

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

24 November 2021

**UNAUDITED (Q1) INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

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BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	As at 30/09/2021 RM'000	As at 30/06/2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,920,329	1,938,953
Right-of-use assets	1,124,963	1,172,983
Investment properties	703,877	704,115
Inventories - land held for property development	1,197,706	1,179,891
Associated companies	314,291	324,601
Joint ventures	41,899	43,689
Investments	206,268	208,020
Intangible assets	3,605,859	3,609,310
Receivables	336,439	314,837
Retirement benefit assets	9,705	9,927
Deferred tax assets	84,221	77,241
	<u>9,545,557</u>	<u>9,583,567</u>
Current assets		
Inventories - property development costs	96,692	106,879
Inventories - others	529,157	528,916
Contract cost assets	15,661	12,830
Receivables	1,823,696	1,781,298
Contract assets	69,968	52,702
Short term investments	10,364	11,207
Tax recoverable	39,816	18,243
Derivative asset	56	80
Deposits, cash and bank balances	576,625	648,383
Non-current assets classified as assets held for sale	188,374	187,768
	<u>3,350,409</u>	<u>3,348,306</u>
TOTAL ASSETS	<u>12,895,966</u>	<u>12,931,873</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group	
		As at	As at
		30/09/2021	30/06/2021
		RM'000	RM'000
Note			(Audited)
EQUITY AND LIABILITIES			
	Share capital	2,500,168	2,500,168
	Reserves:		
	Exchange reserves	141,235	129,661
	Capital reserve	116,528	116,528
	Fair value reserve	1,054,940	1,054,940
	Fair value through other comprehensive income ("FVTOCI") reserve	(43,895)	(47,681)
	Consolidation reserve	83,457	85,664
	(Accumulated loss)/Retained earnings	(35,344)	37,229
		<u>1,316,921</u>	<u>1,376,341</u>
	Equity funds	3,817,089	3,876,509
	Less: Treasury shares	(33,643)	(33,643)
	Net equity funds	<u>3,783,446</u>	<u>3,842,866</u>
	Non-controlling interests	<u>2,039,008</u>	<u>2,062,916</u>
	Total equity	<u>5,822,454</u>	<u>5,905,782</u>
Non-current liabilities			
	Retirement benefit obligations and provisions	5,634	5,713
	Long term borrowings	2,022,417	1,721,389
	Other long term liabilities	70,854	96,754
	Lease liabilities	897,798	942,930
	Deferred tax liabilities	996,044	993,958
	Contract liabilities	210,691	205,375
		<u>4,203,438</u>	<u>3,966,119</u>
Current liabilities			
	Payables	1,256,074	1,374,198
	Short term borrowings	1,269,616	1,367,394
	Retirement benefit obligations and provisions	2,390	2,323
	Tax payable	15,676	16,010
	Contract liabilities	245,469	221,485
	Lease liabilities	80,076	77,922
	Derivative liabilities	773	640
		<u>2,870,074</u>	<u>3,059,972</u>
	Total Liabilities	<u>7,073,512</u>	<u>7,026,091</u>
	TOTAL EQUITY AND LIABILITIES	<u>12,895,966</u>	<u>12,931,873</u>
	<i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>	<u>0.77</u>	<u>0.78</u>

The net assets per share is calculated based on the following:

Net equity funds divided by the number of outstanding shares in issue with voting rights.

The annexed notes form an integral part of this interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED	
		30/09/2021 RM'000	30/09/2020 RM'000
REVENUE		963,039	1,455,254
OPERATING EXPENSES, NET		<u>(994,559)</u>	<u>(1,426,735)</u>
(LOSS)/PROFIT FROM OPERATIONS		(31,520)	28,519
Investment related items, net	A3	9,021	75,924
Share of results from associated companies		(3,129)	(27,325)
Share of results from joint ventures		(2,418)	(3,182)
Finance costs		<u>(48,300)</u>	<u>(50,941)</u>
(LOSS)/PROFIT BEFORE TAX	B5	(76,346)	22,995
TAXATION	B6	<u>(6,270)</u>	<u>(26,321)</u>
LOSS FOR THE QUARTER		<u>(82,616)</u>	<u>(3,326)</u>
ATTRIBUTABLE TO:			
- Owners of the parent		(74,303)	(41,878)
- Non-controlling interests		<u>(8,313)</u>	<u>38,552</u>
		<u>(82,616)</u>	<u>(3,326)</u>
LOSS PER SHARE (SEN)	B11		
- Basic		<u>(1.51)</u>	<u>(0.85)</u>
- Fully diluted		<u>(1.51)</u>	<u>(0.85)</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED	
	30/09/2021	30/09/2020
	RM'000	RM'000
LOSS FOR THE QUARTER	(82,616)	(3,326)
OTHER COMPREHENSIVE INCOME		
<u>Items that may be subsequently reclassified to profit or loss</u>		
Currency translation differences:		
- Movement during the financial quarter	(3,550)	(5,561)
- Share of associated companies' currency translation differences	(288)	8,751
- Transfer to profit or loss upon disposal of a subsidiary company	-	(65,608)
<u>Items 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")	10,685	(2,616)
Share of an associated company's changes in fair values of investments at FVTOCI	37	(78)
Share of other comprehensive income items of associated companies	-	(274)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER	<u>(75,732)</u>	<u>(68,712)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	(57,213)	(105,926)
- Non-controlling interests	(18,519)	37,214
	<u>(75,732)</u>	<u>(68,712)</u>

