

Interim Report For The Financial Period Ended 30 June 2019

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 30 JUNE 2019**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|---|---|--|
| | CURRENT YEAR QUARTER 30.06.2019 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30.06.2018 RM'000 (RESTATED) | CURRENT YEAR TO DATE 30.06.2019 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30.06.2018 RM'000 (RESTATED) |
| Revenue | 121,131 | 69,571 | 432,024 | 300,108 |
| Operating expenses | (78,049) | (66,567) | (359,001) | (279,510) |
| Other operating income / (expenses) | 7,406 | (2,228) | 17,215 | 7,396 |
| Profit / (Loss) from operations | 50,488 | 776 | 90,238 | 27,994 |
| Finance cost | (6,996) | (4,912) | (16,040) | (15,288) |
| Profit / (Loss) before taxation | 43,492 | (4,136) | 74,198 | 12,706 |
| Taxation | (9,820) | (55) | (17,223) | (5,103) |
| Profit / (Loss) for the period | 33,672 | (4,191) | 56,975 | 7,603 |
| Total comprehensive income for the year | 33,672 | (4,191) | 56,975 | 7,603 |
| Profit / (Loss) attributable to: | | | | |
| Owners of the Company | 21,733 | (6,782) | 39,013 | 6,279 |
| Non Controlling Interest | 11,940 | 2,591 | 17,962 | 1,324 |
| | 33,673 | (4,191) | 56,975 | 7,603 |
| Total comprehensive income / (loss) attributable to: | | | | |
| Owner of the parent | 21,733 | (6,782) | 39,013 | 6,279 |
| Non Controlling Interest | 11,940 | 2,591 | 17,962 | 1,324 |
| | 33,673 | (4,191) | 56,975 | 7,603 |
| EPS - Basic (sen) | 5.44 | (1.69) | 9.76 | 1.57 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Interim Report For The Financial Period Ended 30 June 2019

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2019**

| | (UNAUDITED) AS AT 30.06.2019 RM'000 | (RESTATED) AS AT 30.06.2018 RM'000 | (RESTATED) AS AT 01.07.2017 RM'000 |
|--|--|---|---|
| Non Current Assets | | | |
| Property, plant and equipment | 50,361 | 57,633 | 60,987 |
| Investment properties | 57,775 | 57,859 | 60,580 |
| Inventories | 336,719 | 254,188 | 119,375 |
| Deferred tax assets | 4,494 | 8,499 | 7,781 |
| Current assets | | | |
| Inventories | 658,335 | 707,586 | 817,831 |
| Tax recoverable | 5,462 | 10,772 | 7,935 |
| Trade and other receivables | 116,503 | 79,580 | 68,218 |
| Contract assets | 75,109 | 61,729 | 32,374 |
| Fixed deposits with licensed banks | 795 | 365 | 1,126 |
| Cash and bank balances | 21,876 | 21,873 | 21,463 |
| | <u>878,079</u> | <u>881,905</u> | <u>948,947</u> |
| Current liabilities | | | |
| Trade and other payables | 252,768 | 238,173 | 220,258 |
| Contract liabilities | 121,314 | 95,588 | 73,035 |
| Short term borrowings | 211,266 | 187,281 | 162,970 |
| Bank overdrafts | 50,081 | 56,117 | 48,351 |
| Current tax liabilities | 2,020 | 1,054 | 2,308 |
| | <u>637,449</u> | <u>578,213</u> | <u>506,922</u> |
| Net current assets | 240,630 | 303,692 | 442,025 |
| Total Net Assets | 689,978 | 681,871 | 690,748 |
| Shareholders' Funds | | | |
| Share capital | 206,250 | 206,250 | 206,250 |
| Treasury shares | (3,371) | (3,168) | (3,167) |
| Revaluation reserves | 6,788 | 6,788 | 6,788 |
| Retained earnings | 252,546 | 213,534 | 207,254 |
| Non Controlling Interest | 42,311 | 24,348 | 9,774 |
| | <u>504,524</u> | <u>447,752</u> | <u>426,899</u> |
| Long term borrowings | 185,828 | 234,119 | 263,849 |
| Deferred tax liabilities | (374) | - | - |
| | <u>185,454</u> | <u>234,119</u> | <u>263,849</u> |
| Total Equities and Liabilities | <u>689,978</u> | <u>681,871</u> | <u>690,748</u> |
| Net assets per share (RM) | <u>1.12</u> | <u>1.03</u> | <u>1.01</u> |
| (Total Equity/ Number of ordinary share issued) | (462,213/ 412,500) | (423,404/ 412,500) | (417,125/ 412,500) |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Interim Report For The Financial Period Ended 30 June 2019
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019

