

Berjaya Corporation Berhad

Registration Number: 200101019033 (554790-X)

Date: 26 February 2020

Subject: **UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR
THE PERIOD ENDED 31 DECEMBER 2019**

	Page
Table of contents	
Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Unaudited Interim Financial Report	6 - 11
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	12 - 23

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	2,082,837	N/A	4,153,882	N/A
PROFIT FROM OPERATIONS	31,587	N/A	114,467	N/A
Investment related income	27,932	N/A	66,792	N/A
Investment related expenses	(24,618)	N/A	(34,928)	N/A
Finance costs	(90,580)	N/A	(180,213)	N/A
Share of results of associates	(10,038)	N/A	11,292	N/A
Share of results of joint ventures	4,053	N/A	6,547	N/A
LOSS BEFORE TAX	(61,664)	N/A	(16,043)	N/A
INCOME TAX EXPENSE	(57,692)	N/A	(117,414)	N/A
LOSS AFTER TAX	(119,356)	N/A	(133,457)	N/A
ATTRIBUTABLE TO:				
- Equity holders of the parent	(134,422)	N/A	(188,647)	N/A
- Non-controlling interests	15,066	N/A	55,190	N/A
	(119,356)	N/A	(133,457)	N/A
LOSS PER SHARE (SEN)				
- Basic, for the period	(2.26)	N/A	(3.15)	N/A
- Diluted, for the period	(2.26)	N/A	(3.15)	N/A

Note:

There are no comparative figures disclosed for the current quarter following the Company's change of its financial year end from 30 April to 30 June.

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

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>3 months ended</u>		<u>Year to date ended</u>	
	<u>31/12/2019</u>	<u>31/12/2018</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	RM'000	RM'000	RM'000	RM'000
LOSS AFTER TAX	(119,356)	N/A	(133,457)	N/A
OTHER COMPREHENSIVE ITEMS				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	808	N/A	(26,225)	N/A
Share of other comprehensive items of associates	40,950	N/A	21,636	N/A
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(186)	N/A	(669)	N/A
Share of an associated company's changes in fair value of financial assets - other investments	849	N/A	(965)	N/A
Tax effects relating to FVTOCI investments	(11)	N/A	268	N/A
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(76,946)</u>	<u>N/A</u>	<u>(139,412)</u>	<u>N/A</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the parent	(97,257)	N/A	(179,166)	N/A
- Non-controlling interests	20,311	N/A	39,754	N/A
	<u>(76,946)</u>	<u>N/A</u>	<u>(139,412)</u>	<u>N/A</u>

Note:

There are no comparative figures disclosed for the current quarter following the Company's change of its financial year end from 30 April to 30 June.

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

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/12/2019 RM'000	Group As at 30/06/2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	4,373,808	3,481,071
Investment properties	911,482	859,094
Inventories - Land held for development	1,994,112	1,931,657
Investment in associated companies	1,105,465	1,137,140
Investment in joint ventures	104,813	98,302
Other investments	137,704	132,315
Other long term receivables	1,363,897	1,406,951
Intangible assets	5,256,509	5,251,165
Deferred tax assets	99,687	107,572
	<u>15,347,477</u>	<u>14,405,267</u>
Current Assets		
Inventories - Development properties	207,954	196,621
Inventories - Completed properties and others	1,758,236	1,750,432
Contract cost assets	94,939	97,951
Trade and other receivables	1,583,724	1,302,692
Contract assets	131,870	137,121
Short term investments	105,877	33,040
Tax recoverable	49,771	66,573
Deposits with financial institutions	586,434	688,129
Cash and bank balances	634,337	881,706
	<u>5,153,142</u>	<u>5,154,265</u>
Assets of disposal group/Non-current assets classified as held for sale	211,851	261,107
	<u>5,364,993</u>	<u>5,415,372</u>
TOTAL ASSETS	<u>20,712,470</u>	<u>19,820,639</u>
EQUITY AND LIABILITIES		
Share capital	5,017,956	5,017,956
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	306,739	306,739
Reserves	1,230,175	1,398,628
	<u>6,554,870</u>	<u>6,723,323</u>
Less: Treasury shares	(34,253)	(34,253)
	<u>6,520,617</u>	<u>6,689,070</u>
Non-controlling interests	3,214,224	3,043,826
Equity funds	<u>9,734,841</u>	<u>9,732,896</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks	53,051	67,259
Long term borrowings	3,491,718	3,491,437
Other long term liabilities	174,457	114,209
Lease Liabilities	515,713	-
Contract liabilities	239,501	240,206
Provisions	25,607	23,125
Deferred tax liabilities	1,245,582	1,250,904
	<u>5,745,629</u>	<u>5,187,140</u>
Current Liabilities		
Irredeemable Convertible Unsecured Loan Stocks	34,338	34,332
Trade and other payables	2,210,377	2,000,670
Contract liabilities	397,601	395,478
Provisions	13,250	5,988
Short term borrowings	2,427,384	2,412,990
Lease Liabilities	112,265	-
Taxation	36,785	39,052
	<u>5,232,000</u>	<u>4,888,510</u>
Liabilities directly associated with disposal groups classified as held for sale	-	12,093
	<u>5,232,000</u>	<u>4,900,603</u>
Total Liabilities	<u>10,977,629</u>	<u>10,087,743</u>
TOTAL EQUITY AND LIABILITIES	<u>20,712,470</u>	<u>19,820,639</u>
Basic net assets per share (sen)	120.31	123.57
Dilutive net assets per share (sen)	109.51	112.00

