

Notes to the quarterly report for the quarter ended 30 September 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 2009.

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 2009.

In the current financial period, the Company adopted the new FRS 8: “Operating Segments” which is applicable to companies with financial period commencing on or after 1st July 2009. The adoption of FRS 8 does not have any financial impact on the financial statements of the Group since the change in accounting policy only impacts presentation and disclosure aspects.

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 2009.

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 of this report, the Company had bought a total of 4,391,600 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 RM2,252,724. The shares bought back are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

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7. Dividend Paid

There was no dividend paid during the current quarter ended 30 September 2009.

8. Segmental Information

<u>3 Months ended 30.9.09</u>	Property development and management activities RM'000	Construction and related activities RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	11,477	1,519	2,324	-	-	15,319
Inter-segment sales	-	6,504	-	-	(6,504)	-
Total	11,477	8,023	2,324	-	(6,504)	15,319
Adjusted EBITDA	1,266	704	556	(1)	-	2,525

<u>3 Months ended 30.9.08</u>	Property development and management activities RM'000	Construction and related activities RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	23,606	3,093	2,723	-	-	29,422
Inter-segment sales	-	8,268	-	-	(8,268)	-
Total	23,606	11,361	2,723	-	(8,268)	29,422
Adjusted EBITDA	4,515	699	363	(20)	-	5,557

Total segment assets	Property development and management activities RM'000	Construction and related activities RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
30.9.09	512,873	160,919	33,827	386	(256,999)	451,006
30.9.08	527,310	120,784	34,244	484	(213,479)	469,343

Total segment liabilities	Property development and management activities RM'000	Construction and related activities RM'000	Hotel operations RM'000	Others RM'000	Elimination RM'000	Total RM'000
30.9.09	243,305	131,215	10,012	62	(256,999)	127,595
30.9.08	232,813	113,405	12,605	74	(213,479)	145,418

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A reconciliation of total adjusted EBITDA to net profit is provided as follows:

	30.9.09 RM'000	30.9.08 RM'000
Adjusted EBITDA for reportable segments	2,525	5,557
Finance income	25	41
Finance cost	(1,484)	(1,912)
Tax	(191)	(789)
Depreciation	(460)	(523)
Amortisation	(9)	(9)
Net profit for the financial year	<u>406</u>	<u>2,365</u>

Reportable segments assets are reconciled to total assets as follows:

	30.9.09 RM'000	30.9.08 RM'000
Total segment assets	449,026	467,668
Tax Recoverable	1,980	1,675
Consolidated total assets	<u>451,006</u>	<u>469,343</u>

(as per balance sheet)

Reportable segments liabilities are reconciled to total liabilities as follows:

	30.9.09 RM'000	30.9.08 RM'000
Total segment liabilities	127,595	145,418
	-	-
Consolidated total liabilities	<u>127,595</u>	<u>145,418</u>

(as per balance sheet)

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.

There was no material event subsequent to the end of the interim period that have not been reflected in the financial statements for the current financial quarter under review.

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11. Changes in the Composition of the Group

There was no change in the composition of the Group during the financial quarter under review.

12. Contingent Liabilities

There were no significant changes in contingent liabilities in respect of the Group since the last annual balance sheet date.

13. Capital Commitments

The new capital commitment is as follows:

	RM'000
- 370 acres freehold development land in Batu Pahat	40,830
- Infrastructure developments on land	1,685
	<u>42,515</u>

As at the date of this report, the Group has fully consummated the Sales and Purchase Agreement pertaining to the purchase of this land.

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.

(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.

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14. Recurrent Related Party Transactions (Cont'd)

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

	Current Quarter Ended 30-Sept-09 RM'000	Preceding Quarter Ended 30-Sept-08 RM'000
<u>Marvel Plus Development Sdn Bhd</u>		
BCB Construction Sdn Bhd - Building construction services	816	983
BCB Management Sdn Bhd - Project management services and sales & marketing services	259	107
<u>Ju-Ichi Enterprise Sdn Bhd</u>		
BCB Berhad (Hotel Division) - Car park management & security services	34	61

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

1. Review of Performance

Group turnover decreased 47.9% to RM15.32 million for the current financial quarter as compared to RM29.42 million in the preceding year corresponding quarter. The Group recorded a profit before tax of RM0.60 million in the current financial quarter as compared to a profit before tax of RM3.15 million in the preceding year corresponding quarter.

The lower turnover for the current quarter as compared to the preceding year corresponding quarter was due to adverse global and domestic economic conditions.

The lower profit before tax of RM0.60 million recorded in the current quarter as compared to a profit before tax of RM3.15 million recorded in the preceding year corresponding quarter was mainly due to higher construction cost as a result of price hikes in building materials.

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2. Comparisons with the Preceding Quarter's Results

Group turnover decreased from RM24.51 million in the preceding quarter to RM15.32 million in the current quarter. Current quarter performance resulted in a profit before tax of RM0.60 million as compared to a profit before tax of RM1.73 million in the preceding quarter.

The weaker revenue performance in the current quarter versus the previous quarter was due to adverse global and domestic economic conditions.

The lower profit before tax of RM0.60 million recorded in the current quarter versus the previous quarter's profit before tax of RM1.73 million was mainly due to lower turnover.

3. Prospects for the Financial Year

The global economic slowdown has impacted on the local property market; which is expected to remain soft for the remaining of this financial year. Despite the gloomy outlook, sales of mixed development in newly launched phases in our mature and well located townships have not been materially affected.

Barring any unforeseen circumstances, The Board of Directors is optimistic that sales from these developments will contribute positively to the Group's earnings this financial year.

4. Variance on Profit Forecast

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

5. Taxation

Taxation consists of the followings:

	<u>Quarter</u> Current year RM'000	<u>Quarter</u> Preceding year corresponding RM'000	<u>Cumulative</u> Current year to-date RM'000	<u>Cumulative</u> Preceding year corresponding RM'000
Income tax				
- current financial period	191	789	191	789
- prior year	-	-	-	-
Deferred taxation				
- current financial period	-	-	-	-
- prior year	-	-	-	-
	<hr/> 191	<hr/> 789	<hr/> 191	<hr/> 789

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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 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. 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:-

	RM'000
Short term borrowings	
- Secured	71,915
- Unsecured	217

	72,132
Long-term borrowings	
- Secured	23,608
- Unsecured	803

	24,411
Total	96,543
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11. Financial instruments with off balance sheet risk.

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

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12. Material litigation

There were no changes in material litigation, including the status of pending material litigation since the last financial quarter.

13. Earnings per share

	<u>Quarter</u> Current year	<u>Quarter</u> Preceding year corresponding	<u>Cumulative</u> Current year to- date	<u>Cumulative</u> Preceding year corresponding
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net profit for the period	406	2,365	406	2,365
Weighted average number of ordinary shares in issue	201,858	201,860	201,858	201,860
Basic earnings/(loss) per share (sen)	0.20	1.17	0.20	1.17
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.