

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

24 August 2017

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 30 JUNE 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 - 12
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	13 - 20

**BERJAYA ASSETS BERHAD**

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Group</u>	
	As at 30/06/17	As at 30/06/16
	RM'000	(Audited) RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	309,246	286,150
Investment properties	2,508,166	2,465,298
Land held for development	99,197	97,772
Joint ventures	15,048	16,379
Investments	187,641	168,785
Intangible assets	57,584	96,640
	<u>3,176,882</u>	<u>3,131,024</u>
<b>CURRENT ASSETS</b>		
Inventories	196,948	196,292
Receivables	40,986	37,817
Tax recoverable	179	43
Deposits with licensed banks	58,236	40,564
Cash and bank balances	30,976	36,791
	<u>327,325</u>	<u>311,507</u>
<b>TOTAL ASSETS</b>	<u>3,504,207</u>	<u>3,442,531</u>
<b>EQUITY</b>		
Share capital	1,447,277	1,113,042
Share premium	-	258,985
Reserves :		
Foreign currency translation reserve	10,068	7,558
Available-for-sale ("AFS") reserve	15,949	30,481
Retained earnings	769,683	780,798
	<u>795,700</u>	<u>818,837</u>
Equity attributable to owners of the parent	2,242,977	2,190,864
Non-controlling interests	8,672	9,175
<b>Total equity</b>	<u>2,251,649</u>	<u>2,200,039</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term bank borrowings	612,924	572,125
Senior bonds	119,514	119,338
Hire purchase liabilities	1,215	1,059
Other long term liabilities	193,810	175,396
Deferred tax liabilities	96,029	75,855
	<u>1,023,492</u>	<u>943,773</u>

**BERJAYA ASSETS BERHAD**

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<b>Group</b>	
	<b>As at 30/06/17</b>	<b>As at 30/06/16</b>
	<b>RM'000</b>	<b>(Audited) RM'000</b>
<b>CURRENT LIABILITIES</b>		
Payables	119,639	127,874
Short term bank borrowings	64,322	118,993
Senior bonds	39,911	39,896
Hire purchase liabilities	496	303
Tax payable	4,698	11,653
	<u>229,066</u>	<u>298,719</u>
<b>Total liabilities</b>	<u>1,252,558</u>	<u>1,242,492</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,504,207</u>	<u>3,442,531</u>
<i>Net assets per share attributable to ordinary owners of the parent (sen)</i>	<i>189</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 30 JUNE 2017  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
		30/06/17 RM'000	30/06/16 RM'000	30/06/17 RM'000	30/06/16 RM'000
Revenue		85,825	98,327	356,358	387,092
Operating expenses		(66,882)	(73,779)	(273,049)	(294,779)
Profit from operations		18,943	24,548	83,309	92,313
Other income	A4	28,344	4,343	63,228	14,687
Other expenses	A4	(48,626)	(66,134)	(68,321)	(80,202)
Share of results from joint ventures		(1,185)	(361)	(1,405)	(791)
Finance costs		(19,611)	(15,401)	(68,598)	(53,606)
(Loss)/Profit before tax		(22,135)	(53,005)	8,213	(27,599)
Taxation	B5	(15,298)	(11,785)	(20,108)	(19,135)
Loss net of tax		(37,433)	(64,790)	(11,895)	(46,734)
Attributable to:					
- Owners of the Parent		(36,665)	(65,751)	(11,115)	(54,122)
- Non-controlling interests		(768)	961	(780)	7,388
		(37,433)	(64,790)	(11,895)	(46,734)
Loss per share (sen):					
Basic	B10	(3.20)	(5.91)	(0.99)	(4.86)
Diluted	B10	(3.07)	(5.91)	(0.99)	(4.86)

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 30 JUNE 2017  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

