

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

22 August 2022

UNAUDITED (Q4) INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30/06/2022	Group As at 30/06/2021 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	239,262	249,745
Right-of-use assets	10,263	12,533
Investment properties	2,316,069	2,362,724
Inventories - land held for development	104,670	101,470
Associated company	10,874	10,698
Joint ventures	7,263	8,938
Other investments	119,421	155,711
Deferred tax assets	974	974
Intangible assets	10,783	11,881
Receivables	2,733	2,690
	2,822,312	2,917,364
CURRENT ASSETS		
Inventories - others	187,346	190,346
Short-term investments	-	1,000
Receivables	54,964	41,748
Tax recoverable	1,069	433
Deposits with licensed banks	17,845	15,188
Cash and bank balances	25,976	19,134
	287,200	267,849
TOTAL ASSETS	3,109,512	3,185,213
EQUITY		
Share capital	1,538,120	1,538,120
Reserves :		
Foreign currency translation reserve	7,679	14,303
Fair value through other comprehensive income ("FVTOCI") reserve	(131,172)	(120,257)
Retained earnings	458,979	517,959
	335,486	412,005
Equity attributable to owners of the parent	1,873,606	1,950,125
Non-controlling interests	(526)	213
Total equity	1,873,080	1,950,338

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

	As at 30/06/2022	Group As at 30/06/2021 (Audited)
	RM'000	RM'000
NON-CURRENT LIABILITIES		
Long term bank borrowings	501,715	504,890
Senior medium term notes	119,281	138,896
Hire purchase liabilities	142	844
Other long term liabilities	161,149	164,635
Lease liabilities	9,355	9,129
Deferred tax liabilities	163,901	160,773
	955,543	979,167
CURRENT LIABILITIES		
Payables	185,348	170,156
Short term bank borrowings	74,436	63,162
Senior medium term notes	19,937	19,931
Hire purchase liabilities	388	907
Lease liabilities	328	252
Provisions	82	88
Tax payable	370	1,212
	280,889	255,708
Total liabilities	1,236,432	1,234,875
TOTAL EQUITY AND LIABILITIES	3,109,512	3,185,213
<i>Net assets per share attributable to ordinary owners of the parent (sen)</i>	73	76

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

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

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

	Note	CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
		30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Revenue		61,214	38,232	174,036	181,313
Operating expenses		(51,677)	(41,657)	(154,685)	(174,965)
Profit/(Loss) from operations		9,537	(3,425)	19,351	6,348
Other income	A4	8,853	(1,236)	16,676	13,281
Other expenses	A4	(24,664)	(62,990)	(26,077)	(64,662)
Share of results from associated companies		(434)	(1,299)	176	(235)
Share of results from joint ventures		(901)	(226)	(2,134)	(2,500)
Finance costs		(16,797)	(16,473)	(55,657)	(55,986)
Loss before tax		(24,406)	(85,649)	(47,665)	(103,754)
Taxation	B5	(4,823)	2,013	(7,614)	(4,457)
Loss net of tax		(29,229)	(83,636)	(55,279)	(108,211)
Attributable to:					
- Owners of the Parent		(30,378)	(83,942)	(54,943)	(107,889)
- Non-controlling interests		1,149	306	(336)	(322)
		(29,229)	(83,636)	(55,279)	(108,211)
Loss per share (sen):					
Basic	B10	(1.19)	(3.28)	(2.15)	(4.22)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

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

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

	CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Loss net of tax	(29,229)	(83,636)	(55,279)	(108,211)
<u>Other comprehensive income</u>				
<u>Item that may be subsequently reclassified to profit or loss</u>				
Currency translation difference	(2,628)	6,023	(7,027)	7,906
<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")	695	(91,758)	(14,952)	38,103
Total comprehensive income	<u>(31,162)</u>	<u>(169,371)</u>	<u>(77,258)</u>	<u>(62,202)</u>
Attributable to:				
- Owners of the Parent	(32,124)	(170,146)	(76,519)	(62,349)
- Non-controlling interests	962	775	(739)	147
	<u>(31,162)</u>	<u>(169,371)</u>	<u>(77,258)</u>	<u>(62,202)</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 2021.