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

Basic : Equity funds less non-controlling interests and ICULS - equity component divided by the number of outstanding shares in issue with voting rights.

Dilutive : Equity funds less non-controlling interests divided by the number of outstanding shares in issue with voting rights and the potential conversion of the Company's outstanding ICULS to shares and exercise of Warrants.

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

BERJAYA CORPORATION BERHAD
Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent											Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Non-distributable							Distributable							
	Share capital RM'000	ICULS - equity component # RM'000	Reserve of disposal group classified as held for sale RM'000	FVTOCI reserves RM'000	Share option reserves RM'000	Warrants reserve ^ RM'000	Fair value reserves RM'000	Capital reserves RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 July 2019	5,017,956	306,739	926	(151,338)	2,077	258,797	63,387	226,266	(488,705)	98,694	1,388,524	(34,253)	6,689,070	3,043,826	9,732,896
Total comprehensive income	-	-	-	862	-	-	-	6,750	15,101	(13,232)	(188,647)	-	(179,166)	39,754	(139,412)
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	808	-	808	-	808
Transactions with owners:															
Transfer of reserves	-	-	(926)	5,220	(53)	-	5,033	699	4,040	(1,748)	(12,265)	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	112,166	112,166
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	400	-	-	-	(16,811)	-	364	-	(16,047)	55,395	39,348
Adjustment due to decrease in equity in subsidiary companies	-	-	-	-	-	-	-	-	-	-	26,237	-	26,237	(4,035)	22,202
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	1,806	1,806
Share based payment	-	-	-	-	(285)	-	-	-	-	-	-	-	(285)	194	(91)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,882)	(34,882)
	-	-	(926)	5,220	62	-	5,033	699	(12,771)	(1,748)	14,336	-	9,905	130,644	140,549
At 31 December 2019	5,017,956	306,739	-	(145,256)	2,139	258,797	68,420	233,715	(486,375)	83,714	1,215,021	(34,253)	6,520,617	3,214,224	9,734,841

Notes:

There are no comparative figures disclosed for the current quarter following the Company's change of its financial year end from 30 April to 30 June.

This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

^ This comprises the fair values of warrants .

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

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/12/2019 RM'000	31/12/2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	4,543,952	N/A
Payments for operating expenses	(4,434,662)	N/A
Payment of taxes	(118,926)	N/A
Other receipts (including tax refunds)	15,830	N/A
Net cash generated from operating activities	<u>6,194</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	31,764	N/A
Disposal of investments in subsidiary company	109,867	N/A
Disposal of investments in joint venture/associated companies	4,328	N/A
Disposal of other investments	34,853	N/A
Acquisition of property, plant and equipment and non-current assets	(195,822)	N/A
Acquisition of investments in subsidiary companies	(31,843)	N/A
Acquisition of investments in associated companies and a joint venture	(1,614)	N/A
Acquisition of other investments and short term investments	(115,885)	N/A
Interest received	27,690	N/A
Dividend received	8,142	N/A
Net repayment from joint ventures and associated companies	42,594	N/A
Part payments for investment in foreign investees	(86,131)	N/A
Other payments	(40,962)	N/A
Net cash used in investing activities	<u>(217,443)</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests of subsidiary companies	1,855	N/A
Dividends paid to non-controlling interests of subsidiary companies	(38,177)	N/A
Interest paid	(185,977)	N/A
Drawdown of bank and other borrowings	1,348,714	N/A
Repayment of bank and other borrowings	(1,348,712)	N/A
Movement in vehicle stocking loans	75,589	N/A
Net placement from banks as security pledges for borrowings	(42,978)	N/A
Net cash used in financing activities	<u>(189,686)</u>	<u>N/A</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(400,935)	N/A
OPENING CASH AND CASH EQUIVALENTS	1,264,056	N/A
Effect of exchange rate changes	78,447	N/A
CLOSING CASH AND CASH EQUIVALENTS	<u>941,568</u>	<u>N/A</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	586,434	N/A
Cash and bank balances	634,337	N/A
Bank overdraft (included under short term borrowings)	(67,639)	N/A
	<u>1,153,132</u>	<u>N/A</u>
Less :		
Remisiers' deposit held in trust	(11,740)	N/A
Cash and cash equivalents restricted in use	(199,824)	N/A
	<u>941,568</u>	<u>N/A</u>
Including: Cash and cash equivalents classified as held for sale	-	N/A
	<u>941,568</u>	<u>N/A</u>

