

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

22 November 2022

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	At 30/09/2022	<u>Group</u> At 30/06/2022
	RM'000	(Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	234,643	237,614
Right-of-use assets	11,664	11,911
Investment properties	2,308,872	2,316,069
Inventories - land held for development	104,670	104,670
Associated company	12,595	10,874
Joint ventures	7,241	7,263
Other investments	122,300	119,421
Intangible assets	10,505	10,780
Receivables	2,710	2,733
	<u>2,815,200</u>	<u>2,821,335</u>
CURRENT ASSETS		
Inventories - others	187,389	187,346
Receivables	50,597	52,223
Tax recoverable	1,005	962
Deposits with licensed banks	24,650	17,845
Cash and bank balances	25,045	25,976
	<u>288,686</u>	<u>284,352</u>
TOTAL ASSETS	<u><u>3,103,886</u></u>	<u><u>3,105,687</u></u>
EQUITY		
Share capital	1,538,120	1,538,120
Reserves :		
Foreign currency translation reserve	5,484	7,679
Fair value through other comprehensive income ("FVTOCI") reserve	(116,972)	(131,172)
Retained earnings	449,056	458,964
	<u>337,568</u>	<u>335,471</u>
Equity attributable to owners of the Company	1,875,688	1,873,591
Non-controlling interests	(1,956)	(1,110)
Total equity	<u><u>1,873,732</u></u>	<u><u>1,872,481</u></u>

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	At 30/09/2022	Group At 30/06/2022 (Audited)
	RM'000	RM'000
NON-CURRENT LIABILITIES		
Long term bank borrowings	493,203	501,715
Senior medium term notes	119,349	119,281
Hire purchase liabilities	370	455
Other long term liabilities	162,057	160,489
Lease liabilities	8,956	9,042
Deferred tax liabilities	161,572	161,614
	945,507	952,596
CURRENT LIABILITIES		
Payables	187,196	185,068
Short term bank borrowings	75,935	74,437
Senior medium term notes	19,954	19,937
Hire purchase liabilities	333	388
Lease liabilities	331	328
Provisions	81	82
Tax payable	817	370
	284,647	280,610
Total liabilities	1,230,154	1,233,206
TOTAL EQUITY AND LIABILITIES	3,103,886	3,105,687
<i>Net assets per share attributable to ordinary owners of the Company (sen)</i>	73	73

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2022.

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER ENDED	
		30/09/2022 RM'000	30/09/2021 RM'000
Revenue		53,672	23,045
Operating expenses		(45,234)	(27,871)
Profit/(Loss) from operations		<u>8,438</u>	<u>(4,826)</u>
Other income	A4	1,055	1,335
Other expenses	A4	(1,285)	(404)
Share of results from associated companies		1,721	211
Share of results from joint ventures		93	(456)
Finance costs		<u>(13,570)</u>	<u>(12,964)</u>
Loss before tax		(3,548)	(17,104)
Taxation	B5	<u>(1,365)</u>	<u>(1,239)</u>
Loss net of tax		<u>(4,913)</u>	<u>(18,343)</u>
Attributable to:			
- Owners of the Company		(4,224)	(17,328)
- Non-controlling interests		<u>(689)</u>	<u>(1,015)</u>
		<u>(4,913)</u>	<u>(18,343)</u>
Loss per share (sen):			
Basic	B10	<u>(0.17)</u>	<u>(0.68)</u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2022.

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER ENDED	
	30/09/2022	30/09/2021
	RM'000	RM'000
Loss net of tax	(4,913)	(18,343)
<u>Other comprehensive income:</u>		
<u>Item that may be subsequently reclassified to profit or loss</u>		
Currency translation difference	(2,352)	(2,558)
<u>Item that will not be subsequently reclassified to profit or loss</u>		
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	8,516	388
Total comprehensive income	1,251	(20,513)
Attributable to:		
- Owners of the Company	2,097	(19,385)
- Non-controlling interests	(846)	(1,128)
	1,251	(20,513)

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 2022.