The annexed notes form an integral part of this interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	FVTOCI reserve RM'000	Consolidation reserve RM'000	Retained earnings/ (Accumulated loss) RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2021	2,500,168	129,661	116,528	1,054,940	(47,681)	85,664	37,229	(33,643)	3,842,866	2,062,916	5,905,782
Loss for the financial quarter	-	-	-	-	-	-	(74,303)	-	(74,303)	(8,313)	(82,616)
Other comprehensive income	-	11,574	-	-	5,516	-	-	-	17,090	(10,206)	6,884
Total comprehensive income	-	11,574	-	-	5,516	-	(74,303)	-	(57,213)	(18,519)	(75,732)
Effect arising from the disposal of: - FVTOCI investments	-	-	-	-	(1,730)	-	1,730	-	-	-	-
Transactions with owners: Non-controlling interests arising from - change of equity interest in a subsidiary company	-	-	-	-	-	(2,207)	-	-	(2,207)	(5,389)	(7,596)
	-	-	-	-	-	(2,207)	-	-	(2,207)	(5,389)	(7,596)
At 30 September 2021	2,500,168	141,235	116,528	1,054,940	(43,895)	83,457	(35,344)	(33,643)	3,783,446	2,039,008	5,822,454

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	-----Attributable to the owners of the Parent----->											
	<-----Non Distributable----->					Distributable						
	Share capital	Exchange reserves	Capital reserve	Fair value reserve	Foreign currency translation reserve of disposal group classified as held for sale	FVTOCI reserve	Consolidation reserve	Retained earnings	Treasury shares	Total net equity funds	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	2,500,168	119,816	116,528	1,054,940	66,953	(62,049)	85,664	271,185	(33,643)	4,119,562	2,134,130	6,253,692
Loss for the financial quarter	-	-	-	-	-	-	-	(41,878)	-	(41,878)	38,552	(3,326)
Other comprehensive income	-	4,353	-	-	(66,953)	(1,350)	-	(98)	-	(64,048)	(1,338)	(65,386)
Total comprehensive income	-	4,353	-	-	(66,953)	(1,350)	-	(41,976)	-	(105,926)	37,214	(68,712)
Effects arising from the disposals of FVTOCI investments	-	-	-	-	-	216	-	(216)	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from												
- acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	-	2,973	2,973
- change of equity interest in a subsidiary company	-	-	-	-	-	-	803	-	-	803	(3,492)	(2,689)
- disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(128,583)	(128,583)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(18,808)	(18,808)
	-	-	-	-	-	-	803	-	-	803	(147,910)	(147,107)
At 30 September 2020	2,500,168	124,169	116,528	1,054,940	-	(63,183)	86,467	228,993	(33,643)	4,014,439	2,023,434	6,037,873

The annexed notes form an integral part of this interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	30/09/2021	30/09/2020
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	1,039,145	1,604,547
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(1,057,007)	(1,266,818)
Tax paid	(34,688)	(27,001)
Other receipts (inclusive of tax refunds)	7,442	40,253
Net cash (used in)/generated from operating activities	<u>(45,108)</u>	<u>350,981</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment	1,373	147
Sale of other investments and short term investments	10,335	13,834
Disposal of investment in a subsidiary company	-	394,025
Acquisition of property, plant and equipment, non-current assets and properties	(24,399)	(30,565)
Acquisition of additional equity interest in subsidiary companies	(17,595)	-
Acquisition of a subsidiary company	-	(250)
Acquisition of other investments and short term investments	(3,183)	(29,194)
Payment for additional investment in an associated company	(881)	(858)
Interest received	3,733	3,906
Dividend received	3,974	150,901
Repayments to related companies	(80,723)	(14,550)
Net repayment from/(advance to) joint ventures and associated companies	1,456	(27,685)
Placements with fund managers	-	(47,119)
Other payments	(37,051)	(4,105)
Net cash (used in)/generated from investing activities	<u>(142,961)</u>	<u>408,487</u>
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	365,263	73,302
Issuance of medium term notes	30,000	15,600
Redemption of medium term notes	(37,420)	-
Repayment of bank and other borrowings	(151,362)	(465,517)
Dividends paid to non-controlling interests of a subsidiary company	(11,949)	-
Interest paid	(44,424)	(38,664)
Payment of lease liabilities	(28,136)	(24,009)
Placement with securities pledged for borrowings with banks	(32,067)	(39,916)
Other payments	(1,056)	(3,196)
Net cash generated from/(used in) financing activities	<u>88,849</u>	<u>(482,400)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(99,220)	277,068
EFFECTS OF EXCHANGE RATE CHANGES	(986)	(6,033)
OPENING CASH AND CASH EQUIVALENTS	<u>581,129</u>	<u>555,111</u>
CLOSING CASH AND CASH EQUIVALENTS	<u><u>480,923</u></u>	<u><u>826,146</u></u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	576,625	955,570
Bank overdraft (included under short term borrowings)	(10,960)	(9,667)
Less: cash and cash equivalents restricted in use	<u>(84,742)</u>	<u>(119,757)</u>
	<u><u>480,923</u></u>	<u><u>826,146</u></u>

The annexed notes form an integral part of this interim financial report.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
NOTES TO THE INTERIM FINANCIAL REPORT**

- A1 The condensed consolidated interim financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia, IAS 34, Interim Financial Reporting, requirement of the Companies Act 2016 and applicable disclosure provision of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2020. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

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 financial year ended 30 June 2021 except the adoption of the new or revised standards, IC Interpretations and amendments to standards.

