BERJAYA ASSETS BERHAD
(COMPANY NO: 3907-W)

21 August 2019

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019

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BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	As at 30/06/19	As at 30/06/18 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	279,924	291,776
Investment properties	2,499,350	2,501,039
Inventories - land held for development	74,693	75,479
Prepaid lease payments	4,775	4,883
Associated company	3,077	227
Joint ventures	13,630	13,716
Investments	240,651	270,453
Deferred tax assets	13,065	14,067
Intangible assets	16,058	36,024
Receivables	2,037	-
	3,147,260	3,207,664
CURRENT ASSETS		
Inventories	196,611	196,323
Receivables	75,460	65,979
Tax recoverable	4	151
Deposits with licensed banks	59,190	66,186
Cash and bank balances	34,916	33,064
	366,181	361,703
Assets classified as held for sale	-	26,118
	366,181	387,821
TOTAL ASSETS	3,513,441	3,595,485
EQUITY		
Share capital	1,538,120	1,538,120
Reserves :		
Foreign currency translation reserve	6,555	6,585
Available-for-sale ("AFS") reserve	-	6,641
Fair value through other comprehensive income ("FVTOCI") reserve	(124,538)	-
Retained earnings	762,271	736,400
	644,288	749,626
Equity attributable to owners of the parent	2,182,408	2,287,746
Non-controlling interests	9,177	9,654
Total equity	2,191,585	2,297,400

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Group	
	As at 30/06/19	As at 30/06/18 (Audited)
	RM'000	RM'000
NON-CURRENT LIABILITIES		
Long term bank borrowings	490,037	534,210
Senior medium term notes	158,172	157,808
Hire purchase liabilities	969	1,019
Other long term liabilities	182,570	179,169
Deferred tax liabilities	175,041	117,365
	1,006,789	989,571
CURRENT LIABILITIES		
Payables	150,086	138,568
Short term bank borrowings	160,819	165,706
Hire purchase liabilities	837	638
Provisions	367	147
Tax payable	2,958	3,455
	315,067	308,514
Total liabilities	1,321,856	1,298,085
TOTAL EQUITY AND LIABILITIES	3,513,441	3,595,485
Net assets per share attributable to ordinary owners of the parent (sen)	87	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 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
		30/06/19	30/06/18	30/06/19	30/06/18
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		102,248	48,489	330,734	312,690
Operating expenses		(86,713)	(41,357)	(274,595)	(285,940)
Profit from operations		15,535	7,132	56,139	26,750
Other income	A4	8,066	24,065	20,523	44,964
Other expenses	A4	(20,938)	(29,347)	(22,545)	(57,497)
Share of results from associated company		607	(793)	2,880	(826)
Share of results from joint ventures		(77)	4,870	(39)	44,488
Finance costs		(21,992)	(21,652)	(71,482)	(70,439)
Loss before tax		(18,799)	(15,725)	(14,524)	(12,560)
Taxation	B5	(64,460)	(11,081)	(69,391)	(17,008)
Loss net of tax		(83,259)	(26,806)	(83,915)	(29,568)
Attributable to:					
- Owners of the Parent		(83,096)	(30,199)	(82,581)	(32,961)
- Non-controlling interests		(163)	3,393	(1,334)	3,393
		(83,259)	(26,806)	(83,915)	(29,568)
Loss per share (sen):					
Basic	B10	(3.32)	(1.21)	(3.30)	(1.31)
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 2018.

BERJAYA ASSETS BERHAD
(COMPANY NO: 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
	30/06/19 RM'000	30/06/18 RM'000	30/06/19 RM'000	30/06/18 RM'000
Loss net of tax	(83,259)	(26,806)	(83,915)	(29,568)
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Net changes in fair value of available-for-sale investments	-	(2,019)	-	(9,308)
Currency translation difference	(1,092)	3,045	(148)	(4,004)
Item that will not be subsequently reclassified to profit or loss				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(9,849)	-	(22,727)	-
Total comprehensive income	(94,200)	(25,780)	(106,790)	(42,880)
Attributable to:				
- Owners of the Parent	(93,765)	(28,537)	(105,338)	(45,752)
- Non-controlling interests	(435)	2,757	(1,452)	2,872
	(94,200)	(25,780)	(106,790)	(42,880)

