

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|--|--|
| | CURRENT YEAR QUARTER 31.12.2013 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31.12.2012 RM'000 | CURRENT YEAR TO DATE 31.12.2013 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31.12.2012 RM'000 |
| Revenue | 82,591 | 34,967 | 118,844 | 74,488 |
| Operating expenses | (68,575) | (30,674) | (100,059) | (65,282) |
| Other operating income | 2,520 | 1,280 | 5,487 | 2,755 |
| Profit from operations | 16,536 | 5,573 | 24,272 | 11,961 |
| Finance cost | (2,935) | (2,749) | (5,432) | (5,355) |
| Profit before taxation | 13,601 | 2,824 | 18,840 | 6,606 |
| Taxation | (3,295) | (741) | (4,552) | (1,669) |
| Profit for the period | 10,306 | 2,083 | 14,288 | 4,937 |
| Total comprehensive income for the year | 10,306 | 2,083 | 14,288 | 4,937 |
| Profit attributable to: | | | | |
| Owners of the Company | 8,819 | 2,172 | 12,880 | 5,113 |
| Non Controlling Interest | 1,487 | (89) | 1,408 | (176) |
| | 10,306 | 2,083 | 14,288 | 4,937 |
| Total comprehensive income attributable to: | | | | |
| Owner of the parent | 8,819 | 2,172 | 12,880 | 5,113 |
| Non Controlling Interest | 1,487 | (89) | 1,408 | (176) |
| | 10,306 | 2,083 | 14,288 | 4,937 |
| EPS - Basic (sen) | 4.40 | 1.08 | 6.43 | 2.54 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2013)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | (UNAUDITED) AS AT 31.12.2013 RM'000 | (AUDITED) AS AT 30.06.2013 RM'000 |
|--|--|--|
| Non Current Assets | | |
| Property, plant and equipment | 64,298 | 65,190 |
| Investment properties | 24,230 | 24,876 |
| Land held for development | 46,257 | 96,766 |
| Deferred tax assets | - | 44 |
| Current assets | | |
| Property development costs | 504,875 | 446,991 |
| Inventories | 64,728 | 65,184 |
| Tax recoverable | - | 109 |
| Trade and other receivables | 60,707 | 59,433 |
| Fixed deposits with licensed banks | 2,693 | 2,549 |
| Cash and bank balances | 11,729 | 19,905 |
| | 644,732 | 594,171 |
| Current liabilities | | |
| Trade and other payables | 70,808 | 75,018 |
| Short term borrowings | 117,574 | 123,147 |
| Bank overdrafts | 53,494 | 54,519 |
| Current tax liabilities | 3,258 | - |
| | 245,134 | 252,684 |
| Net current assets | 399,598 | 341,487 |
| Total Assets | 534,383 | 528,363 |
| Shareholders' Funds | | |
| Share capital | 206,250 | 206,250 |
| Treasury shares | (3,116) | (3,115) |
| Revaluation reserves | 6,789 | 6,788 |
| Retained earnings | 157,126 | 144,246 |
| Non Controlling Interest | 8,223 | 6,816 |
| | 375,272 | 360,985 |
| Long term borrowings | 155,642 | 164,126 |
| Deferred tax liabilities | 3,469 | 3,252 |
| | 159,111 | 167,378 |
| Total Equities and Liabilities | 534,383 | 528,363 |
| Net assets per share (RM) | 1.82 | 1.75 |
| (Total Equity/ Number of ordinary share issued) | (375,272)/ 206,250) | (360,985/ 206,250) |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2013)

Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 DECEMBER 2013**

| | Share capital RM'000 | Non-distributable | | Distributable | Total RM'000 | Non Controlling Interest RM'000 | Total Equity RM'000 |
|----------------------------|-------------------------|----------------------------------|------------------------------|--------------------------------|-----------------|---------------------------------------|---------------------------|
| | | Revaluation surplus RM'000 | Treasury shares RM'000 | Retained earnings RM'000 | | | |
| At 01.07.2013 | 206,250 | 6,789 | (3,115) | 144,246 | 354,170 | 6,816 | 360,986 |
| Transactions with owners: | | | | | | | |
| Share buy-back | - | (1) | - | - | (1) | - | (1) |
| Total comprehensive income | - | - | - | 12,880 | 12,880 | 1,408 | 14,288 |
| At 31.12.2013 | <u>206,250</u> | <u>6,788</u> | <u>(3,115)</u> | <u>157,126</u> | <u>367,049</u> | <u>8,223</u> | <u>375,272</u> |
| At 01.07.2012 | 206,250 | 6,788 | (3,114) | 128,442 | 338,366 | 6,518 | 344,884 |
| Transactions with owners: | | | | | | | |
| Share buy-back | - | - | (1) | - | (1) | - | (1) |
| Total comprehensive income | - | - | - | 5,113 | 5,113 | (176) | 4,937 |
| At 31.12.2012 | <u>206,250</u> | <u>6,788</u> | <u>(3,115)</u> | <u>133,555</u> | <u>343,478</u> | <u>6,342</u> | <u>349,820</u> |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2013)

Interim Report For The Financial Period Ended 31 December 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | 6 MONTHS ENDED 31.12.2013 RM'000 | 6 MONTHS ENDED 31.12.2012 RM'000 |
|--|--|--|
| Operating activities | | |
| Profit after taxation | 14,288 | 4,937 |
| Adjustments for non-cash items | 11,010 | 8,376 |
| | <hr/> | <hr/> |
| Operating profit before working capital changes | 25,298 | 13,313 |
| Trade & other receivables | (1,274) | 2,735 |
| Inventories | 646 | 2,283 |
| Property development cost | (7,375) | (16,199) |
| Trade payables and Other payables | (763) | (5,431) |
| Net change in working capital | <hr/> | <hr/> |
| | 16,532 | (3,299) |
| Net Interest Paid | (5,402) | (5,317) |
| Taxes paid | (1,400) | (826) |
| Net cash (used in)/ from operating activities | <hr/> | <hr/> |
| | 9,730 | (9,442) |
| Investing activities | | |
| Capital Injection from Joint Venture | 400 | - |
| Purchase of property, plant and equipment | - | (295) |
| Proceeds of property, plant and equipment disposal and investment properties | - | 1,247 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | 400 | 952 |
| Financing activities | | |
| Proceeds from borrowings | 18,147 | 13,000 |
| Repayment of borrowings | (35,283) | (7,936) |
| Purchase of treasury shares | (1) | - |
| | <hr/> | <hr/> |
| Net cash from financing activities | (17,137) | 5,064 |
| Net (decrease)/ increase in cash and cash equivalents | (7,007) | (3,426) |
| Cash and cash equivalents at beginning of period | (32,065) | (32,086) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of period | (39,072) | (35,512) |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2013)

Notes to the Interim Report For The Financial Period Ended 31 December 2013

(The figures have not been audited)

EXPLANATORY NOTES

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2013, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs, IC Interpretations and Technical Release with effect from 1 July 2011, as disclosed below.

On 1 July 2011, the Group adopted the new or amended FRS and IC Interpretations that are mandatory for application on 1 January 2011 and 1 July 2011. This includes the following FRSs and IC Interpretations:

| | |
|------------------------------------|---|
| Amendments to FRS 1 | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters |
| Amendments to FRS 2 | Group Cash-settled Share-based Payment transaction |
| Amendments to FRS 7 | Improving Disclosures about Financial Instruments |
| IC Interpretation 4 | Determining whether an Arrangement Contains A Lease |
| IC Interpretation 18 | Transfer of Assets from Customers |
| Amendments to FRS 1 | First-time Adoption of Financial Reporting Standards: Cost of an investment in a subsidiary, jointly controlled entity or associate |
| Amendments to FRS 3 | Business Combinations |
| Amendments to FRS 7 | Financial Instruments |
| Amendments to FRS 101 | Presentations of Financial Statements |
| Amendments to FRS 121 | The Effects of Changes in Foreign Exchange Rates |
| Amendments to FRS 128 | Investments in Associates |
| Amendments to FRS 131 | Interest in Joint Ventures |
| Amendments to FRS 132 | Financial Instruments: Presentation |
| Amendments to FRS 134 | Interim Reporting |
| Amendments to FRS 139 | Financial Instruments: Recognition and Measurement |
| Amendments to IC Interpretation 13 | Customer Loyalty Programmes |
| IC Interpretation 14 | FRS 119 - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction |
| IC Interpretation 19 | Extinguishing Financial Liabilities with Equity Instruments |
| Improvements to FRSs (2010) | |

FRSs, Amendments to FRSs, IC Interpretations and Technical Releases issues but not yet effective

At the date of authorisation of these interim financial statements, the following FRSs, Amendments to FRSs, Interpretations and Technical Releases were issued but not yet effective and have not been applied by the Group:

| FRSs/IC Interpretations | Descriptions | Effective for annual period beginning on or after |
|-------------------------|--|---|
| FRS 124 | Related party disclosures | 1 January 2012 |
| IC Interpretation 15 | Agreements for Construction of Real Estate | 1 January 2012 |

As the date of authorisation of these interim financial report, the following FRSs, IC interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group for the financial year ending 30 June 2013. These standards will not have material impact on the financial statements in the period of initial application, except as discussed below:

IC interpretation 15: Agreements for Construction

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111: Construction Contracts or FRS 118: Revenue

At the end of reporting period, the Group recognises revenue and associated cost from the construction of real estate by reference to the stage of completion of construction works. The Group is in the process of assessing the impact of implementing this Interpretation.

As stated in our audited financial statements for the financial year ended 30 June 2013, the Group has yet adopt the Malaysian Financial Reporting Standards ("MFRS") framework, but has elected to be transitioning entity which will only adopt the MRFS framework for financial year ending 30 June 2015.

2. Status of Audit Qualifications

The audited financial statements of the Group for the year ended 30 June 2013 was not subject to any audit qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

4. Unusual Items

There was no unusual item affecting assets, liabilities, equity, net income and cash flows during the financial quarter under review.

5. Material changes in past estimates and their effect on the current interim period.

There was no material effect on the current interim period from estimates of amounts reported in prior interim periods of the current financial year or prior financial years.

6. Issuances or Repayments of Debts and Equity Securities

There was no issuance, cancellation, repurchases, resale and repayment of debts and equity securities in the financial quarter under review except for:

Share Buy-back

As to-date of this report, the Company had bought back a total of 6,014,600 shares from the open market at an average purchase price of RM0.52 per share. The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM3,115,930. The shares bought back are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

7. Dividend

The Board does not recommend any interim dividend for the financial quarter under review.

8. Segment Information

Segmental information is presented in respect of the Group's business segments and they reflect the Group's internal reporting structures that are regularly reviewed for the purpose of allocating resources to the segment and assessing its performance.

For management purposes, the Group has identified the following four reportable segments as follows:

- a) Property Development : Property Development, Letting of Properties and Project Management
- b) Construction: : Project Construction Services, Manufacturing of Concrete Products and Trading of Building Materials
- c) Hotel : Providing Hotel Services, Food and Beverages and Catering Services
- d) Others : These are dormant companies for future use.