Note:

There are no comparative figures disclosed for the current quarter following the Company's change of its financial year end from 30 April to 30 June.

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

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The interim financial report is not audited and has been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting, requirements of the Companies Act 2016 ("CA 2016") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR").

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the financial period ended 30 June 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding the changes in the financial position and performance of the Company since the financial period ended 30 June 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 Group's accounting period beginning 1 July 2019.

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 except for the following:

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 unchanged from MFRS 117. Lessors continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have impact for leases where the Group is the lessor. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

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 as at 1 July 2019 are as follows:

Consolidated Statement of Financial Position	Increase/ (Decrease) RM'000
Asset	
Property, plant and equipment - Right-of-use assets	<u>678,315</u>
Liability	
Lease Liabilities	<u>678,315</u>

Significant accounting policies

The standard requires the Group to recognise a right-of-use asset and a lease liability on the lease commencement date.

The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurement of the lease liability.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

NOTES TO THE INTERIM FINANCIAL REPORT

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. In addition, the carrying amount of lease liability is remeasured if there is a modification, 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.

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- the property development segment is affected by the prevailing cyclical economic conditions.
 - the stock and futures broking businesses are influenced by the performance of the stock market.
 - the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the second and third quarters of the financial year.
 - the gaming business may be positively impacted by the festive seasons.

- A3 (a) The following are the unusual items that occurred during the current quarter under review:

Recognised directly in statement of profit or loss

- (i) Included under investment related income and (expenses):

	Current Quarter RM'000	Financial Period to date RM'000
Gain on disposal of a subsidiary company	-	2,000
Gain on disposal of an investment property	-	8,578
Gain arising from remeasurement	127	1,195
Negative goodwill	3,249	3,249
Additional provision for impairment on the balance of GMOC Project sales proceeds *	(12,041)	(12,041)
Loss arising from remeasurement	-	(792)
Loss on disposal of an associated company	1,417	(403)
Loss arising from accretion of interest in an associated company	-	(3,171)
Impairment of property, plant and equipment	(10,711)	(10,711)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(1,193)	(2,434)
Net fair value changes of investment properties	(2,441)	(2,431)
Net impairment in associated companies	354	(2,554)
	<u>(21,239)</u>	<u>(19,515)</u>

* GMOC made a further provision for impairment to account for the time value of money for a further 3-month delay in GMOC Arbitration Proceedings. The provision for impairment that was attributable to the Group, which holds 51% equity interest in GMOC through BLand, amounted to RM4.72 million.

- (b) There were no material changes in estimates reported in the prior financial period that had a material effect in the current financial period ended 31 December 2019.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

NOTES TO THE INTERIM FINANCIAL REPORT

A4 There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 December 2019 except for the following:

(a) Treasury shares

There was no share buyback during the financial period ended 31 December 2019.

The number of treasury shares held in hand as at 31 December 2019 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 December 2019	0.69	50,000,000	34,253

As at 31 December 2019, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,164,925,000 ordinary shares (31 December 2018: Not Applicable).

Subsequent to the financial period ended 31 December 2019 and up to the date of this announcement, there were no issuance of ordinary shares pursuant to the conversion of BCorp ICULS and exercise of warrants.

A5 The Company did not pay any dividend in the financial period ended 31 December 2019.

