

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

4 June 2020

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 31 MARCH 2020**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Group</u>	
	As at 31/03/2020	As at 30/06/2019 (Audited)
	RM'000	RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	285,525	279,710
Investment properties	2,503,070	2,499,865
Inventories - land held for development	74,693	74,693
Prepaid lease payments	4,250	4,475
Associated company	13,463	3,077
Joint ventures	14,022	14,055
Investments	196,213	240,651
Deferred tax assets	12,457	13,063
Intangible assets	13,410	16,058
Receivables	2,217	2,037
	<u>3,119,320</u>	<u>3,147,684</u>
<b>CURRENT ASSETS</b>		
Inventories - others	197,146	196,611
Receivables	59,139	75,499
Tax recoverable	400	4
Deposits with licensed banks	46,833	59,190
Cash and bank balances	21,249	35,028
	<u>324,767</u>	<u>366,332</u>
<b>TOTAL ASSETS</b>	<u>3,444,087</u>	<u>3,514,016</u>
<b>EQUITY</b>		
Share capital	1,538,120	1,538,120
Reserves :		
Foreign currency translation reserve	6,435	6,537
Fair value through other comprehensive income ("FVTOCI") reserve	(158,399)	(124,538)
Retained earnings	753,019	763,489
	<u>601,055</u>	<u>645,488</u>
Equity attributable to owners of the parent	2,139,175	2,183,608
Non-controlling interests	5,373	9,516
<b>Total equity</b>	<u>2,144,548</u>	<u>2,193,124</u>

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<b>As at 31/03/2020</b>	<b>Group As at 30/06/2019 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term bank borrowings	438,760	485,445
Senior medium term notes	158,461	158,172
Lease liabilities	13,687	969
Other long term liabilities	183,153	175,820
Deferred tax liabilities	173,801	173,926
	967,862	994,332
<b>CURRENT LIABILITIES</b>		
Payables	165,229	157,225
Short term bank borrowings	158,154	165,411
Lease liabilities	4,446	837
Provisions	194	129
Tax payable	3,654	2,958
	331,677	326,560
<b>Total liabilities</b>	1,299,539	1,320,892
<b>TOTAL EQUITY AND LIABILITIES</b>	3,444,087	3,514,016
<i>Net assets per share attributable to ordinary owners of the parent (sen)</i>	84	87

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2019.

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
Revenue		63,853	75,426	210,584	228,486
Operating expenses		(58,295)	(60,704)	(175,077)	(187,882)
Profit from operations		<u>5,558</u>	<u>14,722</u>	<u>35,507</u>	<u>40,604</u>
Other income	A4	846	4,860	9,567	12,457
Other expenses	A4	1,024	21	(1,868)	(1,607)
Share of results from associated companies		(1,132)	627	1,662	2,273
Share of results from joint ventures		(8)	277	274	38
Finance costs		<u>(15,561)</u>	<u>(15,812)</u>	<u>(49,223)</u>	<u>(49,490)</u>
(Loss)/Profit before tax		(9,273)	4,695	(4,081)	4,275
Taxation	B5	<u>(3,164)</u>	<u>(2,181)</u>	<u>(5,267)</u>	<u>(4,931)</u>
(Loss)/Profit net of tax		<u>(12,437)</u>	<u>2,514</u>	<u>(9,348)</u>	<u>(656)</u>
Attributable to:					
- Owners of the Parent		(12,273)	2,329	(7,935)	515
- Non-controlling interests		<u>(164)</u>	<u>185</u>	<u>(1,413)</u>	<u>(1,171)</u>
		<u>(12,437)</u>	<u>2,514</u>	<u>(9,348)</u>	<u>(656)</u>
(Loss)/Earnings per share (sen):					
Basic	B10	<u>(0.48)</u>	<u>0.09</u>	<u>(0.31)</u>	<u>0.02</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 2019.

