



3RD QUARTER
INTERIM REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

Interim Report For The Financial Period Ended 31 March 2020
(The figures have not been audited)

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 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
 INCOME FOR THE PERIOD ENDED 31 MARCH 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2019 RM'000	CURRENT YEAR TO DATE 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2019 RM'000
Revenue	18,503	100,930	229,330	310,892
Operating expenses	(22,224)	(97,506)	(192,977)	(280,952)
Other operating income	1,769	5,120	4,615	9,809
Profit / (loss) from operations	(1,952)	8,544	40,968	39,749
Finance cost	(1,401)	(3,469)	(5,829)	(9,044)
Profit / (loss) before taxation	(3,353)	5,075	35,139	30,705
Taxation	-	(1,561)	(6,827)	(7,403)
Profit / (loss) after taxation	(3,353)	3,514	28,312	23,302
Other Comprehensive Income	-	-	-	-
Total comprehensive income / (loss) for the period	(3,353)	3,514	28,312	23,302
Profit / (loss) attributable to:				
Owners of the Company	(1,921)	3,869	19,912	17,280
Non-Controlling Interest	(1,432)	(355)	8,400	6,022
	(3,353)	3,514	28,312	23,302
EPS - Basic (sen)	(0.48)	0.97	4.98	4.32

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2019)

Interim Report for The Financial Period Ended 31 March 2020
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION FOR THE PERIOD ENDED 31 MARCH 2020

	(UNAUDITED) AS AT 31.03.2020 RM'000	(AUDITED) AS AT 30.06.2019 RM'000
Non-Current Assets		
Property, plant, and equipment	50,062	50,361
Investment properties	57,304	57,775
Inventories	255,380	337,664
Deferred tax assets	-	2,225
Current assets		
Inventories	612,240	649,035
Tax recoverable	10,052	10,324
Trade and other receivables	146,274	122,664
Contract assets	123,876	20,591
Fixed deposits with licensed banks	732	165
Cash and bank balances	22,153	22,858
	915,327	825,637
Current liabilities		
Trade and other payables	230,587	257,653
Contract liabilities	147,531	59,347
Short term borrowings	125,181	161,631
Bank overdrafts	49,026	50,081
Current tax liabilities	1,049	1,036
	553,374	529,748
Net current assets	361,953	295,889
Total Assets	724,699	743,914
Shareholders' Funds		
Share capital	206,250	206,250
Treasury shares	(3,373)	(3,371)
Revaluation reserves	6,788	6,788
Retained earnings	272,862	252,950
Non-Controlling Interest	50,794	42,394
	533,321	505,011
Long term borrowings	190,095	235,396
Deferred tax liabilities	1,282	3,507
Total Equities and Liabilities	724,699	743,914
Net assets per share (RM)	1.17	1.12

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2019)

Interim Report for The Financial Period Ended 31 March 2020
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020

	Non-distributable			Distributable		Non-Controlling Interest RM'000	Total Equity RM'000
	Share capital RM'000	Revaluation surplus RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000		
At 01.07.2019	206,250	6,788	(3,371)	252,950	462,617	42,394	505,011
Transactions with owners:							
Share buy-back	-	-	(2)	-	(2)	-	(2)
Total comprehensive income	-	-	-	19,912	19,912	8,400	28,312
At 31.03.2020	<u>206,250</u>	<u>6,788</u>	<u>(3,373)</u>	<u>272,862</u>	<u>482,527</u>	<u>50,794</u>	<u>533,321</u>
At 01.07.2018	206,250	6,788	(3,168)	265,738	475,608	42,255	517,863
Transactions with owners:							
Share buy-back	-	-	(203)	-	(203)	-	(203)
Total comprehensive income	-	-	-	17,280	17,280	6,022	23,302
At 31.03.2019	<u>206,250</u>	<u>6,788</u>	<u>(3,371)</u>	<u>283,018</u>	<u>492,685</u>	<u>48,277</u>	<u>540,962</u>

(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 2019)

Interim Report for The Financial Period Ended 31 March 2020
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

