

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

27 February 2019

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018**

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BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Group</u>	
	As at 31/12/18	As at 30/06/18
	RM'000	(Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	286,327	291,776
Investment properties	2,499,489	2,501,039
Inventories - land held for development	73,619	75,479
Prepaid lease payments	4,679	4,883
Associated company	1,873	227
Joint ventures	13,445	13,716
Investments	259,900	270,453
Deferred tax assets	14,067	14,067
Intangible assets	35,393	36,024
	<u>3,188,792</u>	<u>3,207,664</u>
CURRENT ASSETS		
Inventories	196,114	196,323
Receivables	60,893	65,979
Tax recoverable	202	151
Deposits with licensed banks	56,018	66,186
Cash and bank balances	28,872	33,064
	<u>342,099</u>	<u>361,703</u>
Assets classified as held for sale	26,118	26,118
	<u>368,217</u>	<u>387,821</u>
TOTAL ASSETS	<u><u>3,557,009</u></u>	<u><u>3,595,485</u></u>
EQUITY		
Share capital	1,538,120	1,538,120
Reserves :		
Foreign currency translation reserve	7,155	6,585
Available-for-sale ("AFS") reserve	-	6,641
Fair value through other comprehensive income ("FVTOCI") reserve	(115,690)	-
Retained earnings	842,499	736,400
	<u>733,964</u>	<u>749,626</u>
Equity attributable to owners of the parent	2,272,084	2,287,746
Non-controlling interests	8,452	9,654
Total equity	<u><u>2,280,536</u></u>	<u><u>2,297,400</u></u>

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	Group	
	As at 31/12/18	As at 30/06/18
	RM'000	(Audited) RM'000
NON-CURRENT LIABILITIES		
Long term bank borrowings	530,957	534,210
Senior medium term notes	157,992	157,808
Hire purchase liabilities	1,152	1,019
Other long term liabilities	179,009	179,169
Deferred tax liabilities	116,706	117,365
	<u>985,816</u>	<u>989,571</u>
CURRENT LIABILITIES		
Payables	138,149	138,568
Short term bank borrowings	149,483	165,706
Hire purchase liabilities	840	638
Provisions	413	147
Tax payable	1,772	3,455
	<u>290,657</u>	<u>308,514</u>
Total liabilities	<u>1,276,473</u>	<u>1,298,085</u>
TOTAL EQUITY AND LIABILITIES	<u>3,557,009</u>	<u>3,595,485</u>
<i>Net assets per share attributable to ordinary owners of the parent (sen)</i>	91	91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2018.

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/12/18 RM'000	31/12/17 RM'000	31/12/18 RM'000	31/12/17 RM'000
Revenue		79,205	107,715	153,060	187,648
Operating expenses		(65,945)	(107,590)	(127,178)	(170,406)
Profit from operations		<u>13,260</u>	<u>125</u>	<u>25,882</u>	<u>17,242</u>
Other income	A4	3,028	5,429	7,597	8,266
Other expenses	A4	(382)	(3,589)	(1,628)	(11,304)
Share of results from associated company		601	-	1,646	-
Share of results from joint ventures		(349)	185	(239)	242
Finance costs		<u>(17,221)</u>	<u>(15,361)</u>	<u>(33,678)</u>	<u>(31,433)</u>
Loss before tax		(1,063)	(13,211)	(420)	(16,987)
Taxation	B5	<u>(1,420)</u>	<u>(1,919)</u>	<u>(2,750)</u>	<u>(3,287)</u>
Loss net of tax		<u>(2,483)</u>	<u>(15,130)</u>	<u>(3,170)</u>	<u>(20,274)</u>
Attributable to:					
- Owners of the Parent		(1,514)	(14,526)	(1,814)	(19,382)
- Non-controlling interests		<u>(969)</u>	<u>(604)</u>	<u>(1,356)</u>	<u>(892)</u>
		<u>(2,483)</u>	<u>(15,130)</u>	<u>(3,170)</u>	<u>(20,274)</u>
Loss per share (sen):					
Basic	B10	<u>(0.06)</u>	<u>(0.58)</u>	<u>(0.07)</u>	<u>(0.78)</u>
Diluted	B10	<u>-</u>	<u>(0.57)</u>	<u>-</u>	<u>(0.77)</u>

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 2018.