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	<--- Non - distributable --->			Distributable			Total Equity RM'000
	Share Capital 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	
At 1 July 2022	1,538,120	(131,172)	7,679	458,964	1,873,591	(1,110)	1,872,481
Transfer upon disposal of FVTOCI investment	-	5,684	-	(5,684)	-	-	-
Total comprehensive income	-	8,516	(2,195)	(4,224)	2,097	(846)	1,251
At 30 September 2022	<u>1,538,120</u>	<u>(116,972)</u>	<u>5,484</u>	<u>449,056</u>	<u>1,875,688</u>	<u>(1,956)</u>	<u>1,873,732</u>
At 1 July 2021	1,538,120	(120,257)	14,303	517,959	1,950,125	213	1,950,338
Transfer upon disposal of FVTOCI investment	-	323	-	(323)	-	-	-
Total comprehensive income	-	388	(2,445)	(17,328)	(19,385)	(1,128)	(20,513)
At 30 September 2021	<u>1,538,120</u>	<u>(119,546)</u>	<u>11,858</u>	<u>500,308</u>	<u>1,930,740</u>	<u>(915)</u>	<u>1,929,825</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2022.

BERJAYA ASSETS BERHAD
(REGISTRATION NO.: 196001000237) (3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	CURRENT QUARTER	
	ENDED	
	30/09/2022	30/09/2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	55,328	13,206
Payments for operating expenses	(41,606)	(23,480)
Tax refunds	-	53
Payment of taxes	(864)	(783)
Other receipt	192	2,397
Net cash generated from/(used in) operating activities	<u>13,050</u>	<u>(8,607)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of plant and machinery	-	150
Sales of investment properties	-	4,230
Sales of other investments	5,635	10,177
Acquisition of plant and machinery	(142)	(27)
Acquisition of investment properties	(60)	(236)
Acquisition of other investments	-	(1,050)
Interest received	119	214
Dividend received	6	48
Net cash generated from investing activities	<u>5,558</u>	<u>13,506</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	2,201	12,600
Repayment of borrowings and loans	(4,758)	(3,732)
Interest paid	(9,831)	(4,799)
Payment of hire purchase liabilities	(113)	(337)
Payment of lease liabilities	(215)	(411)
Placement with banks as security pledged for borrowings	(3,864)	(7,241)
Net cash used in financing activities	<u>(16,580)</u>	<u>(3,920)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,028	979
EFFECTS OF EXCHANGE RATE CHANGES	(18)	18
OPENING CASH AND CASH EQUIVALENTS	20,061	12,964
CLOSING CASH AND CASH EQUIVALENTS	<u>22,071</u>	<u>13,961</u>
The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	24,650	21,098
Cash and bank balances	25,045	21,463
	<u>49,695</u>	<u>42,561</u>
Less:		
Bank overdrafts	(9,990)	(9,995)
Cash and cash equivalents restricted in usage	(17,634)	(18,605)
	<u>22,071</u>	<u>13,961</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2022.

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 2022, 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 2022.

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 2022, except for the adoption of new Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and Annual Improvements to MFRSs which were effective for the financial periods beginning 1 January 2022.

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 2022.

The initial application of the Amendments to MFRSs, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption except for the changes in presentation and disclosure of financial information.

- 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 ended 30 September 2022 except for the following:

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

	Current Quarter ended 30/09/2022 RM'000
Amortisation of intangible assets	<u>(275)</u>

(b) There were no material changes in estimates of amounts reported in the current financial period ended 30 September 2022.

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 quarter ended 30 September 2022.

In addition, none of the outstanding Warrants 2018/2023 were exercised in the period ended 30 September 2022.

A6 The Company did not pay any dividend in the financial quarter ended 30 September 2022.