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

	<b>CURRENT QUARTER</b>		<b>FINANCIAL PERIOD</b>	
	<b>ENDED</b>		<b>ENDED</b>	
	<b>31/03/2020</b>	<b>31/03/2019</b>	<b>31/03/2020</b>	<b>31/03/2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit net of tax	(12,437)	2,514	(9,348)	(656)
<u>Other comprehensive income</u>				
<u>Item that may be subsequently reclassified to profit or loss</u>				
Currency translation difference	(690)	220	(102)	944
<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")	(23,965)	1,540	(36,396)	(12,878)
Total comprehensive income	<u>(37,092)</u>	<u>4,274</u>	<u>(45,846)</u>	<u>(12,590)</u>
Attributable to:				
- Owners of the Parent	(36,928)	4,089	(44,433)	(11,573)
- Non-controlling interests	<u>(164)</u>	<u>185</u>	<u>(1,413)</u>	<u>(1,017)</u>
	<u>(37,092)</u>	<u>4,274</u>	<u>(45,846)</u>	<u>(12,590)</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2019.

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 31 MARCH 2020**  
**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 2019	1,538,120	-	(124,538)	6,537	763,489	2,183,608	9,516	2,193,124
Transfer upon disposal of FVTOCI investments	-	-	2,535	-	(2,535)	-	-	-
Total comprehensive income	-	-	(36,396)	(102)	(7,935)	(44,433)	(1,413)	(45,846)
Transactions with owners:								
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	(2,730)	(2,730)
At 31 March 2020	<u>1,538,120</u>	<u>-</u>	<u>(158,399)</u>	<u>6,435</u>	<u>753,019</u>	<u>2,139,175</u>	<u>5,373</u>	<u>2,144,548</u>
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)	<u>1,538,120</u>	<u>-</u>	<u>(108,816)</u>	<u>6,585</u>	<u>851,857</u>	<u>2,287,746</u>	<u>9,654</u>	<u>2,297,400</u>
Transfer upon disposal of FVTOCI investments	-	-	7,005	-	(7,005)	-	-	-
Total comprehensive income	-	-	(12,878)	790	515	(11,573)	(1,017)	(12,590)
Transactions with owners:								
Non -controlling interests arising from additional subscription of shares in a subsidiary company	-	-	-	-	-	-	3,220	3,220
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,750)	(1,750)
At 31 March 2019	<u>1,538,120</u>	<u>-</u>	<u>(114,689)</u>	<u>7,375</u>	<u>845,367</u>	<u>2,276,173</u>	<u>10,107</u>	<u>2,286,280</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 2019.

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>FINANCIAL PERIOD</b>	
	<b>ENDED</b>	
	<b>31/03/2020</b>	<b>31/03/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from operations	213,182	231,648
Payments for operating expenses	(150,113)	(160,791)
Other payments (including taxes)	(4,100)	(8,218)
Net cash generated from operating activities	<u>58,969</u>	<u>62,639</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of plant and machinery	19	455
Sales of other investments	7,802	58,241
Acquisition of plant and machinery	(1,100)	(2,355)
Acquisition of other non current assets	(236)	(4)
Additions to land held for development	-	(9,200)
Acquisition of investments	-	(49,136)
Acquisition of additional equity interest in an associated company	(2,000)	-
Interest received	1,751	2,238
Dividend received	3,054	1,747
Net cash generated from investing activities	<u>9,290</u>	<u>1,986</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank and other borrowings	-	160,362
Repayment of borrowings and loans	(55,785)	(186,454)
Dividend paid to non-controlling interests of a subsidiary company	-	(1,750)
Interest paid	(36,159)	(39,523)
Payment of hire purchase liabilities	(2,586)	(565)
Withdrawal from/ (Placement in) banks as security pledged for borrowings	10,821	(4,809)
Net cash used in financing activities	<u>(83,709)</u>	<u>(72,739)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,450)</b>	<b>(8,114)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>54</b>	<b>116</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>31,052</b>	<b>39,529</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>15,656</u></b>	<b><u>31,531</u></b>
 The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	46,833	60,132
Cash and bank balances	21,249	42,448
	<u>68,082</u>	<u>102,580</u>
Less:		
Bank overdrafts	(9,981)	(9,924)
Cash and cash equivalents restricted in usage	(42,445)	(61,125)
	<u>15,656</u>	<u>31,531</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2019.

**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 2019, 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 2019.

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 2019, except for the adoption of new Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs which were effective for the financial periods beginning 1 January 2019.

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 2019.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, 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 16: Leases

MFRS 16 has replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.



