

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

25 May 2017

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 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 - 11
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	12 - 18

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

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

	<u>Group</u>	
	As at 31/03/17	As at 30/06/16
	RM'000	(Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	278,778	286,150
Investment properties	2,500,051	2,465,298
Land held for development	97,985	97,772
Joint ventures	16,200	16,379
Investments	154,704	168,785
Intangible assets	95,690	96,640
	<u>3,143,408</u>	<u>3,131,024</u>
CURRENT ASSETS		
Inventories	196,244	196,292
Receivables	39,987	37,817
Tax recoverable	38	43
Deposits with licensed banks	23,229	40,564
Cash and bank balances	44,995	36,791
	<u>304,493</u>	<u>311,507</u>
TOTAL ASSETS	<u>3,447,901</u>	<u>3,442,531</u>
EQUITY		
Share capital	1,372,027	1,113,042
Share premium	-	258,985
Reserves :		
Foreign currency translation reserve	10,466	7,558
Available-for-sale ("AFS") reserve	30,783	30,481
Retained earnings	806,348	780,798
	<u>847,597</u>	<u>818,837</u>
Equity attributable to owners of the parent	2,219,624	2,190,864
Non-controlling interests	9,351	9,175
Total equity	<u>2,228,975</u>	<u>2,200,039</u>
NON-CURRENT LIABILITIES		
Long term bank borrowings	601,821	572,125
Senior bonds	119,525	119,338
Hire purchase liabilities	1,341	1,059
Other long term liabilities	209,980	175,396
Deferred tax liabilities	75,730	75,855
	<u>1,008,397</u>	<u>943,773</u>

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

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

	Group	
	As at 31/03/17	As at 30/06/16
	RM'000	(Audited) RM'000
CURRENT LIABILITIES		
Payables	130,866	127,874
Short term bank borrowings	33,763	118,993
Senior bonds	39,974	39,896
Hire purchase liabilities	491	303
Tax payable	5,435	11,653
	<u>210,529</u>	<u>298,719</u>
Total liabilities	<u>1,218,926</u>	<u>1,242,492</u>
TOTAL EQUITY AND LIABILITIES	<u>3,447,901</u>	<u>3,442,531</u>
<i>Net assets per share attributable to ordinary owners of the parent (sen)</i>	<i>199</i>	<i>197</i>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2016.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

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

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/03/17 RM'000	31/03/16 RM'000	31/03/17 RM'000	31/03/16 RM'000
Revenue		87,162	97,771	270,533	288,765
Operating expenses		(67,473)	(77,275)	(206,167)	(219,890)
Profit from operations		19,689	20,496	64,366	68,875
Other income	A4	29,552	1,013	34,884	16,566
Other expenses	A4	(7,551)	(6,967)	(19,695)	(21,999)
Share of results from joint ventures		(162)	(96)	(220)	(426)
Finance costs		(17,345)	(14,479)	(48,987)	(38,205)
Profit/(Loss) before tax		24,183	(33)	30,348	24,811
Taxation	B5	155,571	(1,846)	(4,810)	(7,354)
Profit/(Loss) net of tax		179,754	(1,879)	25,538	17,457
Attributable to:					
- Owners of the Parent		179,871	(2,539)	25,550	11,085
- Non-controlling interests		(117)	660	(12)	6,372
		179,754	(1,879)	25,538	17,457
Earnings/(Loss) per share (sen):					
Basic	B10	16.16	(0.23)	2.30	1.00
Diluted	B10	N/A	N/A	N/A	N/A

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 2016.

BERJAYA ASSETS BERHAD

(COMPANY NO: 3907-W)