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

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

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

	<--- Non - distributable --->			Distributable		Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	FVTOCI Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity Funds RM'000		
At 1 July 2021	1,538,120	(120,257)	14,303	517,959	1,950,125	213	1,950,338
Transfer upon disposal of FVTOCI investments	-	4,037	-	(4,037)	-	-	-
Total comprehensive income	-	(14,952)	(6,624)	(54,943)	(76,519)	(739)	(77,258)
At 30 June 2022	<u>1,538,120</u>	<u>(131,172)</u>	<u>7,679</u>	<u>458,979</u>	<u>1,873,606</u>	<u>(526)</u>	<u>1,873,080</u>
At 1 July 2020	1,538,120	(167,890)	6,866	635,378	2,012,474	66	2,012,540
Transfer upon disposal of FVTOCI investments	-	9,530	-	(9,530)	-	-	-
Total comprehensive income	-	38,103	7,437	(107,889)	(62,349)	147	(62,202)
At 30 June 2021	<u>1,538,120</u>	<u>(120,257)</u>	<u>14,303</u>	<u>517,959</u>	<u>1,950,125</u>	<u>213</u>	<u>1,950,338</u>

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

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

	FINANCIAL YEAR ENDED	
	30/06/2022 RM'000	30/06/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	178,730	156,974
Payments for operating expenses	(152,302)	(132,609)
Other payments (including taxes)	(5,392)	(8,354)
Net cash generated from operating activities	<u>21,036</u>	<u>16,011</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of plant and machinery	213	198
Sales of other non current assets	17,912	1,845
Sales of other investments	23,377	52,360
Acquisition of plant and machinery	(553)	(788)
Acquisition of investment properties	(3,101)	-
Acquisition of other non current assets	-	(34)
Acquisition of investments	(1,800)	-
Interest received	1,170	1,811
Dividend received	327	416
Net cash generated from investing activities	<u>37,545</u>	<u>55,808</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	28,000	-
Repayment of borrowings and loans	(33,363)	(39,445)
Interest paid	(42,386)	(49,784)
Payment of hire purchase liabilities	(880)	(1,409)
Payment of principal portion of lease liabilities (Placement with)/Withdrawals from	(318)	(299)
banks as security pledged for borrowings	(2,406)	20,226
Net cash used in financing activities	<u>(51,353)</u>	<u>(70,711)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,228	1,108
EFFECTS OF EXCHANGE RATE CHANGES	(131)	88
OPENING CASH AND CASH EQUIVALENTS	12,964	11,768
CLOSING CASH AND CASH EQUIVALENTS	<u>20,061</u>	<u>12,964</u>
 The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	17,845	15,188
Cash and bank balances	25,976	19,134
	<u>43,821</u>	<u>34,322</u>
Less:		
Bank overdrafts	(9,990)	(9,994)
Cash and cash equivalents restricted in usage	(13,770)	(11,364)
	<u>20,061</u>	<u>12,964</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

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 2021, 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 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 year ended 30 June 2021, 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 2021.

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

- A2 The audit report of the Company's most recent annual audited financial statements did not contain any qualification.
- A3 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for the gaming and recreation businesses that may be favourably impacted by the festive and school holiday seasons respectively.

NOTES (CONTINUED)

A4 Following the global outbreak of COVID-19 pandemic, the Malaysian Government had imposed various phases of Movement Control Order ("MCO") since 18 March 2020 as a preventive measure to curb the pandemic. The Group's business operations, particularly the hotel, recreation, gaming, property investment business segments and the jetty operations are adversely impacted by the re-imposition of various phases of MCO which resulted in continued borders closures, travel restrictions of foreigners, reduced footfall in shopping malls and the cancellation of number forecast draws during the MCOs. The MCOs were subsequently replaced with the implementation of different phases of National Recovery Plan which involved the progressive easing of restrictive measures. On 1 April 2022, Malaysia transitioned to the endemic phase of COVID-19 and starting from 1 May 2022, the negative list which prohibited certain activities and businesses during the COVID-19 pandemic was relaxed.

(a) There were no other unusual items as a result of their nature, size or incidence that had affected the financial statements for the financial quarter and year ended 30 June 2022 except for the following:

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

	Current Quarter ended 30/06/2022 RM'000	Financial Year ended 30/06/2022 RM'000
Amortisation of intangible assets	(275)	(1,100)
Gain on disposal of investment properties	-	4,108
Impairment in fair value of investment properties	<u>(17,223)</u>	<u>(17,223)</u>

(b) There were no material changes in estimates of amounts reported in the current financial quarter and year ended 30 June 2022.

A5 There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial year ended 30 June 2022.

In addition, none of the outstanding Warrants 2018/2023 were exercised in the financial year ended 30 June 2022.

A6 The Company did not pay any dividend in the financial year ended 30 June 2022.

