferred or the services has been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

(e) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

Notes to the Financial Statements
30 June 2019 (cont'd)

19. COST OF SALES

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Property development costs	7(b)	208,159,467	171,553,034	15,139,150	23,597,450
Cost of completed properties sold	7(c)	42,239,873	26,619,868	32,339,892	22,656,999
Hotel operations costs		32,135	322,230	32,135	322,230
Construction contract costs		24,667,456	(974,150)	-	-
Cost of goods sold	7(c)	59,605	20,173	-	-
		275,158,536	197,541,155	47,511,177	46,576,679

20. FINANCE INCOME AND COSTS

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Finance income				
Interest income on:				
- intercompany loan	-	-	65,945	80,452
- deposits with licensed banks	243,301	212,450	17,604	17,462
	243,301	212,450	83,549	97,914
Finance costs				
Interest expense on:				
- term loans	5,927,151	5,719,926	931,111	1,173,995
- hire purchase creditors	73,642	87,766	14,064	26,708
- revolving credits	1,602,930	2,516,282	638,536	620,816
- short term borrowings	633,902	326,540	-	-
- bank overdrafts	3,656,110	3,783,493	3,491,213	3,621,119
- intercompany loan	-	-	2,464,213	4,423,625
- related party loan	738,893	1,008,693	738,893	1,008,693
- others	233,430	575,994	33,578	150,153
	12,866,058	14,018,694	8,311,608	11,025,109

Interest income is recognised as it accrues, using the effective interest method.

Notes to the Financial Statements

30 June 2019 (cont'd)

21. EMPLOYEE BENEFITS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Wages, salaries and bonus	16,449,195	17,311,744	5,347,420	6,871,702
Defined contribution plan	2,247,502	2,424,758	747,806	984,596
Other employee benefits	2,029,737	2,442,034	640,205	822,173
	20,726,434	22,178,536	6,735,431	8,678,471

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM6,801,660 (2018: RM6,863,481) and RM1,993,276 (2018: RM2,337,110) respectively.

22. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at after charging and crediting:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Rental expense of:	557,078	564,000	302,400	306,600
- premises	7,690	1,590	-	-
- equipment				
Gain/(Loss) on disposals of:				
- property, plant and equipment	2,992,863	(82,654)	2,487,961	-
- investment properties	55,000	257,511	-	-
Rental income of premises	535,048	533,207	349,100	288,600
Write back of payables	1,017,538	266,933	1,017,538	387,464

(a) Net losses arising from financial instruments comprise finance income, finance expense, receivables written off, impairment losses and write back of payables.

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Financial assets at amortised cost	1,388,949	4,899,297	2,562,655	2,407,567
Financial liabilities at amortised cost	11,848,520	13,751,761	7,294,070	10,637,645
	13,237,469	18,651,058	9,856,725	13,045,212

23. TAXATION

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current year tax expense based on profit for the financial year	7,811,388	5,751,021	2,316,348	-
(Over)/Under provision in prior year	(77,090)	(87,783)	297,972	(83,440)
	7,734,298	5,663,238	2,614,320	(83,440)
Deferred tax (Note 9)				
- Relating to origination and reversal of temporary differences	8,283,126	(989,426)	381,563	(220,877)
- Underprovision in prior year	1,205,195	837,746	1,196,969	811,372
	9,488,321	(151,680)	1,578,532	590,495
	17,222,619	5,511,558	4,192,852	507,055

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated taxable profit for the fiscal year.

(b) Numerical reconciliation of taxation applicable to profit/(loss) before taxation at the statutory tax rate applicable to the Group and the Company are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax	74,197,804	13,811,686	5,623,246	(4,960,702)
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	17,807,473	3,314,805	1,349,579	(1,190,568)
Real property gains tax	25,361	-	-	-
Non-allowable expenses	13,916,345	4,610,879	2,184,346	1,962,034
Non-taxable income	(1,189,298)	(321,958)	(836,014)	(992,343)
Tax incentives	(15,310,254)	(1,666,875)	-	-
Utilisation of deferred tax previously not recognised	-	(1,175,256)	-	-
Deferred tax assets not recognised	844,887	-	-	-
(Over)/Under provision in prior year				
- income tax	(77,090)	(87,783)	297,972	(83,440)
- deferred tax	1,205,195	837,746	1,196,969	811,372
	17,222,619	5,511,558	4,192,852	507,055

Notes to the Financial Statements
30 June 2019 (cont'd)

24. EARNINGS PER SHARE

(a) Basic

The basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity owners of the parent by the weighted average number of ordinary shares in issue (after adjusting for treasury shares) during the financial year.

	Group	
	2019	2018
Profit attributable to owners of the parent (RM)	39,012,759	6,889,534
Weighted average number of ordinary shares in issue	399,630,800	400,358,800

	2019 Sen	2018 Sen
Basic earnings per ordinary share attributable to the equity owners of the parent	9.76	1.72

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no potential dilutive ordinary shares.

25. COMMITMENTS

(a) Operating lease commitments

The Group and the Company as lessor

The Group and the Company have entered into various non-cancellable operating lease agreements on properties with third parties.

