

**BERJAYA ASSETS BERHAD
(COMPANY NO: 3907-W)**

27 February 2018

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017**

<u>Table of Contents</u>	Page
Condensed Consolidated Statement of Financial Position	1 - 2
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Unaudited Interim Financial Report	7 - 10
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	11 - 16

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Group</u>	
	As at 31/12/17	As at 30/06/17
	RM'000	(Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	297,769	303,657
Investment properties	2,499,039	2,508,166
Land held for development	72,455	99,197
Prepaid lease payments	5,237	5,291
Joint ventures	15,059	14,882
Investments	247,676	187,641
Deferred tax assets	15,169	15,169
Intangible assets	57,180	57,811
	<u>3,209,584</u>	<u>3,191,814</u>
CURRENT ASSETS		
Inventories	196,805	196,948
Receivables	77,668	41,028
Tax recoverable	202	249
Deposits with licensed banks	90,872	58,436
Cash and bank balances	39,065	30,776
	<u>404,612</u>	<u>327,437</u>
TOTAL ASSETS	<u><u>3,614,196</u></u>	<u><u>3,519,251</u></u>
EQUITY		
Share capital	1,538,120	1,447,277
Reserves :		
Foreign currency translation reserve	8,209	10,068
Available-for-sale ("AFS") reserve	13,463	15,949
Retained earnings	749,979	769,361
	<u>771,651</u>	<u>795,378</u>
Equity attributable to owners of the parent	2,309,771	2,242,655
Non-controlling interests	6,005	8,672
Total equity	<u><u>2,315,776</u></u>	<u><u>2,251,327</u></u>
NON-CURRENT LIABILITIES		
Long term bank borrowings	588,110	612,924
Senior bonds	119,639	119,514
Hire purchase liabilities	1,200	1,215
Other long term liabilities	185,826	187,060
Deferred tax liabilities	111,043	111,126
	<u>1,005,818</u>	<u>1,031,839</u>

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<u>Group</u>	
	As at 31/12/17	As at 30/06/17
	RM'000	(Audited) RM'000
CURRENT LIABILITIES		
Payables	125,592	126,875
Short term bank borrowings	123,658	64,035
Senior bonds	39,956	39,911
Hire purchase liabilities	576	496
Tax payable	2,820	4,768
	<u>292,602</u>	<u>236,085</u>
Total liabilities	<u>1,298,420</u>	<u>1,267,924</u>
TOTAL EQUITY AND LIABILITIES	<u>3,614,196</u>	<u>3,519,251</u>
<i>Net assets per share attributable to ordinary owners of the parent (sen) (after Sub-division of Shares)</i>	90	94

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2017.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Revenue		107,715	91,543	187,648	183,371
Operating expenses		(107,590)	(68,535)	(170,406)	(138,694)
Profit from operations		125	23,008	17,242	44,677
Other income	A4	5,429	4,169	8,266	5,332
Other expenses	A4	(3,589)	(2,871)	(11,304)	(12,144)
Share of results from joint ventures		185	(96)	242	(58)
Finance costs		(15,361)	(17,423)	(31,433)	(31,642)
(Loss)/Profit before tax		(13,211)	6,787	(16,987)	6,165
Income tax expense	B5	(1,919)	(2,176)	(3,287)	(160,381)
(Loss)/Profit net of tax		(15,130)	4,611	(20,274)	(154,216)
Attributable to:					
- Owners of the Parent		(14,526)	4,463	(19,382)	(154,321)
- Non-controlling interests		(604)	148	(892)	105
		(15,130)	4,611	(20,274)	(154,216)
(Loss)/Earnings per share (sen):					
Basic	B10	(0.58)	0.20	(0.78)	(6.93)
Diluted	B10	(0.57)	0.20	(0.77)	(6.93)

N/A denotes Not Applicable

The Condensed Consolidated Statement Of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2017.

BERJAYA ASSETS BERHAD

(COMPANY NO: 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
(Loss)/Profit net of tax	(15,130)	4,611	(20,274)	(154,216)
<u>Other comprehensive income</u>				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net (loss)/gain on available-for-sale investments:				
- (Loss)/Gain on fair value changes	(8,450)	3,128	(2,486)	(23)
Currency translation difference	(2,023)	1,801	(1,744)	2,237
Total comprehensive income	<u>(25,603)</u>	<u>9,540</u>	<u>(24,504)</u>	<u>(152,002)</u>
Attributable to:				
- Owners of the Parent	(24,999)	9,155	(23,727)	(152,280)
- Non-controlling interests	(604)	385	(777)	278
	<u>(25,603)</u>	<u>9,540</u>	<u>(24,504)</u>	<u>(152,002)</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2017.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<----- Attributable to the owners of the Parent ----->

