

Berjaya Corporation Berhad

Company No: 554790-X

Date: 30 March 2018

Subject: **UNAUDITED QUARTERLY (Q3) INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2018**

Table of contents	Page
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 - 5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Unaudited Interim Financial Report	7 - 11
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	12 - 23

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/01/2018	31/01/2017	31/01/2018	31/01/2017
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	2,171,346	2,221,305	6,555,859	6,903,223
PROFIT FROM OPERATIONS	77,466	65,104	306,751	549,059
Investment related income	42,231	117,287	107,044	332,505
Investment related expenses	(27,049)	(7,515)	(230,985)	(40,287)
Finance costs	(91,907)	(98,604)	(280,104)	(297,299)
Share of results of associates	5,425	7,370	9,871	20,799
Share of results of joint ventures	180	213	2,563	(825)
PROFIT/(LOSS) BEFORE TAX	6,346	83,855	(84,860)	563,952
INCOME TAX EXPENSE	(67,987)	(56,522)	(195,776)	(270,093)
(LOSS)/PROFIT AFTER TAX	(61,641)	27,333	(280,636)	293,859
ATTRIBUTABLE TO:				
- Equity holders of the parent	(92,502)	22,886	(281,883)	136,714
- Non-controlling interests	30,861	4,447	1,247	157,145
	(61,641)	27,333	(280,636)	293,859
(LOSS)/EARNINGS PER SHARE (SEN)				
- Basic, for the period	(1.60)	0.47	(4.87)	2.67
- Diluted, for the period	(1.61)	0.47	(4.88)	2.66

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

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/01/2018 RM'000	31/01/2017 RM'000	31/01/2018 RM'000	31/01/2017 RM'000
(LOSS)/PROFIT AFTER TAX	(61,641)	27,333	(280,636)	293,859
OTHER COMPREHENSIVE ITEMS				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net changes on available-for-sale ("AFS") financial assets				
- Changes in fair value of AFS investments	(4,885)	3,539	(4,435)	1,686
- Transferred to profit or loss due to:				
- Disposals of AFS investments	8,401	(175)	5,247	56
- Impairment of AFS investments	1,224	3	2,918	8
Foreign currency translation	(131,396)	106,346	(180,173)	237,362
Foreign currency translation reserve transferred to profit or loss due to disposal of subsidiaries	-	(30,694)	-	(30,694)
Foreign currency translation reserve transferred to profit or loss due to disposal of associate	885	-	885	-
Amortisation of gaming rights	(2,508)	(2,161)	(7,524)	(7,554)
Share of other comprehensive items of associates	1,207	(1,779)	(10,567)	(7,867)
Taxation relating to components of other comprehensive income	1,269	612	5,352	2,738
<u>Item that will not be reclassified subsequently to profit or loss</u>				
Revaluation of land and buildings	-	-	-	234
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(187,444)	103,024	(468,933)	489,828
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the parent	(157,528)	41,496	(391,523)	243,010
- Non-controlling interests	(29,916)	61,528	(77,410)	246,818
	(187,444)	103,024	(468,933)	489,828

