

Notes to the quarterly report for the quarter ended 30 June 2008
(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 Standard (“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 2007.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2007.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised FRSs effective for the accounting periods on or after the beginning of current financial year:

FRS 117	Leases	(effective from 1 October 2006)
FRS 124	Related Party Disclosures	(effective from 1 October 2006)
FRS 112	Income Taxes	(effective from 1 July 2007)

The adoption of FRS 124 does not have any significant financial impact on the Group’s result and financial position. The principal effect of the changes in accounting policies resulting from adoption of the revised FRS 117 and FRS 112 are discussed below:

a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses. The leasehold land was last revalued in financial year 2004.

Upon the adoption of the revised FRS 117 at 1 January 2006, the unamortized revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 3, certain comparative amounts as at 30 June 2006 have been restated.

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2. Changes in Accounting Policies (Cont'd)

b) FRS 112: Income Taxes

Upon the adoption of revised FRS 112, deferred tax assets are recognised on unused investment tax allowances to the extent that it is probable that taxable profit will be available against which the unused investment allowances can be utilised.

The change in accounting policy has been accounted for retrospectively and as disclosed in Note 3, certain comparative amounts have been restated.

3. Comparative

The following comparative amounts as at 30 June 2007 have been restated and reclassified due to adoption of new and revised FRS:

At 30 June 2007	As previously reported RM'000	Adjustment RM'000	Restated RM'000
FRS117			
Balance Sheet			
Property, plant and equipment	52,533	(3,128)	49,405
Prepaid land lease payments	-	3,128	3,128
FRS112			
Balance Sheet			
Retained earnings	100,806	4,575	105,381
Deferred tax assets	-	4,575	4,575
Income Statement			
Taxation	1,186	291	1,477

4. Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by seasonality or cyclical factors except for the property development and hotel activities will be affected by the overall economy performance of Malaysia.

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EXPLANATORY NOTES

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the financial quarter under review.

6. Changes in Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior financial quarter or financial year that have a material effect for the financial quarter under review except as disclosed in notes 2 and 3.

7. Issuances or Repayments of Debts and Equity Securities

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

Share Buy-back

As at to-date of this report, the Company had bought a total of 4,388,600 shares on the open market at an average purchase price of RM0.51 per share. The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM2,251,415. The shares bought back are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

8. Dividend Paid

The Board did not propose any dividend for the financial year ended 30 June 2007 and the Board does not recommend any dividend for the financial quarter under review.

BCB BERHAD (172003-W)
(Incorporated in Malaysia)

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9. Segment Information

	Properties development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>12 months ended 30/06/2008</u>						
Revenue						
External revenue	81,174	12,337	11,167	3,684	-	108,362
Inter-segment revenue	76	39,045	-	-	(39,121)	-
Total	81,250	51,382	11,167	3,684	(39,121)	108,362
Result						
Segment result	27,955	2,672	1,822	4,535	(22,756)	14,228
Finance cost						(7,307)
Interest income						135
Profit before taxation						7,056
<u>12 months ended 30/06/07</u>						
Revenue						
External revenue	82,988	17,530	9,181	10,400	-	120,099
Inter-segment revenue	3,822	52,233	120	11	(56,186)	-
Total	86,810	69,763	9,301	10,411	(56,186)	120,099
Result						
Segment result	14,496	(305)	1,043	43	(4,014)	11,263
Finance cost						(6,769)
Interest income						254
Profit before taxation						4,748

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9. Segment Information (Continued)

The Company decided to discontinue business activities of its subsidiary, BCB Furniture Sdn Bhd. The discontinued operation is consistent with the Group's long-term strategy to maximize growth and profitability by focusing on property development and construction related businesses and to streamline the business operation where possible.

BCB Furniture Sdn Bhd has not been contributing significantly to the Group's result and financial position. Hence, the discontinued of its business operation does not have any significant financial impact to the Group's result and financial position.

10. 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.

11. Events Subsequent to the End of the Reporting Period

There are no material events subsequent to the financial quarter under review that have not been reflected in the financial statements as at the date of this report.

12. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial quarter under review.

13. Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual balance sheet date to the financial quarter under review.