	<b>CURRENT QUARTER ENDED</b>		<b>FINANCIAL YEAR ENDED</b>	
	<b>30/06/17 RM'000</b>	<b>30/06/16 RM'000</b>	<b>30/06/17 RM'000</b>	<b>30/06/16 RM'000</b>
Loss net of tax	(37,433)	(64,790)	(11,895)	(46,734)
<u>Other comprehensive income</u> <u>Items that may be subsequently reclassified to</u> <u>profit or loss</u>				
Net (loss)/gain on available-for-sale investments:				
- Gain on fair value changes	(13,633)	(4,816)	(13,331)	7,750
- Transfer to profit or loss upon disposal	(1,201)	-	(1,201)	(790)
Currency translation difference	(309)	(501)	2,787	(615)
Total comprehensive income	<u>(52,576)</u>	<u>(70,107)</u>	<u>(23,640)</u>	<u>(40,389)</u>
Attributable to:				
- Owners of the Parent	(51,795)	(70,123)	(23,137)	(47,570)
- Non-controlling interests	(781)	16	(503)	7,181
	<u>(52,576)</u>	<u>(70,107)</u>	<u>(23,640)</u>	<u>(40,389)</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 30 JUNE 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	-	-	(14,532)	2,510	(11,115)	(23,137)	(503)	(23,640)
Transactions with owners:								
Issued pursuant to warrants exercised	75,250	-	-	-	-	75,250	-	75,250
Transfer pursuant to S618(2) of CA 2016 ^	258,985	(258,985)	-	-	-	-	-	-
At 30 June 2017	<u>1,447,277</u>	<u>-</u>	<u>15,949</u>	<u>10,068</u>	<u>769,683</u>	<u>2,242,977</u>	<u>8,672</u>	<u>2,251,649</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	-	-	6,254	298	(54,122)	(47,570)	7,181	(40,389)
Transactions with owners:								
Final dividend #	-	-	-	-	(11,130)	(11,130)	-	(11,130)
Non-controlling interests share of dividend	-	-	-	-	-	-	(28,675)	(28,675)
Acquisition of remaining equity interest in a subsidiary company	-	-	(1,189)	82	137,149	136,042	(386,042)	(250,000)
At 30 June 2016	<u>1,113,042</u>	<u>258,985</u>	<u>30,481</u>	<u>7,558</u>	<u>780,798</u>	<u>2,190,864</u>	<u>9,175</u>	<u>2,200,039</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"). At 30 June 2017, the number of issued and paid up ordinary shares is to 1,188,291,559.

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>FINANCIAL YEAR ENDED</b>	
	<b>30/06/17 RM'000</b>	<b>30/06/16 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from operations	357,679	441,456
Payments for operating expenses (including taxes)	(294,289)	(365,121)
Other (payments)/receipts	(7,173)	4,820
Net cash generated from operating activities	<u>56,217</u>	<u>81,155</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of other investments	7,816	1,205
Sales of plant and machinery	123	1
Sales of properties	-	8,208
Acquisition of plant and machinery	(3,145)	(4,165)
Additions to land held for development	(1,554)	(1,634)
Additions to investment properties	(1,392)	(16,482)
Payment for intangible assets	-	(648)
Subscription of RPS in a joint venture	-	(3,000)
Acquisition of equity interest in subsidiary companies	(26,004)	-
Acquisition of remaining equity interest in a subsidiary company	-	(250,000)
Acquisition of investments	(63,012)	(4,638)
Interest received	2,044	2,865
Dividend received	213	1,666
Other payments arising on investing activities	(5,400)	(5,186)
Net cash used in investing activities	<u>(90,311)</u>	<u>(271,808)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	75,250	-
Drawdown of bank and other borrowings	535,077	453,000
Repayment of borrowings and loans	(502,543)	(186,211)
Dividend paid to shareholders of the Company	-	(11,130)
Dividend paid to non-controlling interests of a subsidiary company	-	(28,675)
Interest paid	(51,635)	(47,432)
Payment of hire purchase liabilities (Placements in banks)/Withdrawal	(467)	(175)
from banks as security pledged for borrowings	(21,963)	37,821
Net cash generated from financing activities	<u>33,719</u>	<u>217,198</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(375)</b>	<b>26,545</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>69</b>	<b>(603)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>42,130</b>	<b>16,188</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>41,824</u></b>	<b><u>42,130</u></b>
 The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	58,236	40,564
Cash and bank balances	30,976	36,791
	<u>89,212</u>	<u>77,355</u>
Less:		
Bank overdrafts	-	(9,800)
Cash and cash equivalent restricted in usage	(47,388)	(25,425)
	<u>41,824</u>	<u>42,130</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 year ended 30 June 2017 except for the following:

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

	Current Quarter ended 30/06/17 RM'000	Financial Year ended 30/06/17 RM'000
Amortisation of intangible assets	(274)	(1,101)
Impairment in value of AFS quoted investments	(8,512)	(24,742)
Impairment of goodwill (see note below)	(38,865)	(38,865)
Gain on disposal of AFS quoted investments	1,201	1,201
Fair value changes in investment properties	5,132	33,132
Finance income - financial liability at amortised cost	19,204	19,204
	<u>(41,318)</u>	<u>(11,171)</u>

Note:

A non-cash impairment loss amounting to RM38,865,000 relating to gaming cash generating unit ("CGU") of the gaming business segment was recognised due to the excess of this CGU's carrying value over its value-in-use as a consequence of the annual impairment assessment review. The gaming business segment was primarily affected by the rampant illegal gaming activities.

(ii) Acquisition of 100% equity interest in Oriental Assemblers Sdn Bhd

The Group completed the acquisition of 100% equity interest in Oriental Assemblers Sdn Bhd for a total cash consideration of RM29.352 million. The acquisition of OASB is regarded as a business combination in accordance with MFRS 3: Business Combinations. The Group is now undertaking a purchase price allocation exercise to identify and measure intangible assets, if any. The goodwill on acquisition of OASB which is now provisionally estimated to be RM1.07 million has been included in the consolidated statement of financial position.

b) There were no material changes in estimates of amounts reported in the current financial quarter ended 30 June 2017, other than the reversal of provision for taxes in dispute as disclosed in Notes A11 and B8.

**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 year ended 30 June 2017 except for the issuance of 75,250,000 new ordinary shares pursuant to the exercise of 75,250,000 Warrants 2008/2018 at an exercise price of RM1.00 per new ordinary share. As at 30 June 2017, the Warrants outstanding of the Company is 340,732,348.

As at 30 June 2017, the paid up share capital of the Company was RM1,447,277,000.

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

<u>Paid up share capital</u>	Number of ordinary shares '000	RM'000
As at 1 July 2016	1,113,042	1,113,042
Issued pursuant to warrants exercised	75,250	75,250
Transfer pursuant to S618(2) of CA 2016	-	258,985
As at 30 June 2017	<u>1,188,292</u>	<u>1,447,277</u>

The CA 2016 which came into effect on 31 January 2017 has abolished the concept of authorised share capital and also the par value of the ordinary shares.

A6 The Company did not pay any dividend in the financial year ended 30 June 2017.

A7 Segmental information for the financial year ended 30 June 2017:

<u>REVENUE</u>	External RM '000	Inter - segment RM '000	Total RM '000
Property development and investment	165,075	-	165,075
Gaming and related activities	150,077	2,898	152,975
Hotel and recreation	41,206	-	41,206
Elimination : Intersegment revenue	-	(2,898)	(2,898)
Total revenue	<u>356,358</u>	<u>-</u>	<u>356,358</u>

**NOTES (CONTINUED)**

A7 Segmental information for the financial year ended 30 June 2017 (Contd.):

<u>RESULTS</u>	RM '000
Property development and investment	90,831
Gaming and related activities	8,080
Hotel and recreation	(6,765)
	<u>92,146</u>
Unallocated corporate expenses	(8,837)
Profit from operations	<u>83,309</u>
Other income	
- property development and investment	56,976
- gaming and related activities	4,074
- hotel and recreation	232
- unallocated	1,946
	<u>63,228</u>
	146,537
Other expenses	
- property development and investment	(2,398)
- gaming and related activities	(25,039)
- hotel and recreation	(24)
- unallocated	(40,860)
	<u>(68,321)</u>
	78,216
Share of results after tax from joint ventures	(1,405)
Finance costs	(68,598)
Loss before tax	8,213
Taxation	(20,108)
Loss for the year	<u><u>(11,895)</u></u>

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 RM33.1 million to RM1.95 billion at 30 June 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.

**NOTES (CONTINUED)**

A10 There were no material changes in the composition of the Group for the financial year ended 30 June 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- a) 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;
- b) the acquisition of 100% equity interest comprising 1 ordinary share of RM1.00 each in Ascend ASAP Sdn Bhd ("AASB") (formerly known as Gaya Mustika Sdn Bhd) for a total cash consideration of RM1,640. AASB is currently dormant and the intended principal activity is investment holding; and
- c) the acquisition of 100% equity interest comprising 36.0 million ordinary shares of RM1.00 each in Oriental Assemblers Sdn Bhd ("OASB") for a total cash consideration of RM29.647 million by Aroma Kiara Sdn Bhd, a wholly owned subsidiary of the Company. The principal activities of OASB are those relating to vehicle assembly and the manufacturing and sale of engines and transmissions.