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

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/01/2018 RM'000	Group As at 30/04/2017 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,500,579	3,722,983
Biological assets	3,990	4,193
Investment properties	834,496	840,177
Land held for development	2,442,574	2,640,614
Investment in associated companies	1,198,250	1,215,343
Investment in joint ventures	105,632	119,707
Other investments	146,583	152,409
Other long term receivables	716,304	737,076
Intangible assets	5,473,015	5,853,796
Deferred tax assets	70,497	77,124
	<u>14,491,920</u>	<u>15,363,422</u>
Current Assets		
Development properties	956,427	978,374
Inventories	1,063,096	1,156,715
Trade and other receivables	1,743,924	2,153,619
Short term investments	22,131	11,927
Tax recoverable	78,594	90,732
Deposits with financial institutions	726,794	636,024
Cash and bank balances	902,080	1,098,273
	<u>5,493,046</u>	<u>6,125,664</u>
Assets of disposal group/Non-current assets classified as held for sale	896,240	43,462
	<u>6,389,286</u>	<u>6,169,126</u>
TOTAL ASSETS	<u>20,881,206</u>	<u>21,532,548</u>
EQUITY AND LIABILITIES		
Share capital	4,930,556	4,930,556
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	306,848	306,848
Reserves	1,573,875	1,951,570
	<u>6,811,279</u>	<u>7,188,974</u>
Less: Treasury shares	(33,669)	(33,669)
	<u>6,777,610</u>	<u>7,155,305</u>
Non-controlling interests	3,559,293	3,663,364
Equity funds	<u>10,336,903</u>	<u>10,818,669</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks	142,177	152,278
Long term borrowings	3,072,013	3,304,466
Provisions and other long term liabilities	236,650	244,742
Deferred tax liabilities	1,334,316	1,361,446
	<u>4,785,156</u>	<u>5,062,932</u>
Current Liabilities		
Trade and other payables	2,585,342	2,283,177
Provisions	8,412	11,672
Short term borrowings	2,950,047	3,308,755
Taxation	51,161	42,360
Derivative liability	-	2,208
	<u>5,594,962</u>	<u>5,648,172</u>
Liabilities directly associated with disposal groups classified as held for sale	164,185	2,775
	<u>5,759,147</u>	<u>5,650,947</u>
Total Liabilities	<u>10,544,303</u>	<u>10,713,879</u>
TOTAL EQUITY AND LIABILITIES	<u>20,881,206</u>	<u>21,532,548</u>
Basic net assets per share (sen)	132.72	140.46
Dilutive net assets per share (sen)	118.46	123.98

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

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent										Distributable				
	Share capital RM'000	Share premium RM'000	ICULS - equity component # RM'000	AFS 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	Total net equity funds RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 May 2017	4,930,556	-	306,848	1,079	243	258,797	130,788	230,150	(660,083)	180,868	1,809,728	(33,669)	7,155,305	3,663,364	10,818,669
Total comprehensive income	-	-	-	(2,495)	-	-	(5,368)	-	(1,974)	(99,803)	(281,883)	-	(391,523)	(77,392)	(468,915)
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	5,643	-	5,643	18,810	24,453
Transactions with owners:															
Transfer of reserves	-	-	-	(37)	(62)	-	(89)	9,234	-	(5,794)	(3,252)	-	-	-	-
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	2,425	-	-	-	2,425	9,556	11,981
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	(576)	-	-	-	(576)	(5,226)	(5,802)
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	5,368	-	5,368	(103)	5,265
Share based payment	-	-	-	-	968	-	-	-	-	-	-	-	968	1,235	2,203
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,951)	(50,951)
	-	-	-	(37)	906	-	(89)	9,234	1,849	(5,794)	2,116	-	8,185	(45,489)	(37,304)
At 31 January 2018	4,930,556	-	306,848	(1,453)	1,149	258,797	125,331	239,384	(660,208)	75,271	1,535,604	(33,669)	6,777,610	3,559,293	10,336,903

Notes:

- # This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS").
 ^ This comprises the fair values of warrants .

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018
 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	Share premium RM'000	ICULS - equity component # RM'000	AFS reserves RM'000	Reserve of disposal group classified as held for sale 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 May 2016	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	723,259	31,312	(879,770)	111,321	1,996,003	(130,399)	6,929,012	5,171,636	12,100,648
Total comprehensive income	-	-	-	4,369	-	(27)	-	(5,270)	-	954	106,270	136,714	-	243,010	246,818	489,828
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	16,725	-	16,725	(5,376)	11,349
Transactions with owners:																
Transfer of reserves	-	-	-	(2,506)	-	(29)	58,286	(18,448)	8,252	(92)	(1,916)	(43,547)	-	-	-	-
Treasury share acquired	-	-	-	-	-	-	-	-	-	-	-	(2,850)	-	(2,850)	-	(2,850)
Issuance of BCorp ICULS	-	-	297,435	-	-	-	-	-	-	-	-	-	-	297,435	-	297,435
Arising from conversion of BCorp ICULS - by surrender option	250,411	-	(211,946)	-	-	-	-	-	-	-	-	(98)	-	38,367	-	38,367
Share option reserves forfeited	-	-	-	-	-	(1,054)	-	-	-	-	-	-	-	(1,054)	-	(1,054)
Transfer upon disposal of a subsidiary company	-	-	-	-	(9,971)	-	-	-	-	-	-	9,971	-	-	-	-
Adjustment in relation to disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	-	(13,764)	-	-	-	(13,764)	115,093	101,329
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	-	223,506	-	-	-	223,506	(732,252)	(508,746)
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	13
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	-	-	-	-	99,073	-	-	(99,073)	-	-	-	-
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	-	5,392	-	5,392	2,162	7,554
Final dividend*	-	-	-	-	-	-	-	-	-	-	-	(99,580)	99,580	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(98,743)	(98,743)
	250,411	-	85,489	(2,506)	(9,971)	(1,083)	58,286	(18,448)	107,325	209,650	(1,916)	(226,935)	96,730	547,032	(713,727)	(166,695)
	4,923,591	6,965	339,097	(11,384)	-	(59)	204,044	699,541	138,637	(669,166)	215,675	1,922,507	(33,669)	7,735,779	4,699,351	12,435,130
Transfer pursuant to S618(2) of CA 2016~	6,965	(6,965)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 January 2017	4,930,556	-	339,097	(11,384)	-	(59)	204,044	699,541	138,637	(669,166)	215,675	1,922,507	(33,669)	7,735,779	4,699,351	12,435,130