A6 Segment information for the financial period ended 31 December 2019:-

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Gaming operations	1,722,819	50,951	1,773,770
Financial services	19,998	1,961	21,959
Property investment and development	95,185	14,294	109,479
Hotels and resorts	299,129	204	299,333
Marketing of consumer products and services	1,586,737	23,434	1,610,171
Restaurants and cafes	374,038	7,287	381,325
Others	55,976	7,625	63,601
Elimination: Inter-segment Revenue	-	(105,756)	(105,756)
Total revenue	<u>4,153,882</u>	<u>-</u>	<u>4,153,882</u>

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

NOTES TO THE INTERIM FINANCIAL REPORT

RESULTS

	RM'000
Gaming operations	209,863
Financial services	1,181
Property investment and development	(98,584)
Hotels and resorts	32,571
Marketing of consumer products and services	8,552
Restaurants and cafes	28,839
Others	(6,880)
	<u>175,542</u>
Unallocated corporate items	(61,075)
Profit from operations	<u>114,467</u>
Investment related income	
-Interest income	51,291
-Gain on disposal of a subsidiary company	2,000
-Gain on disposal of an investment property	8,578
-Gain arising from remeasurement	1,195
-Fair value gain on FVTPL investment	283
-Fair value gain on investment property	10
-Negative goodwill	3,249
-Reversal of impairment in an associated company	98
-Dividend income and others	88
	<u>66,792</u>
Investment related expenses	
-Fair value loss on FVTPL investment	(2,717)
-Fair value loss on investment property	(2,441)
-Additional provision for impairment on the balance of GMOC Project sales proceeds	(12,041)
-Loss arising from remeasurement	(792)
-Loss on disposal of an associated company	(403)
-Loss arising from accretion of interest in an associated company	(3,171)
-Impairment of property, plant and equipment	(10,711)
-Impairment in associated companies	(2,652)
	<u>(34,928)</u>
Finance costs	(180,213)
Share of results of associates	11,292
Share of results of joint ventures	6,547
Profit before tax	<u>(16,043)</u>
Income tax expense	<u>(117,414)</u>
Loss after tax	<u><u>(133,457)</u></u>

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review.
- A8 There were no changes in the composition of the Group for the current financial period ended 31 December 2019, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 1 July 2019, Berjaya Philippines Inc. ("BPI") disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of Philippine Peso ("PHP") 117.15 million (equivalent to approximately RM9.49 million). BPI in turn, is a subsidiary company of Berjaya Sports Toto Berhad ("BToto"). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of PHP100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. BPI's equity interest in PGMC was thus further diluted to 39.99% from 79.99%, and PGMC ceased as a subsidiary company and became an associated company of BPI.
 - (b) On 22 August 2019, Berjaya Leisure Capital (Cayman) Ltd ("BLCC"), a wholly owned subsidiary of the Group, subscribed for its entitlement and the excess of rights shares cum free warrants, totalling 100,000,000 new ordinary shares and 33,333,333 free warrants in Informatics Education Ltd ("Informatics") for a total cash consideration of SGD5.0 million (equivalent to approximately RM15.305 million). Consequently, the Group's equity interest in Informatics increased from 28.38% to 67.95%, thus making Informatics a subsidiary company of the Group.
 - (c) On 22 August 2019, Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH"), (an associated company of the Group then) undertook a share buyback exercise which resulted in the reduction of its shares with voting rights. Consequently, the Group's interest in SIAMH increased from 47.44% to 50.01% and hence, it became a subsidiary company of the Group.
 - (d) On 9 October 2019, Cosway Corporation Limited, a wholly owned subsidiary of the Group acquired 1 unit of ordinary share which representing 100% equity interest in Aces Corporation Limited ("Aces") in Hong Kong for a total consideration of HKD1. The principal activity of Aces is to engage in E-Commerce platform for sales and marketing of healthcare products.
 - (e) The incorporation of Berjaya Alam Murni Sdn Bhd ("BAM") by Berjaya Enviro Holdings Sdn Bhd ("BEH"), a wholly owned subsidiary of the Group. The intended principal activities of BAM are to collect, transport, store, treat, recover, dispose and manage scheduled (hazardous and toxic), medical waste etc.
 - (f) BEH a wholly owned subsidiary of the Group had, on 8 November 2019, subscribed for a total of 60 ordinary shares which represent 60% equity interest in Berjaya Eco Services Sdn Bhd. The intended principal activities of BES is to provide sales and marketing, handling and packaging of scheduled waste and other eco related services to stakeholders involved in scheduled waste management.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

NOTES TO THE INTERIM FINANCIAL REPORT

- (g) The incorporation of BDS Smart City Co. Ltd ("BDS") in Myanmar by Berjaya Myanmar Holdings Sdn Bhd ("BMHSB"), a wholly owned subsidiary of the Group. Subsequently, BDS became a 80%-owned subsidiary company of BMHSB. The intended principal activities of BDS are property development and other related activities.
- (h) The incorporation of Berjaya Greenland Invest A/S ("BGI") in Denmark by Berjaya Vacation Club Berhad, a wholly owned subsidiary of the Group. The intended principal activities of BGI are to carry out the investments and operations of real estate activities in Greenland.
- (i) The incorporation of Berjaya Hotels & Resorts A/S ("BHRS") in Denmark by Berjaya Vacation Club Berhad a wholly owned subsidiary of the Group. The intended principal activities of BHRS are to carry out the investments and operations of real estate activities in Greenland.

