



2nd QUARTER
INTERIM REPORT
FOR THE FINANCIAL PERIOD ENDED 31 December 2021

BCB BERHAD
(Registration No. 198801004645 (172003-W))
(Incorporated in Malaysia)



Interim Report For The Financial Period Ended 31 December 2021
(The figures have not been audited)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD 31.12.2021 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31.12.2020 RM'000	CURRENT PERIOD TO-DATE 31.12.2021 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 31.12.2020 RM'000
Revenue	68,141	67,286	94,795	143,949
Cost of sales	(43,773)	(44,617)	(60,850)	(103,200)
Gross profit	24,368	22,669	33,945	40,749
Other operating expenses	(11,568)	(10,822)	(21,001)	(20,292)
Other operating income	1,828	1,276	3,094	2,208
Profit from operations	14,628	13,123	16,038	22,665
Finance income	14	-	27	-
Finance cost	(5,447)	(6,404)	(9,510)	(10,061)
Profit before taxation	9,195	6,719	6,555	12,604
Taxation	(3,142)	(1,613)	(3,142)	(3,025)
Profit after taxation	6,053	5,106	3,413	9,579
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the financial period	6,053	5,106	3,413	9,579
Profit/(Loss) attributable to:				
Owners of the Company	7,279	5,212	6,636	9,382
Non-Controlling Interest	(1,226)	(106)	(3,223)	197
	6,053	5,106	3,413	9,579
Total comprehensive income/(loss) attributable to:				
Owners of the Company	7,279	5,212	6,636	9,382
Non-Controlling Interest	(1,226)	(106)	(3,223)	197
	6,053	5,106	3,413	9,579
EPS - Basic (sen)	1.82	1.30	1.66	2.35

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2021)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	(UNAUDITED) AS AT 31.12.2021 RM'000	(AUDITED) AS AT 30.06.2021 RM'000
Non-Current Assets		
Property, plant, and equipment	50,507	51,816
Investment properties	55,416	57,218
Inventories	364,233	367,415
Deferred tax assets	3,546	3,546
	473,702	479,995
Current assets		
Inventories	534,022	581,024
Tax recoverable	10,775	5,547
Trade and other receivables	125,550	115,467
Contract assets	31,668	8,765
Cash and bank balances	18,569	17,030
	720,584	727,833
Total Assets	1,194,286	1,207,828
Equity and liabilities		
Equity		
Share capital	206,250	206,250
Treasury shares	(3,373)	(3,373)
Retained earnings	269,270	262,634
Equity attributable to owners of the Parent	472,147	465,511
Non-Controlling Interest	32,220	36,143
	504,367	501,654
Non-current liabilities		
Borrowings	175,537	180,773
Lease liabilities	1,759	4,278
	177,296	185,051
Current liabilities		
Trade and other payables	229,938	245,217
Contract liabilities	144,437	129,501
Borrowings	127,592	137,983
Lease liabilities	7,110	5,947
Current tax liabilities	3,546	2,475
	512,623	521,123
Total liabilities	689,919	706,174
Total equity and liabilities	1,194,286	1,207,828
Net assets per share (RM)	1.14	1.13

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2021)

Interim Report for The Financial Period Ended 31 December 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	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 01.07.2021	206,250	-	(3,373)	262,634	465,511	36,143	501,654
Acquisition on non-controlling interest	-	-	-	-	-	(700)	(700)
Total comprehensive income	-	-	-	6,636	6,636	(3,223)	3,413
At 31.12.2021	<u>206,250</u>	<u>-</u>	<u>(3,373)</u>	<u>269,270</u>	<u>472,147</u>	<u>32,220</u>	<u>504,367</u>
At 01.07.2020	206,250	6,788	(3,373)	270,260	479,925	48,030	527,955
Effect of adoption of Agenda Decision	-	-	-	(23,271)	(23,271)	(9,628)	(32,899)
At 01.07.2020 (restated)	<u>206,250</u>	<u>6,788</u>	<u>(3,373)</u>	<u>246,989</u>	<u>456,654</u>	<u>38,402</u>	<u>495,056</u>
Total comprehensive income	-	-	-	9,382	9,382	197	9,579
At 31.12.2020	<u>206,250</u>	<u>6,788</u>	<u>(3,373)</u>	<u>256,371</u>	<u>466,036</u>	<u>38,599</u>	<u>504,635</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 2021)