	<----- Non - distributable ----->				Distributable			
	Share Capital RM'000	Share Premium * RM'000	AFS Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity Funds RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 July 2017	1,447,277	-	15,949	10,068	769,361	2,242,655	8,672	2,251,327
Total comprehensive income	-	-	(2,486)	(1,859)	(19,382)	(23,727)	(777)	(24,504)
Transactions with owners:								
Issuance of ordinary shares pursuant to warrants exercised	90,843	-	-	-	-	90,843	-	90,843
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,890)	(1,890)
At 31 December 2017	<u>1,538,120</u>	<u>-</u>	<u>13,463</u>	<u>8,209</u>	<u>749,979</u>	<u>2,309,771</u>	<u>6,005</u>	<u>2,315,776</u>
At 1 July 2016	1,113,042	258,985	30,481	7,558	780,798	2,190,864	9,175	2,200,039
Total comprehensive income	-	-	(23)	2,064	(154,321)	(152,280)	278	(152,002)
At 31 December 2016	<u>1,113,042</u>	<u>258,985</u>	<u>30,458</u>	<u>9,622</u>	<u>626,477</u>	<u>2,038,584</u>	<u>9,453</u>	<u>2,048,037</u>

* In accordance with the transitional provisions of the Companies Act 2016 (which came into effect on 31 January 2017), the amount standing to the credit of the Company's share premium account has formed part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the relative entitlement of the shareholders.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	FINANCIAL PERIOD ENDED	
	31/12/2017 RM'000	31/12/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	170,112	192,553
Payments for operating expenses (including taxes)	(130,467)	(160,148)
Other payments	(12,820)	(6,265)
Net cash generated from operating activities	<u>26,825</u>	<u>26,140</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of other non current assets	4,500	-
Acquisition of plant and machinery	(1,875)	(950)
Acquisition of other non current assets	(648)	(1,200)
Additions to land held for development	(117)	(117)
Acquisition of investments	(73,744)	(800)
Interest received	1,607	966
Dividend received	516	120
Other payments arising on investing activities	-	(5,400)
Net cash used in investing activities	<u>(69,761)</u>	<u>(7,381)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	90,843	-
Drawdown of bank and other borrowings	30,803	312,964
Repayment of borrowings and loans	(13,293)	(329,539)
Interest paid	(26,638)	(26,357)
Payment of hire purchase liabilities	(332)	(210)
Placements in banks as security pledged for borrowings	(13,001)	(3,769)
Other receipts	-	133
Net cash generated from/(used in) financing activities	<u>68,382</u>	<u>(46,778)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	25,446	(28,019)
EFFECTS OF EXCHANGE RATE CHANGES	34	41
OPENING CASH AND CASH EQUIVALENTS	41,608	42,130
CLOSING CASH AND CASH EQUIVALENTS	<u>67,088</u>	<u>14,152</u>
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	90,872	20,869
Cash and bank balances	39,065	32,331
	<u>129,937</u>	<u>53,200</u>
Less:		
Bank overdrafts	(2,244)	(9,854)
Cash and cash equivalent restricted in usage	(60,605)	(29,194)
	<u>67,088</u>	<u>14,152</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2017.

NOTES:

- A1 The interim financial report is not audited and has been prepared in compliance with Malaysian Financial Reporting Standards (MFRS) 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2017, which were prepared under Malaysian Financial Reporting Standards. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 June 2017.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 June 2017.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 July 2017.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

- A2 The audit report of the Company's most recent annual audited financial statements did not contain any qualification.
- A3 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for the gaming and recreation businesses that may be favourably impacted by the festive and school holiday seasons respectively.
- A4 a) There were no other unusual items as a result of their nature, size or incidence that had affected the financial statements for the financial quarter and period ended 31 December 2017 except for the following:

	Current Quarter ended 31/12/2017 RM'000	Financial Period ended 31/12/2017 RM'000
Amortisation of intangible assets	(275)	(551)
Impairment in value of AFS quoted investments	(3,253)	(10,689)
Gain on disposal of investment properties	-	840
	<u>(3,528)</u>	<u>(10,400)</u>

- b) There were no material changes in estimates of amounts reported in the current financial quarter and period ended 31 December 2017.