The future minimum lease payments receivable under the above non-cancellable operating leases as at the end of the reporting period but not recognised as receivables, are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Not later than one (1) year	3,993,419	5,564,643	1,889,177	1,983,069
Later than one (1) year and not later than five (5) years	6,833,152	3,984,446	2,283,936	1,081,789
Later than five (5) years	7,051,756	7,115	-	-
	17,878,327	9,556,204	4,173,113	3,064,858

26. CONTINGENT LIABILITIES

	Company	
	2019	**2018**
	RM	**RM**
Unsecured		
Corporate guarantees for trade credits granted to subsidiaries		
- Limit of guarantee	65,500,000	61,100,000
- Amount utilised	382,011	1,941,305
Secured		
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries		
- Limit of guarantee	686,820,000	792,570,000
- Amount utilised	354,643,349	372,509,604

(a) A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Corporate guarantees for trade credits and borrowing facilities granted to subsidiaries are financial guarantee contracts designated as insurance contracts as defined in MFRS 4 *Insurance Contracts*.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities, if any, are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities, if any, are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the fair value of such corporate guarantees given by the Company is negligible as the chances of the financial institutions to call upon the corporate guarantees are remote.

(b) The maturity profile of the contingent liabilities of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are payable on demand or within one (1) year.

Notes to the Financial Statements
30 June 2019 (cont'd)

27. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related party relationships exist between the Company and its subsidiaries and between the Company and its ultimate holding company.

In addition, the Company also has related party relationships with the following parties:

Identities of related parties	Relationship with the Group
Ju-Ichi Enterprise Sdn. Bhd. ('JIE')	A related party by virtue of the directorship of certain Directors of the Company, Tan Sri Dato' Tan Seng Leong and Tan Lindy.
Ibzi Development (Johor) Sdn. Bhd. ('IBZ')	A related party by virtue of the directorship of certain Directors of the Company, Tan Sri Dato' Tan Seng Leong and Tan Vin Sern.
Marvel Plus Development Sdn. Bhd. ('MPD')	A related party by virtue of the directorship of certain Directors of the Company, Tan Lindy, Tan Vin Sern and Tan Sri Dato' Tan Seng Leong's spouse, namely Puan Sri Datin Lim Sui Yong in MPD. Both Puan Sri Datin Lim Sui Yong and Tan Vin Sern are also major shareholders in MPD.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Company 2019 RM	Company 2018 RM
(i) Transactions with subsidiaries		
Progress billings by a subsidiary:		
- BCB Construction Sdn. Bhd.	12,531,871	19,455,301
Intercompany interest receivable from a subsidiary:		
- Johbase Development Sdn. Bhd.	65,945	80,452
Intercompany interest payable to subsidiaries:		
- BCB Land Sdn. Bhd.	2,056,678	3,531,829
- BCB Development Sdn. Bhd.	124,514	306,327
- Global Earnest Sdn. Bhd.	283,381	585,469

27. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant related party transactions (cont'd)

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

	Company 2019 RM	Company 2018 RM
(i) Transactions with subsidiaries (cont'd)		
Management fees receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	-	360,000
- Johbase Development Sdn. Bhd.	-	240,000
- BCB Resources Sdn. Bhd.	-	840,000
Rental income from a subsidiary:		
- BCB Construction Sdn. Bhd.	12,000	12,000

	Group and Company 2019 RM	Group and Company 2018 RM
(ii) Transactions with related parties		
Office rental paid to JIE	300,000	300,000
Interest payable to JIE	738,893	1,008,693

	Group 2019 RM	Group 2018 RM
Hiring of machineries from MPD	248,237	7,093
Construction contracts:		
- JIE	18,408,992	636,000
- MPD	2,117,808	3,375,483
Progress billings to:		
- ultimate holding company	227,600	2,801,350
- related parties	1,058,400	6,223,483
- Directors	2,391,061	10,650,260
Rental income from MPD	12,000	11,000
Sales of goods to MPD	29,360	1,613

27. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant related party transactions (cont'd)

The related party transactions described above were carried out on mutually agreed terms and are not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances with related parties as at 30 June 2019 are disclosed in Note 10 and Note 17 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Company.

28. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 30 June 2018.

The Group and the Company are not subject to any externally imposed capital requirements of the financial instruments other than prescribed gearing ratio and tangible net worth of the Group imposed by financial institutions.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group regularly reviews the gearing ratio to ensure they are at acceptable levels and within industry norms. The Group includes within net debt, borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parent. A detailed calculation of the net debt is shown below:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Borrowings	447,107,470	477,516,256	81,351,707	93,629,069
Less:				
Cash and bank balances	(23,023,428)	(22,237,617)	(5,148,033)	(2,590,343)
Net debt	424,084,042	455,278,639	76,203,674	91,038,726
Total capital	462,617,332	423,810,380	293,002,345	291,775,271
Net debt	424,084,042	455,278,639	76,203,674	91,038,726
	886,701,374	879,089,019	369,206,019	382,813,997
Gearing ratio	48%	52%	21%	24%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial year ended 30 June 2019.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review, internal control systems and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk as well as interest rate risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Credit risk is the risk of potential financial loss to the Group and the Company arising from the failure of a counterparty to fulfill its obligations under a contractual agreement and include settlement/clearing risk, concentration risk, credit assessment risk, recovery risk and credit-related liquidity risk.

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group and of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group and of the Company to credit risk arises through its trade receivables.

The trading terms of the Group and of the Company with its customers are mainly on credit. The credit period generally ranges from 14 days to a period of three (3) months. The Group seeks to maintain strict control over its outstanding receivables to minimise its credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Information regarding credit exposure for trade and other receivables is disclosed in Note 10 to the financial statements.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company are unable to service their cash obligations in the future. To mitigate this risk, the management measures and forecasts their cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the operations and developments activities of the Group and of the Company.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Note 15 and Note 17 to the financial statements.

Notes to the Financial Statements
30 June 2019 (cont'd)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk relates primarily to their interest-bearing borrowings on fixed and floating rates. The Group and the Company do not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 10, Note 12, Note 15 and Note 17 to the financial statements.