Interim Report for The Financial Period Ended 31 December 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	6 MONTHS ENDED 31.12.2021 RM'000	6 MONTHS ENDED 31.12.2020 RM'000
Operating activities		
Profit before taxation	6,555	12,604
Adjustments for non-cash items	11,415	13,783
Operating profit before working capital changes	17,970	26,387
Trade & other receivables	(10,083)	(8,064)
Contract asset	(22,903)	(19,349)
Land held for property development	3,182	-
Inventories	8,411	16,190
Property development cost	38,591	20,731
Trade payables and other payables	(15,279)	(12,715)
Contract liabilities	14,936	15,694
Net change in working capital	34,825	38,874
Tax paid	(7,299)	(1,835)
Net cash from operating activities	27,526	37,039
Investing activities		
Interest received	27	58
Acquisition of a non-controlling interest	(700)	-
Proceeds from disposal of investment properties	2,281	459
Purchase of property, plant, and equipment	(1,077)	(234)
Proceed from disposal of property, plant, and equipment	1,065	-
Net cash from investing activities	1,596	283
Financing activities		
Interest paid	(9,510)	(10,119)
Drawdown of borrowings	4,300	-
Repayments of borrowings	(17,976)	(33,394)
Repayments of lease liabilities	(2,446)	(1,258)
Placement of fixed deposits pledged to licensed bank	(32)	(19)
Net cash used in financing activities	(25,664)	(44,790)
Net increase/(decrease) in cash and cash equivalents for the financial period	3,458	(7,468)
Cash and cash equivalents at beginning of financial period	(26,987)	(17,450)
Cash and cash equivalents at end of financial period	(23,529)	(24,918)
Cash and cash equivalent comprise the following:		
Deposits	594	659
Cash and bank balances	17,975	20,876
Bank overdrafts	(41,504)	(45,794)
	(22,935)	(24,259)
Less: Deposit pledged to licensed banks	(594)	(659)
	(23,529)	(24,918)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2021)

Notes to the Interim Report For The Financial Period Ended 31 December 2021
(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 Malaysian 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 2021.

A2. Changes in Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 30 June 2021.

A3. Status of Audit Qualifications

The audited financial statements of the Group for the year ended 30 June 2021 were not subject to any audit qualification.

A4. 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.

A5. Unusual Items

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

A6. Material changes in past estimates and their effect on the current interim period

There were no material changes in estimates for the 6 months ended 31 December 2021.

A7. Issuances or Repayments of Debts and Equity Securities

There were 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 12,879,200 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 RM3,373,365.

A8. Dividend

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

Notes to the Interim Report For The Financial Period Ended 31 December 2021
(The figures have not been audited)

A. EXPLANATORY NOTES

A9. Segmental 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 three reportable segments as follows:

- a) Property Development : Property Development, Letting of Properties and Project Management
- b) Construction : Project Construction Services, Manufacturing of Concrete Products and Trading of Building Materials
- c) Others : These are dormant companies for future use

	Property development	Construction	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 Months Ended 31.12.2021</u>					
Revenue					
External revenue	91,169	4,118	353	(845)	94,795
Inter-segment revenue	6	15,682	-	(15,688)	-
Total	<u>91,175</u>	<u>19,800</u>	<u>353</u>	<u>(16,533)</u>	<u>94,795</u>
Adjusted EBITDA	<u>20,675</u>	<u>(2,421)</u>	<u>16</u>	<u>685</u>	<u>18,955</u>
<u>6 Months Ended 31.12.2020</u>					
Revenue					
External revenue	137,117	8,620	328	(2,116)	143,949
Inter-segment revenue	-	19,514	-	(19,514)	-
Total	<u>137,117</u>	<u>28,134</u>	<u>328</u>	<u>(21,630)</u>	<u>143,949</u>
Adjusted EBITDA	<u>27,919</u>	<u>(1,789)</u>	<u>(139)</u>	<u>(2,077)</u>	<u>23,914</u>
<u>Total segment assets</u>					
31.12.2021	<u>1,570,604</u>	<u>77,747</u>	<u>19,940</u>	<u>(488,327)</u>	<u>1,179,964</u>
31.12.2020	<u>1,573,901</u>	<u>71,419</u>	<u>29,094</u>	<u>(427,469)</u>	<u>1,246,945</u>
<u>Total segment liabilities</u>					
31.12.2021	<u>822,890</u>	<u>67,924</u>	<u>14,409</u>	<u>(218,850)</u>	<u>686,373</u>
31.12.2020	<u>878,060</u>	<u>59,533</u>	<u>14,062</u>	<u>(205,365)</u>	<u>746,290</u>