**NOTES (CONTINUED)**A1 (a) MFRS 16: Leases (Contd.)

The Group adopted MFRS 16 using the modified retrospective approach with the date of initial application as at 1 July 2019. Under this standard, the Group initially measured its right-of-use assets to be equal to the lease liability, which is the present value of the remaining total lease payments (adjusted for any prepaid or accrued lease payments) discounted at the date of initial application (i.e. 1 July 2019). The Group does not restate the comparative information, which continues to be reported under MFRS 117.

The financial impact from the initial adoption of MFRS 16 at 1 July 2019 are as follows:

<u>Consolidated Statement of Financial Position</u>	<b>RM'000</b>
Increase in right-of-use assets	16,632
Increase in lease liabilities	<u>16,632</u>

Significant accounting policies

The standard requires the Group to recognise an asset representing the right to use the underlying asset and a liability to make lease payments during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the total lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. Subsequently, the lease liability is increased by the interest cost and reduced by the lease payments made accordingly. In addition, the carrying amount of lease liability is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**NOTES (CONTINUED)****A1 (b) IC Interpretation 23: Uncertainty over Income Tax Treatments**

IC Interpretation 23 provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

IC Interpretation 23 will be applied retrospectively.

As disclosed in Note 41 of the audited consolidated financial statements for the year ended 30 June 2019 and Note 8, the Group has 3 on-going litigations relating to disputed additional assessments of income taxes raised by the Inland Revenue Board. The Group has assessed and concluded that based on the legal opinion which states that Berjaya Times Square Sdn Bhd ("BTSSB") has reasonable grounds to take a position that the gains for disposal of investment properties should not be subjected to income tax, the adoption of IC Interpretation 23 has no material impact on the financial statements of the Group.

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) Following the global outbreak of Covid-19 pandemic, the Malaysian Government had imposed Movement Control Order ("MCO") beginning from 18 March 2020 as a preventive measure to curb the outbreak. The MCO requires temporary closure of all businesses except for those involved in the provision of essential services and products and had resulted in a 14-day closure of the business operations of the Group during the current third quarter under review. Further details are disclosed in Notes B1 and B2 below.

Other than the above, there were no other unusual items as a result of their nature, size or incidence that had affected the financial statements for the financial quarter and period ended 31 March 2020 except for the following:

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

	Current Quarter ended 31/03/2020 RM'000	Financial Period ended 31/03/2020 RM'000
Loss arising from dilution of equity interest in a former subsidiary to an associated company	-	(58)
Amortisation of intangible assets	(275)	(825)
Impairment in value of FVTOCI quoted investments	(237)	(237)
Impairment of investment in a joint venture	(280)	(351)
	<u>(792)</u>	<u>(1471)</u>

- (b) There were no material changes in estimates of amounts reported in the current financial quarter and period ended 31 March 2020.
- A5 There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2020.

In addition, none of the outstanding Warrants 2018/2023 were exercised in the period ended 31 March 2020.

- A6 The Company did not pay any dividend in the financial period ended 31 March 2020.

**NOTES (CONTINUED)**

A7 Segmental information for the financial period ended 31 March 2020:

	External	Inter - segment	Total
<u>REVENUE</u>	RM '000	RM '000	RM '000
Property development and investment	106,913	-	106,913
Gaming and related activities	76,512	1,476	77,988
Hotel, recreation and others	27,159	-	27,159
Elimination : Intersegment revenue	-	(1,476)	(1,476)
Total revenue	<u>210,584</u>	<u>-</u>	<u>210,584</u>
<u>RESULTS</u>			RM '000
Property development and investment			47,284
Gaming and related activities			1,223
Hotel, recreation and others			(4,481)
			<u>44,026</u>
Unallocated corporate expenses			(8,519)
Profit from operations			<u>35,507</u>
Other income			
- property development and investment			6,505
- gaming and related activities			2,019
- hotel and recreation			191
- unallocated			852
			<u>9,567</u>
			45,074
Other expenses			
- property development and investment			(411)
- gaming and related activities			(1,059)
- hotel and recreation			(1)
- unallocated			(397)
			<u>(1,868)</u>
			43,206
Share of results after tax from associated companies			1,662
Share of results after tax from joint ventures			274
Finance costs			(49,223)
Loss before tax			<u>(4,081)</u>
Taxation			(5,267)
Loss for the financial period			<u>(9,348)</u>

**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 period ended 31 March 2020 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed below:

- a) On 2 August 2019, Jubli Mentari Sdn Bhd ("JMSB") issued 2.5 million new ordinary shares. Berjaya Assets Alliance Sdn Bhd ("BAASB"), a wholly owned subsidiary of the Group, only subscribed 1.0 million new ordinary shares in JMSB for a total cash subscription price of RM2.0 million. Consequently, the Group's equity interest in JMSB was diluted from 65% to 56.9%.