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

	CURRENT QUARTER		FINANCIAL PERIOD	
	ENDED		ENDED	
	31/03/17	31/03/16	31/03/17	31/03/16
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax	179,754	(1,879)	25,538	17,457
<u>Other comprehensive income</u>				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net gain/(loss) on available-for-sale investments:				
- Gain on fair value changes	325	2,863	302	12,566
- Transfer to profit or loss upon disposal	-	-	-	(790)
Currency translation difference	859	(6,125)	3,096	(114)
Total comprehensive income	<u>180,938</u>	<u>(5,141)</u>	<u>28,936</u>	<u>29,119</u>
Attributable to:				
- Owners of the Parent	181,040	(5,801)	28,760	22,003
- Non-controlling interests	(102)	660	176	7,116
	<u>180,938</u>	<u>(5,141)</u>	<u>28,936</u>	<u>29,119</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 2016.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2017
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	Share Premium RM'000	AFS Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity Funds RM'000		
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	-	-	302	2,908	25,550	28,760	176	28,936
Transfer pursuant to S618(2) of CA 2016 ^	258,985	(258,985)	-	-	-	-	-	-
At 31 March 2017	<u>1,372,027</u>	<u>-</u>	<u>30,783</u>	<u>10,466</u>	<u>806,348</u>	<u>2,219,624</u>	<u>9,351</u>	<u>2,228,975</u>
At 1 July 2015	1,113,042	258,985	25,416	7,178	708,901	2,113,522	416,711	2,530,233
Total comprehensive income	-	-	11,070	(152)	11,085	22,003	7,116	29,119
Transactions with owners:								
Final dividend #	-	-	-	-	(11,130)	(11,130)	-	(11,130)
Non-controlling interests share of dividend	-	-	-	-	-	-	(28,255)	(28,255)
Acquisition of remaining equity interest in a subsidiary company	-	-	(1,189)	82	137,149	136,042	(386,042)	(250,000)
At 31 March 2016	<u>1,113,042</u>	<u>258,985</u>	<u>35,297</u>	<u>7,108</u>	<u>846,005</u>	<u>2,260,437</u>	<u>9,530</u>	<u>2,269,967</u>

In respect of financial year ended 30 June 2015

^ The credit balance of share premium account became part of share capital effective 31 January 2017 pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"). The number of issued and paid up ordinary shares amounting to 1,113,041,559 ordinary shares remained unchanged.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

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

	FINANCIAL PERIOD	
	ENDED	
	31/03/17	31/03/16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	279,349	300,591
Payments for operating expenses (including taxes)	(231,686)	(239,021)
Other (payments)/receipts	(6,584)	112
Net cash generated from operating activities	<u>41,079</u>	<u>61,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of other investments	-	1,205
Sales of plant and machinery	11	1
Sales of properties	-	7,000
Acquisition of plant and machinery	(1,278)	(3,734)
Additions to land held for development	(213)	(28)
Additions to investment properties	(1,387)	(3,113)
Subscription of RPS in a joint venture	-	(3,000)
Acquisition of remaining equity interest in a subsidiary company	-	(250,000)
Acquisition of investments	(800)	-
Interest received	1,160	2,065
Dividend received	183	1,626
Other payments arising on investing activities	(5,400)	-
Net cash used in investing activities	<u>(7,724)</u>	<u>(247,978)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	492,029	271,243
Repayment of borrowings and loans	(498,469)	(62,211)
Dividend paid to shareholders of the Company	-	(11,130)
Dividend paid to non-controlling interests of a subsidiary company	-	(3,255)
Interest paid	(36,129)	(32,022)
Payment of hire purchase liabilities (Placements in banks)/Withdrawal	(327)	(79)
from banks as security pledged for borrowings	(22,918)	24,299
Other receipts	199	165
Net cash (used in)/generated from financing activities	<u>(65,615)</u>	<u>187,010</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(32,260)	714
EFFECTS OF EXCHANGE RATE CHANGES	42	(501)
OPENING CASH AND CASH EQUIVALENTS	42,130	16,188
CLOSING CASH AND CASH EQUIVALENTS	<u>9,912</u>	<u>16,401</u>
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	23,229	42,754
Cash and bank balances	44,995	22,358
	<u>68,224</u>	<u>65,112</u>
Less:		
Bank overdrafts	(9,969)	(9,943)
Cash and cash equivalent restricted in usage	(48,343)	(38,768)
	<u>9,912</u>	<u>16,401</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2016.

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") that became effective 31 January 2017 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2016, 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 2016.

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 2016.

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 2016.

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.

NOTES (CONTINUED)

- 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 March 2017 except for the following:

	Current Quarter ended 31/03/17 RM'000	Financial Period ended 31/03/17 RM'000
Amortisation of intangible assets	(276)	(827)
Impairment in value of AFS quoted investments	(6,409)	(16,230)
Fair value changes in investment properties	28,000	28,000
	<u>21,315</u>	<u>10,943</u>

- b) There were no material changes in estimates of amounts reported in the current financial quarter ended 31 March 2017, other than the reversal of provision for taxes in dispute as disclosed in Notes A11, B5 and B8.