Notes to the Interim Report For The Financial Period Ended 31 December 2021
(The figures have not been audited)

A. EXPLANATORY NOTES

A9. Segmental Information (continued)

	31.12.2021	31.12.2020
	RM'000	RM'000
A reconciliation of total adjusted EBITDA		
Adjusted EBITDA	18,955	23,914
Finance income	27	58
Finance cost	(9,510)	(10,120)
Tax	(3,142)	(3,025)
Depreciation	(2,917)	(1,248)
Net profit for the financial period	<u>3,413</u>	<u>9,579</u>
Reportable segments assets are reconciled to total assets as follows:		
Total segment assets	1,179,964	1,246,945
Tax recoverable	14,322	14,255
Consolidated total assets (as per Statement of Financial Position)	<u>1,194,286</u>	<u>1,261,200</u>
Reportable segments liabilities are reconciled to total liabilities as follows:		
Total segment liabilities	686,373	746,290
Tax payable	3,546	10,275
Consolidated total liabilities (as per Statement of Financial Position)	<u>689,919</u>	<u>756,565</u>

A10. 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.

A11. Material events not reflected in interim period.

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

A12. Changes in the Composition of the Group

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

A13. Contingent Liabilities

There were no contingent liabilities that have arisen since the date of the latest audited financial statements.

A14. 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 December 2021
(The figures have not been audited)

A. EXPLANATORY NOTES

A15. 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 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) 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:

		Current Period Quarter 31.12.2021 RM'000	Preceding Period Quarter 31.12.2020 RM'000
<u>Marvel Plus Development Sdn Bhd</u>			
BCB Construction Sdn Bhd	- Building construction services	2,913	4,704
	- Hiring of machinery	15	3
BCB Resources Sdn Bhd	- Hiring of machinery	9	6
<u>Ju-Ichi Enterprise Sdn Bhd</u>			
BCB Berhad	- Rental of office space	75	75

Notes to the Interim Report for The Financial Period Ended 31 December 2021
(The figures have not been audited)

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31.12.2021 RM'000	PRECEDING PERIOD CORRESPONDING QUARTER 31.12.2020 RM'000	CURRENT PERIOD TO DATE 31.12.2021 RM'000	PRECEDING PERIOD CORRESPONDING PERIOD 31.12.2020 RM'000
Revenue				
Property Development	65,071	62,537	90,324	135,001
Construction	2,862	4,638	4,118	8,620
Others	208	111	353	328
	<u>68,141</u>	<u>67,286</u>	<u>94,795</u>	<u>143,949</u>
Profit/(Loss) Before Tax				
Property Development	10,804	7,122	9,861	14,966
Construction	(1,439)	(406)	(2,769)	(2,218)
Others	(170)	3	(537)	(144)
	<u>9,195</u>	<u>6,719</u>	<u>6,555</u>	<u>12,604</u>

During the quarter under review, The Group recorded an increase in revenue and profit before tax amounting to RM 0.85 million and RM 2.47 million respectively compared to the previous corresponding quarter. Segmental performance for the current quarter under review is as follows:

Property Development

The property development division reported an increase in revenue amounting to RM 2.54 million, from RM 62.54 million to RM 65.07 million compared to the preceding period corresponding quarter. The current period quarter revenue was mainly contributed by the project progress recognition from HomeTree @ Kota Kemuning, Versis and Bandar Putera Indah @ Batu Pahat amounting to RM 19.83 million, RM6.39 million and RM 11.44 million respectively. In addition, there was a revenue recognised from the sales of land held for property development amounting to RM5.38million. The increase in revenue compared to the preceding period quarter was largely attributed to the increase in revenue from Versis Batu Pahat by RM 5.17 million and the sales of land held for property development by RM5.38 million. However, the increase of revenue has been partially offset by the lower revenue recognised by HomeTree at Kota Kemuning in Q2 by RM7.13 million.