| | Property development and management activities RM'000 | Construction and related activities RM'000 | Hotel RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|----------------------------------|---|--|-----------------|------------------|-----------------------|-----------------|
| 6 Months Ended 31.12.2013 | | | | | | |
| Revenue | | | | | | |
| External revenue | 108,285 | 6,595 | 3,964 | - | - | 118,844 |
| Inter-segment revenue | - | 25,868 | - | - | (25,868) | - |
| Total | 108,285 | 32,463 | 3,964 | - | (25,868) | 118,844 |
| Adjusted EBITDA | 23,172 | 1,162 | 1,131 | - | - | 25,465 |

| | Property development and management activities RM'000 | Construction and related activities RM'000 | Hotel RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|----------------------------------|---|--|-----------------|------------------|-----------------------|-----------------|
| 6 Months Ended 31.12.2012 | | | | | | |
| Revenue | | | | | | |
| External revenue | 66,528 | 4,049 | 3,911 | - | - | 74,488 |
| Inter-segment revenue | - | 30,977 | - | - | (30,977) | - |
| Total | 66,528 | 35,026 | 3,911 | - | (30,977) | 74,488 |
| Adjusted EBITDA | 12,026 | 56 | 848 | - | - | 12,930 |

| Total segment assets | Property development and management activities RM'000 | Construction and related activities RM'000 | Hotel RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|-----------------------------|---|--|------------------------|-------------------------|------------------------------|------------------------|
| 31.12.2013 | 984,057 | 197,940 | 38,088 | 378 | (440,946) | 779,517 |
| 31.12.2012 | 874,747 | 183,969 | 35,124 | 382 | (377,030) | 717,192 |

| Total segment liabilities | Property development and management activities RM'000 | Construction and related activities RM'000 | Hotel RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|----------------------------------|---|--|------------------------|-------------------------|------------------------------|------------------------|
| 31.12.2013 | 639,053 | 190,030 | 18,110 | 2 | (440,946) | 406,249 |
| 31.12.2012 | 551,704 | 177,798 | 14,897 | 3 | (377,030) | 367,372 |

A reconciliation of total adjusted EBITDA

| | 31.12.2013 RM'000 | 31.12.2012 RM'000 |
|--|------------------------------------|------------------------------------|
| Adjusted EBITDA | 25,465 | 12,930 |
| Finance income | 30 | 20 |
| Finance cost | (5,432) | (5,355) |
| Tax | (4,552) | (1,669) |
| Depreciation | (1,223) | (989) |
| Net profit for the financial period | <u>14,288</u> | <u>4,937</u> |

Reportable segments assets are reconciled to total assets as follows:

| | 31.12.2013 RM'000 | 31.12.2012 RM'000 |
|---|------------------------------------|------------------------------------|
| Total segment assets | 779,517 | 717,083 |
| Tax recoverable | - | 109 |
| Consolidated total assets (as per Statement of Financial Position) | <u>779,517</u> | <u>717,192</u> |

Reportable segments liabilities are reconciled to total liabilities as follows:

| | 31.12.2013 RM'000 | 31.12.2012 RM'000 |
|--|------------------------------------|------------------------------------|
| Total segment liabilities | 406,249 | 369,205 |
| Consolidated total liabilities (as per Statement of Financial Position) | <u>406,249</u> | <u>369,205</u> |

9. Carrying Amount of Revalued Assets

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendments from the previous annual financial statements.

10. Material events not reflected in interim period.

The Group does not have any material events during the period under review.

11. Changes in the Composition of the Group

On 6 December 2013, the Company entered into a joint venture agreement with United Harvest Group Company Limited, a private company incorporated in Hong Kong to jointly acquire and develop seven (7) contiguous parcels of residential development land located within Zone A, Medini Iskandar, Mukim of Pulai, District of Johor. The total purchase consideration of this seven plots of land is RM123,644,100.00. A joint venture company named BCB Heights Sdn Bhd was incorporated for this purpose with 60% of its equity held by the Company while the remainder 40% by United Harvest Group Company Limited.

12. Contingent Liabilities

There were no significant changes in contingent liabilities in respect of the Group since the last annual Statement of Financial Position date.