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

(a) New MFRSs adopted during the financial year

The Group and the Company are transitioning entities as defined by the Malaysian Accounting Standards Board ('MASB') and adopted the MFRS Framework during the financial year ended 30 June 2019. Accordingly, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

In adopting the new MFRS Framework, the Group and the Company applied the transition requirements in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. In addition to the adoption of the new MFRS Framework, the following new MFRSs and Amendments to the MFRSs issued by MASB were adopted by the Group and the Company during the financial year:

Title	**Effective Date**
Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018
Amendments to MFRS 4 *Applying MFRS* 9 Financial Instruments *with MFRS 4* Insurance Contracts	See MFRS 4 Paragraphs 46 and 48

Notes to the Financial Statements
30 June 2019 (cont'd)

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs

The Group adjusted amounts previously reported in the financial statements that were prepared in accordance with the previous FRS Framework. In preparing the opening statements of financial position at 1 July 2017, an explanation on the impact arising from the transition from FRSs to MFRSs on the financial position and financial performance of the Group is set out as follows:

(i) Reconciliation of statements of financial position

Group 1 July 2017	Previously reported under FRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
ASSETS				
Non-current assets				
Property, plant and equipment	60,986,597	-	-	60,986,597
Investment properties	60,580,418	-	-	60,580,418
Land held for property development	119,374,684	(119,374,684)	-	-
Inventories	-	119,374,684	-	119,374,684
Deferred tax assets	2,960,814	5,093,685	-	8,054,499
	243,902,513	5,093,685	-	248,996,198
Current assets				
Property development costs	675,098,407	(675,098,407)	-	-
Inventories	123,086,107	692,325,688	-	815,411,795
Trade and other receivables	96,295,600	(22,659,663)	(5,420,845)	68,215,092
Contract assets	-	24,777,989	(652,927)	24,125,062
Current tax assets	7,935,564	-	-	7,935,564
Cash and bank balances	22,589,219	-	-	22,589,219
	925,004,897	19,345,607	(6,073,772)	938,276,732
TOTAL ASSETS	1,168,907,410	24,439,292	(6,073,772)	1,187,272,930
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	206,250,000	-	-	206,250,000
Treasury shares	(3,166,805)	-	-	(3,166,805)
Revaluation reserve	6,788,088	-	-	6,788,088
Retained earnings	237,727,749	(24,965,262)	(5,712,034)	207,050,453
	447,599,032	(24,965,262)	(5,712,034)	416,921,736
Non-controlling interests	13,033,629	(2,903,343)	(361,738)	9,768,548
TOTAL EQUITY	460,632,661	(27,868,605)	(6,073,772)	426,690,284

Notes to the Financial Statements
30 June 2019 (cont'd)

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(i) Reconciliation of statements of financial position (cont'd)

Group 1 July 2017	Previously reported under FRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
LIABILITIES				
Non-current liabilities				
Borrowings	263,849,984	-	-	263,849,984
Current liabilities				
Borrowings	211,321,174	-	-	211,321,174
Trade and other payables	230,795,693	(12,961,007)	-	217,834,686
Contract liabilities	-	65,268,904	-	65,268,904
Current tax liabilities	2,307,898	-	-	2,307,898
	444,424,765	52,307,897	-	496,732,662
TOTAL LIABILITIES	708,274,749	52,307,897	-	760,582,646
TOTAL EQUITY AND LIABILITIES	1,168,907,410	24,439,292	(6,073,772)	1,187,272,930

Group 30 June 2018	Previously reported under FRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
ASSETS				
Non-current assets				
Property, plant and equipment	57,632,831	-	-	57,632,831
Investment properties	57,858,914	-	-	57,858,914
Land held for property development	254,188,012	(254,188,012)	-	-
Inventories	-	254,188,012	-	254,188,012
Deferred tax assets	2,337,196	5,868,983	-	8,206,179
	372,016,953	5,868,983	-	377,885,936
Current assets				
Property development costs	615,232,514	(615,232,514)	-	-
Inventories	108,962,381	596,687,703	-	705,650,084
Trade and other receivables	108,274,292	(21,375,801)	(7,121,210)	79,777,281
Contract assets	-	27,627,976	(957,649)	26,670,327
Current tax assets	10,772,398	-	-	10,772,398
Cash and bank balances	22,237,617	-	-	22,237,617
	865,479,202	(12,292,636)	(8,078,859)	845,107,707
TOTAL ASSETS	1,237,496,155	(6,423,653)	(8,078,859)	1,222,993,643

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(i) Reconciliation of statements of financial position (cont'd)

Group **30 June 2018**	**Previously reported under FRSs** **RM**	**Effects of MFRS 15** **RM**	**Effects of MFRS 9** **RM**	**Restated under MFRSs** **RM**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	206,250,000	-	-	206,250,000
Treasury shares	(3,167,695)	-	-	(3,167,695)
Revaluation reserve	6,788,088	-	-	6,788,088
Retained earnings	267,022,151	(46,249,071)	(6,833,093)	213,939,987
	476,892,544	(46,249,071)	(6,833,093)	423,810,380
Non-controlling interests	42,408,185	(16,733,252)	(1,245,766)	24,429,167
TOTAL EQUITY	519,300,729	(62,982,323)	(8,078,859)	448,239,547
LIABILITIES				
Non-current liabilities				
Borrowings	234,118,703	-	-	234,118,703
Current liabilities				
Borrowings	243,397,553	-	-	243,397,553
Trade and other payables	239,624,916	(10,843,444)	-	228,781,472
Contract liabilities	-	67,402,114	-	67,402,114
Current tax liabilities	1,054,254	-	-	1,054,254
	484,076,723	56,558,670	-	540,635,393
TOTAL LIABILITIES	718,195,426	56,558,670	-	774,754,096
TOTAL EQUITY AND LIABILITIES	1,237,496,155	(6,423,653)	(8,078,859)	1,222,993,643