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 2021.

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 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for:
- (i) the property development division which is affected by the prevailing cyclical economic conditions;
 - (ii) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the second and third quarters of the financial year;
 - (iii) the toto betting operations may be positively impacted by the festive seasons; and
 - (iv) the global impact of COVID-19 pandemic.
- A3 Many governments have imposed multiple phases of movement control or lockdowns as preventive or restrictive measures to curb the COVID-19 pandemic. The Group's major business operations, particularly the gaming, hotels and resorts, property investment and the clubs business segments are adversely impacted by the various phases of business closures, international border closures, travel restrictions and social distancing rules.
- (a) There were no unusual or material items affecting the Group in the current quarter ended 30 September 2021 other than as disclosed below:

Statement of Profit or Loss

Included under investment related items, net:	3-month ended 30/09/2021 RM'000
Fair value changes of investments at fair value through profit or loss ("FVTPL")	(1,219)
Fair value changes on derivatives	(157)
	<u><u>(1,376)</u></u>

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NOTES TO THE INTERIM FINANCIAL REPORT**

A3 (b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the current financial quarter ended 30 September 2021.

A4 The number of treasury shares held in hand as at 30 September 2021 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 July 2021 and 30 September 2021	0.42	79,837,104	33,643

As at 30 September 2021, the number of ordinary shares in issue with voting rights was 4,920,500,000 ordinary shares (30 September 2020 : 4,920,500,000).

A5 The Company did not pay any dividend during the current financial quarter ended 30 September 2021.

A6 Segmental information for the financial quarter ended 30 September 2021:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting and related activities	85,883	-	85,883
Motor vehicle dealership	707,057	-	707,057
Property development and investment	31,158	1,737	32,895
Hotels and resorts	117,461	47	117,508
Clubs and others	21,480	3,208	24,688
Sub-total	963,039	4,992	968,031
Less: Inter-segment revenue	-	(4,992)	(4,992)
Total revenue	963,039	-	963,039

RESULTS

	RM'000
Toto betting and related activities	(17,478)
Motor vehicle dealership	27,290
Property development and investment	(4,451)
Hotels and resorts	(8,662)
Clubs and others	(4,895)
	(8,196)
Unallocated corporate items	(23,324)
	(31,520)
Investment related items, net:	
- Interest income	8,589
- Fair value changes of investments at FVTPL	(1,219)
- Fair value changes on derivatives	(157)
- Dividend income	1,808
	9,021
Share of results from associated companies	(3,129)
Share of results from joint ventures	(2,418)
Finance costs	(48,300)
Loss before tax	(76,346)
Taxation	(6,270)
Loss for the financial quarter	(82,616)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
NOTES TO THE INTERIM FINANCIAL REPORT**

- A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for the current financial quarter under review.
- A8 There were no material changes in the composition of the Group for the financial quarter ended 30 September 2021 including business combination, acquisition or disposal of subsidiaries and restructuring and discontinuing operations except for those disclosed below:
- (i) On 30 July 2021, H R Owen Plc, a wholly-owned subsidiary of Berjaya Philippines Inc. ("BPI") acquired a further 35% equity interest in its subsidiary company namely H R Owen Insurance Services Limited ("HR Owen Insurance") for a total consideration of £1.35 million (equivalent to approximately RM7.6 million), and its total equity interests in HR Owen Insurance increased from 60% to 95%. BPI in turn is a 88.26% subsidiary of Berjaya Sports Toto Berhad ("BToto").
 - (ii) Sports Toto Fitness Sdn Bhd, a wholly-owned subsidiary of BToto had ceased operation on 31 July 2021 and became dormant.
 - (iii) Berjaya Okinawa Hospitality Asset TMK a wholly-owned subsidiary of the Group had voluntary wound up.
 - (iv) Informatics International Pte Ltd, a subsidiary of Informatics Education Limited had been struck off during the current financial quarter.
- A9 There were no material changes in contingent liabilities since the last audited statement of financial position as at 30 June 2021.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 June 2021 except for capital expenditure of RM15.7 million approved during the current financial quarter.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B1 The main operating businesses of the Group are number forecast operation ("NFO") which includes toto betting operations and related activities, motor retailing and provision of aftersales services, property development and investment and the operations of hotels and resorts. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Toto betting and related activities (gaming)

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

Motor vehicle dealership and provision of aftersales services

- the trend in prestige and specialist cars predominantly in the London area of United Kingdom ("UK") and the ultimate impact of Brexit.

Property development and investment

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

Operations of hotels and resorts

- room rates, seasonal festive periods and school holidays, location of the hotels and resorts, tourism and currency exchange trends, energy/other supplies costs, quality of rooms/amenities/service.