NOTES (CONTINUED)

A5 There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 December 2017 except for:

- a) the issuance of 90,843,000 new ordinary shares pursuant to the exercise of 90,843,000 Warrants 2008/2018 at an exercise price of RM1.00 per new ordinary share;
- b) the sub-division of 1,279,135,359 existing ordinary shares into 2,558,270,718 ordinary shares (Sub-Division of Shares); and
- c) an additional 249,889,548 Warrants 2008/2018 were issued resulting from the Sub-Division of Shares. As at 31 December 2017, the number of outstanding Warrants 2008/2018 amounted to 499,779,096.

The movements in the paid up share capital of the Company during the financial period were as follows:

	Number of ordinary shares '000	Amount RM'000
As at 1 July 2017	1,188,292	1,447,277
Issued pursuant to warrants exercised	<u>90,843</u>	<u>90,843</u>
	1,279,135	1,538,120
Sub-division of Shares	<u>1,279,135</u>	<u>-</u>
As at 31 December 2017	<u><u>2,558,270</u></u>	<u><u>1,538,120</u></u>

On 14 February 2018, the Company has issued a notice to the holders of Warrants 2008/2018 in relation to the expiry and the last date for the exercise of Warrants 2008/2018, as follows:

Last date and time for trading of Warrants 2008/2018	28 February 2018 at 5.00 p.m.
Date and time for suspension of trading of Warrants 2008/2018	1 March 2018 at 9.00 a.m.
Last date and time for exercise of Warrants 2008/2018	16 March 2018 at 5.00 p.m.
Date and time of expiry of Warrants 2008/2018	16 March 2018 at 5.00 p.m.
Date and time for delisting of Warrants 2008/2018	19 March 2018 at 9.00 a.m.

NOTES (CONTINUED)

A6 The Company did not pay any dividend in the financial period ended 31 December 2017.

A7 Segmental information for the financial period ended 31 December 2017:

<u>REVENUE</u>	External RM '000	Inter - segment RM '000	Total RM '000
Property development and investment	103,025	-	103,025
Gaming and related activities	59,279	1,144	60,423
Hotel and recreation	25,344	-	25,344
Elimination : Intersegment revenue	-	(1,144)	(1,144)
Total revenue	<u>187,648</u>	<u>-</u>	<u>187,648</u>
<u>RESULTS</u>			RM '000
Property development and investment			25,432
Gaming and related activities			4,100
Hotel and recreation			<u>(5,950)</u>
			23,582
Unallocated corporate expenses			<u>(6,340)</u>
Profit from operations			17,242
Other income			
- property development and investment			4,780
- gaming and related activities			1,193
- hotel and recreation			114
- unallocated			2,179
			<u>8,266</u>
			25,508
Other expenses			
- property development and investment			(59)
- gaming and related activities			(11,240)
- hotel and recreation			(5)
			<u>(11,304)</u>
			14,204
Share of results after tax from joint ventures			242
Finance costs			<u>(31,433)</u>
Loss before tax			(16,987)
Income tax expense			<u>(3,287)</u>
Loss for the period			<u>(20,274)</u>

NOTES (CONTINUED)

- A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report.
- A9 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this current financial quarter.
- A10 There were no material changes in the composition of the Group for the financial period ended 31 December 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:
- a) the incorporation of Berjaya Consulting Services Sdn Bhd ("BCSSB") which is a wholly-owned subsidiary of the Company. BCSSB is currently dormant and the intended principal activity is consulting services; and
 - b) the incorporation of Berjaya Assets Alliance Sdn Bhd ("BAASB") which is a wholly-owned subsidiary of the Company. BAASB is currently dormant and the intended principal activity is investment holding.
- A11 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2017.
- A12 The changes in capital commitments since the last audited statement of financial position as at 30 June 2017 are as follows:

	At 31/12/2017 RM'000	At 30/06/2017 RM'000
Capital expenditure approved and contracted for	27,431	27,431
Proposed acquisition of remaining 50% equity interest in Megaquest Sdn Bhd	102,600	102,600
	<u>130,031</u>	<u>130,031</u>

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of group performance

The main operating businesses of the Group are number forecast operation ("NFO") in Sarawak, property development and investment, the operations of a hotel and recreation business including the operations of Greyhound Cafe' restaurants. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

NFO in Sarawak

- disposable income of the general public, luck factor, illegal gaming and the number of draws in the financial period.

Property development and investment

- demographic of population, location of the properties, costs of building materials and related services, lending guidelines and interest rates of the financial institutions, rental rates, age and condition of investment properties and the quality of property management.

Hotel and recreation

- room rates, seasonal festive periods and school holidays, locations of the hotel and restaurants, tourism/currency exchange/dining out trends, energy/raw material/other supplies costs, quality of rooms/amenities/service and customer perception.