A9 There were no material changes in contingent liabilities or contingent asset since the last annual reporting date.

A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 June 2019 except for the payments incurred for the proposed investments in several foreign investees and approved capital expenditure amounting to RM67.48 million and RM141.85 million respectively in the current financial period.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B1 The main operating businesses of the Group are marketing of consumer products and services, restaurants and cafes, property investment and development, hotels and resorts and gaming operations. The key factors (other than the general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Marketing of consumer products and services

Effectiveness of marketing initiatives, new product launches, sales productivity, consumer preferences and spending trends, the fluctuation of foreign exchange rates impacting product costs and competitive pricing and promotions offered by competitors and the disposable income of the consumers.

Restaurants and cafes

Festive season, tourism, eating out culture, raw material costs, staff costs and affluent lifestyle as well as consumer perception.

Property investment and development

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.

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.

Gaming operations

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

The summarised results of the Group are as follows:

	3-month Ended			6-month Ended		
	31/12/2019	31/12/2018	+ / (-)	31/12/2019	31/12/2018	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	2,082,837	N/A	N/A	4,153,882	N/A	N/A
Profit from operations	31,587	N/A	N/A	114,467	N/A	N/A
Loss before tax	(61,664)	N/A	N/A	(16,043)	N/A	N/A

Review of results for the current quarter

The Group registered a revenue of RM2.08 billion and pre-tax loss of RM61.66 million in the current quarter ended 31 December 2019. The revenue was substantially contributed by the gaming business segment operated by Sports Toto Malaysia Sdn Bhd ("STM") from its strong 4D Jackpot sales, and motor distribution business segment operated by H.R. Owen Plc ("HR Owen").

The Group reported profit from operations in this current quarter mainly contributed by gaming operations. However, the Group reported a pre-tax loss of RM61.66 million in the current quarter under review mainly due to operating expenses incurred by the overseas and local property projects, further impairment on the balance of Berjaya (China) Great Mall Co. Ltd ("GMOC") sales proceeds in anticipation of the delay in the recovery proceedings and also impairment of certain property, plant and equipment.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Review of results for the 6-month period

The Group registered a revenue of RM4.15 billion and pre-tax loss of RM16.04 million for the cumulative six months period ended 31 December 2019 under review. The gaming business segment and motor distribution business segment were the main contributors to the Group's revenue.

As mentioned above, the Group pre-tax loss was mainly due to operating expenses incurred in the property investment and development segment, the impairment on the balance of GMOC sales proceeds and also impairment of certain property, plant and equipment. The loss was mitigated by the profit contributed by the gaming operations.

B2 Review of results of current quarter vs preceding quarter

	3-Month Ended		+ / (-) %
	31/12/2019	30/09/2019	
	RM'000	RM'000	
Revenue	<u>2,082,837</u>	<u>2,071,045</u>	<u>1</u>
Profit from operations	<u>31,587</u>	<u>82,880</u>	<u>(62)</u>
(Loss)/Profit before tax	<u>(61,664)</u>	<u>45,621</u>	<u>N/A</u>

For the current quarter ended 31 December 2019 under review, the Group recorded a revenue of RM2.08 billion and pre-tax loss of RM61.66 million as compared to a revenue of RM2.07 billion and pre-tax profit of RM45.62 million reported in the preceding quarter.

Commentary on revenue

The Group registered a marginal increase in revenue for the current quarter as compared to the preceding quarter. The higher revenue was mainly due to higher revenue achieved by the gaming segment.

Marketing of consumer products and services

The marketing of consumer products and services segment reported lower revenue as compared to the preceding quarter mainly due to lower sales from the motor distribution business. During the current quarter under review, HR Owen reported lower sales from both new and used car sectors.

Restaurants and cafes

The restaurants and cafes business segment reported higher revenue in the current quarter mainly due to the calendar year end festive promotions, school holidays and the Christmas season during the second quarter.

Property investment and development

The higher revenue reported by property investment and development segment in the current quarter was mainly due to higher progress billings as compared to the preceding quarter.