| | Non-distributable | | Distributable | | Total RM'000 | Non controlling interest RM'000 | Total equity RM'000 |
|---|-------------------------|-----------------------------------|------------------------------|--------------------------------|-----------------|---------------------------------------|---------------------------|
| | Share capital RM'000 | Revaluation reserves RM'000 | Treasury shares RM'000 | Retained earnings RM'000 | | | |
| At 01.07.2018 (As previously stated) | 206,250 | 6,788 | (3,168) | 267,022 | 476,892 | 42,408 | 519,300 |
| Effects of adoption of the MFRS framework At 30.06.2018 (restated) | 206,250 | 6,788 | (3,168) | (53,488) | (53,488) | (18,060) | (71,548) |
| Transactions with owners: | | | | | | | |
| Share buy-back | - | - | (203) | - | (203) | - | (203) |
| Issuance of new shares (at subsidiary level) | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 39,013 | 39,013 | 17,962 | 56,975 |
| At 30.06.2019 | 206,250 | 6,788 | (3,371) | 252,547 | 462,214 | 42,310 | 504,524 |
| At 01.07.2017 (As previously stated) | 206,250 | 6,788 | (3,167) | 237,728 | 447,599 | 13,034 | 460,633 |
| Effects of adoption of the MFRS framework At 01.07.2017 (restated) | 206,250 | 6,788 | (3,167) | (30,474) | (30,474) | (3,260) | (33,734) |
| Transactions with owners: | | | | | | | |
| Share buy-back | - | - | (1) | - | (1) | - | (1) |
| Acquisition of Subsidiary | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | 6,280 | 6,280 | 1,324 | 7,604 |
| Additional non-controlling interest arising on business combination | - | - | - | - | - | 13,250 | 13,250 |
| At 30.06.2018 | 206,250 | 6,788 | (3,168) | 213,534 | 423,404 | 24,348 | 447,752 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Interim Report For The Financial Period Ended 30 June 2019

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019**

| | 12 MONTHS ENDED 30.06.2019 RM'000 | (RESTATED) 12 MONTHS ENDED 30.06.2018 RM'000 |
|---|---|--|
| Operating activities | | |
| Profit after taxation | 56,975 | 7,603 |
| Adjustments for non-cash items | 37,341 | 51,517 |
| Operating profit before working capital changes | 94,316 | 59,120 |
| Trade & other receivables | (36,923) | 33,910 |
| Contract asset | (13,380) | (61,729) |
| Inventories | 15,695 | 27,198 |
| Property development cost | (48,975) | (132,507) |
| Trade payables and Other payables | 14,595 | (15,694) |
| Contract liabilities | 25,726 | 95,588 |
| Net change in working capital | 51,054 | 5,886 |
| Net Interest Paid | (16,040) | (15,288) |
| Taxes paid | (4,121) | (3,978) |
| Net cash (used in)/ from operating activities | 30,893 | (13,380) |
| Investing activities | | |
| Purchase of property, plant and equipment | - | 101 |
| Proceeds from disposal of property, plant and equipment and investment properties | 84 | 3,254 |
| Net cash used in investing activities | 84 | 3,355 |
| Financing activities | | |
| Proceeds from borrowings | - | 1,688 |
| Repayment of borrowings | (23,875) | - |
| Purchase of treasury shares | (203) | - |
| Fixed deposits pledged to a licensed bank | (430) | 220 |
| Others | - | - |
| Net cash from financing activities | (24,508) | 1,908 |
| Net (decrease)/ increase in cash and cash equivalents | 6,469 | (8,117) |
| Cash and cash equivalents at beginning of period | (33,879) | (25,762) |
| Cash and cash equivalents at end of period | (27,410) | (33,879) |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Notes to the Interim Report For The Financial Period Ended 30 June 2019

(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 Malaysia Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2018.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2018, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing after 1 July 2018:

(a) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards

(b) MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014).