Subsequently, on 16 October 2019, JMSB issued 6.0 million new ordinary shares. BAASB did not subscribe for any of these new ordinary shares in JMSB. Consequently, the Group's equity interest in JMSB was diluted from 56.9% to 31.97%, thus making JMSB an associated company of the Group.

A11 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2019.

A12 There are no changes in capital commitments since the last audited statement of financial position as at 30 June 2019 as follows:

	At 31/03/2020 RM'000	At 30/06/2019 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
	<u>138,531</u>	<u>138,531</u>

## 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 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.

Following the global outbreak of Covid-19 pandemic, the Malaysian Government had imposed MCO beginning from 18 March 2020 as a preventive measure to curb the outbreak. The MCO requires temporary closure of all businesses except for those involved in the provision of essential services and products and had resulted in a 14-day closure of the business operations of the Group during the current third quarter under review.

The summary results of the Group are as follows:

	3-Month Ended			9-Month Ended		
	31/03/2020	31/03/2019	+ / (-)	31/03/2020	31/03/2019	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	63,853	75,426	(15)	210,584	228,486	(8)
Profit from operations	5,558	14,722	(62)	35,507	40,604	(13)
(Loss)/Profit before tax	(9,273)	4,695	N/A	(4,081)	4,275	N/A

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**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 RM63.9 million and pre-tax loss of RM9.3 million in the current quarter ended 31 March 2020 as compared to revenue of RM75.4 million and pre-tax profit of RM4.7 million reported in the previous year corresponding quarter. The lower Group revenue was mainly due to the cancellation of 6 draws by the gaming business operated by Natural Avenue Sdn Bhd ("NASB"), in the month of March 2020, lower food and beverage sales, lower sales of theme park tickets from the hotel and recreation business segments arising from the closure of business operations (14 days in March 2020) during the MCO period. The property development and property investment business segment reported lower rental income, mainly due to the 14-day rental relief granted to its eligible tenants who were also unable to operate during the MCO period. Prior to the imposition of MCO, the Group's business segments were already affected by lower sales, cancellation of events and room sales primarily due to the growing Covid-19 pandemic concerns of the general public. The lower revenue registered has resulted in the Group incurring a pre-tax loss in the current quarter. In addition, the Group also equity accounted for share of losses from its associated companies and joint ventures in this current quarter under review.

For the 9-month period

For the cumulative nine months ended 31 March 2020, the Group registered a revenue of RM210.6 million and pre-tax loss of RM4.1 million as compared to a revenue of RM228.5 million and pre-tax profit of RM4.3 million reported in the preceding year corresponding period.

The lower Group revenue was mainly due to:

- (i) lower revenue from lower number of draws from the gaming business segment due to the cancellation of 6 draws (in March 2020) during the MCO period. In spite of this, the average revenue per draw recorded in the current 9-month period was higher than that recorded in the previous year corresponding period;
- (ii) lower rental income contribution from the property development and property investment business segment due to the lower occupancy rates recorded and the 14-day rental relief granted to eligible tenants during the MCO period; and
- (iii) lower contribution from the hotel and recreation business from lower hotel room rates, food and beverage sales and theme park tickets sales mainly due to the business closure (14 days in March 2020) during the MCO period.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B1 Review of group performance (Contd)**For the 9-month period (Contd)

The pre-tax loss in the current 9-month period under review was primarily due to:-

- (i) lower contribution from property development and property investment business segment, hotel and recreation business segment and gaming business mainly due to lower revenue registered as explained above; and
- (ii) lower share of profits from associated companies.

**B2 Third Quarter vs Preceding Second Quarter**

	<b>3-Month Ended</b>		
	<b>31/03/2020</b>	<b>31/12/2019</b>	<b>+ / (-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	63,853	73,758	(13)
Profit from operations	5,558	13,127	(58)
(Loss)/Profit before tax	(9,273)	1,746	N/A

For the current quarter under review, the Group registered a revenue of RM63.9 million which was lower compared to the revenue of RM73.8 million in the preceding quarter ended 31 December 2019. The current quarter's pre-tax loss of RM9.3 million compared to pre-tax profit of RM1.7 million reported for the preceding quarter.