NOTES (CONTINUED)

A7 Segmental information for the financial year ended 30 June 2022:

	External	Inter -	Total
	RM '000	segment	RM '000
		RM '000	RM '000
REVENUE			
Property development and investment	94,615	-	94,615
Gaming and related activities	57,111	1,103	58,214
Hotel, recreation and others	22,310	-	22,310
Elimination : Intersegment revenue	-	(1,103)	(1,103)
Total revenue	<u>174,036</u>	<u>-</u>	<u>174,036</u>
RESULTS			RM '000
Property development and investment			32,606
Gaming and related activities			729
Hotel, recreation and others			<u>(11,965)</u>
			21,370
Unallocated corporate expenses			<u>(2,019)</u>
Profit from operations			19,351
Other income			
- property development and investment			13,279
- gaming and related activities			1,627
- hotel, recreation and others			1,561
- unallocated			209
			<u>16,676</u>
			36,027
Other expenses			
- property development and investment			(23,780)
- gaming and related activities			(1,101)
- unallocated			(1,196)
			<u>(26,077)</u>
			9,950
Share of results after tax from associated companies			176
Share of results after tax from joint ventures			(2,134)
Finance costs			<u>(55,657)</u>
Loss before tax			(47,665)
Taxation			<u>(7,614)</u>
Loss for the financial year			<u><u>(55,279)</u></u>

NOTES (CONTINUED)

- A8 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this current financial quarter.
- A9 There were no material changes in the composition of the Group for the financial year ended 30 June 2022 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.
- A10 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2021.
- A11 Subsequent to 30 June 2021, the Group has rescinded the KMSB SPA as disclosed in Note B6(a). As such, the Group no longer has any capital commitments.

	At 30/06/2022 RM'000	At 30/06/2021 RM'000
Capital expenditure approved and contracted for	<u>-</u>	<u>57,778</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 and the operations of hotel and recreation business. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Property development and investment

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

Hotel and recreation

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

NFO in Sarawak

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

Following the global outbreak of COVID-19 pandemic, the Malaysian Government had imposed various phases of Movement Control Order ("MCO") since 18 March 2020 as a preventive measure to curb the pandemic. On 15 June 2021, the Malaysian Government announced the implementation of National Recovery Plan ("NRP") as an exit strategy of the Covid-19 pandemic with the progressive resumption of business operations and social activities and the lifting of travelling restrictions. On 1 April 2022, Malaysia transitioned to the endemic phase of COVID-19 and starting from 1 May 2022, the negative list which prohibited certain activities and businesses during the COVID-19 pandemic was relaxed.

The summary results of the Group are as follows:

	3-Month Ended			Financial Year Ended		
	30/06/2022	30/06/2021	+ /(-)	30/06/2022	30/06/2021	+ /(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	61,214	38,232	60	174,036	181,313	(4)
Profit/(Loss) from operations	9,537	(3,425)	N/A	19,351	6,348	205
Loss before tax	(24,406)	(85,649)	(72)	(47,665)	(103,754)	(54)

**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 RM61.2 million and pre-tax loss of RM24.4 million in the current quarter ended 30 June 2022 as compared to revenue of RM38.2 million and pre-tax loss of RM85.7 million reported in the previous year corresponding quarter.

The higher Group revenue of the current quarter was mainly due to higher revenue reported by hotel, recreation, gaming and property investment business segments from the higher sales of theme park tickets, higher number of draws and higher occupancy rates respectively. In the previous year corresponding quarter, Natural Avenue Sdn Bhd ("NASB") which operated the gaming business segment had to cancel a total of 17 draws due to the imposition of MCO.

The Group reported a lower pre-tax loss in the current quarter under review primarily due to:

- (i) lower impairment in fair value of investment properties; and
- (ii) higher revenue recorded by the gaming and hotel, property investment and recreation business segments.

For the Financial Year

For the financial year ended 30 June 2022, the Group registered a revenue of RM174.0 million and pre-tax loss of RM47.7 million as compared to a revenue of RM181.3 million and pre-tax loss of RM103.8 million reported in the preceding financial year. The Group's revenue was lower in the current financial year under review mainly due to the cancellation of all 45 draws for the entire 3-month period from 1 July 2021 to 30 September 2021, which resulted in nil revenue being registered by NASB during the implementation of the Phases 1 and 2 of NRP. The authorities in Sarawak had allowed the NFO operators in Sarawak to operate from 1 October 2021 onwards. In the previous financial year, NASB had conducted 155 draws during the Recovery MCO. In addition, the property investment business segment reported lower revenue due to temporary business closures for most part of the first 3 months in the current financial year under review due to the implementation of Phases 1 and 2 of NRP.