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 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-------------------- Attributable to the owners of the Parent					-------------------->		
		<--------- Non - distributable	--------->		Distributable			
	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	Non-controlling Interests RM'000	Total Equity 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	-	-	7,005	-	(7,005)	-	-	-
Total comprehensive income	-	-	(22,727)	(30)	(82,581)	(105,338)	(1,452)	(106,790)
Transactions with owners:								
Non -controlling interests arising from additional subscription of shares in a subsidiary company	-	-	-	-	-	-	2,725	2,725
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,750)	(1,750)
At 30 June 2019	1,538,120	-	(124,538)	6,555	762,271	2,182,408	9,177	2,191,585
At 1 July 2017	1,447,277	15,949	-	10,068	769,361	2,242,655	8,672	2,251,327
Total comprehensive income	-	(9,308)	-	(3,483)	(32,961)	(45,752)	2,872	(42,880)
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 30 June 2018	1,538,120	6,641	-	6,585	736,400	2,287,746	9,654	2,297,400

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 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	FINANCIAL YEAR ENDED	
	30/06/19	**30/06/18**
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	312,695	341,174
Payments for operating expenses	(240,846)	(295,657)
Other payments (including taxes)	(2,047)	(13,876)
Net cash generated from operating activities	69,802	31,641
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of plant and machinery	779	269
Sales of other investments	58,241	28,237
Sales of non current assets	26,118	-
Proceeds from disposal of investment properties	-	13,970
Redemption of redeemable preference shares in a joint venture	-	13,104
Acquisition of plant and machinery	(3,474)	(2,996)
Acquisition of equity interest in subsidiary companies	(5,858)	-
Acquisition of other non current assets	(1,297)	-
Additions to investment properties	-	(1,642)
Acquisition of investment in associates	-	(1,053)
Acquisition of investments	(50,188)	(150,233)
Interest received	3,701	3,640
Dividend received	3,175	32,400
Other payments arising on investing activities	(7,078)	(23,154)
Net cash generated from/(used in) investing activities	24,119	(87,458)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	1,750	90,843
Issuance of senior medium term notes	-	160,000
Drawdown of bank and other borrowings	157,293	81,543
Repayment of borrowings and loans	(210,262)	(53,292)
Repayment of senior bonds	-	(160,000)
Dividend paid to non-controlling interests of a subsidiary company	(1,750)	(1,890)
Interest paid	(51,757)	(54,118)
Payment of hire purchase liabilities	(783)	(670)
Placement in banks as security pledged for borrowings	3,049	(8,712)
Net cash (used in)/generated from financing activities	(102,460)	53,704
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,539)	(2,113)
EFFECTS OF EXCHANGE RATE CHANGES	(51)	34
OPENING CASH AND CASH EQUIVALENTS	39,529	41,608
CLOSING CASH AND CASH EQUIVALENTS	30,939	39,529
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	59,190	66,186
Cash and bank balances	34,916	33,064
	94,106	99,250
Less:		
Bank overdrafts	(9,900)	(3,405)
Cash and cash equivalents restricted in usage	(53,267)	(56,316)
	30,939	39,529

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**
Increase/(decrease):				
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 year ended 30 June 2019 except for the following:

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

	Current Quarter ended 30/06/19 RM'000	Financial Year ended 30/06/19 RM'000
Amortisation of intangible assets	(379)	(1,514)
Impairment of goodwill	(20,401)	(20,401)
	(20,780)	(21,915)

(b) There were no material changes in estimates of amounts reported in the current financial quarter and year ended 30 June 2019.

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 2019.

In addition, none of the outstanding Warrants 2018/2023 were exercised in the financial year ended 30 June 2019.

A6 The Company did not pay any dividend in the financial year ended 30 June 2019.

NOTES (CONTINUED)

A7 Segmental information for the financial year ended 30 June 2019:

REVENUE	External RM '000	Inter - segment RM '000	Total RM '000
Property development and investment	153,179	-	153,179
Gaming and related activities	108,859	2,097	110,956
Hotel, recreation and others	68,696	-	68,696
Elimination : Intersegment revenue	-	(2,097)	(2,097)
Total revenue	330,734	-	330,734

RESULTS	RM '000
Property development and investment	70,682
Gaming and related activities	3,775
Hotel, recreation and others	(6,101)
	68,356
Unallocated corporate expenses	(12,217)
Profit from operations	56,139
Other income	
- property development and investment	6,495
- gaming and related activities	6,123
- hotel and recreation	2,445
- unallocated	5,460
	20,523
	76,662
Other expenses	
- property development and investment	(85)
- gaming and related activities	(19,747)
- hotel and recreation	(1,308)
- unallocated	(1,405)
	(22,545)
	54,117
Share of results after tax from associated company	2,880
Share of results after tax from joint ventures	(39)
Finance costs	(71,482)
Loss before tax	(14,524)
Taxation	(69,391)
Loss for the year	(83,915)

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 year ended 30 June 2019 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed below:

a) the subscription of additional 750,000 new ordinary shares representing 30% stake in Jubli Mentari Sdn Bhd ("JMSB") for RM750,000 in January 2019 by Berjaya Assets Alliance Sdn Bhd ("BAASB"), a wholly owned subsidiary of the Group. Subsequently, BAASB subscribed for additional 2.6 million new ordinary shares in JMSB for a total cash subscription price of RM5.2 million. Consequently, the Group's stake in JMSB increased from 30% to 65% making JMSB a subsidiary of the Group. The intended principal activity of JMSB is general trading.