The lower Group revenue was mainly due to lower hotel occupancy and average room rates, lower sales of food and beverage and theme park tickets, lower rental income generated by the property development and property investment business segment due to factors mentioned in the paragraph under Note B1 of the commentary for the current quarter's results. The lower revenue from the gaming business segment was due to business closure in the MCO period (cancellation of 6 draws in March 2020) was partly mitigated by its higher average revenue per draw prior to 18 March 2020.

The pre-tax loss in the current quarter under review was mainly due to:-

- (i) lower revenue registered from all business segments;
- (ii) unrealised exchange translation loss registered by a subsidiary company due to unfavourable exchange rate; and
- (iii) share of losses from associated and joint venture companies.

The above was partly mitigated by higher profit contribution from the gaming business segment due to lower prize payout, despite the cancellation of 6 draws during the MCO period.



**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****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. In Malaysia, the MCO which began on 18 March 2020 had eased into a Conditional MCO ("CMCO") from 4 May 2020 to 9 June 2020. During the CMCO period, the gaming business operated by NASB and the theme park business are still not allowed to resume operations. The Group's shopping malls, Berjaya Times Square Mall and Berjaya Waterfront Complex have resumed full business operations during the CMCO period and have implemented new social distancing rules and other guidelines under the Standard Operating Procedures ("SOPs") issued by the National Security Council. The Group's hotel, Berjaya Waterfront Hotel in Johor Bharu was selected as one of the quarantine centres for returning Malaysians from overseas, earning room sales of RM150 per room per day during the mandatory quarantine period.

Based on the assumption that the CMCO ends on 9 June 2020 and that all business operators are allowed to resume operations with the implementation of SOPs on 10 June 2020 onwards, NASB will effectively have only 9 draws and the theme park operations will have about 20 business days during the fourth quarter ending 30 June 2020. The substantially reduced business days will adversely impact the fourth quarter results of these companies.

The Group's shopping malls, Berjaya Times Square Mall and Berjaya Waterfront Complex had granted rental relief (of which 14-day relief period fell in the third quarter and another 14-day relief falls in the fourth quarter) to eligible tenants during this challenging times. Going forward, the Directors expect that the footfall to the shopping malls will continue to remain low due to the general public still being wary of Covid-19 infection despite the implementation of preventive SOPs. The low footfall may create a downward pressure on rental collections and revenue. As for the hotel business segment, the Directors also expect that the occupancy rates and the revenue from events will remain low arising from low tourist arrivals coupled with new social distancing rules during this global Covid-19 pandemic.

In view of the above factors and the immense challenges created by the pandemic, the Group is unable to forecast with certainty, when its business operations will return to the level prior to the Covid-19 pandemic. Hence, the Directors expect the results of the Group for the remaining quarter of the financial year ending 30 June 2020 to be adversely impacted.

**B4** There is no profit forecast or profit guarantee for the financial quarter and period ended 31 March 2020.

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

B5 The income tax expenses for the financial quarter and period ended 31 March 2020 are detailed as follows:

	Current Quarter ended 31/03/2020 RM'000	Financial Period ended 31/03/2020 RM'000
Malaysian taxation:		
Current period provision	2,447	4,378
Under provision of additional taxes in prior years	24	24
Deferred tax	564	481
Withholding tax	129	384
	<u>3,164</u>	<u>5,267</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 March 2020 was mainly due to certain expenses being disallowed for tax purposes, utilisation of unused business losses as well as non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 The corporate exercise announced by the Group but not completed as at the date of this announcement are listed below:

- a) As disclosed in Note 44 in the Company's audited financial statements for the financial year ended 30 June 2013, BWSB had entered into a conditional sale and purchase agreement for the proposed acquisition by BWSB from Kelana Megah Sdn Bhd ("KMSB") of its intended lease interest in a parcel of vacant land measuring about 4.285 acres held under Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM27.99 million ("KMSB SPA").