(c) MFRS 15: Revenue from Contracts with Customers

In addition, there are a number of new standards and amendments to Standards and Issues Committee ("IC") interpretations which are effective and adopted for the current financial period beginning 1 July 2018. None of them are expected to have a significant effect on the consolidated financial statements of the Group.

Under MFRS 1 and 9, The Group is adopting this framework effective in this financial year.

Under MFRS 15, based on the assessment undertaken to-date, the Group expects significant changes in revenue being recognised arising from its adoption.

The details of the impact to the Group's reported Financial Position and Comprehensive Income arising from the adoption of the above reporting standards are as follows:

(i) Reconciliation of Comprehensive Income

| | Individual quarter ended 30 June 2018 | | | Cumulative quarter ended 30 June 2018 | | |
|---------------------------------|---------------------------------------|-------------------------------------|------------------------|---------------------------------------|-------------------------------------|------------------------|
| | Previously stated under FRS | Effects of transition to MFRS | Restated under MFRS | Previously stated under FRS | Effects of transition to MFRS | Restated under MFRS |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 78,197 | (8,626) | 69,571 | 317,010 | (16,902) | 300,108 |
| Operating expenses | (36,624) | (29,943) | (66,567) | (256,406) | (23,104) | (279,510) |
| Other operating income | (3,077) | 849 | (2,228) | 6,547 | 849 | 7,396 |
| Profit / (Loss) from operations | 38,496 | (37,720) | 776 | 67,151 | (39,157) | 27,994 |
| Finance cost | (4,912) | - | (4,912) | (15,288) | - | (15,288) |
| Profit / (Loss) before tax | 33,584 | (37,720) | (4,136) | 51,863 | (39,157) | 12,706 |
| Taxation | (1,397) | 1,342 | (55) | (6,445) | 1,342 | (5,103) |
| Profit / (Loss) for the period | 32,187 | (39,062) | (4,191) | 45,418 | (37,815) | 7,603 |
| Attributable to: | | | | | | |
| Owners of the Company | 14,949 | (21,731) | (6,782) | 29,294 | (23,015) | 6,279 |
| Non Controlling Interest | 17,238 | (14,647) | 2,591 | 16,124 | (14,800) | 1,324 |
| | 32,187 | (36,378) | (4,191) | 45,418 | (37,815) | 7,603 |
| EPS - Basic (sen) | 3.73 | | -1.69 | 7.32 | | 1.57 |