Notes:

* Final dividend distribution of 3 treasury shares for every 100 ordinary shares held in respect of the financial year ended 30 April 2016.

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

^ This comprises the fair values of warrants

~ Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding share premium and capital redemption reserve accounts shall become part of Share Capital.

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2018	31/01/2017
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	7,181,715	7,390,909
Payments for operating expenses	(6,632,024)	(6,927,821)
Payment of taxes	(181,775)	(251,926)
Other receipts (including tax refunds)	8,796	47,714
Net cash generated from operating activities	<u>376,712</u>	<u>258,876</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	8,856	7,761
Disposal of investments in subsidiary companies	42,469	124,700
Disposal of investments in associated companies	58,891	279,910
Disposal of other investments	41,678	60,789
Acquisition of property, plant and equipment and non-current assets	(145,870)	(272,443)
Acquisition of investments in subsidiary companies	(21,641)	(182,814)
Acquisition of investments in associated companies and a joint venture	(26,786)	(14,418)
Acquisition of other investments and short term investments	(57,516)	(29,569)
Acquisition of treasury shares by subsidiary companies	-	(8,356)
Interest received	48,586	49,058
Dividend received	28,253	11,366
Repayment from/(advances to) joint ventures and associated companies	50,084	(109,336)
Net cash inflow from settlement for surrendering certain assets and lease interests	-	197,309
Other receipts/(payments)	141,669	(55,737)
Net cash generated from investing activities	<u>168,673</u>	<u>58,220</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of treasury shares by the Company	-	(2,850)
Issuance of share capital to non-controlling interests of subsidiary companies	1,751	2,586
Dividends paid to non-controlling interests of subsidiary companies	(51,037)	(105,306)
Interest paid	(272,166)	(300,981)
Drawdown of bank and other borrowings	1,667,243	1,036,216
Repayment of bank and other borrowings	(1,879,568)	(1,816,932)
Net (placement in)/withdrawal from banks as security pledges for borrowings	(9,847)	738,639
Net cash used in financing activities	<u>(543,624)</u>	<u>(448,628)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,761	(131,532)
OPENING CASH AND CASH EQUIVALENTS	1,408,191	1,607,875
Effect of exchange rate changes	(41,841)	84,575
CLOSING CASH AND CASH EQUIVALENTS	<u>1,368,111</u>	<u>1,560,918</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	726,794	605,210
Cash and bank balances	902,080	1,276,961
Bank overdraft (included under short term borrowings)	(78,107)	(119,148)
	<u>1,550,767</u>	<u>1,763,023</u>
Less :		
Remisiers' deposit held in trust	(13,399)	(15,717)
Cash and cash equivalents restricted in use	(221,449)	(186,388)
	<u>1,315,919</u>	<u>1,560,918</u>
Including: Cash and cash equivalents classified as held for sale	52,192	-
	<u>1,368,111</u>	<u>1,560,918</u>

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

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The interim financial report is not audited and has been prepared in compliance with Financial Reporting Standards ("FRS") 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 year ended 30 April 2017. 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 year ended 30 April 2017.

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 May 2017.