The COVID-19 pandemic has resulted in various forms of movement controls including international travel restrictions in many of the countries in which the Group operates as preventive or restrictive measures to curb the COVID-19 pandemic. Full Movement Control Order ("FMCO") was imposed nationwide from 1 June 2021. Subsequently the Malaysian Government announced the implementation of the 4-phase National Recovery Plan ("NRP") whereby movement control measures will be gradually eased in phases. The prolonged Covid-19 pandemic has adversely impacted the country's economy as well as the global economy till to-date.

Review of Results For the Current Quarter Ended 30 September 2021

The summarised results of the Group are as follows:

	3-Month Ended		
	30/09/2021	30/09/2020	+ / (-)
	RM'000	RM'000	%
Revenue	963,039	1,455,254	(34)
(Loss)/Profit from operations	(31,520)	28,519	N/A
(Loss)/Profit before tax	(76,346)	22,995	N/A

The Group registered a revenue of RM963.04 million and pre-tax loss of RM76.35 million in the current quarter ended 30 September 2021 as compared to a revenue of RM1.46 billion and pre-tax profit of RM23.0 million in the previous year corresponding quarter.

The lower Group revenue was mainly due to:

- the gaming business segment operated by Sports Toto Malaysia Sdn Bhd ("Sports Toto") which reported a significant drop in revenue as there were only 8 draws allowed to be conducted in the current quarter as compared to 42 draws in the previous year corresponding quarter. The imposition of the nationwide lockdown and the Phases 1 and 2 of the NRP by the Malaysian Government had resulted in the cancellation of 37 draws in the current quarter under review, whereby all sales outlets were temporarily closed from 1 June 2021 to 13 September 2021.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**Review of Results For the Current Quarter Ended 30 September 2021 (Cont'd)

The above factors were mitigated by:

- (i) higher revenue reported by motor vehicle dealership operated by H.R. Owen, which registered a revenue growth of 6% in the current quarter as compared to the previous year corresponding quarter;
- (ii) the higher overall occupancy rate reported by the overseas hotels and resorts business segment especially from the hotels in Iceland after the easing of travel and social restrictions during the current quarter under review as compared to the previous year corresponding quarter; and
- (iii) higher property progress billings reported by property development and investment business segment from its project at The Tropika, Bukit Jalil.

The Group reported pre-tax losses mainly due to significant drop in revenue reported by Sports Toto as mentioned above and its fixed operating expenses incurred during the current quarter under review.

However, the Group's pre-tax loss was mitigated by higher profit contribution from H.R. Owen in line with its higher revenue and better profit margin generated from the used car sector as a result from the change in marketing strategy and additional resources invested to capitalise on the stronger used car market due to supply shortage. In addition, the higher revenue contributed by hotel and resorts business segment and property development and investment business as mentioned above had also mitigated the pre-tax loss in the current quarter.

In the previous year corresponding quarter, the Group had recognised the gain on disposal of Berjaya Jeju Resort Limited, amounting to about RM67 million, following the completion of the JDC Lawsuit settlement.

B2 Review of Results of First Quarter Vs Fourth Quarter of the Preceding Year

	3-Month Ended 30/09/2021 RM'000	3-Month Ended 30/06/2021 RM'000	+/(-) %
Revenue	<u>963,039</u>	<u>1,235,548</u>	<u>(22.06)</u>
(Loss)/Profit from operations	<u>(31,520)</u>	<u>51,247</u>	<u>N/A</u>
Loss before tax	<u>(76,346)</u>	<u>(74,160)</u>	<u>3</u>

For the current quarter ended 30 September 2021, the Group reported a revenue of RM963.04 million and pre-tax loss of RM76.35 million as compared to a revenue of RM1.24 billion and pre-tax loss of RM74.16 million in the preceding quarter ended 30 June 2021.

The lower Group revenue was mainly due to:

- (i) the gaming business segment operated by Sports Toto Malaysia Sdn Bhd ("Sports Toto") which reported a significant drop in revenue as there were only 8 draws allowed to be conducted in the current quarter as compared to 28 draws in the preceding quarter. As mentioned in Note B1, the imposition of the nationwide lockdown and the Phases 1 and 2 of the NRP had resulted in the cancellation of 37 draws in the current quarter, as compared to 15 draws cancelled in the preceding quarter.

The Group reported a marginal increase of 3% in pre-tax loss despite a 22% drop in Group revenue as compared to preceding quarter mainly due to:

- (i) higher profit contribution from H.R. Owen mainly due to higher sales generated from new and used car sectors upon the lifting of UK lockdown restrictions in July 2021 coupled with higher support fee income received from franchises in the current quarter under review;

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Review of Results of First Quarter Vs Fourth Quarter of the Preceding Year (Cont'd)

The Group reported a marginal increase of 3% in pre-tax loss despite a 22% drop in Group revenue as compared to preceding quarter mainly due to (cont'd):

- (ii) the higher overall occupancy rate reported by the overseas hotels and resorts business segment especially the hotels in Iceland after the easing of travel and social restrictions during the current quarter under review as compared to preceding quarter; and
- (iii) in the preceding quarter, the Group had accounted higher total net impairment in value of certain assets and goodwill amounting to RM55.46 million and higher share of losses from associated companies.