BERJAYA ASSETS BERHAD

(COMPANY NO: 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER		FINANCIAL PERIOD	
	ENDED		ENDED	
	31/12/18	31/12/17	31/12/18	31/12/17
	RM'000	RM'000	RM'000	RM'000
Loss net of tax	(2,483)	(15,130)	(3,170)	(20,274)
<u>Other comprehensive income</u>				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net changes in fair value of available-for-sale investments	-	(8,450)	-	(2,486)
Currency translation difference	(1,074)	(2,023)	724	(1,744)
<u>Item that will not be subsequently reclassified to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(3,249)	-	(14,418)	-
Total comprehensive income	<u>(6,806)</u>	<u>(25,603)</u>	<u>(16,864)</u>	<u>(24,504)</u>
Attributable to:				
- Owners of the Parent	(5,837)	(24,999)	(15,662)	(23,727)
- Non-controlling interests	<u>(969)</u>	<u>(604)</u>	<u>(1,202)</u>	<u>(777)</u>
	<u>(6,806)</u>	<u>(25,603)</u>	<u>(16,864)</u>	<u>(24,504)</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 2018.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	<----- Non - distributable ----->				Distributable		Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	AFS Reserve RM'000	FVTOCI Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity Funds RM'000		
At 1 July 2018	1,538,120	6,641	-	6,585	736,400	2,287,746	9,654	2,297,400
Effects of adoption of MFRS 9	-	(6,641)	(108,816)	-	115,457	-	-	-
At 1 July 2018 (as restated)	1,538,120	-	(108,816)	6,585	851,857	2,287,746	9,654	2,297,400
Transfer of reserves upon disposal	-	-	7,544	-	(7,544)	-	-	-
Total comprehensive income	-	-	(14,418)	570	(1,814)	(15,662)	(1,202)	(16,864)
At 31 December 2018	1,538,120	-	(115,690)	7,155	842,499	2,272,084	8,452	2,280,536
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	1,538,120	13,463	-	8,209	749,979	2,309,771	6,005	2,315,776

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2018.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	FINANCIAL PERIOD	
	ENDED	
	31/12/18	31/12/17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	164,069	170,112
Payments for operating expenses	(113,598)	(130,467)
Other payments (including taxes)	(13,372)	(12,820)
Net cash generated from operating activities	<u>37,099</u>	<u>26,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of plant and machinery	354	-
Sales of other non current assets	-	4,500
Sales of other investments	16,691	-
Acquisition of plant and machinery	(2,123)	(1,875)
Acquisition of other non current assets	(4)	(648)
Additions to land held for development	-	(117)
Acquisition of investments	(20,556)	(73,744)
Interest received	1,695	1,607
Dividend received	-	516
Net cash used in investing activities	<u>(4,297)</u>	<u>(69,761)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	-	90,843
Drawdown of bank and other borrowings	153,212	30,803
Repayment of borrowings and loans	(177,526)	(13,293)
Interest paid	(28,633)	(26,638)
Payment of hire purchase liabilities	(402)	(332)
Withdrawal from/(Placement in) banks as security pledged for borrowings	<u>2,125</u>	<u>(13,001)</u>
Net cash (used in)/generated from financing activities	<u>(51,224)</u>	<u>68,382</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,422)	25,446
EFFECTS OF EXCHANGE RATE CHANGES	143	34
OPENING CASH AND CASH EQUIVALENTS	39,529	41,608
CLOSING CASH AND CASH EQUIVALENTS	<u>21,250</u>	<u>67,088</u>
 The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	56,018	90,872
Cash and bank balances	<u>28,872</u>	<u>39,065</u>
	84,890	129,937
 Less:		
Bank overdrafts	(9,449)	(2,244)
Cash and cash equivalents restricted in usage	<u>(54,191)</u>	<u>(60,605)</u>
	<u>21,250</u>	<u>67,088</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2018.

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 and comply with the requirements of Companies Act 2016 ("CA 2016").

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2018, 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 2018.

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 2018.

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 2018.

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, other than those described below.

(a) MFRS 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 July 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

NOTES (CONTINUED)A1 (a) MFRS 9: Financial Instruments (Cont'd)(i) Classification and measurement

There is no significant impact on the statements of financial position on applying the classification and measurement requirements of MFRS 9. All financial assets will continue to be held at fair value, quoted equity shares as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income ("OCI"). The equity shares in non-quoted companies are intended to be held for the foreseeable future and the Group will apply the option to present its fair value changes in OCI.

