

Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
Revenue	78,197	54,608	317,010	222,154
Operating expenses	(34,384)	(50,466)	(254,166)	(190,878)
Other operating expenses / income	(3,077)	(3,879)	6,547	4,299
Profit from operations	40,736	263	69,391	35,575
Finance cost	(4,912)	(4,655)	(15,288)	(14,525)
Profit before taxation / (loss)	35,824	(4,392)	54,103	21,050
Taxation	(1,398)	(2,473)	(6,446)	(10,009)
Profit for the period	34,427	(6,865)	47,658	11,041
Total comprehensive income / (loss) for the year	34,427	(6,865)	47,658	11,041
Profit attributable to:				
Owners of the Company	17,022	(4,566)	31,367	9,796
Non Controlling Interest	17,405	(2,119)	16,291	1,245
	34,427	(6,685)	47,658	11,041
Total comprehensive income / (loss) attributable to:				
Owners of the parent	17,022	(4,566)	31,367	9,796
Non Controlling Interest	17,405	(2,119)	16,291	1,245
	34,427	(6,685)	47,658	11,041
EPS - Basic (sen)	4.25	(1.14)	7.83	2.47

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2017)

BCB BERHAD
(Company No : 172003-W)
(Incorporated in Malaysia)



Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2018**

	(UNAUDITED) AS AT 30.6.2018 RM'000	(AUDITED) AS AT 30.06.2017 RM'000
Non current assets		
Property, plant and equipment	57,633	60,987
Investment properties	57,326	60,580
Land held for development	74,982	119,375
Deferred tax assets	2,286	2,961
Current assets		
Property development costs	795,300	675,098
Inventories	108,371	123,086
Tax recoverable	12,129	7,935
Trade and other receivables	79,102	96,296
Fixed deposits with licensed banks	906	1,126
Cash and bank balances	20,606	21,463
	1,016,413	925,004
Current liabilities		
Trade and other payables	207,725	230,796
Short term borrowings	163,607	162,970
Bank overdrafts	55,399	48,351
Current tax liabilities	2,519	2,308
	429,251	444,425
Net current assets	587,163	480,579
Total Assets	779,390	724,482
Shareholders' Funds		
Share capital	206,250	206,250
Treasury shares	(3,168)	(3,167)
Revaluation reserves	6,788	6,788
Retained earnings	269,094	237,728
Non Controlling Interest	42,574	13,034
	521,539	460,633
Long term borrowings	257,852	263,849
	257,852	263,849
Total Equities and Liabilities	779,390	724,482
Net assets per share (RM)	1.16	1.09
	(478,965/ 412,500)	(447,599/ 412,500)

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2017)

Interim Report For The Financial Period Ended 30 June 2018

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018**

	Share capital RM'000	Non-distributable		Distributable		Non controlling interest RM'000	Total equity RM'000
		Revaluation reserves RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000		
At 01.07.2017	206,250	6,788	(3,167)	237,728	447,599	13,034	460,633
Transactions with owners:							
Share buy-back	-	-	(1)	-	(1)	-	(1)
Issuance of new shares (at subsidiary level)	-	-	-	-	-	13,250	13,250
Total comprehensive income	-	-	-	31,367	31,367	16,291	47,658
At 30.6.2018	206,250	6,788	(3,168)	269,095	478,965	42,574	521,539
At 01.07.2016	206,250	6,788	(3,121)	227,931	437,848	11,789	449,637
Transactions with owners:							
Share buy-back	-	-	(46)	-	(46)	-	(46)
Total comprehensive income	-	-	-	9,796	9,796	1,245	11,041
At 30.6.2017	206,250	6,788	(3,167)	237,728	447,598	13,034	460,633

(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 2017)

Interim Report For The Financial Period Ended 30 June 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018

	12 MONTHS ENDED 30.6.18 RM'000	12 MONTHS ENDED 30.6.17 RM'000
Operating activities		
Profit after taxation	47,658	11,042
Adjustments for non-cash items	25,192	31,771
Operating profit before working capital changes	72,851	42,813
Trade & other receivables	17,194	-31,374
Inventories	14,715	3,968
Property development cost	-75,809	-1,302
Trade payables and Other payables	-23,071	24,071
Net change in working capital	5,880	38,176
Net Interest Paid	-15,288	-18,879
Taxes paid	-3,978	-12,858
Net cash (used in)/ from operating activities	-13,387	6,439
Investing activities		
Purchase of property, plant and equipment	101	-485
Proceeds from disposal of property, plant and equipment and investment properties	3,254	1,751
Net cash used in investing activities	3,355	1,266
Financing activities		
Proceeds from borrowings	1,688	23,632
Repayment of borrowings	-	-29,735
Purchase of treasury shares	-	-46
Fixed deposits pledged to a licensed bank	220	3,721
Net cash from financing activities	1,908	-2,428
Net (decrease)/ increase in cash and cash equivalents	-8,125	5,277
Cash and cash equivalents at beginning of period	-25,762	-31,039
Cash and cash equivalents at end of period	-33,887	-25,762