B3 Future Prospects

The COVID-19 pandemic which resulted in unprecedented preventive measures of varying degrees of global population lockdown had adversely impacted the global economy. Currently most states in Malaysia are placed under Phase 4 of NRP with the full resumption of business activities and certain social activities. As such, the business environment is expected to move gradually into the recovery phase. In addition, the gradual easing of travel and social restrictions by the other countries is expected to strengthen the global business environment.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors expect the performance of the business operations of the Group for the remaining quarters of the financial year ending 30 June 2022 to improve gradually as more business sectors are gearing towards full operation moving forward.

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B4 There is no profit forecast for the financial quarter under review.

B5 (Loss)/Profit before tax is stated after charging/(crediting):

	3-month ended 30/09/2021 RM'000
Interest income	(8,589)
Dividend income	(1,808)
Other income excluding dividend and interest income	(6,449)
Depreciation of property, plant and equipment	25,233
Depreciation of right-of-use assets	24,127
Gain on disposal of property, plant and equipment	(48)
Amortisation of intangible assets	377
Impairment loss on receivables (net)	340
Provision for and write off of inventories	5,550
Net foreign exchange loss	17,303
Fair value changes of investments at FVTPL	1,219
Fair value changes on derivatives	<u>157</u>

B6 The taxation charges for the current quarter ended 30 September 2021 were detailed as follows:

	3-month ended 30/09/2021 RM'000
Malaysian income tax	4,439
Foreign tax	6,725
Deferred taxation	<u>(4,894)</u>
	<u>6,270</u>

The disproportionate tax charge of the Group for the current quarter ended 30 September 2021 was mainly due to certain expenses being disallowed for tax purposes and the non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below:

- (a) On 19 July 2004, the Company announced that Selat Makmur Sdn Bhd now known as Berjaya Tagar Sdn Bhd ("BTSB"), a subsidiary company of Berjaya Land Development Sdn Bhd then, which in turn is a wholly owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSB had proposed to acquire Sungai Tinggi Land from BerjayaCity Sdn Bhd ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor of the new turf club ("BCity Project").

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders have been obtained for the STC Proposals.

Subsequently, on 28 June 2010, the Company announced the status of the conditions precedent ("CP") as follows:

- 1 Approval of the FIC for the STC Proposals was obtained on 12 October 2004.
- 2 Approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004.
- 3 Approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004.
- 4 Approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled.
- 5 The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below.
- 6a. The approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and SMSB is awaiting the decision from the Selangor State government.
- 6b. The approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a above is fulfilled.
- 6c. The approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the conditions precedent ("CP") in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 22 December 2011, the Company announced that STC granted BTSB request for a further extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remains outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by SMSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such date as mutually extended.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

Pursuant to the aforesaid Supplemental Agreement, the period is extended for another year to 18 January 2022 to fulfil the conditions precedent below:

- 1 renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
- 2 the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
 - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
 - (ii) approval from the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
 - (iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2(i) and (ii) above are obtained.

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, BSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

The judgement rendered on 9 November 2017 was as follows:

- 1 The Applicants' application against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents are dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.
- 2 The Applicants are allowed to proceed with the development.
- 3 The Applicants are required to submit the relevant documents to the relevant technical departments for comments.
- 4 The technical departments are directed to respond within 3 months from the receipt of these documents, and failing which it is deemed that they have no objection to these documents.
- 5 Pursuant to an order in the nature of mandamus, the 1st and 5th Respondents are directed to re-table the Applicants' proposal papers to relocate and construct the Selangor Turf Club before the National Physical Planning Council within 3 months after the receipt of the proposal papers from the Applicants.
- 6 The Applicants are directed to submit the said proposal papers within 1 month upon receipt of the fair order, failing which the Applicants shall forfeit the benefit of the order of mandamus pursuant to paragraph 5.
- 7 The 1st and 5th Respondents are ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation will be assessed in subsequent proceedings.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other respondents ("the Appellants") have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017 ("Main Appeal").

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgement in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the the first and fifth respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

The Court of Appeal has granted a stay of execution of the High Court judgment and the Assessment Proceedings pending the disposal of the Main Appeal at the Court of Appeal.

The hearing of the Selangor State Government's appeal at the Court of Appeal which was previously fixed on 24 October 2019 has been vacated by the Court of Appeal. The Court of Appeal will instead hear a motion by the Selangor State Government to adduce further evidence in this matter. The Court of Appeal has then fixed 22 November 2019 as case management date to fix the hearing date of the Main Appeal. On 22 November 2019, the Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

The hearing of the Selangor State Government's motion to adduce further evidence in the matter was dismissed by the Court of Appeal on 24 October 2019. The Appellants subsequently filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal in dismissing the Appellants' motion to adduce further evidence (the "FC Leave Motion"). The Federal Court has fixed the hearing of the Appellants' application for leave to appeal on 13 April 2020.

The Appellants have also filed a stay application to stay the hearing of the Main Appeal pending disposal of the FC Leave Motion. This stay application was fixed for hearing on the same day as the hearing of the Main Appeal, that was on 27 March 2020. In the event that the stay is refused by the Court of Appeal, the hearing of the Main Appeal will proceed.