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 30/06/19 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
	138,531	138,531

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, recreation and others
- 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			**Financial Year Ended**		
	30/06/2019	**30/06/2018**	**+/(-)**	**30/06/2019**	**30/06/2018**	**+/(-)**
	RM'000	**RM'000**	**%**	**RM'000**	**RM'000**	**%**
Revenue	102,248	48,489	111	330,734	312,690	6
Profit from operations	15,535	7,132	118	56,139	26,750	110
Loss before tax	(18,799)	(15,725)	20	(14,524)	(12,560)	16

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 RM102.3 million and pre-tax loss of RM18.8 million in the current quarter ended 30 June 2019 as compared to revenue of RM48.5 million and pre-tax loss of RM15.7 million reported in the previous year corresponding quarter. The Group revenue in the previous year corresponding quarter was lower mainly due to reversal of disposal of several parcels of land amounting to RM26.1 million due to non-fulfillment of certain conditions precedent in the sales and purchase agreement. The Group would have reported revenue of RM74.6 million in the previous year corresponding quarter, had the disposal of land was not reversed.

The higher group revenue in the current quarter was mainly due to:

(i) the recognition of sale of several parcels of land amounting to RM26.1 million;
(ii) the higher revenue generated by the vehicle assembly business segment;
(iii) the higher revenue generated from gaming business segment due to higher average revenue per draw;
(iv) the higher revenue generated from hotel and recreation business segment due to higher average occupancy rate; and
(v) a comparable revenue reported from property development and investment business segment as compared to the previous year corresponding quarter.

The Group reported the higher pre-tax loss in the current quarter under review mainly due to the higher prize payout from Natural Avenue Sdn Bhd and the lower share of results from joint ventures compared to the previous year corresponding quarter.

The Group also accounted for impairment of goodwill amounting to RM20.4 million, mainly relating to the gaming business segment.

This was mitigated by the higher contribution from both the property development and property investment and hotel and recreation business segments arising from lower operating expenditure.

The Group loss after tax in the current quarter was substantially higher at RM83.3 million mainly due to the higher deferred tax provision on fair value changes in investment properties amounting to RM59.3 million, following the recent increase in Real Property Gains Tax rates.

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

B1 Review of group performance (Contd)

For the Financial Year

For the financial year ended 30 June 2019, the Group registered a revenue of RM330.73 million and pre-tax loss of RM14.5 million as compared to a revenue of RM312.7 million and pre-tax loss of RM12.6 million reported in the preceding financial year.

For the financial year ended 30 June 2019, the Group reported a higher revenue mainly due to:

(i) the recognition of sale of several parcels of land amounting to RM26.1 million;
(ii) the higher theme park ticket sales and higher revenue generated from the vehicle assembly business segment.

The above offset the lower revenue from:

(i) the gaming business segment resulting from lower number of draws recorded; and
(ii) the property development and property investment business segment resulting from lower rental income from arising from lower occupancy rates.

The Group incurred a higher pre-tax loss in this financial year end under review mainly due to:

(i) lower share of results from joint ventures compared to the previous financial year; and
(ii) recognition of fair value gain for investment properties amounting to RM15.7 million in the previous financial year.

The Group also accounted for an impairment of goodwill amounting to RM20.4 million mainly relating to gaming business in the current financial year.

The above mentioned were mitigated by:

(i) the higher contribution from property development and property investment arising from lower operating expenditure;
(ii) the higher share of results from an associated company; and
(iii) the different accounting treatment of impairment loss of other investments following the adoption of MFRS 9 whereby the impairment loss of quoted shares are now accounted for in other comprehensive income.

The Group loss after tax in the current year was substantially higher at RM83.9 million mainly due to the higher deferred tax provision on fair value changes in investment properties amounting to RM59.3 million, following the recent increase in Real Property Gains Tax rates.