	9 MONTHS ENDED 31.03.2020 RM'000	9 MONTHS ENDED 31.03.2019 RM'000
<u>Operating activities</u>		
Profit after taxation	28,312	23,302
Adjustments for non-cash items	482	9,264
Operating profit before working capital changes	<u>28,794</u>	<u>32,566</u>
Trade & other receivables	(22,905)	(11,483)
Contract asset	(103,285)	-
Inventories	(1,674)	2,051
Property development cost	120,753	56,723
Trade payables and Other payables	(27,066)	(44,063)
Contract liabilities	88,184	-
Net change in working capital	<u>82,801</u>	<u>35,794</u>
Net Interest	(5,829)	9,044
Tax paid / (refund)	382	(6,251)
Net operating cashflow	<u>77,354</u>	<u>38,587</u>
<u>Investing activities</u>		
Disposal of investment property	471	-
Net cash generated from investing activities	<u>471</u>	<u>-</u>
<u>Financing activities</u>		
Changes in bank borrowings	(76,339)	(16,019)
Purchase of treasury shares	(2)	(203)
Fixed deposits pledged to a licensed bank	(567)	(416)
Net cash used in financing activities	<u>(76,908)</u>	<u>(16,638)</u>
Net increase in cash and cash equivalents for the financial period	917	21,949
Cash and cash equivalents at beginning of financial period	(27,058)	(33,879)
Cash and cash equivalents at end of financial period	<u>(26,141)</u>	<u>(11,930)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2019)

Notes to the Interim Report For The Financial Period Ended 31 March 2020
(The figures have not been audited)

A. EXPLANATORY NOTES

A1. 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 2019.

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 2019, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing after 1 July 2019:

- (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 2019. None of them are expected to have a significant effect on the consolidated financial statements of the Group.

Under MFRS 1,9 and 15, the Group has adopted this framework effective in financial year 2019.

A2. Status of Audit Qualifications

The audited financial statements of the Group for the year ended 30 June 2019 was not subject to any audit qualification.

A3. 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.

A4. Unusual Items

There was no unusual item affecting assets, liabilities, equity, net income and cash flows during the financial quarter under review.

A5. 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.

A6. Issuances or Repayments of Debts and Equity Securities

There was no issuance, cancellation, repurchases, resale and repayment of debts and equity securities during the current financial quarter under review except for the following:

Share Buy-back

There were no repurchases of shares transacted during the current quarter under review.

As at to-date, the Company has bought back a total of 12,879,200 shares from the open market at an average purchase price of RM0.26 per share. The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM3,375,323.11. The shares bought back are held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Notes to the Interim Report For The Financial Period Ended 31 March 2020
(The figures have not been audited)

A. EXPLANATORY NOTES

A7. Dividend

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

A8. 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 : Provision of Rent
- d) Others : These are dormant companies for future use

	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
9 Months Ended 31.03.2020						
Revenue						
External revenue	215,780	12,248	1,302	-	-	229,330
Inter-segment revenue	-	23,764	-	-	(23,764)	-
Total	215,780	36,012	1,302	-	(23,764)	229,330
Adjusted EBITDA	55,719	(2,258)	1,095	-	(11,882)	42,674
9 Months Ended 31.03.2019						
Revenue						
External revenue	292,578	16,634	1,680	-	-	310,892
Inter-segment revenue	-	23,624	-	-	(23,624)	-
Total	292,578	40,258	1,680	-	(23,624)	310,892
Adjusted EBITDA	53,216	4,762	209	-	(16,537)	41,650
Total segment assets						
31.03.2020	1,461,300	72,900	30,103	-	(286,230)	1,278,073
31.03.2019	1,341,160	101,212	31,865	1	(271,093)	1,203,145
Total segment liabilities						
31.03.2020	816,716	66,458	15,100	-	(153,523)	744,751
31.03.2019	736,613	75,087	16,225	1	(165,743)	662,183

Notes to the Interim Report For The Financial Period Ended 31 March 2020
(The figures have not been audited)

A. EXPLANATORY NOTES

A8. Segment Information (Cont.)