Notes to the Financial Statements

30 June 2019 (cont'd)

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(i) Reconciliation of statements of financial position (cont'd)

Company 1 July 2017	Previously reported under FRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
ASSETS				
Non-current assets				
Property, plant and equipment	52,585,090	-	-	52,585,090
Investment properties	7,300,000	-	-	7,300,000
Land held for property development	14,480,379	(14,480,379)	-	-
Inventories	-	14,480,379	-	14,480,379
Investments in subsidiaries	57,550,013			57,550,013
Deferred tax assets	2,609,132	1,411,132	-	4,020,264
	134,524,614	1,411,132	-	135,935,746
Current assets				
Property development costs	106,884,718	(106,884,718)	-	-
Inventories	111,274,868	104,990,594	-	216,265,462
Trade and other receivables	197,097,123	-	(7,045,226)	190,051,897
Contract assets	-	431,265	(15,909)	415,356
Current tax assets	3,603,662	-	-	3,603,662
Cash and bank balances	2,224,608	-	-	2,224,608
	421,084,979	(1,462,859)	(7,061,135)	412,560,985
TOTAL ASSETS	555,609,593	(51,727)	(7,061,135)	548,496,731
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	206,250,000	-	-	206,250,000
Treasury shares	(3,166,805)	-	-	(3,166,805)
Revaluation reserve	6,788,088	-	-	6,788,088
Retained earnings	98,902,356	(4,468,586)	(7,061,135)	87,372,635
TOTAL EQUITY	308,773,639	(4,468,586)	(7,061,135)	297,243,918

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(i) Reconciliation of statements of financial position (cont'd)

Company 1 July 2017	Previously reported under FRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
LIABILITIES				
Non-current liabilities				
Borrowings	34,449,544	-	-	34,449,544
Current liabilities				
Borrowings	69,532,869	-	-	69,532,869
Trade and other payables	142,853,541	(2,419,469)	-	140,434,072
Contract liabilities	-	6,836,328	-	6,836,328
	212,386,410	4,416,859	-	216,803,269
TOTAL LIABILITIES	246,835,954	4,416,859	-	251,252,813
TOTAL EQUITY AND LIABILITIES	555,609,593	(51,727)	(7,061,135)	548,496,731

Company 30 June 2018				
ASSETS				
Non-current assets				
Property, plant and equipment	50,594,031	-	-	50,594,031
Investment properties	7,300,000	-	-	7,300,000
Land held for property development	20,285,039	(20,285,039)	-	-
Inventories	-	20,285,039	-	20,285,039
Investments in subsidiaries	147,300,087	-	-	147,300,087
Deferred tax assets	1,940,782	1,488,987	-	3,429,769
	227,419,939	1,488,987	-	228,908,926

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(i) Reconciliation of statements of financial position (cont'd)

Company 30 June 2018	**Previously reported under FRSs RM**	**Effects of MFRS 15 RM**	**Effects of MFRS 9 RM**	**Restated under MFRSs RM**
ASSETS				
Current assets				
Property development costs	101,261,087	(101,261,087)	-	-
Inventories	90,289,022	99,271,021	-	189,560,043
Trade and other receivables	51,682,992	-	(2,784,699)	48,898,293
Contract assets	-	1,287,783	(67,136)	1,220,647
Current tax assets	5,649,039	-	-	5,649,039
Cash and bank balances	2,590,343	-	-	2,590,343
	251,472,483	(702,283)	(2,851,835)	247,918,365
TOTAL ASSETS	478,892,422	786,704	(2,851,835)	476,827,291
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	206,250,000	-	-	206,250,000
Treasury shares	(3,167,695)	-	-	(3,167,695)
Revaluation reserve	6,788,088	-	-	6,788,088
Retained earnings	89,471,840	(4,715,127)	(2,851,835)	81,904,878
TOTAL EQUITY	299,342,233	(4,715,127)	(2,851,835)	291,775,271
LIABILITIES				
Non-current liabilities				
Borrowings	21,948,770	-	-	21,948,770
Current liabilities				
Borrowings	71,680,299	-	-	71,680,299
Trade and other payables	85,921,120	(1,848,941)	-	84,072,179
Contract liabilities	-	7,350,772	-	7,350,772
	157,601,419	5,501,831	-	163,103,250
TOTAL LIABILITIES	179,550,189	5,501,831	-	185,052,020
TOTAL EQUITY AND LIABILITIES	478,892,422	786,704	(2,851,835)	476,827,291

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(ii) Reconciliation of statements of profit or loss and other comprehensive income

