

Notes to the quarterly report for the quarter ended 30 June 2009
(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 2008.

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 2008.

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 2008.

3. 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.

4. Unusual Items

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

5. 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.

6. 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 4,390,600 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 RM2,252,312. The shares bought back are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

7. Dividend Paid

The Board did not propose any dividend for the financial year ended 30 June 2008 and the Board does not recommend any dividend for the financial quarter under review.

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8. 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 30/06/2009</u>						
Revenue						
External revenue	73,731	9,074	10,395	-	-	93,200
Inter-segment revenue	-	25,528	-	-	(25,528)	-
Total	73,731	34,602	10,395	-	(25,528)	93,200
Result						
Segment result	13,382	1,671	357	(106)	-	15,304
Unallocated costs						(2,499)
Finance cost						(6,756)
Interest income						107
Tax expenses						(2,550)
Net profit						<u>3,606</u>
<u>12 months ended 30/06/2008</u>						
Revenue						
External revenue	80,922	12,567	11,048	3,684	-	108,221
Inter-segment revenue	6,779	34,530	120	-	(41,429)	-
Total	87,701	47,097	11,168	3,684	(41,429)	108,221
Result						
Segment result	12,370	2,464	2,208	(471)	-	16,571
Unallocated costs						(2,515)
Finance cost						(7,181)
Interest income						181
Tax expenses						(3,779)
Net profit						<u>3,277</u>

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EXPLANATORY NOTES

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. 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.

11. Changes in the Composition of the Group

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

12. Contingent Liabilities

There were no significant changes in contingent liabilities since the last annual balance sheet date to the financial quarter under review except for the potential claims by third parties and additional corporate guarantee given to one of the subsidiaries i.e. Johbase Development Sdn Bhd ("JDSB") in order to secure JDSB due performance in respect of the terms of the new Cost Share Agreement ("CSA") and the payment of the balance consideration sum amounted to RM 1,685,258 as specified in the CSA as disclosed in Note 13.

13. Capital Commitments

The capital commitments that previously disclosed 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>

On 1 January 2009, Johbase Development Sdn Bhd ("JDSB"), a wholly-owned subsidiary of BCB Berhad through its solicitors have given notice to terminate the Sales and Purchase Agreement ("SPA") dated 13 November 2007, in relation to the purchase of freehold land signed between JDSB and Focal Remedy Sdn Bhd ("FRSB") due to breach of one of the condition precedent by FRSB. The termination is in accordance to the clauses as stipulated in SPA.

Subsequently, another notice was served through its solicitors on 20 January 2009 to terminate the Cost Share Agreement ("CSA") dated 13 November 2007 entered between the JDSB, FRSB and Pelangi Homes Sdn Bhd ("PHSB"), in relation to the infrastructure developments in accordance to the clauses as stipulated in the CSA as a result of the collapse of the SPA.

FRSB and PHSB have filed a writ of summons on 16 February 2009 to seek the continuation of the SPA and CSA, interest on the balance of purchase consideration and other relevant claims.

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EXPLANATORY NOTES

13. Capital Commitments (Continued)

JDSB has filed in a Statement of Defence and Counter Claim on 20 March 2009 to request for refund of the deposit sum paid of RM 317,416 plus liquidated damage of RM 317,416 as provided by SPA and RM 5,000,000 being the consideration sum paid under the CSA.

All the parties have filed their respective suits in Court and the above matters are pending for court hearing.

On 19 August 2009, JDSB, PHSB and FRSB agreed to enter into a set of fresh agreements i.e. SPA and CSA as well as a Settlement Agreement (“SA”) pertaining to the acquisition of the same properties.

The fresh SPA and CSA entered with the considerations sum of RM41,147,416 and RM6,685,258 only respectively.

The revised capital commitments after deducting previous payments of RM317,416 to FRSB as deposit pursuant to the SPA and RM5,000,000 paid to PHSB as part payment pursuant to the CSA 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>1,685</u>
	<u>42,515</u>

The SA agreement stated that FRSB and PHSB agreed with JDSB that within 7 days of the execution of all the agreements, FRSB, PHSB and JDSB shall file the Notice of Discontinuance of Writ of Summons dated 16 February 2009 and Statement of Defence and Counter Claim dated 20 March 2009 respectively with liberty to file afresh, at the own cost and expenses of each party.

JDSB shall cease to be liable in respect of the Writ of Summons dated 16 February 2009 filed at the Johor Bahru High Court once the Notice of Discontinuance of Writ of Summons is filed by FRSB and PHSB.

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 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.

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EXPLANATORY NOTES

14. Recurrent Related Party Transactions (continued)

(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.

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

	Current Quarter Ended 30-Jun-09 RM'000	Cumulative Quarter Ended 30-Jun-09 RM'000
<u>Marvel Plus Development Sdn Bhd</u>		
BCB Construction Sdn Bhd - Building construction services	71	2,236
BCB Management Sdn Bhd - Project management services and sales & marketing services	64	275
<u>Ju-Ichi Enterprise Sdn Bhd</u>		
BCB Berhad (Hotel Division) - Car park management & security services	47	202

15. Post Balance Sheet Event

There was no other post balance sheet event as at the date of this report except as disclosed in explanatory note 13 to the quarterly report for the quarter ended 30 June 2009.

Notes to the quarterly report for the quarter ended 30 June 2009
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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 RM24.51 million with pre-tax profit of RM1.73 million; as compared to previous year's corresponding quarter's revenue of RM22.48 million and pre-tax profit of RM2.30 million. An increase of RM2.03 million in revenue and decrease in pre-tax profit of RM0.57 million.

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

The Group posted a revenue of RM24.51 million and profit before taxation of RM1.73 million in current quarter as compared to revenue of RM11.55 million and profit before taxation of RM0.94 million in the immediate preceding quarter.

3. Prospects for the Financial Year

The global economic slowdown has caused significant adverse impact on local property market. The property market is expected to remain soft for the next financial year. Despite the gloomy outlook, sales of mixed development in our mature and well located area have not been materially affected.

The Board of Directors is therefore optimistic that the existing and future projects will contribute positively to the Group's results for the forthcoming financial year.

4. Variance of actual Profit from Forecast Profit

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

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				
- current financial period	1,139	1,370	2,555	2,557
- prior year	182	1,084	182	1,084
Deferred taxation				
- current financial period	(186)	125	(186)	125
- prior year	(1)	13	(1)	13
	1,134	2,592	2,550	3,779

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

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.

9. Group Borrowings

	RM'000
Short term borrowings	
- Secured	76,053
- Unsecured	305
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	76,358
Long-term borrowings	
- Secured	24,696
- Unsecured	795
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Total	101,849
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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 other pending material litigation as at the date of this report except as disclosed in explanatory note 13 to the quarterly report for the quarter ended 30 June 2009.

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

	<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
a) Basic earnings per share				
Net profit/(loss) for the period	596	(291)	3,606	3,277
Weighted average number of ordinary shares in issue	201,859	201,861	201,859	201,861
Basic earnings/(loss) per share (sen)	0.30	(0.14)	1.79	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.