(ii) Reconciliation of financial position

| | As at 1 July 2017 | | | As at 30 June 2018 | | |
|---|--------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|
| | Previously stated FRS | Effects of MFRS | Restated under MFRS | Previously stated FRS | Effects of MFRS | Restated under MFRS |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current assets | | | | | | |
| Property, plant and equipment | 60,987 | | 60,987 | 57,633 | | 57,633 |
| Investment properties | 60,580 | | 60,580 | 57,859 | | 57,859 |
| Inventories | 119,375 | | 119,375 | 254,188 | | 254,188 |
| Deferred tax assets | 2,961 | 4,820 | 7,781 | 2,337 | 6,162 | 8,499 |
| | <u>243,903</u> | <u>4,820</u> | <u>248,723</u> | <u>372,017</u> | <u>6,162</u> | <u>378,179</u> |
| Current assets | | | | | | |
| Inventories | 798,184 | 19,647 | 817,831 | 724,195 | (16,609) | 707,586 |
| Tax recoverable | 7,935 | | 7,935 | 10,772 | | 10,772 |
| Trade and other receivables | 96,296 | (28,078) | 68,218 | 108,274 | (28,694) | 79,580 |
| Contract assets | - | 32,374 | 32,374 | - | 61,729 | 61,729 |
| Fixed deposits with licensed banks | 1,126 | | 1,126 | 365 | | 365 |
| Cash and bank balances | 21,463 | | 21,463 | 21,873 | | 21,873 |
| | <u>925,004</u> | <u>23,943</u> | <u>948,947</u> | <u>865,479</u> | <u>16,426</u> | <u>881,905</u> |
| Current liabilities | | | | | | |
| Trade and other payables | 230,796 | (10,538) | 220,258 | 239,625 | (1,452) | 238,173 |
| Contract liabilities | - | 73,035 | 73,035 | - | 95,588 | 95,588 |
| Short term borrowings | 162,970 | | 162,970 | 187,281 | | 187,281 |
| Bank overdrafts | 48,351 | | 48,351 | 56,117 | | 56,117 |
| Current tax liabilities | 2,308 | | 2,308 | 1,054 | | 1,054 |
| | <u>444,425</u> | <u>62,497</u> | <u>506,922</u> | <u>484,077</u> | <u>94,136</u> | <u>578,213</u> |
| Net current assets | 480,579 | (38,554) | 442,025 | 381,402 | (77,710) | 303,692 |
| Total Net Assets | <u>724,482</u> | <u>(33,734)</u> | <u>690,748</u> | <u>753,419</u> | <u>(71,548)</u> | <u>681,871</u> |
| Shareholders' Funds | | | | | | |
| Share capital | 206,250 | | 206,250 | 206,250 | | 206,250 |
| Treasury shares | (3,167) | | (3,167) | (3,168) | | (3,168) |
| Revaluation reserves | 6,788 | | 6,788 | 6,788 | | 6,788 |
| Retained earnings | 237,728 | (30,474) | 207,254 | 267,022 | (53,488) | 213,534 |
| Non Controlling Interest | 13,034 | (3,260) | 9,774 | 42,408 | (18,060) | 24,348 |
| | <u>460,633</u> | <u>(33,734)</u> | <u>426,899</u> | <u>519,300</u> | <u>(71,548)</u> | <u>447,752</u> |
| Long term borrowings | 263,849 | | 263,849 | 234,119 | | 234,119 |
| Total Equities and Liabilities | <u>724,482</u> | <u>(33,734)</u> | <u>690,748</u> | <u>753,419</u> | <u>(71,548)</u> | <u>681,871</u> |
| Net assets per share (RM) (Total Equity/ Number of ordinary share issued) | 1.09 | | 1.01 | 1.16 | | 1.03 |

(iii) Reconciliation of cash flows

12 months ended 30 June 2018

| | Previously stated under FRS RM'000 | Effects of transition to MFRS RM'000 | Restated under MFRS RM'000 |
|---|---|---|----------------------------------|
| Operating activities | | | |
| Profit after taxation | 45,418 | (37,815) | 7,603 |
| Adjustments for non-cash items | 27,439 | 24,078 | 51,517 |
| Operating profit before working capital changes | 72,857 | (13,737) | 59,120 |
| Trade & other receivables | 17,194 | 16,716 | 33,910 |
| Contract asset | - | (61,729) | (61,729) |
| Inventories | 14,715 | 12,483 | 27,198 |
| Property development cost | (75,809) | (56,698) | (132,507) |
| Trade payables and Other payables | (23,071) | 7,377 | (15,694) |
| Contract liabilities | - | 95,588 | 95,588 |
| Net change in working capital | 5,886 | - | 5,886 |
| Net Interest Paid | (15,288) | | (15,288) |
| Taxes paid | (3,978) | | (3,978) |
| Net cash (used in)/ from operating activities | (13,380) | - | (13,380) |
| Investing activities | | | |
| Purchase of property, plant and equipment | 101 | | 101 |
| Proceeds from disposal of property, plant and equipment and investment properties | 3,254 | | 3,254 |
| Net cash used in investing activities | 3,355 | - | 3,355 |
| Financing activities | | | |
| Proceeds from borrowings | 1,688 | | 1,688 |
| Fixed deposits pledged to a licensed bank | 220 | | 220 |
| Net cash from financing activities | 1,908 | - | 1,908 |
| Net (decrease)/ increase in cash and cash equivalents | (8,117) | - | (8,117) |
| Cash and cash equivalents at beginning of period | (25,762) | - | (25,762) |
| Cash and cash equivalents at end of period | (33,879) | - | (33,879) |

2. Status of Audit Qualifications

The audited financial statements of the Group for the year ended 30 June 2018 was not subject to any audit qualification.