NOTES (CONTINUED)

A7 Segmental information for the financial quarter ended 30 September 2022:

	External	Inter - segment	Total
<u>REVENUE</u>	RM '000	RM '000	RM '000
Property development and investment	24,725	-	24,725
Gaming and related activities	20,209	390	20,599
Hotel, recreation and others	8,738	-	8,738
Elimination : Inter-segment revenue	-	(390)	(390)
Total revenue	<u>53,672</u>	<u>-</u>	<u>53,672</u>
<u>RESULTS</u>			RM '000
Property development and investment			8,053
Gaming and related activities			(4)
Hotel, recreation and others			<u>1,037</u>
			9,086
Unallocated corporate expenses			<u>(648)</u>
Profit from operations			8,438
Other income			
- property development and investment			614
- gaming and related activities			90
- hotel and recreation			342
- unallocated			9
			<u>1,055</u>
			9,493
Other expenses			
- property development and investment			(80)
- gaming and related activities			(275)
- unallocated			(930)
			<u>(1,285)</u>
			8,208
Share of results after tax from associated companies			1,721
Share of results after tax from joint ventures			93
Finance costs			<u>(13,570)</u>
Loss before tax			(3,548)
Taxation			<u>(1,365)</u>
Loss for the quarter			<u>(4,913)</u>

NOTES (CONTINUED)

- A8 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.
- A9 There were no material changes in the composition of the Group for the financial quarter ended 30 September 2022 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.
- A10 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2022.
- A11 There are no changes in capital commitments since the last audited statement of financial position as at 30 June 2022.

**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 and the operations of hotel and recreation business. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Property development and investment

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

Hotel and recreation

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

NFO in Sarawak

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

The performance of the Group's operating businesses may be affected should the imposition of restrictive measures be introduced in response to any future pandemic.

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

The summary results of the Group are as follows:

	3-Month Ended		
	30/09/2022	30/09/2021	+/(-) %
	RM'000	RM'000	%
Revenue	53,672	23,045	133
Profit/(Loss) from operations	8,438	(4,826)	(275)
Loss before tax	(3,548)	(17,104)	(79)

For the Quarter

The Group registered revenue of RM53.7 million and pre-tax loss of RM3.5 million in the current quarter ended 30 September 2022 as compared to revenue of RM23.0 million and pre-tax loss of RM17.1 million reported in the previous year corresponding quarter.

The Group's revenue was higher in the current quarter under review mainly due to the recovery of economy, resumption of business and social activities and the opening of international borders.

In previous year's corresponding quarter, there was a cancellation of all 45 draws for the entire 3-month period from 1 July 2021 to 30 September 2021, which resulted in no revenue being registered by Natural Avenue Sdn Bhd ("NASB"), the operator of the gaming business segment in Sarawak during the implementation of the Phases 1 and 2 of National Recovery Plan ("NRP"). In addition, the property investment, hotel and recreation business segments reported lower revenue due to temporary business closures for most part of the previous year's corresponding quarter due to the implementation of Phases 1 and 2 of NRP. The jetty operations were also adversely impacted by the closure of borders and travel restrictions.

The Group's pre-tax loss was correspondingly lower in the current quarter under review primarily due to significant higher revenue reported as explained above and higher share of profit from associated and joint venture companies.

B2 First Quarter vs Preceding Year's Fourth Quarter

	3-Month Ended		
	30/09/2022	30/06/2022	+/(-) %
	RM'000	RM'000	%
Revenue	53,672	51,243	5
Profit from operations	8,438	7,734	9
Loss before tax	(3,548)	(26,211)	(86)

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B2 First Quarter vs Preceding Year's Fourth Quarter (Contd)**

For the current quarter under review, the Group registered revenue of RM53.7 million which was higher as compared to the revenue of RM51.2 million in the preceding quarter ended 30 June 2022. The current quarter's pre-tax loss of RM3.5 million was lower as compared to the pre-tax loss of RM26.2 million reported for the preceding quarter.