However, these have been mitigated by the higher revenue reported by hotel and recreation business segment due to higher sales of theme park tickets.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**For the Financial Year (Contd)

The lower pre-tax loss in the current financial year under review was primarily due to following:

- (i) lower impairment in fair value of investment properties; and
- (ii) lower operating expenses incurred by property investment, hotel and recreation business segments.

B2 Fourth Quarter vs Preceding Third Quarter

	3-Month Ended		+/(-) %
	30/06/2022 RM'000	31/03/2022 RM'000	
Revenue	61,214	52,261	17
Profit from operations	9,537	4,398	117
Loss before tax	(24,406)	(4,571)	434

For the current quarter under review, the Group registered a revenue of RM61.2 million which was higher compared to the revenue of RM52.3 million in the preceding quarter ended 31 March 2022. The current quarter's pre-tax loss of RM24.4 million was higher as compared to a pre-tax loss of RM4.6 million reported for the preceding quarter.

For the current quarter, the property investment, hotel and recreation business segments have reported higher revenue mainly due to higher rental income and higher sales of theme park tickets.

These have mitigated the lower revenue generated from gaming business segment due to lower number of draws.

The Group reported a higher loss before tax in the current quarter under review was primarily due to the recognition of impairment in fair value of investment properties amounting to RM17.2 million in the current quarter.

**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 and restrictive measures of varying degrees of global population lockdown had adversely impacted the global economy. In Malaysia, the Government had imposed various degrees of population lockdown to slow down the infection rate amongst its population. This inevitably has adversely affected the domestic economy.

Currently, Malaysia has transitioned to the endemic phase of COVID-19 with the full resumption of business and social activities and the re-opening of international borders. The recovery of the domestic economy is now anticipated to accelerate going forward.

Whilst the Directors are cautiously optimistic on the recovery of the domestic economy, the operating results of the Group for the financial year ending 30 June 2023 is expected to remain challenging as the business operations have not returned to the level prior to the pandemic.

B4 There is no profit forecast or profit guarantee for the financial quarter and year ended 30 June 2022.

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

	Current Quarter ended 30/06/2022 RM'000	Financial Year ended 30/06/2022 RM'000
Malaysian taxation:		
Current period provision	1,430	3,735
Under/(Over) provision of additional taxes in prior years	1	(603)
Deferred tax	3,254	3,910
Withholding tax	138	572
	<u>4,823</u>	<u>7,614</u>

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

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

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 2022. Upon completion of the KMSB SPA, BWSB will hold a 99-year leasehold land instead of lease interest over the land.

On 8 April 2022, BWSB had rescinded the KMSB SPA for the proposed acquisition of a lease interest over the land.

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

Secured:	RM'000
Short term bank borrowings	
- Denominated in Ringgit Malaysia	69,356
- Denominated in GBP (£949,000) *	5,080
	74,436
Senior medium term notes	19,937
	94,373
Long term bank borrowings	
- Denominated in Ringgit Malaysia	363,810
- Denominated in GBP (£25,764,000) *	137,905
	501,715
Senior medium term notes	119,281
Total borrowings	715,369

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

B8 There is no pending material litigation since the date of the last audited statement of financial position to the date of this announcement, other than as disclosed below.

BTSSB Tax Litigation

Reference is made to Note 41 of the audited financial statements of the Group for the financial year ended 30 June 2021.

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

The hearing of Tax Appeal 1, Tax Appeal 2 and Tax Appeal 3 at the Special Commissioners of Income Tax ("SCIT") has been adjourned to 20 April 2022 to 22 April 2022 and stay order had been granted until then. Subsequently, the hearing date on 20 April 2022 to 22 April 2022 was vacated and fixed a further mention date on 25 October 2022 to update SCIT on the outcome of the settlement proposal and the stay order continued to be granted until then.

The High Court has initially fixed 7 July 2021 as the hearing date for Inland Revenue Board's (IRB) application to intervene and as the case management date for Berjaya Times Square Sdn Bhd's Ministry of Finance Judicial Review. The hearing date has subsequently been rescheduled to 1 March 2022. Subsequently, the hearing on 1 March 2022 was converted into a case management. The High Court then fixed a case management on 26 May 2022 for parties to update the Court on the status of the two similar cases and the interim stay order was granted until then. On 26 May 2022, the High Court was informed that the leave appeal by the two similar cases were rejected by the Federal Court. The High Court now fixed the hearing date for IRB's application to intervene on 12 September 2022.