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, the Company has bought back a total of 12,869,200 shares from the open market at an average purchase price of RM0.26 per share (This average price is adjusted following a share split exercise conducted on 7 January 2016 whereby the initial share par value of RM1.00 per share was halved to RM0.50 per share). The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM3,372,927.00. The shares bought back are held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

7. Dividend

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

8. Segment Information

Segmental information is presented in respect of the Group's business segments and they reflect the Group's internal reporting structures that are regularly reviewed for the purpose of allocating resources to the segment and assessing its performance.

For management purposes, the Group has identified the following four reportable segments as follows:

- | | |
|------------------------------------|---|
| a) Property Development and others | : Property Development, Letting of Properties and Project Management |
| b) Construction | : Project Construction Services, Manufacturing of Concrete Products and Trading of Building Materials |
| c) Hotel and related activities | : Providing Hotel Services, Food and Beverages and Catering Services |
| d) Others | : These are dormant companies for future use |

| | Property development and management activities | Construction and related activities | Hotel | Others | Elimination | Total |
|-----------------------------------|---|--|--------------|---------------|--------------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 12 Months Ended 30.06.2019 | | | | | | |
| Revenue | | | | | | |
| External revenue | 415,847 | 14,063 | 2,114 | - | - | 432,024 |
| Inter-segment revenue | - | 37,699 | - | - | (37,699) | - |
| Total | 415,847 | 51,762 | 2,114 | - | (37,699) | 432,024 |
| Adjusted EBITDA | 104,168 | 1,003 | (146) | - | (15,309) | 89,716 |

| | Property development and management activities | Construction and related activities | Hotel | Others | Elimination | Total |
|-----------------------------------|---|--|--------------|---------------|--------------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| RESTATED | | | | | | |
| 12 Months Ended 30.06.2018 | | | | | | |
| Revenue | | | | | | |
| External revenue | 291,201 | 4,398 | 4,509 | - | - | 300,108 |
| Inter-segment revenue | - | 44,642 | - | - | (44,642) | - |
| Total | 291,201 | 49,040 | 4,509 | - | (44,642) | 300,108 |
| Adjusted EBITDA | 24,828 | 6,413 | (177) | (6) | - | 31,058 |

| | Property development and management activities | Construction and related activities | Hotel | Others | Elimination | Total |
|------------------------------|---|--|--------------|---------------|--------------------|--------------|
| Total segment assets | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 30.06.2019 | 1,448,805 | 78,420 | 31,039 | - | (230,836) | 1,327,428 |
| 30.06.2018 (RESTATED) | 1,470,638 | 216,245 | 31,868 | 351 | (459,018) | 1,260,084 |

| | Property development and management activities | Construction and related activities | Hotel | Others | Elimination | Total |
|----------------------------------|---|--|--------------|---------------|--------------------|--------------|
| Total segment liabilities | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 30.06.2019 | 866,318 | 66,549 | 14,583 | - | (124,547) | 822,903 |
| 30.06.2018 (RESTATED) | 1,024,932 | 203,683 | 15,600 | 3 | (431,886) | 812,332 |

A reconciliation of total adjusted EBITDA

| | 30.06.2019 | 30.06.2018 |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| | | (RESTATED) |
| Adjusted EBITDA | 89,716 | 31,058 |
| Finance income | 3,431 | 189 |
| Finance cost | (16,040) | (15,288) |
| Tax | (17,223) | (5,103) |
| Depreciation | (2,909) | (3,251) |
| Net profit for the financial period | <u>56,975</u> | <u>7,605</u> |