The initial application of the FRSs, Amendments to FRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

- A2 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 third quarter 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 Year to date RM'000
Gain on disposal of other investments	363	3,517
Gain on disposal of property	-	1,604
Gain on disposal of a subsidiary company	11,994	11,994
Loss arising from disposal of a subsidiary company	(15,382)	(15,382)
Loss on disposal of other investments	(3,918)	(3,918)
Loss arising from dilution of interest in an associated company	(1,554)	(3,098)
Impairment in value of investment in an associated company	-	(43)
Impairment in value of AFS investments	(1,224)	(2,918)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(9,179)	(11,420)
Loss on partial disposal of an associated company	-	(39,942)
Provision for impairment on a portion of the balance of GMOC Project sales proceeds *	-	(155,084)
Reversal of impairment in an associated company	45	635
	<u>(18,855)</u>	<u>(214,055)</u>

* The provision for impairment which is attributable to the Group, that holds about 37% effective equity interest in GMOC, amounted to about RM57.85 million. (Refer to Note A7)

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

NOTES TO THE INTERIM FINANCIAL REPORT

Statement of financial position

The management had identified certain group of companies, which the management has intention to dispose of, and reclassified the assets and liabilities associated to these companies as held for sales in accordance to FRS 5: Non-current assets held for sale and discontinued operations. The Group expects the fair values less incidental expenses relating to the disposal of these assets will be higher than its aggregate carrying amount. As such, no impairment loss is recognised on the reclassification of these assets as held for sale for the period ended 31 January 2018.

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 January 2018.

- 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 January 2018.

Subsequent to the quarter ended 31 January 2018 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.

(a) Treasury shares

There was no share buyback during the financial period ended 31 January 2018.

The number of treasury shares held in hand as at 31 January 2018 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 January 2018	0.70	48,008,152	33,669

As at 31 January 2018, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 4,875,583,000 (31 January 2017: 4,875,583,000) ordinary shares.

- A5 The Company did not pay any dividend in the financial period ended 31 January 2018.

- A6 Segment information for the financial period ended 31 January 2018:-

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Gaming operations	2,499,187	88,669	2,587,856
Financial services	36,273	1,499	37,772
Property investment and development	416,714	14,658	431,372
Hotels and resorts	400,442	1,680	402,122
Marketing of consumer products and services	2,575,351	27,075	2,602,426
Restaurants and cafes	534,243	257	534,500
Others	93,649	26,228	119,877
Elimination: Inter-segment Revenue	-	(160,066)	(160,066)
Total revenue	<u>6,555,859</u>	<u>-</u>	<u>6,555,859</u>

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

NOTES TO THE INTERIM FINANCIAL REPORT

RESULTS

	RM'000
Gaming operations	314,238
Financial services	35,521
Property investment and development	59,117
Hotels and resorts	67,273
Marketing of consumer products and services	23,216
Restaurants and cafes	22,249
Others	1,586
	<u>523,200</u>
Unallocated corporate items	(216,449)
Profit from operations	306,751
Investment related income	
-Interest income	86,880
-Gain on disposal of a subsidiary company	11,994
-Gain on disposal of other investments	3,517
-Gain on disposal of property	1,604
-Reversal of impairment in an associated company	635
-Dividend income and others	2,414
	<u>107,044</u>
Investment related expenses	
-Fair value changes of FVTPL investments	(11,420)
-Impairment in value of AFS investments	(2,918)
-Loss arising from dilution of interest in associated companies	(3,098)
-Impairment in value of investment in an associated company	(43)
-Loss arising from disposal of a subsidiary company	(15,382)
-Loss on disposal of other investments	(3,098)
-Loss on partial disposal of an associated company	(39,942)
-Provision for impairment on a portion of the balance of GMOC Project sales proceeds*	(155,084)
	<u>(230,985)</u>
Finance costs	(280,104)
Share of results of associates	9,871
Share of results of joint ventures	2,563
	<u>(84,860)</u>
Loss before tax	(195,776)
Income tax expense	(280,636)
Loss after tax	<u><u>(280,636)</u></u>

* The provision for impairment which is attributable to the Group, that holds about 37% effective equity interest in GMOC, amounted to about RM57.85 million. (Refer to Note A7)

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

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 except for the non-payment of the balance sales proceeds amounting to RMB974.07 million (equivalent to RM620.33 million) ("Final Instalment"), to be received by Berjaya (China) Great Mall Co Ltd ("GMOC"), a 51% owned subsidiary company of the Berjaya Land Berhad ("BLand") group, from the disposal of GMOC Project as disclosed in Note B7(A)(ii).