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").

**NOTES (CONTINUED)**

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 was reversed in the third financial quarter ended 31 March 2017 under review.

The taxes in dispute of BTSSB totalling RM180.73 million (inclusive of tax penalties) is now disclosed as contingent liabilities under Note B8 of this quarterly report for the financial year ended 30 June 2017.

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

	At 30/06/17 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
Proposed acquisition of remaining 50% equity interest in Megaquest Sdn Bhd	102,600	108,000
	<u>130,031</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 RM85.8 million and pre-tax loss of RM22.1 million in the current quarter ended 30 June 2017 as compared to revenue of RM98.3 million and pre-tax loss of RM53 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 31% drop in revenue. The property development and property investment business segment reported slightly lower revenue due to lower rental income. These were partly mitigated by higher revenue reported from hotel and recreation business segment arising from higher occupancy rates and higher income from the theme park operations arising from higher ticket sales.

The Group registered lower pre-tax loss in the current quarter under review mainly due to lower non-cash impairment of goodwill as explained in Note A4(a), higher favourable fair value changes of investment properties, gain on disposal of certain quoted shares and finance income arising from the initial recognition of a financial liability at fair value as compared to the previous year corresponding quarter. NASB reported lower profit arising from lower revenue. The property development and property investment business segment also reported lower profit contribution due to higher finance costs incurred during the current quarter under review compared to preceding year corresponding quarter.

**For the financial year**

For the financial year ended 30 June 2017, the Group registered revenue of RM356.4 million and pre-tax profit of RM8.2 million as compared to revenue of RM387.1 million and pre-tax loss of RM27.6 million reported in the preceding year corresponding period. The lower Group revenue was mainly due to the gaming business segment operated by NASB which continued to be impacted by rampant illegal gaming activities that resulted in 21% drop in revenue. This was partly mitigated by higher revenue reported from hotel and recreation business segment arising from higher occupancy rates, higher income from the theme park operations arising from higher ticket sales. Greyhound Cafe reported higher food and beverage revenue from the full year operations as compared to four-month period reported in the previous financial year. The revenue from property development and property investment business segment was comparable to the previous financial year.

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

The Group reported pre-tax profit in the current year under review primarily due to the favourable fair value changes of investment properties amounting to RM33.1 million, gain on disposal of certain quoted shares and finance income arising from the initial recognition of a financial liability at fair value in the current year despite of the non-cash impairment of goodwill as explained in Note A4(a). NASB reported lower profit arising from lower revenue and higher prize payout during the year. The property development and property investment business segment also reported lower profit contribution due to higher finance costs incurred during the year as compared to previous year.

**B2 Fourth Quarter vs Preceding Third Quarter**

For the current quarter under review, the Group registered a lower revenue of RM85.8 million as compared to the revenue of RM87.2 million in the preceding quarter ended 31 March 2017 and pre-tax loss of RM22.1 million for the current quarter as compared to pre-tax profit of RM24.2 million reported in the preceding quarter.

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. However, these were partly mitigated by higher revenue from the property development and investment business segment contributed by higher rental income. The hotel and recreation business segment reported revenue which was comparable to the preceding quarter.

The Group reported pre-tax loss in the current quarter under review was mainly due to the non-cash impairment of goodwill as explained in Note A4(a) and unfavourable fair value changes of certain quoted shares. Despite lower revenue, NASB reported higher profit contribution due to lower prize payout. The property development and property investment business segment also reported higher profit contribution from higher revenue in the current quarter as compared to the preceding quarter. In addition, the Group registered higher favourable fair value changes in investment properties amounting to about RM28 million in 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 financial year ending 30 June 2018 will be challenging.

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

B4 There is no profit forecast or profit guarantee for the financial quarter and year ended 30 June 2017.