Hotels and resorts

The hotels and resorts segment reported a lower revenue mainly due to lower occupancy and average room rates as compared to the preceding quarter. This was due to the onset of the monsoon season which affected the island resorts located on the East Coast of Peninsular Malaysia and the generally softer market conditions.

Gaming operations

The higher revenue reported by the gaming operations was mainly contributed by the strong 4D Jackpot sales under STM.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on results

The incurrance of a pre-tax loss in the current quarter under review was mainly contributed by operating expenses incurred by the overseas and local property projects, further impairment on the balance of GMOC sales proceeds in anticipation of the delay in the recovery proceedings and also impairment of certain property, plant and equipment.

Marketing of consumer products and services

The marketing of consumer products and services segment reported lower pre-tax profit as compared to the preceding quarter. The retail distribution business reported lower results. This was mainly due to the drop in gross profit margin as a result of more aggressive promotional sales and marketing initiative to clear slow-moving and obsolete stocks. HR Owen also registered lower profit mainly due to lower sales from both new and used car sectors.

Restaurants and cafes

The higher pre-tax profit of the restaurants and cafes segment was in tandem with the higher revenue.

Property investment and development

The property investment and development segment contributed higher loss in the current quarter mainly due to higher operating expenses from overseas and local projects.

Hotels and resorts

The hotels and resorts segment reported lower pre-tax profit as compared to the preceding quarter mainly due to lower revenue achieved as mentioned above.

Gaming operations

The gaming operations reported higher pre-tax profit mainly from the Malaysian operations due to profit growth attained from the strong sales from its 4D Jackpot game in the current quarter.

B3 Future prospects

The recent outbreak of the novel coronavirus (COVID-19) has caused travel restrictions by certain countries due to the fear of infection. Consequently, the Group's hotels and resorts business segment has been directly and adversely impacted by this outbreak and as such, this business segment's performance is expected to be challenging in the subsequent quarters. The Government's impending plan to change the telecommunication spectrum allocation policy may affect the performance of the Group's telecommunication business going forward. Given the prevailing economic conditions and global financial outlook, the Group's operating environment will remain challenging.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 December 2019.

B5 The taxation charge for the current quarter and financial period ended 31 December 2019 are detailed as follows:

	Current Quarter RM'000	Financial Period to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	47,226	96,740
- Outside Malaysia	1,060	13,138
Deferred tax	6,580	4,803
Under provision in prior years	2,826	2,733
	<u>57,692</u>	<u>117,414</u>

The disproportionate tax charge of the Group for the current quarter/financial period ended 31 December 2019 was mainly due to certain expenses or losses being disallowed for tax purposes, certain gains which are not taxable and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B6 Profit before tax is stated after charging/(crediting):

	Current Quarter RM'000	Financial Period to date RM'000
Interest income	(24,538)	(51,291)
Dividend income	(15)	(88)
Gain on disposal of property, plant and equipment	(468)	(776)
Gain on disposal of subsidiary company	-	(2,000)
Gain on disposal of an investment property	-	(8,578)
Gain arising from remeasurement	(127)	(1,195)
Negative goodwill	(3,249)	(3,249)
Additional provision for impairment on the balance of GMOC Project sales proceeds	12,041	12,041
Loss arising from remeasurement	-	792
Loss on disposal of an associated company	(1,417)	403
Loss arising from accretion of interest in an associated company	-	3,171
Depreciation of property, plant and equipment	109,744	198,982
Amortisation of intangible assets	7,823	15,029
Reversal of impairment in associated companies	-	(98)
Impairment of property, plant and equipment	(10,711)	(10,711)
Impairment in associated companies	(354)	2,652
Impairment loss on receivables	5,246	5,671
Provision for and write off of inventories	4,124	6,087
Foreign exchange loss/(gain) (net)	1,378	(7,245)
Fair value changes of investment properties (net)	2,441	2,431
Fair value changes of FVTPL investments (net)	<u>1,193</u>	<u>2,434</u>

B7 (A) There has been no further development for those corporate proposals disclosed in Notes 43 and 44 to the audited financial statements of the Company for the financial period ended 30 June 2019 except for the following:

(i) Note 44(3) in relation to the proposed acquisition of Icelandair Hotels ehf

On 24 December 2019, BLand announced that a total of USD15 million has been paid towards the purchase consideration. The final balance payment is to be determined pursuant to the terms of the Share Purchase Agreement and the completion date of the proposed acquisition has been extended from 30 December 2019 to 28 February 2020.