The summary results of the Group are as follows:

	3-Month Ended			6-Month Ended		
	31/12/2017	31/12/2016	+ /(-)	31/12/2017	31/12/2016	+ /(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	107,715	91,543	18	187,648	183,371	2
Profit from operations	125	23,008	(99)	17,242	44,677	(61)
(Loss)/Profit before tax	(13,211)	6,787	N/A	(16,987)	6,165	N/A

For the Quarter

The Group registered a higher revenue of RM107.7 million and pre-tax loss of RM13.2 million in the current quarter ended 31 December 2017 as compared to a revenue of RM91.5 million and a pre-tax profit of RM6.8 million reported in the previous year corresponding quarter. The higher Group revenue was mainly due the disposal of several parcels of land held for development. The revenue in the gaming business segment operated by Natural Avenue Sdn Bhd ("NASB") was impacted by rampant illegal gaming activities that resulted in a 28% drop in revenue. The revenue of property development and investment business segment remained comparable to that reported in the previous year corresponding quarter. The hotel and recreation business segment recorded higher revenue arising mainly from higher occupancy rates of the hotel division and higher theme park ticket sales.

The Group registered a pre-tax loss in the current quarter under review mainly due to higher operating expenses incurred by the property development and property investment business segment. In addition, NASB reported correspondingly lower profit contribution arising from lower revenue.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**
For the 6-month period

For the cumulative six months ended 31 December 2017, the Group registered a revenue of RM187.6 million and pre-tax loss of RM15.9 million as compared to a revenue of RM183.4 million and a pre-tax profit of RM6.2 million reported in the preceding year corresponding period. The increase in revenue was mainly due to the same factors mentioned in the aforesaid paragraph under the commentary for the current quarter's results.

The Group reported pre-tax loss in the current 6-month period under review primarily due to the factors mentioned above.

B2 Second Quarter vs Preceding First Quarter

	3-Month Ended		+ / (-) %
	31/12/2017	30/9/2017	
	RM'000	RM'000	
Revenue	107,715	79,933	35
Profit from operations	125	17,117	(99)
Loss before tax	(13,211)	(3,776)	250

For the current quarter under review, the Group registered higher revenue of RM107.7 million as compared to the revenue of RM79.9 million in the preceding quarter ended 30 September 2017. In spite of the higher revenue, the Group reported higher pre-tax loss of RM13.2 million for the current quarter as compared to the preceding quarter.

The higher revenue was mainly due to (i) the disposal of land held for development; (ii) higher hotel and recreation business segment's revenue arising mainly due from higher occupancy rates of hotel and theme park ticket sales whilst both NASB and the property development reported revenue that were comparable to that reported in the preceding quarter.

The higher pre-tax loss for current quarter under review was mainly due to higher operating expenses incurred by the property development and investment business segment. This was partly mitigated by the higher profit contribution reported by NASB arising from lower prize payout.

B3 Future Prospects

Given the prevailing economic conditions and financial outlook, the Directors expect the property investment and hotel and related businesses operated by BTSSB Group and the gaming business operated by NASB to maintain its occupancy rates and market share respectively going forward. The Directors envisage that the operating performance of the Group for the remaining quarters in financial year ending 30 June 2018 will be challenging.

B4 There is no profit forecast or profit guarantee for the financial quarter and period ended 31 December 2017.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B5 The income tax expense for the financial quarter and period ended 31 December 2017 are detailed as follows:

	Current Quarter ended 31/12/2017 RM'000	Financial Period ended 31/12/2017 RM'000
Malaysian taxation:		
Current period provision	1,889	3,085
Deferred tax	(42)	(83)
Real property gains tax	-	139
Withholding tax	72	146
	<u>1,919</u>	<u>3,287</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 December 2017 was mainly due to certain expenses being disallowed for tax purposes, as well as non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 The corporate exercise announced by the Group but not completed as at the date of this announcement are listed below:

- a) As disclosed in Note 44 in the Company's audited financial statements for the financial year ended 30 June 2013, BWSB had entered into a conditional sale and purchase agreement for the proposed acquisition by BWSB from Kelana Megah Sdn Bhd ("KMSB") of its intended lease interest in a parcel of vacant land measuring about 4.285 acres held under Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM27.99 million ("KMSB SPA").

The conditions precedent stipulated in the KMSB SPA are still pending.