14. Capital Commitments

The capital commitments outstanding as at the date of this report are as follow:

	RM'000
Authorized and contracted	
– Conditional contractual commitment to purchase freehold land	40,830
– Conditional contractual commitment to infrastructure developments on freehold land	<u>7,000</u>
	<u>47,830</u>

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EXPLANATORY NOTES

15. 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 and Tan Vin Sern respectively who are the directors and the major shareholders of Marvel Plus Development Sdn Bhd ("MPDSB"), whilst Tan Lindy is the director of MPDSB. Dato' Tan Seng Leong is also a director of Ju-Ichi Enterprise Sdn Bhd ("JESB").

(ii) 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 JESB.

(iii) 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.

(iv) 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.

(v) Tan Vin Sern is a Director of BCB Berhad and all its subsidiary companies. He is the son of Dato' Tan Seng Leong and the brother of Tan Lindy. He is a director and major shareholder of MPDSB. With effective from 15 April 2008. Tan Vin Sern has resigned as director from BCB Berhad Group.

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

	Current Quarter Ended 30-Jun-08 RM'000	Cumulative Quarter Ended 30-Jun-08 RM'000
<u>Marvel Plus Development Sdn Bhd</u>		
BCB Construction Sdn Bhd - Building construction services	1,298	2,238
BCB Road Builder Sdn Bhd -Road and pavement construction services	-	404
BCB Management Sdn Bhd - Project management services and sales & marketing services	95	353
<u>Ju-Ichi Enterprise Sdn Bhd</u>		
BCB Berhad (Hotel Division) - Maintenance & security services	72	202

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

1. Review of Performance of the Company and its Principal Subsidiaries

As compared to previous year's corresponding quarter, the Group recorded fourth quarter revenue of RM22.62million with pre-tax profit of RM2.30million; as compared to previous year's corresponding quarter's revenue of RM23.90million and pre-tax loss of RM0.53million. A decrease of RM1.28million in revenue and increase in pre-tax profit of RM2.83million.

2. Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

The Group posted a revenue of RM22.62million and profit before taxation of RM2.30million as compared to revenue of RM20.57million and profit before taxation of RM0.61million in the immediate preceding quarter.

3. Prospects for the Financial Year

The Group will continue its efforts to enhance the Group's position and cautious over the domestic economy performance. The Group is concerned over rising construction materials costs that affect the industry as a whole.

The Group will strive to maintain its leading position in existing geographical market segment with several launching and development activities in the pipe-line, which consist of both high-end and affordable range of properties.

4. Variance of actual Profit from Forecast Profit

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

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

5. Taxation

	<u>Individual</u> Current year quarter RM'000	<u>Quarter</u> Preceding year corresponding quarter RM'000	<u>Cumulative</u> Current year to date RM'000	<u>Quarter</u> Preceding year corresponding period RM'000
Income tax 26% (2007: 27%)				
- current financial year	1,370	378	2,557	1,932
- prior year	1,076	74	1,076	74
Deferred taxation 25%(2007: 26%)				
- current financial year	312	(550)	312	(550)
- prior year	(166)	21	(166)	21
	<u>2,592</u>	<u>(77)</u>	<u>3,779</u>	<u>1,477</u>

6. Profit on Sale of Investment and/or Properties

There were no profits on sale of investments and/or properties other than in the ordinary course of the Group's business for the financial quarter under review.

7. Quoted Securities

There were no purchases and disposals 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.

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

9. Group Borrowings

	RM'000
Short term borrowings	
- Secured	71,583
- Unsecured	3,707
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	75,290
Long-term borrowings	
- Secured	36,904
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Total	112,194
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10. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at the date of this report.

11. Material litigation

There was no pending material litigation as at the date of this report.

12. Dividend

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

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

13. Earnings per share

	Individual	Quarter	Cumulative	Quarter
	Current	Preceding year	Current	Preceding year
	year	corresponding	year to	corresponding
	quarter	quarter	date	period
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net (loss)/profit for the period	(291)	(456)	3,277	3,271
Weighted average number of ordinary shares in issue	201,861	201,886	201,861	201,886
Basic (loss)/earnings per share (sen)	(0.14)	(0.23)	1.62	1.62
b) Diluted earnings per share				
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

14. Auditors' Report

The auditors' report of the Group's preceding year financial statements was not subject to any qualification.