	31.03.2020	31.03.2019
	RM'000	RM'000
A reconciliation of total adjusted EBITDA		
Adjusted EBITDA	42,674	41,650
Finance income	182	156
Finance cost	(5,829)	(9,044)
Tax	(6,827)	(7,403)
Depreciation	(1,889)	(2,057)
Net profit for the financial period	28,312	23,302

Reportable segments assets are reconciled to total assets as follows:

	31.03.2020	31.03.2019
	RM'000	RM'000
Total segment assets	1,268,021	1,186,122
Tax recoverable	10,052	17,023
Consolidated total assets (as per Statement of Financial Position)	<u>1,278,073</u>	<u>1,203,145</u>

Reportable segments liabilities are reconciled to total liabilities as follows:

	31.03.2020	31.03.2019
	RM'000	RM'000
Total segment liabilities	744,751	662,183
Tax payable	-	-
Consolidated total liabilities (as per Statement of Financial Position)	<u>744,751</u>	<u>662,183</u>

A9. 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.

A10. Material events not reflected in interim period.

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

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities

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

A13. Capital Commitments

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

Notes to the Interim Report for The Financial Period Ended 31 March 2020
(The figures have not been audited)

A. EXPLANATORY NOTES

A14. 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 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 Leon 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) 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 recurrent related party transactions between BCB Group and the interested related parties are as follows:

		Quarterly Period Ended 31.03.2020 RM'000	Quarterly Period Ended 31.03.2019 RM'000
<u>Marvel Plus Development Sdn Bhd</u>			
BCB Construction Sdn Bhd	- Building construction services	1,136	406
BCB Resources Sdn Bhd	- Hiring of machinery	-	-
<u>Ju-Ichi Enterprise Sdn Bhd</u>			
BCB Berhad	- Rental of office space	75	75
BCB Construction Sdn Bhd	- Building construction services	3,805	5,711
<u>IBZI Development (Johor) Sdn Bhd</u>			
BCB Construction Sdn Bhd	- Building construction services	-	-

Notes to the Interim Report for The Financial Period Ended 31 March 2020 (The figures have not been audited)

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

B1. Review of Performance of the Group for the Current Quarter and Cumulative Quarter

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Revenue				
Property Development	11,760	94,684	215,780	292,578
Construction	6,294	6,117	12,248	16,634
Hotel and related activities	449	129	1,302	1,680
	<u>18,503</u>	<u>100,930</u>	<u>229,330</u>	<u>310,892</u>
Profit /(loss) Before Tax				
Property Development and others	(1,636)	2,493	39,425	27,658
Construction	(1,326)	2,935	(1,659)	3,560
Hotel and related activities	(391)	(353)	726	(513)
	<u>(3,353)</u>	<u>5,075</u>	<u>38,492</u>	<u>30,705</u>

- a) The Group recorded a decrease in revenue amounting to RM 82.43 million compared to previous corresponding quarter. Nevertheless, the profit before tax has decreased by RM 8.428 million to loss before taxation of RM 3.35 million. Segments performance for the current quarter under review are as follow: -

Property Development

The revenue decreased by RM 82.92 million compared to previous corresponding quarter. The decrease in revenue was mainly due to lower sales progress amid the current covid-19 outbreak since beginning of the quarter under review. The major revenue contributors during the quarter were from project Broadleaf @ HomeTree at Kota Kemuning and Lot 375 @ Versis at Batu Pahat where the demand is from local market.

During the quarter under review, the Group has recorded a loss before tax amounting to RM 1.64 million. The losses were mainly resulted from the slow sales progress in project Elysia Park Residences @ Medini located at Johor Bahru.

Construction

The construction division revenue, RM 6.29 million, remain in line compared to previous corresponding period. However, loss before tax RM 1.33 million has recorded in current quarter compared to previous corresponding period. The loss was attributable to project near completion with additional construction work in the current quarter.

Hotel

The group had on 1st January 2019 leased out the hotel operations. The current quarter revenue was mainly generated from the leasing income received from hotel operator.