GMOC, after having sought legal advice, will commence legal proceedings against Beijing SkyOcean and the Guarantors as it has strong grounds to recover the outstanding Final Instalment due to GMOC. Based on the legal advice in respect of the legal proceedings and the eventual enforcement of the claim award, the BLand board of directors estimated that the reasonable time frame to recover the outstanding Final Instalment is approximately 3 years.

Hence, in accordance to FRS 139 : Financial Instruments: Recognition and Measurement, GMOC has made a provision for impairment of RMB243.51 million (equivalent to RM155.08 million) in the second quarter to account for the time value of money for the full recovery of the outstanding Final Instalment.

This provision will be reversed when GMOC eventually receives the payment of the balance sales proceeds from Beijing SkyOcean and the Guarantors.

- A8 There were no changes in the composition of the Group for the current period ended 31 January 2018, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 9 June 2017, BLand announced it has acquired one ordinary share, representing 100% equity interest, in Berjaya Fukuoka Development (S) Pte Ltd ("BFDS") from Madam Teow Gek Keo for a cash consideration of SGD1.00. BFDS was incorporated in Singapore on 12 December 2012 with an issued share capital of SGD1.00 comprising one ordinary share. It has an 100% owned subsidiary company called Hakata Waterfront Development Godo Kaisha ("HWDGK"), which was incorporated in Japan on 22 January 2012. The intended principal activities of BFDS and HWDGK are investment holding and hotel and resort operation respectively.
 - (b) On 28 June 2017, Berjaya Sports Toto Berhad ("BToto") announced that H. R. Owen Finance Limited ("HROF"), a private limited company registered in England and Wales and an indirect subsidiary company of BToto, has been dissolved on 27 June 2017. HROF was a dormant company.
 - (c) On 10 August 2017, BToto announced that HR Owen, a 98.38% owned subsidiary company of the BToto group, incorporated a wholly owned subsidiary company in England and Wales under the name of EDOC Holdings Limited ("EDOC"). EDOC has an issued and paid-up share capital of GBP1.00 comprising one ordinary share and its intended principal activity is investment holding.
 - (d) On 30 August 2017, EDOC acquired and subscribed for 2,743,161 ordinary shares, representing 20.15% equity interest, in VIDEODOC Ltd for a total cash consideration of GBP1.85 million (about RM10.3 million). VideoDoc is a private limited company registered in England and Wales and its principal activities are providing general and specialists medical practice services.
 - (e) On 16 November 2017, BLand announced Berjaya Leisure (Cayman) Limited ("BLCL"), its wholly owned subsidiary company, completed of the disposal of 500,000 ordinary shares, representing 100% equity interest, in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH") for a consideration of SGD2.97 million satisfied by 1,487,468 new SIAMH shares issued at SGD2.00 per SIAMH share ("BIH Disposal"). As part of the terms of the BIH Disposal, BLCL novated the amount owing by BIH to BLCL of about SGD11.20 million to SIAMH and SIAMH settled the amount with the issuance of 5,598,221 new SIAMH shares at the issue price of SGD2.00 per share. BLCL also completed the subscription of 1,909,829 new SIAMH shares at SGD2.00 per SIAMH share for a total cash subscription of about SGD3.82 million. Upon the completion of the BIH Disposal, debt settlement and subscription, BLCL acquired 8,995,518 new SIAMH shares and increased its shareholdings to 11.99 million SIAMH shares representing an equity interest of about 34.27%.