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 2019. Subsequently on 3 April 2019, BWSB entered into a supplemental agreement with KMSB to further extend the completion date of the Agreement to 9 April 2021. 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 31 March 2020 are as follows:

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	152,843
- Denominated in GBP (£1,000,000) *	5,311
	158,154
Long term bank borrowings	
- Denominated in Ringgit Malaysia	302,750
- Denominated in GBP (£25,609,000) *	136,010
	438,760
Senior medium term notes	158,461
Total borrowings	<u>755,375</u>

\* *Converted at the exchange rate prevailing as at 31 March 2020.*

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 41 of the audited financial statements of the Group for the financial year ended 30 June 2019.

The Court of Appeal had earlier fixed the hearing of BTSSB's appeal against the dismissal of its application for leave for judicial review of Tax Appeal 2 by the High Court on 18 February 2020.

The hearing date of 18 February 2020 was subsequently vacated and instead fixed for case management, pending the Federal Court's decision on a case involving another taxpayer on similar issues ("Similar Case"). On 18 February 2020, the Court of Appeal directed that both parties to attend a case management vide e-Review on 2 June 2020 and to further update the Court of Appeal on 10 June 2020 (if the Federal Court has made a decision on the aforementioned similar case prior to that date).

On 2 June 2020, the Court of Appeal was informed that the hearing date of the Similar Case was vacated and a case management date is now fixed on 9 June 2020. Hence, the Court of Appeal fixed the next case management date for Tax Appeal 2 to be on 20 July 2020.

Both Tax Appeal 1 and Tax Appeal 2 will be heard at the Special Commissioners of Income Tax ("SCIT") from 11 August 2021 to 13 August 2021.

Further to the above, IRB had on 9 January 2020, issued Forms JA for YAs 2015 to 2018 being additional tax assessments of:

- (i) RM16.309 million arising from disallowable unabsorbed tax losses;
- (ii) RM7.34 million being tax penalties on item (i); and
- (iii) RM3.08 million relating to interest income arising from early redemption of Junior Bonds.

**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. (Continued)

BTSSB did not agree to IRB's basis of disallowing the unabsorbed tax losses. IRB has arbitrarily regarded the unabsorbed tax losses to be no longer available as they have been fully absorbed in the previous years against the gains from the disposal of investment assets, notwithstanding the ongoing unconcluded Tax Appeal 1 and Tax Appeal 2 related litigations.

Consequently, on 17 January 2020, BTSSB made an application to the High Court for judicial review. The hearing date for BTSSB's judicial review application has been set on 30 April 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. In addition, BTSSB had on 7 February 2020, submitted an official appeal through submission of Forms Q to SCIT ("Tax Appeal 3").

Due to the imposition of MCO, the hearing date for BTSSB's judicial review application was postponed to 1 June 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. Subsequently, the hearing date on 1 June 2020 was vacated and fixed as a case management date instead.

On 1 June 2020, the High Court has extended the interim stay until the next hearing date which is fixed on 9 July 2020.

The above litigations are still on-going.

B9 The Board does not recommend any dividend in the current quarter (previous year's quarter ended 31 March 2019 : Nil).

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

	<u>Current Quarter Ended</u>			
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	Sen	Sen
(Loss)/Profit for the quarter	<u>(12,273)</u>	<u>2,329</u>		
Weighted average number of ordinary shares ('000)	<u>2,558,271</u>	<u>2,502,656</u>		
Basic (loss)/earnings per share			<u>(0.48) #</u>	<u>0.09 #</u>

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

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

	<u>9-Month Ended</u>			
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	Sen	Sen
(Loss)/Profit for the financial period	<u>(7,935)</u>	<u>515</u>		
Weighted average number of ordinary shares ('000)	<u>2,558,271</u>	<u>2,502,656</u>		
Basic (loss)/profit per share			<u>(0.31) #</u>	<u>0.02 #</u>

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

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

	Current Quarter ended 31/03/2020 RM'000	Financial Period ended 31/03/2020 RM'000
Interest income	(388)	(1,728)
Dividend income	(2,295)	(3,054)
Other income excluding dividend and interest income	(3,232)	(4,785)
Depreciation of property, plant and equipment	3,437	12,727
Amortisation of intangible assets	275	825
Impairment in value of FVTOCI quoted investments	237	237
Impairment of investment in a joint venture	<u>280</u>	<u>351</u>