VCSB Litigation

On 21 February 2022, Violet Circle Sdn Bhd ("Plaintiff") filed in an Originating Summons in the Kuala Lumpur High Court against the Group and its wholly-owned subsidiary, Tropicfair Sdn Bhd ("Tropicfair") ("VCSB Litigation").

The Originating Summons seeks, among several Orders from the Court against Tropicfair, the following:

- a) Specific performance against Tropicfair in relation to the Share Sale Agreement dated 12 July 2016 entered into between Tropicfair and the Plaintiff ("Share Sale Agreement") whereby Tropicfair do, within 14 days from the date of the Order made by the Court, pay the Plaintiff the sum of RM97,600,000 as at 11 October 2016 with interest accruing thereon the rate of 6% per annum calculated on a daily basis from 12 October 2016 until full and final settlement ("the said Sum");
- b) A declaration that the Company and Other Defendant jointly and severally with Tropicfair, be liable for payment of the said Sum to the Plaintiff pursuant to a collateral agreement between the Plaintiff and Company and Other Defendant made in or about July 2016;
- c) Damages in lieu of and/or in addition to specific performance of the aforesaid; and
- d) Costs on full indemnity basis.

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

The subject matter of the Originating Summons stems from the Share Sale Agreement for the proposed acquisition by Tropicfair of the remaining 50% equity interest comprising 3,505,000 ordinary shares in Megaquest Sdn Bhd ("Megaquest") from the Plaintiff for a cash consideration of RM108 million (the "Proposed Acquisition"). The Proposed Acquisition was announced by the Company on 12 July 2016.

On 12 June 2020, Tropicfair had given notice to the Plaintiff of rescission of the Share Sale Agreement on the ground that the core operating business of Megaquest has been substantially impaired and the entire transaction as contemplated under the Share Sale Agreement has suffered a material adverse change. Following the said rescission, as disclosed in the Annual Report 2020, the forfeited deposit and liquidated ascertained damages incurred in the Group's consolidated financial statements totalled RM10.8 million. Under the circumstances, Tropicfair avers that it is not liable for payment of the said Sum to the Plaintiff.

Tropicfair has filed an application to convert the Originating Summons to a writ of summons whilst the Company has filed an application to strike out and/or to convert the Originating Summons to a writ action.

The hearing date of the applications was set on 27 June 2022.

On 29 June 2022, the honourable judge allowed the Company striking out application with costs against the Plaintiff.

The Honourable Judge also allowed Tropicfair's application to convert the Originating Summons to a Writ Action with costs against the Plaintiff.

On 14 July 2022, the Plaintiff filed an application at the Court of Appeal to appeal against the Kuala Lumpur High Court decision rendered on 29 June 2022. The Plaintiff also filed for a stay proceeding at the Kuala Lumpur High Court, which was dismissed by the Kuala Lumpur High Court. The Kuala Lumpur High Court subsequently fixed case management on 19 September 2022.

On 10 August 2022, the Plaintiff filed a stay of proceeding motion at the Court of Appeal. The hearing for the Plaintiff's stay of proceeding motion is fixed on 8 September 2022.

The above litigations are still on-going.

B9 The Board does not recommend any dividend in the current quarter (previous year's quarter ended 30 June 2021: Nil).

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

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

	<u>Current Quarter Ended</u>			
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 Sen	30/06/2021 Sen
Loss for the quarter	<u>(30,378)</u>	<u>(83,942)</u>		
Weighted average number of ordinary shares ('000)	<u>2,558,271</u>	<u>2,558,271</u>		
Basic loss per share			<u>(1.19) #</u>	<u>(3.28) #</u>
	<u>Financial Year Ended</u>			
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 Sen	30/06/2021 Sen
Loss for the financial year	<u>(54,943)</u>	<u>(107,889)</u>		
Weighted average number of ordinary shares ('000)	<u>2,558,271</u>	<u>2,558,271</u>		
Basic loss per share			<u>(2.15) #</u>	<u>(4.22) #</u>

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

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

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

	Current Quarter ended 30/06/2022 RM'000	Financial Year ended 30/06/2022 RM'000
Interest income	(659)	(1,385)
Dividend income	(251)	(327)
Gain on disposal of investment properties	-	(4,108)
Other income excluding dividend, interest income and gain on disposal of investment properties	(7,943)	(10,856)
Fair value changes in investment properties	17,223	17,223
Depreciation of property, plant and equipment	2,707	10,636
Amortisation of intangible assets	275	1,100