On the date of the Group's first adoption of MFRS 9 i.e. 1 July 2018, the Group had a total investment in quoted and non-quoted equity instruments at fair value of RM270,453,000 that were classified as available-for-sale investments. The total impairment losses and cumulative gains recognised through other comprehensive income (which is attributable to the owners of parent) to available-for-sale reserve that have been recognised for these investments amounted to RM115,457,000 and RM6,641,000 respectively. These amounts were transferred to fair value through other comprehensive income ("FVTOCI") reserve upon initial adoption of MFRS 9 on 1 July 2018.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(ii) Impairment

Under MFRS 9, the Group is required to record expected credit loss on its trade and other receivables either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected credit losses on its trade receivables.

The trade receivables mainly consist of creditworthy debtors with good payment records and debtors with no concerns on the credit worthiness. The Group minimises credit risk by dealing with high credit rating counterparties, application of credit approval limits and continuous monitoring procedures. There is no significant impact to the Group's financial statements from the impairment based on the expected credit loss model on its trade receivables.

NOTES (CONTINUED)A1 (a) MFRS 9: Financial Instruments (Cont'd)(ii) Impairment (Cont'd)

For other non-trade receivables, there is no significant impact to the Group's financial statements.

(iii) Hedge accounting

There is no impact on the Group's accounting for hedge accounting as the Group does not have any hedges.

(b) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supercede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

There is no significant impact to the Group's financial statements from the adoption of MFRS 15.

The Group evaluated and concluded that there is no element of financing present as the Group's sale of goods and services are either on cash terms or on credit terms of up to 30 days.

NOTES (CONTINUED)A1 (c) Financial Impact

The financial impact from the initial adoption of MFRS 9 and MFRS 15 as at 1 July 2018 are as follows:

	As previously reported RM'000	Effects of adoption MFRS 9 RM'000	Effects of adoption MFRS 15 RM'000	As restated RM'000
<u>Increase/(decrease):</u>				
Available-for-sale reserve	6,641	(6,641)	-	-
Retained earnings	736,400	115,457	-	851,857
Fair value through other comprehensive income reserve	-	(108,816)	-	(108,816)

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 2018 except for the following:

(i) Included under other expenses in the consolidated statement of profit or loss is:

	Current Quarter ended 31/12/18 RM'000	Financial Period ended 31/12/18 RM'000
Amortisation of intangible assets	<u>(275)</u>	<u>(550)</u>

(b) There were no material changes in estimates of amounts reported in the current financial quarter and period ended 31 December 2018.

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 2018.

In addition, none of the outstanding Warrants 2018/2023 were exercised in the period ended 31 December 2018.

A6 The Company did not pay any dividend in the financial period ended 31 December 2018.

NOTES (CONTINUED)

A7 Segmental information for the financial period ended 31 December 2018:

	External	Inter -	Total
	RM '000	segment	RM '000
		RM '000	
REVENUE			
Property development and investment	76,529	-	76,529
Gaming and related activities	53,289	1,022	54,311
Hotel, recreation and others	23,242	-	23,242
Elimination : Intersegment revenue	-	(1,022)	(1,022)
Total revenue	<u>153,060</u>	<u>-</u>	<u>153,060</u>
RESULTS			RM '000
Property development and investment			37,627
Gaming and related activities			455
Hotel, recreation and others			<u>(5,082)</u>
			33,000
Unallocated corporate expenses			<u>(7,118)</u>
Profit from operations			25,882
Other income			
- property development and investment			3,137
- gaming and related activities			2,100
- hotel and recreation			388
- unallocated			1,972
			<u>7,597</u>
			33,479
Other expenses			
- property development and investment			(51)
- gaming and related activities			(550)
- unallocated			(1,027)
			<u>(1,628)</u>
			31,851
Share of results after tax from associated company			1,646
Share of results after tax from joint ventures			(239)
Finance costs			<u>(33,678)</u>
Loss before tax			(420)
Taxation			<u>(2,750)</u>
Loss for the period			<u><u>(3,170)</u></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 2018 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.
- A11 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2018.
- A12 There are no changes in capital commitments since the last audited statement of financial position as at 30 June 2018 as follows:

	At 31/12/18 RM'000	At 30/06/18 RM'000
Capital expenditure approved and contracted for	40,931	40,931
Proposed acquisition of remaining 50% equity interest in Megaquest Sdn Bhd	97,600	97,600
	<u>138,531</u>	<u>138,531</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 Café's restaurants. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Property development and investment

- demographic of population, location of the properties, costs of building materials and related services, lending guidelines and interests 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.