Group **30 June 2018**	**Previously reported under FRSs** **RM**	**Effects of MFRS 15** **RM**	**Effects of MFRS 9** **RM**	**Restated under MFRSs** **RM**
Revenue	305,009,185	(12,754,952)	-	292,254,233
Cost of sales	(174,104,497)	(23,436,658)	-	(197,541,155)
Gross profit	130,904,688	(36,191,610)	-	94,713,078
Other operating income	2,391,868	-	384,295	2,776,163
Administrative expenses	(38,712,146)	-	268,706	(38,443,440)
Marketing and selling expenses	(22,358,580)	302,594	-	(22,055,986)
Other operating expenses	(6,713,797)	-	(2,658,088)	(9,371,885)
Finance income	212,450	-	-	212,450
Finance costs	(14,018,694)	-	-	(14,018,694)
Profit before tax	51,705,789	(35,889,016)	(2,005,087)	13,811,686
Taxation	(6,286,856)	775,298	-	(5,511,558)
Profit for the financial year	45,418,933	(35,113,718)	(2,005,087)	8,300,128
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	45,418,933	(35,113,718)	(2,005,087)	8,300,128
Profit attributable to:				
Owners of the parent	29,294,402	(21,283,809)	(1,121,059)	6,889,534
Non-controlling interests	16,124,531	(13,829,909)	(884,028)	1,410,594
	45,418,933	(35,113,718)	(2,005,087)	8,300,128
Total comprehensive income attributable to:				
Owners of the parent	29,294,402	(21,283,809)	(1,121,059)	6,889,534
Non-controlling interests	16,124,531	(13,829,909)	(884,028)	1,410,594
	45,418,933	(35,113,718)	(2,005,087)	8,300,128
Earnings per share attributable to owners of the parent (sen)				
- Basic and diluted	7.32			1.72

Notes to the Financial Statements

30 June 2019 (cont'd)

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(b) Explanation of transition to MFRSs (cont'd)

(ii) Reconciliation of statements of profit or loss and other comprehensive income (cont'd)

Company 30 June 2018	Previously reported under FRSs RM	Effects of MFRS 15 RM	Effects of MFRS 9 RM	Restated under MFRSs RM
Revenue	67,691,086	(155,141)	-	67,535,945
Cost of sales	(46,371,404)	(205,275)	-	(46,576,679)
Gross profit	21,319,682	(360,416)	-	20,959,266
Other operating income	2,497,008	-	4,036,848	6,533,856
Administrative expenses	(19,243,088)	-	268,705	(18,974,383)
Marketing and selling expenses	(1,873,112)	36,020	-	(1,837,092)
Other operating expenses	(618,901)	-	(96,253)	(715,154)
Finance income	97,914	-	-	97,914
Finance costs	(11,025,109)	-	-	(11,025,109)
Loss before tax	(8,845,606)	(324,396)	4,209,300	(4,960,702)
Taxation	(584,910)	77,855	-	(507,055)
Loss for the financial year	(9,430,516)	(246,541)	4,209,300	(5,467,757)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	(9,430,516)	(246,541)	4,209,300	(5,467,757)

(c) Adoption of MFRS 15

MFRS 15 establishes a comprehensive framework for revenue recognition and measurement. It replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts*, FRS 201$_{(2004)}$ *Property Development Activities* and related Interpretations. Under MFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires significant judgement.

In applying MFRS 15 retrospectively, the Group applied the following practical expedients:

(i) For completed contracts, contracts that begin and end within the same annual reporting period were not restated;

(ii) For completed contracts that have variable consideration, rather than estimating variable consideration amounts in the comparative reporting periods, transaction price at the date the contract was completed was used; and

(iii) For all reporting period presented before the date of initial application, the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the revenue is expected to be recognised need not be disclosed.

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(c) Adoption of MFRS 15 (cont'd)

The MFRS 15 adjustments are mainly due to:

(i) Changes to the timing and method of revenue recognition for construction and property development activities;

(ii) Reclassification of excess of revenue earned over the billings on construction and property development contracts to contract assets;

(iii) Reclassification of excess of billings over revenue earned on construction and property development contracts, deferred income and customers deposit to contract liabilities; and

(iv) Reclassification of land held for property development and property development costs to inventories.

(d) Adoption of MFRS 9

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(i) Classification of financial assets and financial liabilities

The Group and the Company classify their financial assets into the following measurement categories depending on the business model of the Group and the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and

- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

The following summarises the key changes:

- The Available-For-Sale ('AFS'), Held-To-Maturity ('HTM') and Loans and Receivables ('L&R') financial asset categories were removed.

- A new financial asset category measured at Amortised Cost ('AC') was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.

- A new financial asset category measured at Fair Value Through Other Comprehensive Income ('FVTOCI') was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

Notes to the Financial Statements
30 June 2019 (cont'd)

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(d) Adoption of MFRS 9 (cont'd)

(i) Classification of financial assets and financial liabilities (cont'd)

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and
- The remaining amount of change in the fair value is presented in profit or loss.

(ii) Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Group to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the asset.

The impairment policy for trade and other receivables and contract assets are disclosed in Note 10(g) and Note 11(d) to the financial statements.

(iii) Adjustments on MFRS 9

The MFRS 9 adjustments are mainly due to reclassification of the financial assets and financial liabilities as summarises below and additional credit losses to be recognised on trade and other receivables and contract assets as disclosed in Note 10(g) and Note 11(d) to the financial statements.

	Classification	
	Existing under FRS 139	**New under MFRS 9**
Financial assets		
Trade and other receivables	L&R	AC
Cash and bank balances	L&R	AC
Financial liabilities		
Borrowings	OFL	AC
Trade and other payables	OFL	AC

L&R Loan and receivables
OFL Other financial liabilities
AC Amortised cost

30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

(e) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	**Effective Date**
MFRS 16 Leases	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable for future financial years.

31. FINANCIAL REPORTING UPDATES

IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23)

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

(i) Any receivable and contract asset that the entity recognises is not a qualifying asset.

(ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 30 June 2021.

ADDITIONAL CORPORATE DISCLOSURE

AUDIT AND NON-AUDIT FEES

During the financial year ended 30 June 2019, the amount of audit fees paid or payable to the External Auditors on the Company and Group basis were RM95,000 and RM239,500 respectively.

