

Notes to the quarterly report for the quarter ended 30 June 2010
(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

During the financial quarter under review, the Company had on June 28, 29 and 30, 2010 bought back shares totaling 130,000 at a average purchase price of RM0.35 from the open market. As June 30, 2010, the Company had bought back a total of 4,522,600 shares from 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 RM2,299,554.50. 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

	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 30.06.2010						
Revenue						
External revenue	78,966	4,514	7,664	-	-	91,144
Inter-segment revenue		24,973			(24,973)	-
Total	78,966	29,487	7,664	-	(24,973)	91,144
Adjusted EBITDA	8,960	6	2,442	63	-	11,471

	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 month ended 30.06.2009						
Revenue						
External revenue	73,731	9,074	10,274	-	-	93,079
Inter-segment revenue	2,500	25,528	120	-	(28,148)	-
Total	76,231	34,602	10,394	-	(28,148)	93,079
Adjusted EBITDA	12,846	1,666	356	(106)	-	14,762

	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						
30.06.2010	562,197	171,061	34,773	837	(280,256)	488,612
30.06.2009	523,346	151,630	34,104	773	(252,815)	457,038

	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						
30.06.2010	286,000	143,300	15,949	761	(280,256)	165,754
30.06.2009	249,180	122,856	15,591	815	(252,815)	135,627

A reconciliation of total adjusted EBITDA	30.06.2010 RM'000	30.06.2009 RM'000
Adjusted EBITDA	11,471	14,762
Finance income	96	108
Finance cost	(6,113)	(6,650)
Tax	(1,504)	(2,550)
Depreciation	(1,831)	(2,028)
Amortisation	(36)	(36)
Net profit for the financial year	<u>2,083</u>	<u>3,606</u>
Reportable segments assets are reconciled to total assets as follows:	30.06.2010 RM'000	30.06.2009 RM'000
Total segment assets	488,612	457,038
Tax recoverable	2,208	1,595
Consolidated total assets (as per balance sheet)	<u>490,820</u>	<u>458,633</u>
Reportable segments liabilities are reconciled to total liabilities as follows:	30.06.2010 RM'000	30.06.2009 RM'000
Total segment liabilities	165,754	135,627
Consolidated total liabilities (as per balance sheet)	<u>165,754</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.

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:

On March 10, 2010, the group signed a sale and purchase agreement (SPA) to purchase 5.028 acres of land held under GM1230 lot 1845 and GM1231 lot 1844, both in Mukim of Batu, Daerah Kuala Lumpur. Details of the purchase consideration is as follows:

	RM'000
- 5.028 acres freehold development land in Kuala Lumpur	48,848
- Land conversion premium	<u>2,108</u>
Total purchase consideration :	<u>50,956</u>

As at the date of this report, the Group has paid a RM4.88 million deposit, representing 10% of the purchase consideration of the said land. On 9th April 2010, the Group paid the land conversion premium of 2.11 million to the land office. Settlement of the balance sum is expected by October 14, 2010.

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 Vin Sern is a Director of BCB Berhad and all its subsidiary companies. He is the son of Dato' Tan Seng Leong and brother of Tan Lindy. He is also a director of MPDSB.
- (iii) 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.
- (iv) 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.
- (v) 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 30.06.2010 RM'000	Quarterly Period Ended 30.06.2009 RM'000
<u>Marvel Plus Development Sdn Bhd</u>		
BCB Construction Sdn Bhd	453	71
- Building construction services		
BCB Management Sdn Bhd	57	64
- Project management services and sales & marketing services		
BCB Road Builder Sdn Bhd	-	0
- Road construction services		

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

<u>Ju-Ichi Enterprise Sdn Bhd</u>		
BCB Berhad (Hotel Division)	(40)	47
- Car park management & security services		
BCB Berhad		
- Rental of office space	246	-

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

1. Review of Performance

Group turnover increased by 19.96% for the forth quarter of 2010 as compared to the same quarter of 2009. The Group recorded a profit before tax of RM1.04 million in the current quarter as compared to a profit before tax of RM1.73 million in the corresponding forth quarter of 2009.

The higher turnover for the current quarter as compared to the corresponding quarter last year was due to better sales and response for the Group's products. This is augmented by improved domestic economic conditions.

The lower profit before tax of RM1.04 million recorded in the current quarter as compared to a profit before tax of RM1.73 million recorded in the preceding year corresponding quarter was mainly due to an impairment of about RM0.47 million made on certain inventories of a subsidiary in Kluang town. In addition to this, an inventory clearing exercise undertaken by the Group since the beginning of this financial year to reduce its high inventory level has resulted in the Group's inventory level being further reduced by RM4.6 million in the financial quarter under review. A lower than average profit of about RM0.80 million was realised from this exercise during this current quarter. Total inventories were hence reduced from RM54.09 million as at 1st July 2009 to RM46.17 million as at 30th June 2010.

2. Comparisons with the Preceding Quarter's Results

Group turnover increased from RM23.40 million in the preceding quarter to RM29.26 million in the current quarter. Current quarter performance resulted in a profit before tax of RM1.04 million as compared to a profit before tax of RM0.37 million in the preceding quarter.

The higher profit before tax of RM1.04 million in the current quarter versus the previous quarter's profit before tax of RM0.37 million was mainly due to better sales and response for the Group's products. In addition to this, in the previous quarter, there was a reduction in income of about RM0.49 million from the hotel division due to lower occupancy and lower income from the chinese restaurant business as a direct result of renovation works undertaken there during the period.

3. Prospects for the Financial Year

The global economic slowdown in last year has impacted on the local property market. 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 of achieving better sales in the next 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:

	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	778	1,139	1,296	2,555
- prior year	(253)	182	(253)	182
Deferred taxation				
- current financial period	279	(186)	279	(186)
- prior year	182	(1)	182	(1)
	986	1,134	1,504	2,550

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 purchase and disposal 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	RM'000
- Secured	52,829
- Unsecured	-
	52,829
Long-term borrowings	
- Secured	76,668
- Unsecured	-
	76,668
Total	129,497

11. Financial instruments with off balance sheet risk.

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

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

	Individual Current year quarter RM'000	Individual Preceding year corresponding quarter RM'000	Cumulative Current year to-date RM'000	Cumulative Preceding year corresponding RM'000
a) Basic earnings per share				
Net profit for the period	53	596	2,083	3,606
Weighted average number of ordinary shares in issue	201,727	201,860	201,727	201,860
Basic earnings/(loss) per share (sen)	<u>0.03</u>	<u>0.30</u>	<u>1.03</u>	<u>1.79</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>

14. Auditors' Report

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