NFO in Sarawak

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

The summary results of the Group are as follows:

	3-Month Ended			6-Month Ended		
	31/12/2018	31/12/2017	+ /(-)	31/12/2018	31/12/2017	+ /(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	79,205	107,715	(26)	153,060	187,648	(18)
Profit from operations	13,260	125	10,508	25,882	17,242	50
Loss before tax	(1,063)	(13,211)	(92)	(420)	(16,987)	(98)

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B1 Review of group performance (Contd)**For the Quarter

The Group registered revenue of RM79.2 million and pre-tax loss of RM1.1 million in the current quarter ended 31 December 2018 as compared to revenue of RM107.7 million and pre-tax loss of RM13.2 million reported in the previous year corresponding quarter. The lower Group revenue was mainly due to the gaming business segment operated by Natural Avenue Sdn Bhd ("NASB") reported lower revenue from having one draw less. The property development and property investment business segment reported slightly lower revenue due to lower rental income and the hotel and recreation business segment reported lower revenue due to lower occupancy rate achieved.

The Group revenue in previous year corresponding quarter was also higher mainly due to the one-off disposal of several parcels of land amounting to RM26.1 million. Subsequently in the ensuing quarters of the previous year, this disposal was reversed due to non-fulfilment of certain condition precedent in the sales and purchase agreement.

The Group reported a lower pre-tax loss in the current quarter under review mainly due to:

- (i) higher contribution from property development and property investment business segment arising from lower operating expenditure (despite lower revenue); and
- (ii) higher share of results from associated company.

These have mitigated the correspondingly lower profit contribution from the gaming business segment arising from higher prize payout and lower profit contribution from the hotel and recreation business segment arising from lower occupancy rate.

For the 6-month period

For the cumulative six months ended 31 December 2018, the Group registered a revenue of RM153.1 million and pre-tax loss of RM0.4 million as compared to a revenue of RM187.6 million and pre-tax loss of RM17.0 million reported in the preceding year corresponding period. The drop in revenue was mainly due to the same factors mentioned in the aforesaid paragraph under the commentary for the current quarter's results.

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

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**
B2 Second Quarter vs Preceding First Quarter

	3-Month Ended		
	31/12/18	30/09/18	+ / (-)
	RM'000	RM'000	%
Revenue	79,205	73,855	7
Profit from operations	13,260	12,622	5
(Loss)/Profit before tax	(1,063)	643	(265)

For the current quarter under review, the Group registered a revenue of RM79.2 million which was higher compared to the revenue of RM73.9 million in the preceding quarter ended 30 September 2018. The Group reported pre-tax loss of RM1.1 million as compared to pre-tax profit of RM0.6 million reported for the preceding quarter.

For the current quarter, the gaming, property development and investment and hotel and recreation business segments have reported higher revenue mainly due to higher revenue per draw, higher rental income and higher occupancy rates respectively.

The Group reported loss before tax in the current quarter under review mainly due to lower profit contribution from:

- (i) the gaming business segment arising from higher prize payout (despite higher revenue); and
- (ii) unfavourable foreign currency translation effect.

The above factors were partly mitigated by the lower operating expenditure incurred by property development and investment business segment and hotel and recreation business segments.

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 to maintain their occupancy rates and market share respectively going forward. The Directors envisage that the operating performance of the Group for the remaining quarters in the financial year ending 30 June 2019 will be challenging.

- B4 There is no profit forecast or profit guarantee for the financial quarter and period ended 31 December 2018.

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

B5 The income tax expenses for the financial quarter and period ended 31 December 2018 are detailed as follows:

	Current Quarter ended 31/12/18 RM'000	Financial Period ended 31/12/18 RM'000
Malaysian taxation:		
Current period provision	1,349	2,603
Over provision of additional taxes in prior years	(2)	(2)
Deferred tax	(41)	(83)
Withholding tax	114	232
	<u>1,420</u>	<u>2,750</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 December 2018 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").