13. Capital Commitments

On 6 December 2013, BCB Heights Sdn Bhd ("BCB Heights"), a newly incorporated subsidiary of the Company, entered into a lease purchase agreement (LPA) with IBZI Development (Johor) Sdn Bhd to acquire seven (7) contiguous parcels of residential development land with land area of approximately 7.81 acres and a total gross floor area (Contracted GFA) of 2,060,735 square feet located within Zon A, Medini Iskandar, Mukim of Pulai, District of Johor Bahru, State of Johor Darul Takzim for a total purchase consideration of RM123,644,100.00 .

The Lease Purchase Consideration shall be paid by BCB Heights to the Vendor in the following manner:

| | <u>RM ' 000</u> |
|---|----------------------|
| Total lease purchase consideration | 123,644,100.00 |
| - Less 20% of purchase consideration paid | (24,728,820.00) |
| Balance lease purchase consideration | <u>98,915,280.00</u> |

The balance of the lease purchase consideration will only be due 8 months after sub-division of the land master titles in Zone A ; with another 2 months extension granted with interest of 6% per annum. Currently, the land master titles are still in the process of undergoing sub-division.

14. Recurrent Related Party Transactions

a) Nature of relationships of BCB Group with the interested related parties

- (i) Dato' Tan Seng Leong is a director of BCB Berhad and all its subsidiary companies. He is a major shareholder of BCB Berhad. He is deemed interested by virtue of his relationship with his spouse and his children namely Datin Lim Sui Yong, Tan Vin Sern and Tan Lindy, as they are the directors of Marvel Plus Development Sdn Bhd ("MPDSB"), whilst Datin Lim Sui Yong and Tan Vin Sern are also the major shareholders of MPDSB. Dato' Tan Seng Leong is also a director of Ju-Ichi Enterprise Sdn Bhd ("JIESB").
- (ii) Tan Vin Sern is a director of BCB Berhad and all its subsidiary companies. He is the son of Dato' Tan Seng Leong and brother of Tan Lindy. He is also a director of MPDSB and JIESB.
- (iii) Tan Lindy is a Director of BCB Berhad and all its subsidiary companies. She is the daughter of Dato' Tan Seng Leong and the sister of Tan Vin Sern. She is also a director of MPDSB and JIESB.
- (iv) Tan Lay Hiang is a Director of BCB Berhad and certain of its subsidiary companies. She is the sister-in-law to Datin Lim Sui Yong.
- (v) Tan Lay Kim is a Director of BCB Berhad and certain of its subsidiary companies. She is the sister-in-law to Datin Lim Sui Yong. She resigned with effective from 30th September 2012
- (vi) Chang Shao-Yu is a Director of Marvel Plus. He is the spouse of Tan Lindy and son-in-law of Dato' Tan Seng Leong and Datin Lim Sui Yong.
- (vii) Tan Vin Shyan is a Director of BCB Berhad and all its subsidiary companies and Director of Ju-Ichi. He is the son of Dato' Tan Seng Leong and Datin Lim Sui Yong and brother of Tan Lindy and Tan Vin Sern.

b) The related party transactions between BCB Group and the interested related parties are as follows:

| | Quarterly Period Ended 31.12.2013 RM'000 | Quarterly Period Ended 31.12.2012 RM'000 |
|--|---|---|
| <u>Marvel Plus Development Sdn Bhd</u> | | |
| BCB Construction Sdn Bhd | | |
| - Building construction services | 1,599 | 890 |
| BCB Management Sdn Bhd | | |
| - Project management services and sales & marketing services | - | - |
| BCB Road Builder Sdn Bhd | | |
| - Road construction services | - | - |
| <u>Ju-Ichi Enterprise Sdn Bhd</u> | | |
| BCB Berhad (Hotel Division) | | |
| - Car park management & security services | 15 | 7 |
| BCB Berhad | | |
| - Rental of office space | 75 | 75 |
| BCB Construction Sdn Bhd | | |
| - Building construction services | 2,953 | 4 |

ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BMSB LISTING REQUIREMENTS

1. Review of Performance of the Group for the Quarter and Financial Year-To-Date

1. a The Group turnover increased by 136% to RM82.59 million for the second quarter of 2014 as compared to the corresponding quarter of last year. The Group recorded profit before tax of RM13.60 million in the current quarter as compared to a profit before tax of RM2.82 million in the corresponding quarter of last year.