- 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 March 2017. In addition, none of the outstanding 415,982,348 Warrants 2008/2018 were exercised in the financial period ended 31 March 2017.

As at 31 March 2017, the paid up ordinary share capital of the Company was RM1,372,027,000.

The movement in the paid up share capital during the financial period were as follows:

<u>Paid up share capital</u>	Number of ordinary shares	RM'000
As at 1 July 2016	1,113,042	1,113,042
Transfer pursuant to S618(2) of CA 2016	-	258,985
As at 31 March 2017	<u>1,113,042</u>	<u>1,372,027</u>

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

NOTES (CONTINUED)

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

	External RM '000	Inter - segment RM '000	Total RM '000
<u>REVENUE</u>			
Property development and investment	118,774	-	118,774
Gaming and related activities	120,149	2,319	122,468
Hotel and recreation	31,610	-	31,610
Elimination : Intersegment revenue	-	(2,319)	(2,319)
Total revenue	<u>270,533</u>	<u>-</u>	<u>270,533</u>
<u>RESULTS</u>			RM '000
Property development and investment			64,498
Gaming and related activities			7,539
Hotel and recreation			<u>(6,210)</u>
			65,827
Unallocated corporate expenses			<u>(1,461)</u>
Profit from operations			64,366
Other income			
- property development and investment			31,146
- gaming and related activities			2,223
- hotel and recreation			192
- unallocated			1,323
			<u>34,884</u>
			99,250
Other expenses			
- property development and investment			(827)
- gaming and related activities			(16,240)
- hotel and recreation			(9)
- unallocated			(2,619)
			<u>(19,695)</u>
			79,555
Share of results after tax from joint ventures			(220)
Finance costs			<u>(48,987)</u>
Profit before tax			30,348
Taxation			(4,810)
Profit for the period			<u>25,538</u>

NOTES (CONTINUED)

- A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report except for the valuation of certain investment properties which increased by RM28 million to RM228 million at 31 March 2017, as measured by independent professional valuers.
- 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 March 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the acquisition of 100% equity interest comprising 2 ordinary shares of RM1.00 each in Fasa Budaya Sdn Bhd ("FBSB") for a total cash consideration of RM1,840. FBSB 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 2016 other than as explained below.

Further to Note 35 of the audited financial statements for the financial year ended 30 June 2016, the Inland Revenue Board ("IRB") did not accede to the application for deferment of payment of the additional taxes from Berjaya Times Square Sdn Bhd ("BTSSB"). As such, the total additional taxes amounting to RM156.47 million were accrued as provision for taxes in dispute in the quarterly report for the first quarter ended 30 September 2016.

As disclosed in Note B8 below, the IRB then commenced civil proceedings against BTSSB for the disputed additional tax assessments with further penalties aggregating to RM180.73 million. BTSSB filed an application for a stay of civil proceedings to Kuala Lumpur High Court of Malaya ("High Court"). Subsequently on 3 April 2017, the presiding High Court judge granted an order for a stay of civil proceedings in favour of BTSSB, pending the full and final determination of the tax appeal case of BTSSB before the Special Commissioners of Income Tax ("SCIT").

Upon the granting of stay of civil proceedings in favour of BTSSB, the amount of additional tax assessments amounting to RM156.47 million which was previously accrued for as provision for taxes in dispute is now treated to be contingent upon the full and final determination of the tax appeal case by the SCIT. As such, the tax provision accrued for in the first financial quarter ended 30 September 2016 is now reversed in the current financial quarter ended 31 March 2017 under review.

NOTES (CONTINUED)

The taxes in dispute of BTSSB totalling RM180.73 million (inclusive of tax penalties) is now disclosed as contingent liabilities in this quarterly report for the financial period ended 31 March 2017.

A12 The changes in capital commitments since the last audited statement of financial position as at 30 June 2016 are as follows:

	At 31/03/17 RM'000	At 30/06/16 RM'000
Capital expenditure approved and contracted for	27,431	27,431
Proposed acquisition of 100% equity interest in Oriental Assemblers Sdn Bhd	29,250	29,250
Proposed acquisition of remaining 50% equity interest in Megaquest Sdn Bhd	102,600	108,000
	<u>159,281</u>	<u>164,681</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B1 For the Quarter**

The Group registered revenue of RM87.2 million and pre-tax profit of RM24.2 million in the current quarter ended 31 March 2017 as compared to revenue of RM97.8 million and pre-tax loss of RM0.03 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") which continued to be impacted by rampant illegal gaming activities that resulted in 29% drop in revenue. This was partly mitigated by higher revenue reported from property development and property investment business segment from higher rental income and revenue generated from jetty operations. The hotel and recreation business segment also reported higher revenue arising from higher occupancy rates, higher income from the theme park operations arising from higher ticket sales. Greyhound Cafe restaurant reported higher food and beverage revenue from the full three-month period operations as compared to one-month reported in the previous corresponding quarter.