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2017)

Notes to the Interim Report For The Financial Period Ended 30 June 2018

(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 issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2017.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2017, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing after 1 July 2018:

Amendments to:

FRS 12	Annual Improvements to FRS Standards 2014 - 2016 Cycle
FRS 107	Disclosure Initiative
FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above amendments to published standards do not give rise to any material effects to the Group.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued the new accounting framework, the Malaysian Financial Reporting Standards ("MFRS") framework, which is effective for financial periods beginning on or after 1 January 2012 with the exception of entities where the new accounting framework need not be applied ie. entities that are within the scope of MFRS 141 and IC Interpretation 15 ("hereafter called Transitioning Entities"). On 28 October 2015, MASB allowed Transitioning Entities to defer adoption of the MFRS framework to annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of the MFRS framework for the financial periods as allowed.

2. Status of Audit Qualifications

The audited financial statements of the Group for the year ended 30 June 2017 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 at to-date, the Company has bought back a total of 12,141,200 shares from the open market at an average purchase price of RM0.26 per share (This average price is adjusted following a share split exercise conducted on 7 January 2016 whereby the initial share par value of RM1.00 per share was halved to RM0.50 per share). The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM3,168,270.29. 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 and others | : Property Development, Letting of Properties and Project Management |
| b) Construction | : Project Construction Services, Manufacturing of Concrete Products and Trading of Building Materials |
| c) Hotel and related activities | : 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
12 Months Ended 30.06.2018						
Revenue						
External revenue	308,103	4,398	4,509	-	-	317,010
Inter-segment revenue	-	44,642	-	-	(44,642)	-
Total	308,103	49,040	4,509	-	(44,642)	317,010
Adjusted EBITDA	66,225	6,413	(177)	(6)	-	72,455

	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
12 Months Ended 30.06.2017						
Revenue						
External revenue	210,098	4,865	7,190	-	-	222,153
Inter-segment revenue	-	41,178	-	-	(41,178)	-
Total	210,098	46,043	7,190	-	(41,178)	222,153
Adjusted EBITDA	37,620	1,532	(579)	(8)	-	38,565

	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
Total segment assets						
30.06.2018	1,419,195	216,245	31,868	351	(459,018)	1,208,641
30.06.2017	1,448,757	236,732	33,308	357	(561,143)	1,158,011

	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
Total segment liabilities						
30.06.2018	897,407	203,683	15,600	3	(431,886)	684,807
30.06.2017	1,021,275	230,259	15,572	3	(561,143)	705,966

A reconciliation of total adjusted EBITDA

	30.06.2018 RM'000	30.06.2017 RM'000
Adjusted EBITDA	72,455	38,565
Finance income	189	439
Finance cost	(15,288)	(14,525)
Tax	(6,446)	(10,009)
Depreciation	(3,251)	(3,428)
Net profit for the financial period	47,659	11,041

Reportable segments assets are reconciled to total assets as follows:

	30.06.2018 RM'000	30.06.2017 RM'000
Total segment assets	1,196,521	1,150,076
Tax recoverable	12,120	7,935
Consolidated total assets (as per Statement of Financial Position)	<u>1,208,641</u>	<u>1,158,011</u>

Reportable segments liabilities are reconciled to total liabilities as follows:

	30.06.2018 RM'000	30.06.2017 RM'000
Total segment liabilities	684,807	705,966
Tax payable	-	-
Consolidated total liabilities (as per Statement of Financial Position)	<u>684,807</u>	<u>705,966</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 financial period under review.

11. Changes in the Composition of the Group

There are no changes to the composition of the Group during the financial period under review.

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

The Group does not have any capital commitments outstanding during the financial period under review.