- (b) On 12 July 2016, Tropicfair Sdn Bhd, a wholly-owned subsidiary company of the Company had entered into a Share Sale Agreement with Violet Circle Sdn Bhd to acquire the remaining 50% equity interest in Megaquest Sdn Bhd for a total cash consideration of RM108.0 million. The said acquisition is still pending.
- (c) On 13 July 2016, Berjaya Waterfront Sdn Bhd ("BWSB"), a wholly-owned subsidiary company of the Company and Foshan City Bureau of Commerce ("FCBC"), the agency responsible for the commerce development and management of the Government of Foshan City, Guangdong Province in China entered into a Memorandum of Understanding (MOU) for Collaboration to foster trade and investment from Foshan City to the South East Asia Duty Free Trade City ("SEADFTC") project. Under the MOU, both BWSB and FCBC will establish a framework for collaboration with progressive discussions, exchange of information, and development and investment updates for the relevant commercial initiatives. FCBC will organise trade visits to SEADFTC to explore and conduct trading and investment activities with the intention of promoting this project as a strategic initiative for Foshan City investors in Malaysia.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B7 The Group borrowings as at 31 December 2017 are as follows:

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	78,563
- Denominated in GBP (£8,250,000)*	45,095
	123,658
Long term bank borrowings	
- Denominated in Ringgit Malaysia	452,825
- Denominated in GBP (£24,750,000)*	135,285
	588,110
Senior bonds	159,595
Total borrowings	871,363

* *Converted at the exchange rate prevailing as at 31 December 2017.*

B8 There is no pending material litigation since the date of the last audited statement of financial position to the date of this announcement, other than as disclosed below.

Reference is made to Note 41 of the audited financial statements of the Group for the year ended 30 June 2017.

The next mention date of the tax appeal case before the SCIT has been fixed on 4 April 2018.

The Court of Appeal hearing date has been fixed on 13 April 2018.

The next High Court case management date has been fixed on 2 May 2018 to update the High Court on the status of the Court of Appeal matter. Should the Court of Appeal allows Inland Revenue Board's appeal against the stay of proceedings, the High Court Judge has tentatively set the trial dates on 18 and 19 September 2018.

The above litigations are still on-going.

B9 The Board does not recommend any dividend in the current quarter (previous year ended 31 December 2016: Nil).

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B10 The basic (loss)/earnings per share is calculated by dividing (loss)/profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue:

	<u>Current Quarter Ended</u>			
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 Sen	31/12/2016 Sen
(Loss)/Profit for the quarter	<u>(14,526)</u>	<u>4,463</u>		
Weighted average number of ordinary shares ('000)	<u>2,521,097</u>	<u>2,226,084</u> *		
Basic loss per share			<u>(0.58)</u>	<u>0.20</u> *
	<u>6-Month Ended</u>			
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 Sen	31/12/2016 Sen
Loss for the period	<u>(19,382)</u>	<u>(154,321)</u>		
Weighted average number of ordinary shares ('000)	<u>2,494,560</u>	<u>2,226,084</u> *		
Basic loss per share			<u>(0.78)</u>	<u>(6.93)</u> *

* *Adjusted for Sub-division of Shares*

The diluted (loss)/earnings per share is calculated by dividing (loss)/profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue including convertible instruments:

	<u>Current Quarter Ended</u>			
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 Sen	31/12/2016 Sen
(Loss)/Profit for the quarter	<u>(14,526)</u>	<u>4,463</u>		
Weighted average number of ordinary shares ('000)	<u>2,539,607</u>	<u>2,226,084</u> *		
Diluted (loss)/earnings per share			<u>(0.57)</u>	<u>0.20</u> *

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B10 The diluted (loss)/earnings per share is calculated by dividing (loss)/profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue including convertible instruments

	<u>6-Month Ended</u>			
	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	Sen	Sen
Loss for the period	<u>(19,382)</u>	<u>(154,321)</u>		
Weighted average number of ordinary shares ('000)	<u>2,513,070</u>	<u>2,226,084</u>	*	
Basic loss per share			<u>(0.77)</u>	<u>(6.93)</u>

* *Adjusted for Sub-division of Shares*

B11 (Loss)/Profit before tax is stated after charging/(crediting):

	Current Quarter ended 31/12/2017 RM'000	Financial Period ended 31/12/2017 RM'000
Interest income	(1,169)	(1,705)
Dividend income	(414)	(516)
Other income excluding dividend and interest income	(4,645)	(6,045)
Depreciation of property, plant and equipment	4,603	8,092
Amortisation of intangible assets	275	551
Impairment in value of AFS quoted investments	3,253	10,689
Gain on disposal of investment properties	-	(840)
Unrealised foreign exchange (gain)/loss	(933)	(1,729)
Gain or loss on derivatives	<u>N/A</u>	<u>N/A</u>

N/A denotes Not Applicable