(ii) Note 44(6) in relation to the proposed development of a public housing and mixed project in Yangon Region, Myanmar

On 7 February 2020, the Company announced that its 80%-owned subsidiary namely BDS Smart City Co. Ltd ("BDS") has entered into a concession agreement ("CA") with the Government of Yangon Region ("YRG"), the Republic of the Union of Myanmar to formalize a collaboration in undertaking a housing and mixed development project on 12 parcels of land ("Land") in Myanmar.

Pursuant to the CA, BDS will own the exclusive rights over the Land for a period of 50 years from the date on which the conditions precedent of the CA are fulfilled (or waived) and further extendable for 2 consecutive terms of 10 years each ("Concession Period").

Based on the preliminary plan of the proposed development,

(a) the estimated gross development value is USD746.08 million (or about RM3.05 billion);

(b) the gross development cost ("GDC") is estimated to be USD614.92 million (or about RM2.52 billion); and

(c) the estimated profit before taxation is about USD131.16 million (or about RM536.44 million) to be recognized over the duration of the development up to completion.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

The Land is expected to be developed over a period of 9 years and automatically extended for additional 1 year thereafter. The GDC is expected to be funded through bank borrowings and internally-generated funds of the Group.

In consideration of the rights granted by YRG to BDS under the CA, BDS shall pay and deliver to YRG a total consideration (in cash and in kind) comprising of:

- (i) cash of USD3.0 million (or about RM12.27 million); and
- (ii) the affordable housing with an estimated net floor area of 242,800 square meters valued at USD182.76 million (or about RM747.49 million).

B8 Group borrowings and debt securities as at 31 December 2019 were as follows:

			At end of current quarter RM'000
Short term borrowings			
Secured	Foreign currency amount		
	Denominated in	'000	
	Ringgit Malaysia	#	1,710,351
	USD	17,029 *	69,835
	SGD	13,893 *	42,248
	GBP	79,746 *	425,649
	PHP	405,755 *	32,784
	JPY	2,371,709 *	89,391
	VND	16,460,000 *	3,292
	EUR	1,079 *	4,958
			2,378,508
Unsecured	Denominated in		
	Ringgit Malaysia		48,876
			48,876
			2,427,384
Long term borrowings			
Secured	Denominated in	'000	
	Ringgit Malaysia	#	2,459,012
	USD	2,319 *	9,509
	SGD	39,068 *	118,805
	PHP	12,500 *	1,010
	JPY	23,555,385 *	888,038
	VND	10,050,000 *	2,010
	EUR	2,901 *	13,334
			3,491,718
Total bank borrowings			5,919,102
* Converted at the respective exchange rates prevailing as at 31 December 2019			
# Includes medium term notes			
- short term			234,803
- long term			962,474
			1,197,277

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B9 (a) Note 38(1) regarding the matter with Armen&anor

With reference to Note 38(1) to the financial statements regarding the matter with Armen&anor, the appellate court has yet to issue its final judgment for the appeal trial which was held on 15 July 2019. However, on 2 October 2019, the court issued its final judgment and decided that CoswayUSA are to recover their costs on appeal.

(b) Note 38(2) regarding the STC Proposals proceedings

With reference to the conditional sale and purchase agreement ("SPA") entered into by Berjaya Tagar Sdn Bhd ("BTSB") with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.79 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon ("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 by a transfer to STC of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club ("NewSTC") thereon ("STC Proposals"), for which BTSB had proposed to acquire the 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"), BTSB subsequently entered into supplemental agreement for an extension of time until 18 January 2018 to fulfil certain conditions precedent. The conditions precedent that have not been fulfilled are as follows:

- 1) renewal of the consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of the 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 is situated 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 including 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, BLand announced that further to the legal proceedings instituted by BLand, BTSB 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 High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(b) Note 38(2) regarding the STC Proposals proceedings (continued)

The judgment rendered on 9 November 2017 was as follows:

- 1) The Applicants' applications against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents were 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) above.
- 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.

On 14 December 2017, BLand 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 above decision of the Shah Alam High Court ("Main Appeal"). The hearing at the Court of Appeal has been fixed on 8 October 2018. 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 judgment 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 1st and 5th 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 judgment ("Assessment Proceedings").

The Court of Appeal has granted a stay of execution of the Shah Alam High Court judgment and the Assessment Proceedings pending the disposal of the Main Appeal at the Court of Appeal. The hearing of the Main 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 instead heard a motion by the Appellants to adduce further evidence in this matter on 22 November 2019. The Court of Appeal dismissed the motion by the Appellants to adduce further evidence. The Court of Appeal has fixed 25 November 2019 as case management date to fix the hearing of the Main Appeal. Thereafter, the Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

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 Appellant's application for leave to appeal on 13 April 2020.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(b) Note 38(2) regarding the STC Proposals proceedings (continued)

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.