Reportable segments assets are reconciled to total assets as follows:

| | 30.06.2019 RM'000 | 30.06.2018 RM'000 (RESTATED) |
|--|------------------------------------|---|
| Total segment assets | 1,321,966 | 1,249,312 |
| Tax recoverable | 5,462 | 10,772 |
| Consolidated total assets (as per Statement of Financial Position) | <u>1,327,428</u> | <u>1,260,084</u> |

Reportable segments liabilities are reconciled to total liabilities as follows:

| | 30.06.2019 RM'000 | 30.06.2018 RM'000 (RESTATED) |
|---|------------------------------------|---|
| Total segment liabilities | 822,903 | 812,332 |
| Tax payable | - | - |
| Consolidated total liabilities (as per Statement of Financial Position) | <u>822,903</u> | <u>812,332</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.

The Group does not have any material events during the financial period under review.

11. Changes in the Composition of the Group

There are no changes to the composition of the Group during the financial period under review.

12. Contingent Liabilities

There were no significant changes in contingent liabilities in respect of the Group since the last Annual Statement of Financial Position date.

13. Capital Commitments

The Group does not have any capital commitments outstanding during the financial period under review.

14. **Recurrent Related Party Transactions**

a) **Nature of relationships of BCB Group with the interested related parties**

- (i) Tan Sri Dato' Tan Seng Leong is a director of BCB Berhad and all its subsidiary companies. He is a major shareholder of BCB Berhad via his family controlled company called Evergreen Ratio Sdn Bhd. He is deemed to have an interest with the interested related parties by virtue of his relationship with his spouse and his children namely Puan Sri Datin Lim Sui Yong, Tan Vin Sern, Tan Vin Shyan and Tan Lindy, who are directors of Marvel Plus Development Sdn Bhd ("MPDSB"), whilst Puan Sri Datin Lim Sui Yong and Tan Vin Sern are also shareholders of MPDSB. Tan Sri Dato' Tan Seng Leong is also a director of Ju-Ichi Enterprise Sdn Bhd ("JIESB") as well as a major shareholder of IBZI Development (Johor) Sdn Bhd ("IBZI").
- (ii) Tan Vin Sern is a director of BCB Berhad and all its subsidiary companies. He is the son of Tan Sri Dato' Tan Seng Leong and brother of Tan Lindy. He is also a director of MPDSB, JIESB and IBZI.
- (iii) Tan Lindy is a Director of BCB Berhad and all its subsidiary companies. She is the daughter of Tan Sri 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 most of its subsidiary companies. She is the sister of Tan Sri Dato' Tan Seng Leong.
- (v) Chang Shao-Yu is a Director of MPDSB. He is the spouse of Tan Lindy and son-in-law of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong.
- (vi) Tan Vin Shyan is a Director of BCB Berhad and most of its subsidiaries. He is the son of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong, and brother of Tan Lindy and Tan Vin Sern. He is also a director and shareholder of MPDSB, JIESB and IBZI.
- (vii) Puan Sri Datin Lim Sui Yong is a major shareholder of BCB Berhad via her family controlled company called Evergreen Ratio Sdn Bhd. She is also a director and shareholder of MPDSB.

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

| | Quarterly Period Ended 30.06.2019 RM'000 | Quarterly Period Ended 30.06.2018 RM'000 |
|--|---|---|
| <u>Marvel Plus Development Sdn Bhd</u> | | |
| BCB Construction Sdn Bhd | | |
| - Building construction services | 3,581 | 1,263 |
| BCB Management Sdn Bhd | | |
| - Project management services and sales & marketing services | - | - |
| BCB Road Builder Sdn Bhd | | |
| - Road construction services | - | - |
| <u>Ju-Ichi Enterprise Sdn Bhd</u> | | |
| BCB Berhad | | |
| - Rental of office space | 75 | 75 |
| BCB Construction Sdn Bhd | | |
| - Building construction services | 3,224 | 972 |
| <u>IBZI Development Sdn Bhd</u> | | |
| BCB Construction Sdn Bhd | | |
| - Building construction services | - | - |

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

1. **Review of Performance of the Group for the Quarter and Financial Year-To-Date**

1. a The Group turnover increased by 74% to RM121.13 million for the fourth quarter of 2019 as compared to RM69.57 million (restated) recorded for the corresponding quarter of last year while the Group's profit before tax increased by 1,151% to RM43.49 million in the current quarter as compared to a loss before tax of RM4.14 million (restated) in the corresponding quarter of last year.