The Group registered higher pre-tax profit in the current quarter under review mainly due to favourable fair value changes of investment properties amounting to RM28.0 million. NASB reported lower profit arising from lower revenue and higher prize payout. The property development and property investment business segment also reported lower profit contribution due to higher finance costs incurred during the current quarter as compared to preceding year corresponding quarter.

For the 9-month period

For the cumulative nine months ended 31 March 2017, the Group registered revenue of RM270.5 million and pre-tax profit of RM30.3 million as compared to revenue of RM288.8 million and pre-tax profit of RM24.8 million reported in the preceding year corresponding period. The drop in revenue and improved pre-tax profit were mainly due to the same factors mentioned in the aforesaid paragraphs under the commentary for the quarter's results.

B2 Third Quarter vs Preceding Second Quarter

For the current quarter under review, the Group registered a lower revenue of RM87.2 million as compared to the revenue of RM91.5 million in the preceding quarter ended 31 December 2016. Despite the lower revenue, pre-tax profit was higher at RM24.2 million for the current quarter as compared to pre-tax profit of RM6.8 million reported in the preceding quarter.

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

The lower group revenue for the quarter under review was mainly attributed to the lower revenue reported by NASB arising from lower number of draws in the quarter under review as compared to the preceding quarter. The hotel and recreation business segment also reported lower revenue arising from lower occupancy rates and lower theme park ticket sales. This business segment reported higher revenue in the preceding quarter due to school holidays and festive periods. However, these were partly mitigated by higher revenue from the property development and investment business segment contributed by higher rental and jetty income.

The higher pre-tax profit for the current quarter under review was mainly due to favourable fair value changes of investment properties. This has mitigated the lower profit contribution reported by NASB arising from lower revenue and higher prize payout. The property development and property investment business segment also reported lower profit contribution from higher finance costs incurred for the current quarter as compared to the preceding quarter.

B3 Future Prospects

Given the current 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 quarter in financial year ending 30 June 2017 will be challenging.

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

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

B5 The taxation for the financial quarter and period ended 31 March 2017 are detailed as follows:

	Current Quarter ended 31/03/17 RM'000	Financial Period ended 31/03/17 RM'000
Malaysian taxation:		
Current period provision	893	4,745
Reversal of provision for taxes in dispute	(156,478)	-
Over provision of additional taxes in prior years	(14)	(17)
Deferred tax	(41)	(125)
Withholding tax	69	207
	<u>(155,571)</u>	<u>4,810</u>

The disproportionate taxation of the Group for the financial quarter and period ended 31 March 2017 was mainly due to certain income not being subjected to income tax and availability of unused tax losses, unabsorbed capital allowances and the reversal of substantial provision for taxes in dispute.

The reversal of substantial provision for taxes in dispute was accounted for after the Kuala Lumpur High Court of Malaya granted BTSSB a stay of civil proceedings for the disputed taxes pending the full and final determination of the tax appeal case by SCIT as explained in Notes A11 and B8.

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.

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

- (b) On 21 June 2016, Aroma Kiara Sdn Bhd, a wholly-owned subsidiary company of the Company entered into a Share Purchase Agreement with Oriental Holdings Berhad, Oriental Rubber & Palm Oil Sdn Berhad, Dato' Syed Mohamad Bin Syed Murtaza, and Dato' Seri Haji Md Isahak Bin Md. Yusuf to acquire 100% equity interest in Oriental Assemblers Sdn Bhd for a total cash consideration of RM32.5 million ("Proposed Acquisition").

On 6 January 2017, the Company announced that the Share Purchase Agreement is now unconditional upon the receipt of the approval from the Ministry of International Trade and Industry for the Proposed Acquisition on 29 December 2016 and hence, the balance of cash consideration amounting to RM29.25 million being 90% of the consideration will be settled pursuant to the terms of the Share Purchase Agreement.