The Group's quarterly performance as per segmental divisions is as follows:

Property Development division's revenue increased by 139% to RM76.22 million in Q2' 2014 (Q2'2013: RM31.92 million). Profit before tax increased to RM12.87 million (Q2'2013: RM2.94 million). The increase in profit before tax was mainly due to better profit margins achieved from the Group's high end condominium project , Concerto North Kiara in the vicinity of Mont' Kiara, Kuala Lumpur and its other development named Home Tree, located in the vicinity of Kota Kemuning, Shah Alam, Selangor which comprises 521 units of high-end bungalows.

Construction division's revenue increased to RM4.29 million in Q2' 2014 (Q2 '2013: RM0.93 million). Profit before tax is higher at RM0.58 million (Q2'2013: RM0.30 million). The higher profit was attributed to better margins as well as higher revenue.

Hotel division's revenue marginally decreased by 2% to RM2.08 million in Q2' 2014 (Q2 '2013: RM2.11 million). Profit before tax was RM0.15 million. (Q2'2013: (RM0.19 million). The lower profit before tax was mainly due to higher operating expenses incurred from the addition recently of 89 new rooms in the Hotel's new wing.

1. b For the financial year to-date, the Group's revenue increased by 60% to RM118.84 million (2013: RM 74.49 million) while the Group's profit before tax increased by 185% to RM18.84 million (2013: RM6.61 million).

The Group's financial year to-date performance as per segmental divisions is as follows:

Property Development division's revenue increased by 63% to RM108.29 million as at Q2' 2014 (2013: RM66.53 million). Profit before tax for the financial year to-date increased by 128% to RM17.24 million (2012: RM6.11 million). The increase in profit before tax is mainly due to strong sales and better profit margins achieved from the Group's high end condominium project , Concerto North Kiara in the vicinity of Mont' Kiara, Kuala Lumpur as well as from Home Tree, its other high-end exclusive bungalow development in the vicinity of Kota Kemuning, Shah Alam, Selangor.

Construction division's revenue increased by 63% to RM6.60 million as at Q2' 2014 (Q2 2013: RM4.05 million). Profit before tax for the financial year to-date increased to 1.43 million (2013: RM0.27 million). The higher profit was attributed to better margins as well as higher revenue.

Hotel division's revenue increased by 1% to RM3.96 million as at Q2' 2014 (Q2 '2013: RM3.91 million). Profit before tax for the financial year to-date was RM 0.17 million (2013: RM0.23 million). The lower profit before tax was mainly due to higher operating expenses incurred from the addition recently of 89 new rooms in the Hotel's new wing.

2. Material Changes in Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter

Group profit before tax increased from RM5.24 million in the preceding quarter to RM 13.60 million in the current quarter. This is mainly due to higher margins on the back of better sales and demand for its properties.

3. Prospects for the Financial Year

The Board is optimistic of the Group's performance for this financial year mainly from contributions by its two main Klang Valley projects:

a) Concerto North Kiara in Kuala Lumpur: A high-end condominium project consisting of 3 tower blocks with a total of 440 units and bearing a total gross development value of about RM575 million. It is ear-marked for completion in 3 years time.

As at to-date, the Group received good sales reponse from the launching of all three towers with more than RM280 million sales recorded.

b) Home Tree in the vicinity of Kota Kemuning, Shah Alam, Selangor: This development on 151 acres of land will comprise 521 units of high-end bungalows and 49 units of shoplots bearing a total gross development value of at least RM1.8 billion. It is ear-marked for completion in about 4 years time.

Phase 1 was launched in June 2013 and is close to 90% sold with more thanRM200 million sales recorded.

The Group is optimistic that these projects as well as existing ones will contribute positively to its earnings.