The Group's quarterly performance as per segmental divisions is as follows:

Property Development division's revenue increased by 80% to RM123.27 million in Q4' 2019 (Q4'2018: Restated RM68.46 million). Profit before tax increased by 1,023% to RM47.74 million in Q4'2019 (Q4'2018: Restated loss of RM5.17 million). The increase in revenue and profit before tax is attributed to better sales as well as to the adoption of the new accounting standard, MFRS 15; whereby about RM20.0 million in profit before tax (mainly from its Elysia Park Residence project in Medini, Johor Bahru) was restated into this period from previous quarters. Under MFRS 15, past recognition of billings based on progressive works is replaced with billings based on actual costs incurred.

Construction division's revenue is minus RM2.57 million in Q4'2019 (Q4'2018: zero). Loss before tax is RM3.51 million (Q4'2018: RM1.34 million). The negative revenue and respective results for this quarter and last year's corresponding quarter is due to an adjustment made to the books as a result of the adoption of the MFRS 15 accounting standard whereby past recognition of billings based on progressive works is replaced with billings based on actual costs incurred.

Hotel division's revenue decreased by 60% to RM0.44 million in Q4'2019 (Q4'2018: RM1.11 million). Loss before tax increased by 139% to RM0.74 million (Q4'2018: Loss RM0.31million). The lower revenue and higher loss before tax is attributed to the fact that the group had on January 1, 2019 leased out the entire operations of the hotel to an operator in line with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching its remaining staff on December 31, 2018.

- 1. b** For the financial year to-date, the Group's revenue increased by 44% to RM432.02 million (2018: Restated RM300.11 million) while the Group's profit before tax increased by 484% to RM74.20 million (2018: Restated RM12.71 million).

The Group's financial year to-date performance as per segmental divisions is as follows:

Property Development division's revenue increased by 43% to RM415.85 million as at Q4'2019 (2018: Restated RM290.74 million). Profit before tax for the financial year to-date increased by 590% to RM75.40 million (2018: Restated RM10.93 million). The increase in revenue and profit before tax is attributed to better sales as well as to the adoption of the MFRS 15 accounting standard; whereby about RM20.0 million in profit before tax (mainly from its Elysia Park Residence project in Medini, Johor Bahru) was restated into this period from previous quarters. Under MFRS 15, past recognition of billings based on progressive works is replaced with billings based on actual costs incurred.

Construction division's revenue increased by 189% to RM14.06 million as at Q4'2019 (2018: Restated RM4.86 million). Profit before tax decreased by 99% to RM0.05 million (2018: Restated Loss RM3.97 million)The increase in revenue and decrease in profit before tax is attributed to the adoption of MFRS 15 accounting standard whereby past recognition of billings based on progressive works is replaced with billings based on actual costs incurred.

Hotel division's revenue decreased by 53% to RM2.11 million as at Q4' 2019 (2018: Restated RM4.51 million). Loss before tax reduced by 43% to RM1.26 million for the financial year to-date (2018: Restated Loss RM2.2 million). The lower revenue and lower loss before tax is attributed to the fact that the group had on January 1, 2019 leased out the entire operations of the hotel to an operator in line with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching its remaining staff.

2. Material Changes in Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter

Group profit before tax increased from RM5.08 million in the preceding quarter to RM43.49 million in the current quarter. This is mainly due to better sales as well as the effects from the adoption of the new accounting standard (MFRS 15) in the current quarter under review.