Due to the Movement Control Order (MCO) coming into effect on 18 March 2020, the hearings of the FC Leave Motion and the application for stay as well as the Main Appeal were postponed to 6 July 2020 and 2 July 2020 respectively. A case management date for the main appeal was also fixed for 9 July 2020 by the Court of Appeal.

Subsequently, the State Government has withdrawn both the FC Leave Motion and the stay application at the Court of Appeal on 19 June 2020 and 2 July 2020 respectively. The hearing of the Main Appeal by the Court of Appeal was initially fixed on 14 December 2020. However, the Court of Appeal had postponed the hearing date of the Main Appeal to 29 June 2021. The implementation of FMCO beginning 1 June 2021 further postponed the hearing date to 27 September 2021. On 27 September 2021, the Court of Appeal postponed the hearing to 3 November 2021.

The Main Appeal was heard by the Court of Appeal on 3 November 2021.

The Court of Appeal allowed the appeal of the Appellants and set aside the decision of the Shah Alam High Court rendered on 9 November 2017.

The Applicants do not agree with the decision of the Court of Appeal and will be filing a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restore the decision of the Shah Alam High Court of 9 November 2017.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

With respect to the Assessment Proceedings, the Shah Alam High Court has fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision of 3 November 2021. The Applicants will inform the High Court that they will be filing a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal.

- (b) On 16 December 2015, the Company announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited ("BLCL"), which in turn is a wholly-owned subsidiary of the Company had entered into a Construction Project Transfer Agreement ("Contract") with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean"), for the proposed disposal of the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project"), for a cash consideration of RMB2.08 billion (or about RM1.39 billion) ("Proposed Disposal").

Beijing SkyOcean has paid:

- (i) RMB50.0 million (or about RM33.4 million) to GMOC on the signing of the Contract; and
- (ii) RMB1.015 billion (or about RM677.92 million) paid into an escrow bank account ("1st Instalment"). This amount shall be released to GMOC within 5 working days after all condition precedents ("CP") have been fulfilled.

On 16 December 2016, the Company announced that the Proposed Disposal has been completed with the receipt of RMB1.015 billion or 1st Instalment by GMOC from the escrow bank account following the fulfilment of all CP. The balance of cash consideration of RMB1.015 billion will be received by November 2017 ("Final Instalment").

Subsequently, on 28 April 2017, the Company announced that following the completion of the Proposed Disposal, GMOC has entered into a supplementary agreement with Beijing SkyOcean to adjust the total cash consideration pursuant to the Proposed Disposal from RMB2.08 billion to RMB2.039 billion, and accordingly revise the Final Instalment to RMB974.07 million as a result of part of the land being regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

SkyOcean Holdings Group Limited which holds 100% stake in Beijing SkyOcean, and its major shareholder, Mr. Zhou Zheng ("the Guarantors") shall guarantee the performance of the obligations by Beijing SkyOcean pursuant to the Contract.

On 8 December 2017, the Company announced Beijing SkyOcean had not remitted the Final Instalment to GMOC by the appointed time. Hence, GMOC after seeking legal advice, had on 7 December 2017, issued a notice of demand to Beijing SkyOcean and the Guarantors to pay to GMOC the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceeding in Hong Kong against Beijing SkyOcean and the Guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre ("HKIAC") against Beijing SkyOcean and the Guarantors ("Respondents") to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

The arbitral tribunal was constituted and the procedural timetable was determined by the tribunal for pre-trial preparations, including closing of pleadings, discovery of documents and exchange of witness statements, etc. The arbitration hearing which was originally scheduled to take place in the week of 14 October 2019 was subsequently held and concluded during the week of 16 December 2019.

On 27 May 2020, the Company announced that GMOC has on 21 May 2020 obtained a favourable arbitration award from the HKIAC ("Final Award"), details of which are as follows:-

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;
- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

On 18 December 2020, Beijing Fourth Intermediate People's Court ordered the recognition and enforcement of GMOC's Final Award under the Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region ("HKSAR"), which was entered between the Chinese Supreme People's Court and HKSAR.

On 2 June 2021, the Hong Kong Court ordered a bankruptcy order against Zhou Zheng. Subsequently, GMOC appointed Grant Thornton Recovery & Reorganisation Limited as joint and several trustees of the property of Zhou Zheng, to investigate, identify, freeze and auction the identified properties as well as investments to recover the Final Award.

The courts in the People's Republic of China and Hong Kong have ordered that various assets of Beijing SkyOcean and its Guarantors to be frozen and will be appraised for auction to eventually recover the Final Award.

The abovementioned enforcement proceedings are still ongoing.

- (c) On 4 June 2018, the Company announced that BLCL had entered into a Capital Transfer Agreement for the proposed disposal by BLCL of the entire resultant 32.5% of the capital contribution in Berjaya Vietnam Financial Center Limited ("BVFC") to Vinhomes Joint Stock Company ("Vinhomes") and Can Gio Tourist City Corporation for a cash consideration of VND884.93 billion (equivalent to approximately RM154.86 million) ("Proposed BVFC Disposal"). The Proposed BVFC Disposal is pending completion.