- (c) 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.
- (d) 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 March 2017 are as follows:

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	33,763
Long term bank borrowings	
- Denominated in Ringgit Malaysia	419,528
- Denominated in GBP (£33,000,000) *	182,293
	601,821
Senior bonds	159,499
Total borrowings	<u>795,083</u>

* *Converted at the exchange rate prevailing as at 31 March 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.

Further to note 35 of the audited financial statements for the financial year ended 30 June 2016, the Inland Revenue Board ("IRB") did not accede to the application for deferment of payment of the additional taxes from BTSSB.

BTSSB submitted to the IRB an instalment plan for payment of the additional taxes raised whilst challenging the disputed tax amount raised with the Dispute Resolution Proceedings Committee ("DRP") of IRB. At the DRP held, IRB had put forth a conditional settlement proposal that BTSSB was then deliberating.

Notwithstanding the then ongoing deliberation by BTSSB, the IRB served a Notification of Civil Proceedings to BTSSB, informing BTSSB that it has commenced civil proceedings against BTSSB for the disputed additional tax assessments with further penalties aggregating to RM180.73 million. Consequently, BTSSB filed an application for a stay of civil proceedings to Kuala Lumpur High Court of Malaya ("High Court").

On 8 February 2017, BTSSB was informed by the IRB vide letter dated 1 February 2017, that the Forms Q tax appeal filed by BTSSB, has been referred to the Special Commissioners of Income Tax ("SCIT") for a determination. The next mention date of the tax appeal case before the SCIT has been fixed on 6 July 2017.

At the first High Court hearing on the application for a stay of civil proceedings on 17 February 2017, the presiding High Court judge adjourned the hearing to 22 February 2017 for a mention before the judge to enable the IRB's lawyer to update the High Court on BTSSB's request for an interim stay of civil proceedings pending further filing of additional affidavit by the IRB and the subsequent written submissions from both parties.

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

The High Court hearing date was subsequently held on 3 April 2017 and the presiding High Court judge granted an order for a stay of civil proceedings in favour of BTSSB, pending the full and final determination of the tax appeal case of BTSSB by the SCIT. The next High Court hearing has been fixed on 31 July 2017 for a mention before the judge to enable both parties to update the High Court on tax appeal case before the SCIT. On 25 April 2017, the IRB filed to the Putrajaya Court of Appeal of Malaysia, a notice of appeal to challenge the stay of civil proceedings granted by the High Court in favour of BTSSB.

The above litigations are still on-going.

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

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

	<u>Current Quarter Ended</u>			
	31/03/17	31/03/16	31/03/17	31/03/16
	RM'000	RM'000	Sen	Sen
Profit/(Loss) for the quarter	<u>179,871</u>	<u>(2,539)</u>		
Weighted average number of ordinary shares ('000)	<u>1,113,042</u>	<u>1,113,042</u>		
Basic earnings/(loss) per share			<u>16.16</u>	<u>(0.23)</u>
	<u>Financial Period Ended</u>			
	31/03/17	31/03/16	31/03/17	31/03/16
	RM'000	RM'000	Sen	Sen
Profit for the period	<u>25,550</u>	<u>11,085</u>		
Weighted average number of ordinary shares ('000)	<u>1,113,042</u>	<u>1,113,042</u>		
Basic earnings per share			<u>2.30</u>	<u>1.00</u>

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

No diluted earnings/(loss) per share is presented for the current financial quarter and period ended 31 March 2017 as the computation based on the outstanding warrants would have an antidilutive effect.

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

	Current Quarter ended 31/03/17 RM'000	Financial Period ended 31/03/17 RM'000
Interest income	(232)	(1,291)
Dividend income	(63)	(1,541)
Other income excluding dividend and interest income	(1,127)	(2,799)
Fair value changes in investment properties	(28,000)	(28,000)
Depreciation of property, plant and equipment	3,142	9,423
Amortisation of intangible assets	276	827
Impairment in value of AFS quoted investments	6,409	16,230
Unrealised foreign exchange loss	736	1,385
Gain or loss on derivatives	N/A	N/A

N/A denotes Not Applicable

B12 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31/03/17 RM'000	As at 30/06/2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	431,974	402,484
- unrealised	789,887	790,012
	<u>1,221,861</u>	<u>1,192,496</u>
Less: Consolidation adjustments	(415,513)	(411,698)
Total group retained earnings as per financial statements	<u>806,348</u>	<u>780,798</u>

cc: Securities Commission