B5 The taxation for the financial quarter and year ended 30 June 2017 are detailed as follows:

	Current Quarter ended 30/06/17 RM'000	Financial Year ended 30/06/17 RM'000
Malaysian taxation:		
Current period provision	1,931	6,676
Over provision of additional taxes in prior years	(76)	(93)
Deferred tax	13,284	13,159
Real property gains tax	1	1
Withholding tax	158	365
	<u>15,298</u>	<u>20,108</u>

The disproportionate tax charge of the Group for the financial quarter and year ended 30 June 2017 was mainly due to higher deferred tax provided on temporary differences, certain expenses being disallowed for tax purposes and 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.



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

- (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.

B7 The Group borrowings as at 30 June 2017 are as follows:

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	41,263
- Denominated in GBP (£4,125,000) *	23,059
	64,322
Long term bank borrowings	
- Denominated in Ringgit Malaysia	451,512
- Denominated in GBP (£28,875,000) *	161,412
	612,924
Senior bonds	159,425
Total borrowings	<u>836,671</u>

\* Converted at the exchange rate prevailing as at 30 June 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.

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

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 12 October 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.

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 4 September 2017 for a mention before the judge to enable BTSSB to file its Statement of Defence and both parties are to update the High Court on any new developments to the case.

On 25 April 2017, the IRB filed to the Putrajaya Court of Appeal of Malaysia (“Court of Appeal”), a notice of appeal to challenge the stay of civil proceedings granted by the High Court in favour of BTSSB. The next Court of Appeal hearing date for a mention has been fixed on 4 September 2017.

The above litigations are still on-going.

- B9 The Board does not recommend any dividend in the current quarter (previous year's quarter ended 30 June 2016 : Nil).

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

B10 The basic 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>			
	30/06/17 RM'000	30/06/16 RM'000	30/06/17 Sen	30/06/16 Sen
Loss for the quarter	<u>(36,665)</u>	<u>(65,751)</u>		
Weighted average number of ordinary shares ('000)	<u>1,146,153</u>	<u>1,113,042</u>		
Basic loss per share			<u>(3.20)</u>	<u>(5.91)</u>
	<u>Financial Year Ended</u>			
	30/06/17 RM'000	30/06/16 RM'000	30/06/17 Sen	30/06/16 Sen
Loss for the year	<u>(11,115)</u>	<u>(54,122)</u>		
Weighted average number of ordinary shares ('000)	<u>1,121,297</u>	<u>1,113,042</u>		
Basic loss per share			<u>(0.99)</u>	<u>(4.86)</u>

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

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>			
	30/06/17 RM'000	30/06/16 RM'000	30/06/17 Sen	30/06/16 Sen
Loss for the quarter	<u>(36,665)</u>	<u>(65,751)</u>		
Weighted average number of ordinary shares ('000)	<u>1,194,829</u>	<u>1,113,042</u>		
Diluted loss per share			<u>(3.07)</u>	<u>(5.91)</u>
	<u>Financial Year Ended</u>			
	30/06/17 RM'000	30/06/16 RM'000	30/06/17 Sen	30/06/16 Sen
Loss for the year	<u>(11,115)</u>	<u>(54,122)</u>		
Weighted average number of ordinary shares ('000)	<u>1,121,297</u>	<u>1,113,042</u>		
Diluted loss per share			<u>(0.99)</u>	<u>(4.86)</u>

Note:

The Warrants have an anti-dilutive effect on the loss per share for the financial year ended 30 June 2017.

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

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

	Current Quarter ended 30/06/17 RM'000	Financial Year ended 30/06/17 RM'000
Interest income	(941)	(2,232)
Dividend income	(30)	(1,571)
Other income excluding dividend and interest income	(1,286)	(4,085)
Fair value changes in investment properties	(5,132)	(33,132)
Depreciation of property, plant and equipment	3,275	12,698
Amortisation of intangible assets	274	1,101
Impairment in value of AFS quoted investments	8,512	24,742
Impairment of goodwill	38,865	38,865
Gain on disposal of AFS quoted investments	(1,201)	(1,201)
Finance income - financial liability at amortised cost	(19,204)	(19,204)
Unrealised foreign exchange (gain)/loss	(1,159)	226
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 30/06/17 RM'000	As at 30/06/2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	388,766	402,484
- unrealised	801,252	790,012
	<u>1,190,018</u>	<u>1,192,496</u>
Less: Consolidation adjustments	<u>(420,335)</u>	<u>(411,698)</u>
Total group retained earnings as per financial statements	<u>769,683</u>	<u>780,798</u>

cc: Securities Commission