Initially, BLCL's capital contribution of VND967.31 billion comprised and represented 100% of the charter capital of BVFC. However, following the conditions imposed by the Vietnamese authorities, BVFC was required to increase its charter capital and Vinhomes had in March 2018 injected fresh capital contribution amounting to VND2,008.69 billion (equivalent to approximately RM352 million) into BVFC to fulfill the above requirement which accordingly resulted in a dilution of BLCL's holding in the charter capital of BVFC to 32.5%.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

In conjunction with the Proposed BVFC Disposal, Vinhomes and its affiliates are also being considered as potential purchasers of Berjaya Vietnam International University Town One Member Limited Liability Company (“BVIUT”) and have in December 2017 also injected a cash sum of VND11,904 billion as fresh capital contribution into BVIUT in order to meet certain similar conditions imposed by the Vietnamese authorities which require BVIUT to increase its charter capital to VND12,000 billion.

Accordingly, BLCL's initial stake in BVIUT has also been diluted from 100% to 0.8%. It is the intention of BLCL to dispose of its 0.8% stake in BVIUT in the near future (“Proposed BVIUT Disposal”).

B8 Group borrowings and debt securities as at 30 September 2021:

		RM'000	RM'000
<u>Short term borrowings</u>			
Secured bank borrowings			
Denominated in Ringgit Malaysia		465,801	
Denominated in GBP (GBP655,000)	*	3,685	
Denominated in SGD(SGD1,999,000)	*	6,148	
Denominated in Euro (€4,285,000)	*	20,814	
Denominated in PHP (PHP322,000,000)	*	26,477	
Denominated in JPY (JPY82,244,000)	*	3,078	
			526,003
Secured Medium Term Notes (Denominated in RM)			524,735
Secured Sukuk Wakalah Medium Term Notes (Denominated in RM)			27,940
Unsecured other bank borrowings			
Denominated in GBP (GBP10,000)	*		58
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		1,417	
Denominated in USD (USD2,217,000)	*	9,278	
			10,695
Secured vehicle stocking loans			
Denominated in GBP (GBP32,023,000)	*		180,185
Sub-total short term borrowings			1,269,616
<u>Long term borrowings</u>			
Secured bank borrowings			
Denominated in Ringgit Malaysia		867,714	
Denominated in Euro (€52,726,000)	*	256,088	
Denominated in GBP (GBP11,345,000)	*	63,837	
Denominated in ISK (ISK1,207,428,000)	*	38,897	
Denominated in JPY (JPY3,510,808,000)	*	131,392	
Sub-total long term borrowings carried forward			1,357,928

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B8	Group borrowings and debt securities as at 30 September 2021 (cont'd):		RM'000	RM'000
	Sub-total long term borrowings brought forward			1,357,928
	Secured Medium Term Notes (Denominated in RM)			573,618
	Secured Sukuk Wakalah Medium Term Notes (Denominated in RM)			50,000
	Unsecured other bank borrowings			
	Denominated in GBP (GBP37,000)	*		209
	Secured finance lease and hire purchase payables			
	Denominated in Ringgit Malaysia		2,301	
	Denominated in USD (USD9,165,000)	*	38,361	
	Sub-total long term borrowings			<u>40,662</u>
	Total borrowings			<u>2,022,417</u>
	* <i>Converted at the respective exchange rates prevailing as at 30 September 2021</i>			<u>3,292,033</u>

B9 There was no pending material litigation as at the date of this announcement other than as disclosed below:

(a) GMOC Project Arbitration Proceedings

Reference is made to Note B7 (b).

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre ("HKIAC") against Beijing SkyOcean and the Guarantors ("Respondents") to seek recovery of the Final Instalment and accrued late payment interests ("Outstanding Payment") as well as as other reliefs.

The arbitral tribunal was constituted and the procedural timetable was determined by the tribunal for pre-trial preparations, including closing of pleadings and exchange of witness statements, etc. The arbitration hearing which was originally scheduled to take place in the week of 14 October 2019 was subsequently held and concluded during the week of 16 December 2019.

On 27 May 2020, the Company announced that GMOC has on 21 May 2020 obtained a favourable arbitration award from the HKIAC ("Final Award"), details of which are as follows:-

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;
- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

On 18 December 2020, Beijing Fourth Intermediate People's Court ordered the recognition and enforcement of GMOC's Final Award under the Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region ("HKSAR"), which was entered between the Chinese Supreme People's Court and HKSAR.

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B9 There was no pending material litigation as at the date of this announcement other than as disclosed below (cont'd):

(a) GMOC Project Arbitration Proceedings (Cont'd)

On 2 June 2021, the Hong Kong Court ordered a bankruptcy order against Zhou Zheng. Subsequently, GMOC appointed Grant Thornton Recovery & Reorganisation Limited as joint and several trustees of the property of Zhou Zheng, to investigate, identify, freeze and auction the identified properties as well as investments to recover the Final Award.

The courts in the People's Republic of China and Hong Kong have ordered that various assets of Beijing SkyOcean and its Guarantors to be frozen and will be appraised for auction to eventually recover the Final Award.

The abovementioned enforcement proceedings are still ongoing.

(b) BCity Project Legal Proceedings

Reference is made to Note B7(a).