4. Variance on Profit Forecast

The Group did not issue any profit forecast or profit guarantee.

5. Profit for the period

Profit before taxation is derived after taking into consideration of the following:

| | Current period ended 30/09/2013 RM'000 | Cumulative year to date 30/09/2012 RM'000 |
|--|---|--|
| Interest Income | 30 | 38 |
| Other Income | 5,291 | 2,315 |
| Gain or loss on disposal of properties | 167 | 402 |
| Interest expenses | (5,432) | (5,355) |
| Depreciation and amortisation | 8,608 | (989) |

Other than the above, there were no disposal of quoted or unquoted investment or properties and amortisation of assets for the financial quarter ended 30 June 2013.

6. Taxation

Taxation consists of the followings:

| | Quarter Current year RM'000 | Quarter Preceding year corresponding RM'000 | Cumulative Current year to- date RM'000 | Cumulative Preceding year corresponding RM'000 |
|----------------------------|-----------------------------------|--|--|---|
| Income tax | | | | |
| - current financial period | 3,295 | 741 | 4,552 | 1,669 |
| - prior year | - | - | - | - |
| Deferred taxation | | | | |
| - current financial period | - | - | - | - |
| - prior year | - | - | - | - |
| | <u>3,295</u> | <u>741</u> | <u>4,552</u> | <u>1,669</u> |

The effective tax rate for the financial quarter ended 30 June 2013 was higher than the statutory tax rate mainly due to certain expenses disallowed for tax purposes.

6. Profit / (loss) on sale of unquoted investments and / or properties.

There was no disposal of unquoted investment or property during the financial quarter under review other than in the ordinary course of the Group's business.

7. Quoted Securities

There were no purchase and disposal of quoted securities for the financial quarter under review.

8. Status of Corporate Proposal

There were no corporate proposals for the financial quarter under review.

9. Dividend

The Board of Directors has not recommended any interim dividend for the current quarter or financial period to-date.

10. Group Borrowings

The tenure of Group borrowings classified as short and long term categories are as follows:-

| | |
|-----------------------|-----------------------|
| Short term borrowings | RM'000 |
| - Secured | 171,068 |
| - Unsecured | - |
| | <u>171,068</u> |
| Long-term borrowings | |
| - Secured | 155,642 |
| - Unsecured | - |
| | <u>155,642</u> |
| Total | <u><u>326,710</u></u> |

11. Financial instruments with off balance sheet risk.

There was no off balance sheet financial instrument during the financial quarter under review.

12. Material litigation

The Group does not have material litigation during the financial under review.

13. Earnings per share

| | Individual Current year quarter | Individual Preceding year corresponding quarter | Cumulative Current year to- date | Cumulative Preceding year corresponding |
|---|---------------------------------------|--|--|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| a) Basic earnings per share | | | | |
| Net profit attributable to owners for the period | 8,819 | 2,172 | 12,880 | 5,113 |
| Weighted average number of ordinary shares in issue | 200,235 | 201,058 | 200,236 | 201,058 |
| Basic earnings/(loss) per share (sen) | 4.40 | 1.08 | 6.43 | 2.54 |
| b) Diluted earnings per share | | | | |
| Diluted earnings per share (sen) | N/A | N/A | N/A | N/A |

14. Realised and Unrealised Profits

| | As At End of Current Quarter 31/12/2013 RM'000 |
|--|---|
| Total retained earnings/ (accumulated losses) of BCB Berhad and its subsidiaries: | |
| - Realised | 162,041 |
| -Unrealised | (3,469) |
| | 158,572 |
| Total share of retained profits/ (accumulated losses) from associated companies: | - |
| - Realised | - |
| -Unrealised | - |
| | - |
| Total share of retained profits/ (accumulated losses) from jointly controlled entities: | - |
| - Realised | - |
| -Unrealised | - |
| | - |
| Less: Consolidation Adjustments | (1,446) |
| Total group retained profits/ (accumulated losses) as per consolidated accounts | 157,126 |