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

NOTES TO THE INTERIM FINANCIAL REPORT

- A8 (f) The Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") decreased to 11.13% following the disposal of 57.0 million BAssets shares by the Group.
- (g) On 24 November 2017, BToto announced that International Lottery & Totalizator Systems Inc, its wholly owned subsidiary company, incorporated a wholly owned subsidiary company in Vietnam under the name of ILTS Vietnam Company Limited ("ILTSVN"). The intended principal activity of ILTSVN is providing lottery technical support services in Vietnam.
- (h) On 24 November 2017, BFood announced that Berjaya Food International Sdn Bhd ("BFI"), its wholly owned subsidiary company, completed the disposal of 13.82 million ordinary shares, representing 99.9% equity interest, in PT Boga Lestari Sentosa ("PT Boga") to Mr Rudy Wiguna and Ms Komelia Ersan for IDR1,000 (or about RM0.32).
- (i) On 22 December 2017, BLand announced the incorporation of the following subsidiary companies:
- a) Ever Revenue Sdn Bhd and Ever Perpetual Growth Sdn Bhd, wholly owned subsidiary companies of Tioman Island Berhad which is 86.25% held by BLand; and
 - b) Infinity Worth Creation Sdn Bhd, a wholly owned subsidiary company of KDE Recreation Berhad, a wholly owned subsidiary company of the BLand group.
- A9 There were no material changes in contingent liabilities or contingent asset since the last annual balance sheet date other than the following:
- (a) With reference to Note 41(2) to the financial statements regarding the matter with Armen&anor, the case regarding Armen&anor's motion to set aside the jury verdict was heard on 6 July 2017 and the Court dismissed Armen&anor's motion. Armen&anor filed a Notice of Appeal on 8 August 2017 in the Court of Appeal, Fourth Appellate District Court, Division 3, California. Armen&anor has yet to file their appeal briefs but they have up to 30 April 2018 to do so.
- A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2017.

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

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			9-month Ended		
	31/01/2018	31/01/2017	+ /(-)	31/01/2018	31/01/2017	+ /(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	2,171,346	2,221,305	(2)	6,555,859	6,903,223	(5)
Profit from operations	77,466	65,104	19	306,751	549,059	(44)
Profit/(Loss) before tax	6,346	83,855	(92)	(84,860)	563,952	N/A

Review of results for the quarter

The Group registered a revenue of RM2.17 billion and pre-tax profit of RM6.35 million in the current quarter ended 31 January 2018 as compared to revenue of RM2.22 billion and pre-tax profit of RM83.86 million reported in the previous year corresponding quarter.

Commentary on revenue

The Group recorded a lower revenue for the current quarter mainly due to lower revenue reported by the property investment and development business segment as compared to the preceding year corresponding quarter.

Marketing of consumer products and services

The marketing of consumer products and services segment reported lower revenue as the retail distribution business was affected by the weak consumer sentiment coupled with the intense competition in the local and overseas markets.

The motor distribution business under H.R. Owen PLC ("HR Owen") reported higher revenue from new and used car sales.

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Restaurants and cafes

The restaurants and cafes segment reported a lower revenue mainly due to closure of certain non-performing restaurants in the current financial period.

Property investment and development

The property investment and development segment registered lower revenue in the current quarter. This was because of a much reduced contribution from the Group's foreign projects as well as lower progress billings in the current quarter.

Hotels and resorts

The hotels and resorts segment reported a higher revenue mainly due to higher overall occupancy.

Gaming operations

The gaming operations reported lower revenue mainly due to lower contribution from Sports Toto Malaysia Sdn Bhd ("STMSB") resulting from the lower number of draws in the current quarter under review.

Commentary on pre-tax profit

The Group reported higher profit from operations in the current quarter. Nevertheless, the Group reported a lower pre-tax profit, which was due to lower net investment related income recorded by the Group in the current quarter as compared to previous year corresponding quarter. Included in the investment related income in the previous year corresponding quarter was the substantial gain from the disposal of an associated company of about RM98.83 million.

Marketing of consumer products and services

The retail distribution business recorded higher pre-tax losses mainly due to lower sales recorded in the current quarter and lower gross profit margin as a result of more aggressive promotional sales for clearance of slow moving products as well as unfavourable foreign exchange differences recorded in the current quarter.

The motor distribution business recorded a pre-tax profit as a result of higher revenue coupled with improved profit margin earned from used car sales.

Restaurants and cafes

The higher pre-tax profit of restaurants and cafes segment in the current quarter under review was mainly due to higher pre-tax profit recorded by Starbucks operations and reduced losses from the closure of non-performing restaurants.

Property investment and development

The property investment and development segment contributed lower pre-tax profit mainly due to lower revenue in the current quarter.

Hotels and resorts

The hotels and resorts segment reported higher pre-tax profit mainly due to higher revenue in the current quarter as compared to the previous year corresponding quarter.

Gaming operations

Despite the lower revenue registered by STMSB, it registered a higher pre-tax profit as compared to previous year corresponding quarter. The higher pre-tax profit was mainly due to lower prize payout and lower operating expenses incurred in the current quarter.