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, BSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other respondents ("the Appellants") have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017 ("Main Appeal").

The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgement in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the the first and fifth respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

The Court of Appeal has granted a stay of execution of the Shah Alam High Court judgement and the Assessment Proceedings pending the disposal of the Main Appeal at the Court of Appeal.

The hearing of the Selangor State Government's appeal at the Court of Appeal which was previously fixed on 24 October 2019 has been vacated by the Court of Appeal. The Court of Appeal will instead hear a motion by the Selangor State Government to adduce further evidence in this matter. The Court of Appeal has then fixed 22 November 2019 as case management date to fix the hearing date of the Main Appeal. On 22 November 2019, the Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

The hearing of the Selangor State Government's motion to adduce further evidence in the matter was dismissed by the Court of Appeal on 24 October 2019. The Appellants subsequently filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal in dismissing the Appellants' motion to adduce further evidence (the "FC Leave Motion"). The Federal Court has fixed the hearing of the Appellants' application for leave to appeal on 13 April 2020.

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B9 There was no pending material litigation as at the date of this announcement other than as disclosed below (cont'd):

(b) BCity Project Legal Proceedings (Cont'd)

The Appellants have also filed a stay application to stay the hearing of the Main Appeal pending disposal of the FC Leave Motion. This stay application is fixed for hearing on the same day as the hearing of the Main Appeal, that is on 27 March 2020. In the event that the stay is refused by the Court of Appeal, the hearing of the Main Appeal will proceed.

Due to the Movement Control Order (MCO) coming into effect on 18 March 2020, the hearings of the FC Leave Motion and the application for stay as well as the Main Appeal were postponed to 6 July 2020 and 2 July 2020 respectively. A case management date for the Main Appeal was also fixed for 9 July 2020 by the Court of Appeal.

Subsequently, the State Government has withdrawn both the FC Leave Motion and the stay application at the Court of Appeal on 19 June 2020 and 2 July 2020 respectively. The hearing of the Main Appeal by the Court of Appeal was initially fixed on 14 December 2020. However, the Court of Appeal had postponed the hearing date of the Main Appeal to 29 June 2021. The implementation of FMCO beginning 1 June 2021 further postponed the hearing date to 27 September 2021. On 27 September 2021, the Court of Appeal postponed the hearing to 3 November 2021.

The Main Appeal was heard by the Court of Appeal on 3 November 2021.

The Court of Appeal allowed the appeal of the Appellants and set aside the decision of the Shah Alam High Court rendered on 9 November 2017.

The Applicants do not agree with the decision of the Court of Appeal and will be filing a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restore the decision of the Shah Alam High Court of 9 November 2017.

With respect to the Assessment Proceedings, the Shah Alam High Court has fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision of 3 November 2021. The Applicants will inform the High Court that they will be filing a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal.

The BCity Project Legal Proceedings is still ongoing.

(c) Amat Muhibah Tax Dispute

On 16 June 2021, the Inland Revenue Board of Malaysia ("IRB") issued Notice of Assessment ("Form J") in accordance with Sections 4(c) and 4(f) of the Income Tax Act 1967 ("ITA 1967") to Amat Muhibah Sdn Bhd ("AMSB"), a 52.6% subsidiary company of the Company, on gains from the surrender of certain assets to authorities for the Year of Assessment (YA) 2017. The amount of additional tax assessed, inclusive of tax penalties amounted to RM66.44 million ("Tax in Dispute"). Previously, the gains were brought to tax under Section 4(a) of the ITA 1967 by AMSB.

AMSB did not agree with the basis applied by the IRB and has filed an official appeal against the additional assessment for YA2017 through submission of the prescribed Form Q to the Special Commissioners of Income Tax ("SCIT").

On 1 July 2021, AMSB wrote to the Ministry of Finance Malaysia ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
- (b) to grant an exemption under Section 127(3A) of the ITA 1967 with regards to Tax in Dispute, within the week.

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B9 There was no pending material litigation as at the date of this announcement other than as disclosed below (cont'd):

(c) Amat Muhibah Tax Dispute (Cont'd)

As MOF did not respond to AMSB's request, AMSB has filed an application to the High Court of Kuala Lumpur ("High Court") for judicial review against MOF on 8 July 2021 ("MOF Judicial Review"). The High Court fixed 15 September 2021 for the first hearing of the MOF Judicial Review. AMSB has also been granted an interim stay on the payment of the Tax in Dispute until 15 September 2021. Subsequently, the hearing date has been rescheduled to 4 April 2022 and an interim stay has been granted till then.

Based on the opinion obtained from its legal advisors, AMSB has an arguable case that the IRB has no legal and factual basis to raise the Tax in Dispute.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 30 September 2020 : Nil).

B11 The basic and fully diluted loss per share are calculated as follows:

	Group (3-month period)			
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	sen	sen
Net loss for the financial quarter attributable to equity holders of the Parent	<u>(74,303)</u>	<u>(41,878)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,920,500</u>	<u>4,920,500</u>		
Basic loss per share			<u>(1.51)</u>	<u>(0.85)</u>

There are no potential ordinary shares outstanding as at 30 September 2021. As such, the fully diluted loss per share of the Group is equivalent to the basic loss per share.