The STC Proposals proceedings are still ongoing.

(c) Note 38(3) regarding the JDC Lawsuit

On 6 November 2015, BLand announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), had instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for the breach by JDC of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea ("Jeju Project") and to claim for losses and damages incurred as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the lands acquired thereunder to BJR free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence JDC had breached the terms of the Land SPA as it failed to transfer good and unencumbered title to the said lands to BJR. Under the circumstances, the on-going development works on the Jeju Project were suspended pending the resolution of the lawsuits. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (or about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction cost due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project to quantify the amount of damages. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project had been completed by the court-appointed land appraisal company and the land price appraisal report has been submitted directly to the court.

On 13 September 2017, Jeju District Court rendered a judgment against JDC and Seogwipo City in the Administrative Lawsuit. The judgment rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgment. On 1 February 2019, the Korean Supreme Court dismissed the appeal of JDC and Seogwipo City.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(c) Note 38(3) regarding the JDC Lawsuit (continued)

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court and another judge was appointed as the new presiding judge in the JDC Lawsuit.

In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report, as BJR was dissatisfied with the first supplementary land appraisal report which was based on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct the second supplementary appraisal, to be undertaken by a different appraiser. The second supplementary land price appraisal report has been completed and a preparatory hearing was held on 20 June 2019. The presiding judge closed the preparatory proceedings for pleading and stated that the formal hearing will commence on 25 July 2019.

At the formal hearing held on 25 July 2019, the presiding judge requested BJR to submit evidentiary evidence with respect to the total claims by BJR and fixed 19 September 2019 as the next hearing date. On 19 September 2019, the presiding judge fixed 31 October 2019 as the final hearing before the court decides on the JDC Lawsuit. The final hearing was subsequently re-set to 25 November 2019. The court has fixed 9 January 2020 for the delivery of the judgement. On 9 January 2020, the delivery of the court's judgement was postponed to 6 February 2020. On 6 February 2020, the court further postponed the delivery of its judgement to an unspecified date.

(d) Note 38(4) regarding the GMOC Project Arbitration Proceedings

On 16 December 2015, BLand announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited, which in turn is a wholly-owned subsidiary of BLand 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, BLand 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, BLand 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.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(d) Note 38(4) regarding the GMOC Project Arbitration Proceedings (continued)

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, BLand 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, BLand announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interest as well as other reliefs.

The arbitral tribunal has since been constituted and the procedural timetable has been determined by the tribunal for pre-trial preparation, 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. The arbitral tribunal is currently in deliberations and a decision is expected during the second quarter of 2020.

The GMOC Project Arbitration Proceedings are still ongoing.

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 December 2018: N/A).

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

	Group (3-month period)			
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000		sen	
Net loss for the quarter	(134,422)	N/A		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	937	N/A		
- BCorp ICULS 2016/2026	112	N/A		
Adjusted net loss for the quarter	<u>(133,373)</u>	<u>N/A</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,164,925	N/A		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>N/A</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,912,760</u>	<u>N/A</u>		
Basic loss per share			<u>(2.26)</u>	<u>N/A</u>
Adjusted net loss for the quarter	(133,373)	N/A		
Dilution effect on exercise of Berjaya Assets Berhad warrants	<u>(2)</u>	<u>N/A</u>		
	<u>(133,375)</u>	<u>N/A</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,912,760</u>	<u>N/A</u>		
Diluted loss per share			<u>(2.26)</u>	<u>N/A</u>

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B11	Group (12-month period)			
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000		sen	
Net loss for the period	(188,647)	N/A		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	2,364	N/A		
- BCorp ICULS 2016/2026	281	N/A		
Adjusted net loss for the period	<u>(186,002)</u>	<u>N/A</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,164,925	N/A		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>N/A</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,912,760</u>	<u>N/A</u>		
Basic loss per share			<u>(3.15)</u>	<u>N/A</u>
Adjusted net loss for the period	(186,002)	N/A		
Dilution effect on exercise of Berjaya Assets Berhad warrants	<u>(5)</u>	<u>N/A</u>		
	<u>(186,007)</u>	<u>N/A</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,912,760</u>	<u>N/A</u>		
Diluted loss per share			<u>(3.15)</u>	<u>N/A</u>

c.c. Securities Commission