14. **Recurrent Related Party Transactions**

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

- (i) Tan Sri Dato' Tan Seng Leong is a director of BCB Berhad and all its subsidiary companies. He is a major shareholder of BCB Berhad via his family controlled company called Evergreen Ratio Sdn Bhd. He is deemed to have an interest with the interested related parties by virtue of his relationship with his spouse and his children namely Puan Sri Datin Lim Sui Yong, Tan Vin Sern, Tan Vin Shyan and Tan Lindy, who are directors of Marvel Plus Development Sdn Bhd ("MPDSB"), whilst Puan Sri Datin Lim Sui Yong and Tan Vin Sern are also shareholders of MPDSB. Tan Sri Dato' Tan Seng Leong is also a director of Ju-Ichi Enterprise Sdn Bhd ("JIESB") as well as a major shareholder of IBZI Development (Johor) Sdn Bhd ("IBZI").
- (ii) Tan Vin Sern is a director of BCB Berhad and all its subsidiary companies. He is the son of Tan Sri Dato' Tan Seng Leong and brother of Tan Lindy. He is also a director of MPDSB, JIESB and IBZI.
- (iii) Tan Lindy is a Director of BCB Berhad and all its subsidiary companies. She is the daughter of Tan Sri 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 most of its subsidiary companies. She is the sister of Tan Sri Dato' Tan Seng Leong.
- (v) Chang Shao-Yu is a Director of MPDSB. He is the spouse of Tan Lindy and son-in-law of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong.
- (vi) Tan Vin Shyan is a Director of BCB Berhad and most of its subsidiaries. He is the son of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong, and brother of Tan Lindy and Tan Vin Sern. He is also a director and shareholder of MPDSB, JIESB and IBZI.
- (vii) Puan Sri Datin Lim Sui Yong is a major shareholder of BCB Berhad via her family controlled company called Evergreen Ratio Sdn Bhd. She is also a director and shareholder of MPDSB.

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

	Quarterly Period Ended 30.06.2018 RM'000	Quarterly Period Ended 30.06.2017 RM'000
<u>Marvel Plus Development Sdn Bhd</u>		
BCB Construction Sdn Bhd		
- Building construction services	1,263	745
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		
- Rental of office space	75	75
BCB Construction Sdn Bhd		
- Building construction services	972	11
<u>IBZI Development Sdn Bhd</u>		
BCB Construction Sdn Bhd	-	-
- Building construction services		

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 43% to RM78.20 million for the forth quarter of 2018 as compared to RM54.61 million recorded for the corresponding quarter of last year while the Group's profit before tax increased by 916% to RM35.82 million in the current quarter as compared to a loss before tax of RM4.39 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 72% to RM77.53 million in Q4' 2018 (Q4' 2017: RM45.09 million). Profit before tax increased by 2330% to RM34.75 million (Q4'2017: RM1.43 million). The increase in revenue and profit before tax is attributed to better sales and contributions particularly from the Group's Elysia Park Residence project in Medini, Johor Bahru.

Construction division's revenue decreased by 100% to zero in Q4' 2018 (Q4' 2017: RM2.37 million). Profit before tax increased by 128% to RM1.34 million (Q4'2017: loss RM4.75 million). The lack of revenue is mainly due to the division not having capacity to undertake outside jobs while the increase in profit before tax is attributed to about RM1.5 million in write-backs as a result of over-provisioning of expenses in the past

Hotel division's revenue decreased by 85% to RM1.11 million in Q4' 2018 (Q4' 2017: RM7.19 million). Loss before tax reduced by 71% to RM0.31 million (Q4'2017: Loss RM1.07 million). The lower revenue and lower loss before tax is attributed to the fact that the group has leased out the operations of the 2 restaurants in the hotel as well as the new hotel wing to an operator in line with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching many staff.

For the financial year to-date, the Group's revenue increased by 43% to RM317.01 million (2017: RM222.15 million) while the Group's profit before tax increased by 157% to RM54.10 million (2017: RM21.05 million).

1. b

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

Property Development division's revenue increased by 48% to RM308.10 million as at Q4' 2018 (2017: RM208.00 million). Profit before tax for the financial year to-date increased by 96% to RM50.83million (2017: RM25.95 million). The increase in revenue and profit before tax is attributed to better sales and contributions particularly from the Group's Elysia Park Residence project in Medini, Johor Bahru.

Construction division's revenue decreased by 35% to RM4.40 million as at Q4' 2018 (2017: RM6.75 million). Profit before tax increased by 288% to RM4.75 million (2017: Loss RM2.52 million)The decrease in revenue is due to less outside jobs being secured while the increase in profit before tax is attributed to about RM4.5million being written back as a result of over-provisioning of expenses in the past.