On 8 May 2018, BWSB has entered into a supplemental agreement with KMSB for the inclusion of the payment of the development returns of RM13.5 million as well as to extend the completion date of the KMSB SPA to 9 April 2019. Upon completion of the KMSB SPA, BWSB will hold a 99-year leasehold land instead of lease interest over the land.

(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.

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

B7 The Group borrowings as at 31 December 2018 are as follows:

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	141,603
- Denominated in GBP (£1,500,000) *	7,880
	149,483
Long term bank borrowings	
- Denominated in Ringgit Malaysia	388,864
- Denominated in GBP (£27,049,000) *	142,093
	530,957
Senior medium term notes	157,992
Total borrowings	838,432

* *Converted at the exchange rate prevailing as at 31 December 2018.*

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 40 of the audited financial statements of the Group for the year ended 30 June 2018.

The next case management date at Kuala Lumpur High Court ("KL High Court") is on 17 June 2019 to update the Court on the progress of the case at Special Commissioners of the Income Tax ("SCIT").

The hearing date at SCIT had been fixed from 11 August 2021 to 13 August 2021.

Other than the RM180.7 million tax in dispute, the IRB had recently issued an additional tax assessment of RM69.6 million to Berjaya Times Square Sdn Bhd ("BTSSB") for YA 2015 and YA 2016. Consequently, BTSSB had made an application for judicial review at the KL High Court to apply for leave and stay order against the aforesaid additional tax assessments. The hearing date of the judicial review was adjourned to 27 February 2019. At this juncture, BTSSB was granted an interim stay till then. BTSSB had also filed an official appeal against the additional assessments for the said years of assessment through submission of the prescribed appeal Form Q to the SCIT.

The above litigations are still on-going.

B9 The Board does not recommend any dividend in the current quarter (previous year ended 31 December 2017 : Nil).

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

B10 The loss per share is calculated by dividing loss attributable to owners of the Parent by the weighted average number of ordinary shares in issue:

	<u>Current Quarter Ended</u>			
	31/12/18 RM'000	31/12/17 RM'000	31/12/18 Sen	31/12/17 Sen
Loss for the quarter	<u>(1,514)</u>	<u>(14,526)</u>		
Weighted average number of ordinary shares ('000)	<u>2,502,656</u>	<u>2,521,097</u>		
Basic loss per share			<u>(0.06)</u>	<u>(0.58)</u>

	<u>6-Month Ended</u>			
	31/12/18 RM'000	31/12/17 RM'000	31/12/18 Sen	31/12/17 Sen
Loss for the period	<u>(1,814)</u>	<u>(19,382)</u>		
Weighted average number of ordinary shares ('000)	<u>2,502,656</u>	<u>2,494,560</u>		
Basic loss per share			<u>(0.07)</u>	<u>(0.78)</u>

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

	<u>Current Quarter Ended</u>			
	31/12/18 RM'000	31/12/17 RM'000	31/12/18 Sen	31/12/17 Sen
Loss for the quarter	<u>(1,514)</u>	<u>(14,526)</u>		
Weighted average number of ordinary shares ('000)	<u>2,502,656</u>	<u>2,539,607</u>		
Basic loss per share			<u>- #</u>	<u>(0.57)</u>

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

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

	<u>6-Month Ended</u>			
	31/12/18	31/12/17	31/12/18	31/12/17
	RM'000	RM'000	Sen	Sen
Loss for the period	<u>(1,814)</u>	<u>(19,382)</u>		
Weighted average number of ordinary shares ('000)	<u>2,502,656</u>	<u>2,513,070</u>		
Basic loss per share			<u>- #</u>	<u>(0.77)</u>

No diluted loss per share is presented for the financial quarter and period ended 31 December 2018 as the computation based on the outstanding warrants would have an anti-dilutive effect.

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

	Current Quarter ended 31/12/18 RM'000	Financial Period ended 31/12/18 RM'000
Interest income	(1,160)	(1,777)
Dividend income	(725)	(1,217)
Other income excluding dividend and interest income	(1,143)	(3,804)
Depreciation of property, plant and equipment	4,050	7,948
Amortisation of intangible assets	<u>783</u>	<u>1,058</u>