Notes to the Interim Report for The Financial Period Ended 31 March 2020 (The figures have not been audited)

B. ADDITIONAL INFORMATION

B1. Review of Performance of the Group for the Current Quarter and Cumulative Quarter (Cont')

- b) For the cumulative quarter, The Group recorded a decrease of RM 81.6 million in revenue and increase of RM 4.4 million in profit before tax compared to previous cumulative quarter. The Group's cumulative quarter performance by segment is as follows:

Property Development

The revenue decreased by RM 76.79 million compared to previous cumulative corresponding period. The decrease was mainly due to slower sales progress from project Elysia Park Residence @ Medini at Johor Bahru in relation to the current Covid-19 Pandemic impact on foreign market. The revenue was mainly contributed by Project Broadleaf @ HomeTree at Kota Kemuning, Lot 375 @ Versis Batu Pahat and Bandar Putera Indah at Batu Pahat.

However, the profit before tax has increased by 42.54%, or RM 11.77 million compared to previous cumulative corresponding period. The increase was resulted from the cost re-engineering process for projects near completion.

Construction

Construction division recorded a decrease in revenue and profit before tax by RM 4.4 million and RM 5.2 million as compared to previous corresponding period. The reduction in revenue and loss before tax were due to existing projects near completion.

Hotel

Since 1st January 2019, the Group had leased out the hotel business to hotel operator. The cumulative revenue and profit before tax were attributable by leasing income received from hotel operator and administrative expenditure incurred.

B2. Material Changes in Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter

The Group profit before tax decreased from RM 14.21 million in the preceding quarter to loss of RM 3.35 million in the current quarter. This is mainly due to slow down in sales progress from project Elysia Park Residence @ Medini. For current quarter under review, the profit before tax was mainly contributed from project Broadleaf @ HomeTree, Lot 375 @ Versis Batu Pahat and Bandar Putera Indah at Batu Pahat.

B3. Prospects for the Financial Year

The property market is experiencing the unprecedented outbreak of Covid -19 since beginning of Year 2020. The economic activities have been affected significantly and the duration of the outbreak are highly unpredictable in the absence of safe and effective vaccine. For financial year 2020, the Group will increase the marketing efforts such as digital marketing to continue to attract the potential buyers. In addition, the Group will also implement a strict cost control measures to contain the operation cost.

B4. Variance on Profit Forecast

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

Notes to the Interim Report For The Financial Period Ended 31 March 2020
 (The figures have not been audited)

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

B5. Profit for the period

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

	Current	Cumulative
	31.03.2020	year to-date
	RM'000	31.03.2020
		RM'000
Interest Income	51	182
Other Income	1,587	4,433
Interest expenses	(1,401)	(5,829)
Depreciation and amortisation	(936)	(1,889)

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.

B6. Taxation

Taxation consists of the followings:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR	YEAR
	31.03.2020	QUARTER	TO DATE	CORRESPONDING
	RM'000	31.03.2019	31.03.2020	PERIOD
		RM'000	RM'000	31.03.2019
			RM'000	RM'000
Income tax				
- current financial period	-	1,561	6,827	7,403

The effective tax rate for the financial year to-date is lower than the statutory tax rate due to tax exemption on certain subsidiary.

B7. Profit or loss on sale of unquoted investments and / or properties.

There was no disposal of unquoted investment or property during the financial period under review other than in the ordinary course of the Group's business.

B8. Quoted Securities

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

B9. Status of Corporate Proposal

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

B10. Dividend

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

Notes to the Interim Report for The Financial Period Ended 31 March 2020 (The figures have not been audited)

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

B11. Group Borrowings

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

	RM'000
Short term borrowings	
- Secured	174,207
- Unsecured	-
	<u>174,207</u>
Long-term borrowings	
- Secured	190,095
- Unsecured	-
	<u>190,095</u>
Total Borrowing	<u><u>364,302</u></u>

B12. Financial instruments with off balance sheet risk

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

B13. Material litigation

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

B14. Earnings per share

	Individual		Cumulative	
	Current year quarter RM'000	Preceding year corresponding quarter RM'000	Current year to- date RM'000	Preceding year corresponding RM'000
a) Basic earnings per share				
Net profit / (loss) attributable to owners for the period	(1,921)	3,869	19,912	17,280
Weighted average number of ordinary shares in issue	399,621	399,631	399,621	399,631
Basic earnings/(loss) per share (sen)	<u>(0.48)</u>	<u>0.97</u>	<u>4.98</u>	<u>4.32</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>