Hotel division's revenue decreased by 37% to RM4.51 million as at Q4' 2018 (2017: RM7.19 million). Loss before tax reduced by 27% to RM1.47 million for the financial year to-date (2017: Loss RM2.02 million). The lower revenue and lower loss before tax is attributed to the fact that the group has leased out the operations of the 2 restaurants in the hotel as well as the new hotel wing to an operator in line with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching many staff.

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 RM2.92 million in the preceding quarter to RM35.82 million in the current quarter. This is mainly due to contributions from its various projects and in particular its high-end high-rise project in Medini, Johor Bahru called Elysia Park Residence.

3. Prospects for the Financial Year

Despite the property market being lack lustre the past 3 years, the Board is optimistic of the Group's performance for financial year 2019. The following projects will continue to contribute to the Group's earnings:

a) Evergreen Heights and Bandar Putera Indah, both these township projects are in Batu Pahat and together they contribute about RM150 million in sales per annum. The recent addition is Versis Batu Pahat, a commercial project in Batu Pahat town.

b) Home Tree in the vicinity of Kota Kemuning, Shah Alam, Selangor: This development on 151 acres of land will comprise about 200 units of high-end bungalows and various other types of other houses and a similar number of commercial units bearing a total gross development value of at least RM1.8 billion. It is ear-marked for completion in about 4 years time.

The entire Phase 2 has a Gross Development Value of RM650 million comprising of 99 units of 3 storey bungalows and 166 units of 3 storey Semi Ds.

However sub-phase 2(a) & 2(b) bearing a combined Gross Development Value of RM270 million was officially launched in August 2017. As at to-date, more than RM85 million in sales has been recorded.

c) Elysia Park Residence in Medini, Johor Bahru. This high-end condominium project has a revised total gross development value of about RM1.5 billion. Phase 1 bearing a revised Gross Development Value of RM790 million comprising of about 981 units of condominiums in 3 tower blocks was officially launched in August 2016. As at to-date, close to RM430 million in sales has been recorded.

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 30.06.2018 RM'000	Cumulative year to-date 30.06.2018 RM'000
Interest Income	49	189
Other Income	(2,089)	6,907
Gain or loss on disposal of properties	(52)	204
Interest expenses	(4,911)	(15,287)
Depreciation and amortisation	(769)	(3,251)

Other than the above, there were no disposal of quoted or unquoted investment or properties and amortisation of assets for the financial quarter under review.

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	1,398	3,775	6,446	11,311
- prior year	-	231	-	231
Deferred taxation				
- current financial period	-	(1,540)	-	(1,540)
- prior year	-	185	-	185
	<u>1,398</u>	<u>2,651</u>	<u>6,446</u>	<u>10,187</u>

The effective tax rate for the financial year to-date was higher than the statutory tax rate as a result of certain expenses disallowed for tax purposes.

7. 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.

8. Quoted Securities

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

9. Status of Corporate Proposal

There were no corporate proposals during the financial period under review.

10. Dividend

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

11. Group Borrowings

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

	RM'000
Short term borrowings	
- Secured	219,006
- Unsecured	-
	<u>219,006</u>
- Secured	257,852
- Unsecured	-
	<u>257,852</u>
Total	<u>476,858</u>

12. Financial instruments with off balance sheet risk

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

13. Material litigation

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

14. Earnings per share

	Current year quarter	Preceding year corresponding quarter	Current year to- date	Preceding year corresponding
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net profit attributable to owners for the period	17,020	(4,567)	31,367	9,875
Weighted average number of ordinary shares in issue	400,360	400,441	400,360	400,441
Basic earnings/(loss) per share (sen)	<u>4.25</u>	<u>(1.14)</u>	<u>7.83</u>	<u>2.47</u>
b) Diluted earnings per share				
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

15. Realised and Unrealised Profits

As At End of
Current Quarter
30/6/2018
RM'000

Total retained earnings/ (accumulated losses) of BCB Berhad**and its subsidiaries:**

- Realised	266,808
-Unrealised	<u>2,286</u>
	269,094

**Total share of retained profits/ (accumulated losses)
from associated companies:**

- Realised	-
-Unrealised	<u>-</u>
	-

**Total share of retained profits/ (accumulated losses)
from jointly controlled entities:**

- Realised	-
-Unrealised	<u>-</u>
	-

Less: Consolidation Adjustments

	<u>-</u>
	-
Total group retained profits/ (accumulated losses) as per consolidated accounts	<u><u>269,094</u></u>