3. Prospects for the Financial Year

Despite the property market being lack lustre the past 3 years, the Board is optimistic of the Group's performance for financial year 2020. The following projects will continue to contribute to the Group's earnings:

a) Evergreen Heights and Bandar Putera Indah, both these township projects are in Batu Pahat and together they contribute about RM150 million in sales per annum. The recent addition is Versis Batu Pahat, a commercial project in Batu Pahat town.

b) Home Tree in the vicinity of Kota Kemuning, Shah Alam, Selangor: This development on 151 acres of land will comprise about 200 units of high-end bungalows and various other types of other houses and a similar number of commercial units bearing a total gross development value of at least RM1.8 billion. It is ear-marked for completion in about 4 years time.

The entire Phase 2 has a Gross Development Value of RM600 million comprising of 99 units of 3 storey bungalows and 166 units of 3 storey Semi Ds.

However sub-phase 2(a) & 2(b) bearing a combined Gross Development Value of RM270 million was officially launched in August 2017. As at to-date, more than RM200 million in sales has been recorded.

c) Elysia Park Residence in Medini, Johor Bahru. This high-end condominium project has a revised total gross development value of about RM1.5 billion.

Phase 1 bearing a revised Gross Development Value of RM790 million comprising of about 981 units of condominiums in 3 tower blocks was officially launched in August 2016. As at to-date, close to RM460 million in sales has been recorded.

4. Variance on Profit Forecast

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

5. Profit for the period

Profit before taxation is derived after taking into consideration of the following:

| | Current | Cumulative |
|--|------------|--------------|
| | 30.06.2019 | year to-date |
| | RM'000 | 30.06.2019 |
| | | RM'000 |
| Interest Income | 68 | 224 |
| Other Income | 5,473 | 11,567 |
| Gain or loss on disposal of properties | 2,800 | 3,359 |
| Interest expenses | (6,996) | (16,040) |
| Depreciation and amortisation | (409) | (2,964) |

Other than the above, there were no disposal of quoted or unquoted investment or properties and amortisation of assets for the financial quarter under review.

6. Taxation

Taxation consists of the followings:

| | Quarter Current year | Quarter Preceding year corresponding | Cumulative Current year to- date | Cumulative Preceding year corresponding |
|----------------------------|-------------------------|--|--|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax | | | | |
| - current financial period | 9,820 | 55 | 17,223 | 5,103 |
| - prior year | - | - | - | - |
| Deferred taxation | | | | |
| - current financial period | - | - | - | - |
| - prior year | - | - | - | - |
| | <u>9,820</u> | <u>55</u> | <u>17,223</u> | <u>5,103</u> |

The effective tax rate for the financial year to-date was higher than the statutory tax rate as a result of certain expenses disallowed for tax purposes.

7. 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.

8. Quoted Securities

There was no purchase and disposal of quoted securities for the financial quarter under review.

9. Status of Corporate Proposal

There were no corporate proposals during the financial period under review.

10. Dividend

The Board of Directors has not recommended any interim dividend for the current quarter or financial year to-date.

11. Group Borrowings

The tenure of Group borrowings classified as short and long term categories are as follows:-

| | |
|-----------------------|----------------|
| Short term borrowings | RM'000 |
| - Secured | 261,347 |
| - Unsecured | - |
| | <u>261,347</u> |
| Long-term borrowings | |
| - Secured | 185,828 |
| - Unsecured | - |
| | <u>185,828</u> |
| Total | <u>447,175</u> |

12. Financial instruments with off balance sheet risk

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

13. Material litigation

The Group does not have any material litigation during the financial period under review.

14. Earnings per share

| | Current year quarter | Preceding year corresponding quarter | Current year to- date | Preceding year corresponding |
|---|-------------------------|--|--------------------------|---------------------------------|
| | RM'000 | RM'000 (RESTATED) | RM'000 | RM'000 (RESTATED) |
| a) Basic earnings per share | | | | |
| Net profit attributable to owners for the period | 21,733 | (6,782) | 39,013 | 6,279 |
| Weighted average number of ordinary shares in issue | 399,631 | 400,359 | 399,631 | 400,359 |
| Basic earnings/(loss) per share (sen) | <u>5.44</u> | <u>(1.69)</u> | <u>9.76</u> | <u>1.57</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> |