During the financial year ended 30 June 2019, the amount of non-audit fees paid or payable to the External Auditors, or a firm or corporation affiliated to the Auditors' firm on the Company and Group basis were RM5,500.00 and RM8,500.00 respectively.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries, involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year, or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTION ("RRPT") OF REVENUE NATURE FOR THE YEAR ENDED 30 JUNE 2019

The details of the RRPTs were disclosed in Note 27 of the Financial Statements for the financial period ended 30 June 2019 on pages 108 to 110.

DIRECTORS' RESPONSIBILITIES STATEMENTS IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that year then ended.

The Directors consider that in preparing the financial statements:

- The Group and the Company have used appropriate accounting policies and are consistently applied;
- Reasonable and prudent judgments and estimates were made; and
- All applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with the requirements of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

SHAREHOLDINGS STATISTICS
AS AT 30 SEPTEMBER 2019

Issued share capital	:	412,500,000 (inclusive of 12,879,200 as Treasury Shares)
Types of shares	:	Ordinary shares
No. of shareholders	:	2,489
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
less than 100 shares	120	0.000	7	0.281
100 to 1,000 shares	43,952	0.011	70	2.812
1,001 to 10,000 shares	7,970,928	1.995	1,682	67.577
10,001 to 100,000 shares	18,811,100	4.707	631	25.352
100,001 to less than 5% of issued shares	112,108,300	28.054	97	3.897
5% and above of issued shares	260,686,400	65.233	2	0.081
Total	399,620,800	100.000	2,489	100.000

List of Thirty Largest Shareholders as at 30 September 2019 (as per Record of Depositors)

No.	Name	Shares Held	%
1.	Evergreen Ratio Sdn Bhd	222,077,400	55.572
2.	Effective Strategy Sdn Bhd	38,609,000	9.661
3.	Tho Siu Chu	14,903,000	3.729
4.	Tan Chin Ee	14,843,000	3.714
5.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Evergreen Ratio Sdn Bhd (Margin)	12,660,000	3.168
6.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Seng (M14)	12,512,800	3.131
7.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok	9,703,200	2.428
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Haven Venture Sdn Bhd (REM 646-Margin)	6,851,500	1.714
9.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lasercoin (M) Sdn Bhd (REM 646-Margin)	5,727,800	1.433
10.	Puncak Angkasa Sdn Bhd	4,000,000	1.000
11.	Lim Pei Tiam @ Liam Ahat Kiat	2,689,800	0.673
12.	Suriani Binti Abdul Aziz	2,156,000	0.539

Shareholdings Statistics
As At 30 September 2019 (cont'd)

No.	Name	Shares Held	%
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Chin Ee (M14)	2,108,000	0.527
14.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Chew Siow Geok (Smart)	1,794,500	0.449
15.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok (8041848)	1,761,000	0.440
16.	Tng Kee Meng	1,000,000	0.250
17.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goalkey System Sdn Bhd (MY1461)	895,900	0.224
18.	Johore Tenggara Oil Palm Berhad	668,000	0.167
19.	Kenanga Nominees (Tempatan) Sdn Bhd See Kim Leong	650,000	0.162
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	600,400	0.150
21.	Lim Pay Kaon	600,000	0.150
22.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Woon Teik (REM 663)	592,800	0.148
23.	Tan Kee Hwee	508,000	0.127
24.	Teh Bee Gaik	455,400	0.113
25.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	446,000	0.111
26.	Tan Kim Kee @ Tan Kee	423,000	0.105
27.	CGS – CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ng Geok Wah (B BRKLANG-CL)	389,800	0.097
28.	Tay Teck Ho	380,000	0.095
29.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan See Kau (REM 169)	366,000	0.091
30.	Chin Khee Kong & Sons Sendirian Berhad	354,000	0.088

Shareholdings Statistics
As At 30 September 2019 (cont'd)

Substantial Shareholders as at 30 September 2019 (as per Register of Substantial Shareholders)

	Name of Substantial Shareholders	No. of Shares Held Direct	No. of Shares Held Indirect	% of Issued Share Capital Direct	% of Issued Share Capital Indirect
1.	Evergreen Ratio Sdn Bhd	222,077,400	12,660,000	55.572	3.168
2.	Tan Sri Dato' Tan Seng Leong	-	234,737,400 (i)	-	58.740
3.	Puan Sri Datin Lim Sui Yong	-	234,737,400 (i)	-	58.740
4.	Effective Strategy Sdn Bhd	38,609,000	-	9.661	-
5.	Chan Toong Kit	-	38,609,000 (ii)	-	9.661
6.	Chong Shiung Foh	-	38,609,000 (ii)	-	9.661

Notes:-

(i) *Deemed interest by virtue of their shareholdings in Evergreen Ratio Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("the Act").*
(ii) *Deemed interest by virtue of their shareholdings in Effective Strategy Sdn Bhd pursuant to Section 8(4) of the Act.*

Directors' Shareholdings as at 30 September 2019 (as per Register of Directors' Shareholdings)

	Shareholdings in the name of the Director	Number of ordinary shares Direct	%	Indirect	%
1.	Tan Sri Dato' Tan Seng Leong	-	-	234,737,400 (i)	58.740
2.	Low Kok Yung	6,000	0.000	-	-

Notes:-

(i) *Deemed interest by virtue of his shareholdings in Evergreen Ratio Sdn Bhd pursuant to Section 8(4) of the Act.*