The increase in profit before tax was in line with the increase in revenue in the current quarter. There were no significant fluctuations in the operating income and expenses for both current and prior quarters under review.

Construction

The Construction segment reported a decrease in revenue of RM 1.78 million compared to the preceding period corresponding quarter. This decreasing trend was largely attributed by Taman Saujana's Hana Sakuara and double storey shop offices which had reached completion stage. The current quarter revenue was contributed by Taman Saujana's Olivia of RM2.8 million.

The increase in loss before tax was in line with the decrease in revenue in the current quarter. There were no significant fluctuations in the operating income and expenses for both current and prior quarters under review.

Others

Others division mainly represents hotel leasing business. The current quarter revenue was mainly generated by the leasing income received from the hotel operator which commenced its tenancy with BCB since Q3 FY2022.

Notes to the Interim Report for The Financial Period Ended 31 December 2021
(The figures have not been audited)

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

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

	3 Months Ended		
	31.12.2021 RM'000	30.09.2021 RM'000	Changes RM'000
Revenue	68,141	26,654	41,487
Profit/(Loss) before tax	9,195	(2,640)	11,835

Revenue increased by RM 41.48 million, from RM 26.65 million in the immediate preceding quarter to RM 68.14 million reported in the current period quarter. Sparked by the re-opening of the Malaysia economy in Q2 FY2022 under the National Recovery Plan where more construction works are allowed to resume, the Group was able to recognise higher revenue in this quarter mainly from Hometree @ Kota Kemuning (RM13.0m), Versis @ Batu Pahat (RM6.39m), Phase 7 of Bandar Putera Indah (RM5.78m), Concerto @ Mont Kiara (RM5.02m) and Taman Bukit Perdana (RM2.41m).

Corresponding to the higher revenue registered in Q2 FY2022, the Group registered an increase in profit before tax by RM 11.83 million, from loss before tax of RM 2.64 million in the immediate preceding quarter to profit before tax of RM 9.19 million reported in the current period quarter.

B3. Prospects for the Financial Year

With the National Recovery Plan implemented by the Malaysian Government allowing the progressive re-opening of the economic sectors, the property market is expected to recover in the second half of the current financial year. The pace of recovery is conditioned on the resiliency of the vaccinated against the emergence of new covid-19 Omicron variant and the stability of building material prices. Given the uncertainties, the Group remain committed to focus on events and actions over which we can control, particularly progressing its development projects for timely completion as well as launching of new products that continue to tap into underlying consumer demands.

B4. Variance on Profit Forecast

There were no profit forecasts published as at 31 December 2021

B5. Profit for the financial period

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

	Current Quarter 31.12.2021 RM'000	Cumulative Period to-date 31.12.2021 RM'000
Interest Income	14	27
Other Income	1,828	3,094
Interest expenses	5,447	9,510
Depreciation and amortisation	1,269	2,917

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.

Notes to the Interim Report for The Financial Period Ended 31 December 2021
(The figures have not been audited)

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

B6. Taxation

Taxation consists of the followings:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2021 RM'000	PRECEDING	CURRENT	PRECEDING
		CORRESPONDING	PERIOD	PERIOD
		QUARTER	TO DATE	CORRESPONDING
	31.12.2020	31.12.2021	31.12.2020	
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current financial period	3,142	1,613	3,142	3,025

The effective tax rate for current quarter is as per statutory tax rate of 24%.

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 period to-date.

B11. Group Borrowings

The tenure of Group borrowings classified as current and non-current liabilities categories are as follows: -

	RM'000
Current liabilities	
- Secured	127,592
- Unsecured	-
	<u>127,592</u>
Non-current liabilities	
- Secured	175,537
- Unsecured	-
	<u>175,537</u>
Total Borrowing	<u><u>303,129</u></u>

Notes to the Interim Report for The Financial Period Ended 31 December 2021
(The figures have not been audited)

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

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 Period quarter RM'000	Preceding Period corresponding quarter RM'000	Current Period To-date RM'000	Preceding Period corresponding quarter RM'000
a) Basic earnings per share				
Net profit attributable to owners for the period	7,279	5,212	6,636	9,382
Weighted average number of ordinary shares in issue	399,621	399,621	399,621	399,621
Basic earnings per share (sen)	1.82	1.30	1.66	2.35
b) Diluted earnings per share				
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A