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

B2 Fourth Quarter vs Preceding Third Quarter

	3-Month Ended		
	30/06/19	**31/03/19**	**+/(-)**
	RM'000	**RM'000**	**%**
Revenue	102,248	75,426	36
Profit from operations	15,535	14,722	6
(Loss)/Profit before tax	(18,799)	4,695	(500)

For the current quarter under review, the Group registered a revenue of RM102.3 million which was higher compared to the revenue of RM75.4 million in the preceding quarter ended 31 March 2019. The Group reported pre-tax loss of RM18.8 million as compared to a pre-tax profit of RM4.7 million reported for the preceding quarter.

For the current quarter, the hotel and recreation and property development and investment business segments have reported higher revenue mainly due to higher occupancy rate and higher rental income respectively. In addition, the Group recognised the sales of several parcels of land amounting to RM26.1 million.

These have offset the lower revenue reported by the gaming business segment arising from lower ticket sales per draw.

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

(i) the impairment of goodwill amounting to RM20.4 million, mainly relating to the gaming business; and
(ii) higher operating expenditure from the property development and property investment business segment.

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 financial year ending 30 June 2020 will be satisfactory.

B4 There is no profit forecast or profit guarantee for the financial quarter and year ended 30 June 2019.

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

B5 The income tax expenses for the financial quarter and year ended 30 June 2019 are detailed as follows:

	Current Quarter ended 30/06/19	Financial Year ended 30/06/19
Malaysian taxation:	RM'000	RM'000
Current period provision	2,657	6,393
Under provision of additional taxes in prior years	2,852	3,274
Deferred tax	58,834	59,261
Withholding tax	117	463
	64,460	69,391

The disproportionate tax charge of the Group for the financial quarter and year ended 30 June 2019 was mainly due to certain expenses being disallowed for tax purposes, the non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies and the higher deferred tax provision on fair value changes in investment properties following the increase in Real Property Gains Tax rates.

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 2020. 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 30 June 2019 are as follows:

	RM'000
Secured:	
Short term bank borrowings	
- Denominated in Ringgit Malaysia	150,321
- Denominated in GBP (£2,000,000) *	10,498
	160,819
Long term bank borrowings	
- Denominated in Ringgit Malaysia	353,194
- Denominated in GBP (£26,071,000) *	136,843
	490,037
Senior medium term notes	158,172
Total borrowings	809,028

** Converted at the exchange rate prevailing as at 30 June 2019.*

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.

On 10 July 2019, the presiding KL High Court judge has ordered the stay order application case be struck out with liberty to file afresh. Inland Revenue Board ("IRB") may re-file the action after the determination of the appeal at Special Commissioners of the Income Tax ("SCIT"). The stay order remained effective until the disposal of the case at 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 9 April 2019.

On 9 April 2019, the presiding KL High Court judge dismissed BTSSB's application for judicial review with costs. BTSSB informed the KL High Court that it wished to appeal to the Court of Appeal ("COA"). An interim stay was subsequently granted by the KL High Court pending BTSSB's appeal to the COA.

At a hearing held on 10 May 2019, the COA unanimously granted an interim stay order pending the disposal of BTSSB's appeal against the dismissal of leave by the KL High Court. Subsequently, the COA fixed the hearing of the appeal on 18 February 2020.

The above litigations are still on-going.

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

B9 The Board does not recommend any dividend in the current quarter (previous year corresponding quarter ended 30 June 2018 : Nil).

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:

	Current Quarter Ended			
	30/06/19	30/06/18	30/06/19	30/06/18
	RM'000	RM'000	Sen	Sen
Loss for the quarter	(83,096)	(30,199)		
Weighted average number of ordinary shares ('000)	2,502,656	2,502,656		
Loss per share			(3.32)	(1.21)

	Financial Year Ended			
	30/06/19	30/06/18	30/06/19	30/06/18
	RM'000	RM'000	Sen	Sen
Loss for the year	(82,581)	(32,961)		
Weighted average number of ordinary shares ('000)	2,502,656	2,515,487		
Basic loss per share			(3.30)	(1.31)

No diluted loss per share is presented for the financial quarter and year ended 30 June 2019 as the computation based on the outstanding warrants would have an anti-dilutive effect.

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

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

	Current Quarter ended 30/06/19 RM'000	Financial Year ended 30/06/19 RM'000
Interest income	(1,371)	(3,727)
Dividend income	(2,420)	(4,167)
Other income excluding dividend and interest income	(5,074)	(12,629)
Depreciation of property, plant and equipment	3,802	15,024
Amortisation of intangible assets	379	1,514
Impairment of goodwill	20,401	20,401