The higher Group's revenue in the current quarter was primarily due to higher revenue reported by gaming, property investment, hotel and recreation business segments arising from higher number of draws, higher rental income, higher occupancy rates and higher sales of theme park tickets.

The Group reported lower pre-tax loss in the current quarter under review as compared to the preceding quarter due to the following:

- (i) the unfavourable fair values adjustments on investment properties amounting to RM17.2 million incurred in preceding quarter; and
- (ii) higher share of profit from associated and joint venture companies.

B3 Future Prospects

The COVID-19 pandemic for the past two years which resulted in unprecedented preventive and restrictive measures of varying degrees of global population lockdown had adversely impacted the global economy. In Malaysia, the Government had imposed various degrees of population lockdown to slow down the infection rate amongst its population. This inevitably has adversely affected the domestic economy.

Whilst Malaysia has transitioned to the endemic phase of COVID-19, the global economy growth is impacted by the rising inflationary pressures brought on by the Russia-Ukraine war, supply chain disruptions and rising energy costs. Despite these challenges, the domestic economy is anticipated to recover at a moderate pace.

Whilst the Directors are cautiously optimistic on the recovery of the domestic economy, the operating results of the Group for the remaining quarters of the financial year ending 30 June 2023 is expected to be satisfactory.

**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 period ended 30 September 2022.

B5 The income tax expenses for the financial quarter ended 30 September 2022 are detailed as follows:

	Current Quarter ended 30/09/2022 RM'000
Malaysian taxation:	
Current period provision	1,268
Deferred tax	(42)
Withholding tax	139
	<u>1,365</u>

The disproportionate tax charge of the Group for the financial quarter ended 30 September 2022 was mainly due to certain expenses being disallowed for tax purposes, as well as non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 There is no corporate exercise announced by the Group but not completed as at the date of this announcement.

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

B7 The Group borrowings as at 30 September 2022 are as follows:

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	68,403
- Denominated in GBP (£1,449,000) *	7,532
	75,935
Senior medium term notes	19,954
	95,889
Long term bank borrowings	
- Denominated in Ringgit Malaysia	361,813
- Denominated in GBP (£25,276,000) *	131,390
	493,203
Senior medium term notes	119,349
	612,552
Total borrowings	708,441

* *Converted at the exchange rate prevailing as at 30 September 2022.*

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 financial year ended 30 June 2022.

BTSSB Tax Litigation

The next mention date of Tax Appeal 1, Tax Appeal 2 and Tax Appeal 3 at the Special Commissioners of Income Tax ("SCIT") has been fixed on 1 March 2023.

The High Court has fixed the hearing date for the MOF Judicial Review on 23 November 2022.

VCSB Litigation

On 14 July 2022, VCSB filed an application at the Court of Appeal to appeal against the Kuala Lumpur High Court decision rendered on 29 June 2022 ("VCSB Appeal"). The Court of Appeal has fixed the hearing of VCSB Appeal on 23 May 2023.

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

- 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.

VCSB Litigation (Continued)

With regards to Tropicfair's application to convert the Originating Summons to a Writ Action, the High Court has fixed case management on 25 May 2023 to update the High Court on the status of VCSB Appeal.

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 September 2021: Nil).
- B10 The loss per share is calculated by dividing loss attributable to owners of the Company by the weighted average number of ordinary shares in issue:

	<u>Current Quarter Ended</u>			
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	Sen	Sen
Loss for the quarter	<u>(4,224)</u>	<u>(17,328)</u>		
Weighted average number of ordinary shares ('000)	<u>2,558,270</u>	<u>2,558,270</u>		
Basic loss per share			<u>(0.17) #</u>	<u>(0.68) #</u>

- # No diluted loss per share is presented as the computation based on the outstanding warrants would have an anti-dilutive effect.

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

	Current Quarter ended 30/09/2022 RM'000
Interest income	(184)
Dividend income	(6)
Other income excluding dividend and interest income	(865)
Depreciation of property, plant and equipment	3,113
Amortisation of intangible assets	<u>275</u>