

**Notes to the quarterly report for the quarter ended 31 December 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.

### **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.

### **7. Dividend**

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

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**8. Segment Information**

	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
<b>6 months ended 31.12.2009</b>						
<b>Revenue</b>						
External revenue	31,017	2,143	5,325	-	-	38,484
Inter-segment revenue	-	12,779	-	-	(12,779)	-
<b>Total</b>	<b>31,017</b>	<b>14,922</b>	<b>5,325</b>	<b>-</b>	<b>(12,779)</b>	<b>38,484</b>
<b>Adjusted EBITDA</b>	<b>3,809</b>	<b>889</b>	<b>1,411</b>	<b>(4)</b>	<b>-</b>	<b>6,105</b>

	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
<b>6 month ended 31.12.2008</b>						
<b>Revenue</b>						
External revenue	38,329	13,130	5,685	-	-	57,144
Inter-segment revenue	-	11,412	-	-	(11,412)	-
<b>Total</b>	<b>38,329</b>	<b>24,542</b>	<b>5,685</b>	<b>-</b>	<b>(11,412)</b>	<b>57,144</b>
<b>Adjusted EBITDA</b>	<b>6,468</b>	<b>829</b>	<b>826</b>	<b>135</b>	<b>-</b>	<b>8,258</b>

	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
<b>Total segment assets</b>						
<b>31.12.2009</b>	522,817	162,569	34,083	368	(266,643)	453,194
<b>31.12.2008</b>	521,064	167,287	34,367	630	(264,715)	458,633

	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
<b>Total segment liabilities</b>						
<b>31.12.2009</b>	224,150	155,267	15,880	56	(266,643)	128,710
<b>31.12.2008</b>	221,753	161,490	17,035	64	(264,715)	135,627

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**A reconciliation of total adjusted EBITDA**

	31.12.2009 RM'000	31.12.2008 RM'000
Adjusted EBITDA	6,105	8,258
Finance income	15	54
Finance cost	(3,021)	(3,780)
Tax	(696)	(1,046)
Depreciation	(905)	(1,028)
Amortisation	(18)	(18)
Net profit for the financial year	<u>1,480</u>	<u>2,440</u>

**Reportable segments assets are reconciled to total assets as follows:**

	31.12.2009 RM'000	31.12.2008 RM'000
Total segment assets	450,717	457,038
Tax recoverable	2,477	1,595
Consolidated total assets ( as per balance sheet)	<u>453,194</u>	<u>458,633</u>

**Reportable segments liabilities are reconciled to total liabilities as follows:**

	31.12.2009 RM'000	31.12.2008 RM'000
Total segment liabilities	128,710	135,627
Consolidated total liabilities ( as per balance sheet)	<u>128,710</u>	<u>135,627</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.**

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.

**11. Changes in the Composition of the Group**

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

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### 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.

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

	Quarterly Period Ended 31-Dec-09 RM'000	Quarterly Period Ended 31-Dec-08 RM'000
<b><u>Marvel Plus Development Sdn Bhd</u></b>		
BCB Construction Sdn Bhd	874	1725
- Building construction services		
BCB Management Sdn Bhd	111	165
- Project management services and sales & marketing services		
<b><u>Ju-Ichi Enterprise Sdn Bhd</u></b>		
BCB Berhad (Hotel Division)	54	107
- Car park management & security services		

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

**1. Review of Performance**

Group turnover decreased by 16.44% for the second quarter of 2010 as compared to the same quarter of 2009. The Group recorded a profit before tax of RM1.58 million in the current quarter as compared to a profit before tax of RM0.33 million in the corresponding second quarter of 2009.

The lower turnover for the current quarter as compared to the corresponding quarter last year was due to weaker demand as a result of uncertain global and domestic economic conditions.

The higher profit before tax of RM1.58 million in the current quarter as compared to a profit before tax of RM0.33 million recorded in the preceding year corresponding quarter was mainly due to the prices of certain building materials easing off from their peak and cost-cutting measures initiated by the group.

**2. Comparisons with the Preceding Quarter's Results**

Group turnover increased from RM15.32 million in the preceding quarter to RM23.17 million in the current quarter. Current quarter performance resulted in a profit before tax of RM1.58 million as compared to a profit before tax of RM0.60 million in the preceding quarter.

The stronger revenue performance in the current quarter versus the previous quarter was due to improvement in the domestic market.

The higher profit before tax of RM1.58 million in the current quarter versus the previous quarter's profit before tax of RM0.60 million was mainly due to higher turnover, the process of certain building materials easing off from their peak and cost-cutting measures initiated by the group.

**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.

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**5. 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	505	257	696	1046
- prior year	-	-	-	-
Deferred taxation				
- current financial period	-	-	-	-
- prior year	-	-	-	-
	505	257	696	1046

**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:-

Short term borrowings	<b>RM'000</b>
- Secured	76,228
- Unsecured	-
	76,228
Long-term borrowings	
- Secured	21,282
- Unsecured	-
	21,282
Total	97,510

**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**

	Current year quarter	Preceding year corresponding quarter	Cumulative Current year to-date	Cumulative Preceding year corresponding
	RM'000	RM'000	RM'000	RM'000
<b>a) Basic earnings per share</b>				
Net profit for the period	1074	75	1480	2440
Weighted average number of ordinary shares in issue	201,858	201,860	201,858	201,860
Basic earnings/(loss) per share (sen)	<u>0.53</u>	<u>0.04</u>	<u>0.73</u>	<u>1.21</u>
<b>b) Diluted earnings per share</b>				
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**14. Auditors' Report**

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