LIST OF LANDED PROPERTIES

The details of the BCB Group's properties as at 30 June 2019 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2019 RM'000	Date of acquisition/ revaluation*
KLUANG, JOHOR						
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	16 storey hotel	Leasehold (expiring 10.11.2093)	22 years	0.35	27,045	22/7/2019*
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	Boutique hotel / bistro	Leasehold (expiring 10.11.2093)	22 years	0.23	18,289	22/7/2019*
PTD 49657 - 49667 No. 54-56, Jalan 2, PTD 49770 - 49780 No. 49-59, Jalan 2, Taman Sri Kluang, 86000 Kluang, Johor.	22 units shop	Freehold	19 years	0.84	1,028	27/6/1998
PTD 50048 - 50049 No. 31-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	2 units industry factory	Freehold	17.5 years	2.181	2,282	6/4/2012*
PTD 65377, 75581 - 75584 PTD 75598, 75599, 75600, 75601 Mukim of Kluang District of Kluang, Johor	1 units of shop lot & 8 units of residential Taman Saujana	Freehold	8 years	0.76	5,541	23/3/2012
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	25.91	15,448	12/1/1996
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	564	25/1/1991
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Kluang Baru 2	Freehold	N/A	1.03	950	29/12/1999
Lot 482 & 484 Mukim of Kluang District of Kluang, Johor	Being developed as Jobhase City Square Commercial Lot	Leasehold (expiring 04.11.2102)	N/A	0.39	19,994	15/4/1993

List of Landed Properties
(cont'd)

The details of the BCB Group's properties as at 30 June 2019 are as follows: (cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2019 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	11.64	16,576	7/12/1994
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	5,805	27/6/1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	259	6/9/1994
Lot 8096 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	650	13/12/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	656	13/12/2006
Lot 708 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	3	870	13/12/2006
Lot 4852 - 4861 (Master Title) PTD 41078 - PTD 41089 (New Title) Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2.18	4,392	2/12/1993
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	72.11	9,502	27/5/2009*
HS(D) 23287, 23308-23337, 23526-23540, 23551-23565, 23581-23596, 23371-23388, 23464-23474, 23485-23525, 23566-23580, 36168, 36169, 36165, 36166 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Evergreen Heights	Freehold	N/A	76.53	53,614	6/2/2002*

List of Landed Properties
(cont'd)

The details of the BCB Group's properties as at 30 June 2019 are as follows: (cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2019 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR						
Lot 4207 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	35	5,915	23/9/2003
H.S.(D) 43069-43075 PTD No.18607-18613, Mukim of Linau, District of Batu Pahat, Johor	Being developed as Bandar Putera Indah	Freehold	N/A	133.47	80,453	28/9/2009*
Lot 375 Jalan Bakau Condong Mukim Bandar Penggaram District of Batu Pahat, Johor	Proposed commercial development	Freehold	N/A	9.9	51,241	28/4/2015
Lot 1098,1099,1104, 1105,1100,3034 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	46.725	38,097	27/3/2017
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	8.96	9,502	17/11/1994
YONG PENG, JOHOR						
PTD 31431 - PTD 31438 Taman Bandar Cahaya Baru Mukim Tanjung Sembrong	Proposed residential & commercial development	Freehold	N/A	0.27	1,303	4/11/2018
JOHOR BAHRU, JOHOR						
Lot 2896 Taman Pulai Utama Mukim of Pulai, Distric of Johor Bahru, Johor	Being developed as Taman Pulai Utama	Freehold	N/A	11.75	13,545	30/10/2008
Shopping Complex - U Mall Taman Pulai Utama Mukim of Pulai, Distric of Johor Bahru, Johor	Shopping Complex Taman Pulai Utama	Freehold	11 year	3.35	27,000	25/9/2016*
PTD 102775, 141053 Mukim of Pulai, Distric of Johor Bahru, Johor	2 units of Shop Offices	Freehold	11 year	0.09	1,329	02/01/2009 & 16/3/2009

List of Landed Properties
(cont'd)

The details of the BCB Group's properties as at 30 June 2019 are as follows: (cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2019 RM'000	Date of acquisition/ revaluation*
JOHOR BAHRU, JOHOR						
Plot No. A45-1, A45-2, A45-3 A46-1, A46-2, A46-3, A46-4 Mukim Pulai, Daerah Johor Bahru, Medini Zone A	Proposed residential development	Leasehold (expiring 14.02.2137)	N/A	7.81	294,975	6/12/2013
Plot C1, HS(D) 537374 PTD 199638 Mukim Pulai, Daerah Johor Bahru, Medini Zone C	Proposed residential & commercial development	Leasehold (expiring 14.02.2107)	N/A	22.01	88,259	1/10/2015
SEREMBAN, NEGERI SEMBILAN						
Lot 5527 Mukim of Rantau, District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	1.0	1,191	15/7/1994
KUALA LUMPUR Lot 9933 (Geran 6497) Lorong Awan Jawa Taman Yarl Mukim Petaling, Distric of Kuala Lumpur	Proposed residential development	Freehold	N/A	0.4	7,680	4/2/2010
Lot 73478 & Lot 73479 (H.S(D) 69603 & 69604) Mukim Klang, Selangor Darul Ehsan	Proposed residential & commercial development	Leasehold (expiring 18.04.2101)	N/A	137.89	210,075	11/3/2011
					1,014,030	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-first (31st) Annual General Meeting of the Company will be held at Four Seasons Ruili Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Ta'zim on Tuesday, 3 December 2019 at 10.30 a.m. to transact the following businesses:

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2019 and the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect the following Directors who retire by rotation pursuant to Article 131 of the Company's Constitution:

   (a) Tan Sri Dato' Tan Seng Leong **Resolution 1**
   (b) Tan Sri Datuk Seri Ismail Bin Yusof **Resolution 2**

3. To approve the payment of Directors' fees of up to RM180,000.00 and benefits of up to RM20,000.00 from 4 December 2019 until the next Annual General Meeting of the Company. **Resolution 3**

4. To re-appoint Messrs BDO PLT as the Auditors of the Company and authorise the Directors to determine their remuneration. **Resolution 4**

As Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

5. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

   (a) "THAT approval be and is hereby given to Tan Sri Datuk Seri Ismail Bin Yusof, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 5**

   (b) "THAT approval be and is hereby given to En. Ash'ari Bin Ayub, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 6**

6. **AUTHORITY TO ISSUE SHARES** **Resolution 7**

   "THAT subject always to the Companies Act 2016, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 and Section 76 of the Companies Act 2016 to issue not more than ten per centum (10%) of the total issued share capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 8**

"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.1.5 of the Circular to the Shareholders dated 31 October 2019 ("the Circular") which are necessary for the day-to-day operations and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM;

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.1.5 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.1.8 of the Circular."

8. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **Resolution 9**

"THAT subject always to compliance with the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors be and are hereby authorised to make purchases of ordinary shares in the Company's issued share capital as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

(i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued share capital of the Company for the time being;

Notice of Annual General Meeting
(cont'd)

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and

(iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

AND THAT upon completion of the purchase by the Company of its own shares, the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors and/or anyone of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors in their discretion deem fit and expedient to give effect to the aforesaid purchase(s) contemplated and/or authorised by this Ordinary Resolution."

9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

NG HENG HOOI (MAICSA 7048492)
WONG MEE KIAT (MAICSA 7058813)
Secretaries

Kluang, Johor
31 October 2019

Notice of Annual General Meeting
(cont'd)

Notes:

(i) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Rule 88.1(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 26 November 2019. Only depositor whose name appears on the Record of Depositors as at 26 November 2019 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.

(ii) A member shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead and where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportions of his shareholdings to be represented by each proxy.

(iii) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.

(iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

(vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000 Kluang, Johor Darul Ta'zim, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(vii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Note on Ordinary and Special Business:

1. Item 1 of the Agenda

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Item 3 of the Agenda

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of fees and benefits for the period commencing 4 December 2019 up till the next AGM of the Company in 2020. The benefits comprises allowance and benefits-in-kind.

Notice of Annual General Meeting
(cont'd)

3. Item 5 of the Agenda

The Nomination and Remuneration Committee has assessed the independence of the Directors namely Tan Sri Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, and recommended them to continue act as Independent Non-Executive Directors of the Company based on the following justifications:

- They fulfil the criteria under definition on independent director as stated in the Listing Requirements; and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board;
- Their experiences in the financial and other relevant sections enable them to provide the Board and Board Committees with pertinent expertise, skills and competence; and
- They have been with the Company for more than 12 years and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Board and Board Committee meetings.

The Proposed Resolutions 5 and 6, if passed, will enable Tan Sri Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub to continue in office as Independent Non-Executive Directors of the Company. Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Company would be seeking the shareholders' approval through a two-tier voting process.

4. Item 6 of the Agenda

The proposed Ordinary Resolution 7, if passed, will authorise the Directors to issue not more than ten per centum (10%) of the total issued share capital of the Company subject to the approvals of all relevant governmental/ regulatory bodies.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilized and accordingly no proceeds were raised.

The purpose of the renewal of the mandate is for further possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

5. Item 7 of the Agenda

The proposed Ordinary Resolution 8, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. For more information, please refer to the Circular to Shareholders dated 31 October 2019.

6. Item 8 of the Agenda

The proposed Ordinary Resolution 9, if passed, will empower the Directors to purchase the Company's shares of up to ten per centum (10%) of the total issued share capital of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. For more information, please refer to the Circular to Shareholders dated 31 October 2019.

BCB BERHAD (172003-W)
(Incorporated in Malaysia)

PROXY FORM

No. of ordinary shares held

CDS Account No. of

I/We____ Tel. No.: ________________
(Full name in block and NRIC No./Company No.)

____

of ____
(Address)

being a member/members of **BCB Berhad**, hereby appoint :-

Full Name (in Block)	**NRIC/Passport/Company No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Full Name (in Block)	**NRIC/Passport/Company No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held at Four Seasons Ruili Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Ta'zim on Tuesday, 3 December 2019 at 10.30 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:-

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
1.	Re-election of Director – Tan Sri Dato' Tan Seng Leong	**Ordinary Resolution 1**		
2.	Re-election of Director – Tan Sri Datuk Seri Ismail Bin Yusof	**Ordinary Resolution 2**		
3.	Payment of Directors' Fees and benefits	**Ordinary Resolution 3**		
4.	Re-appointment of Auditors	**Ordinary Resolution 4**		
5.	Continuing in office as Independent Non-Executive Director -Tan Sri Datuk Seri Ismail Bin Yusof	**Ordinary Resolution 5**		
6.	Continuing in office as Independent Non-Executive Director – En. Ash'ari Bin Ayub	**Ordinary Resolution 6**		
7.	Authority to issue shares	**Ordinary Resolution 7**		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature	**Ordinary Resolution 8**		
9.	Proposed Renewal of Authority for Share Buy-back	**Ordinary Resolution 9**		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this ____________ day of ________________ , 2019.

____
Signature of Shareholding(s)/Common Seal

Notes:

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(vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000 Kluang, Johor Darul Ta'zim, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(vii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

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AFFIX
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The Company Secretary

BCB BERHAD **(172003-W)**
(Incorporated in Malaysia)

No. 4B, 2nd & 3rd Floor, Jalan Sentol,
South Wing – Kluang Parade,
86000 Kluang,
Johor Darul Ta'zim

fold here

BCB BERHAD (172003-W)
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Fax: 07-772 0089

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