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Review of results for the financial period

The Group registered a revenue of RM6.56 billion and pre-tax loss of RM84.86 million for the financial period ended 31 January 2018 as compared to a revenue of RM6.9 billion and pre-tax profit of RM563.95 million reported in the previous year corresponding period.

Commentary on revenue

The Group registered a lower revenue for the financial period under review mainly due to lower contribution from the property investment and development segment and marketing of consumer products and services segment.

Marketing of consumer products and services

The marketing of consumer products and services segment reported a lower revenue in the current financial period as compared to the previous year corresponding period. The lower revenue reported by the retail distribution business was affected by weak consumer spending sentiment as a result of unfavourable economic conditions in China, Malaysia and Hong Kong. In addition, the intense competition in Mainland China also contributed to the decrease in revenue in the current financial period.

The higher revenue reported by motor distribution business was mainly due to higher used car sales reported by HR Owen.

Restaurants and cafes

The restaurants and cafes segment reported a higher revenue mainly due to additional Starbucks cafes operating since the previous year corresponding quarter as well as same-store-sales growth.

Property investment and development

The property investment and development segment registered lower revenue in the current quarter. This was because the remaining units of a property project in China have been disposed of in the previous financial year.

Hotels and resorts

The hotels and resorts segment reported a higher profit mainly due to higher occupancy rates and room rates in the current financial period.

Gaming operations

The gaming operations reported higher revenue mainly due to full period revenue contribution from the Vietnam operations which started its operations in the second quarter of previous financial year.

Commentary on pre-tax loss

The Group's reported a pre-tax loss in the current period under review, which was mainly due to the exceptional items as disclosed in Note A3 as well as lower pre-tax profit reported by property investment and development business. The pre-tax profit in the previous financial period included the substantial gain from the disposal of an associated company of about RM98.83 million as well as the gain on settlement for surrendering certain assets and lease interests to the relevant authorities of about RM163.64 million.

Marketing of consumer products and services

The higher pre-tax loss reported by retail distribution business in the current period under review was mainly due to decrease in revenue as well as lower gross profit margin as a result of more aggressive promotional sales as mentioned above.

The motor distribution business reported a higher pre-tax profit as a result of improved performance achieved in the used cars sales sector in the current financial period.

Restaurants and cafes

The higher pre-tax profit of restaurants and cafes segment in the current period under review was mainly due to higher pre-tax profit recorded by Starbucks operations and also arising from reduced losses from the closures of non-performing restaurants.

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Property investment and development

The property investment and development segment contributed lower pre-tax profit mainly due to lower revenue in the current period.

Hotels and resorts

The hotels and resorts segment reported higher pre-tax profit mainly due to higher revenue in the current period as compared to the previous year corresponding period.

Gaming operations

The higher pre-tax profit in the current period was contributed by STMSB due to the reasons mentioned above.

B2 Review of results of third quarter vs second quarter

	3-Month Ended		+ / (-) %
	31/01/2018 RM'000	31/10/2017 RM'000	
Revenue	<u>2,171,346</u>	<u>2,185,831</u>	<u>(1)</u>
Profit from operations	<u>77,466</u>	<u>90,624</u>	<u>(15)</u>
Profit/(Loss) before tax	<u>6,346</u>	<u>(155,459)</u>	<u>N/A</u>

For the quarter under review, the Group recorded a revenue of RM2.17 billion and pre-tax profit of RM6.35 million as compared to a revenue of RM2.19 billion and pre-tax loss of RM155.46 million reported in the preceding quarter.

Commentary on revenue

The Group recorded a marginal drop in revenue for the current quarter. The lower revenue was mainly due to lower revenue achieved by the property investment and development segment, the hotel and resorts segment as well as marketing of consumer products and services segment. However, it was mitigated by higher revenue registered by the other segments

Marketing of consumer products and services

The lower revenue reported by retail distribution business was mainly due to reasons mentioned above.

The motor distribution business reported higher revenue mainly due to higher new and used car sales in the current quarter under review.

Restaurants and cafes

The calendar year end festive sales, school holidays and the Christmas season during the third quarter contributed positively to the higher revenue in current quarter.

Property investment and development

The property investment and development segment registered higher revenue mainly due to sales of several units of residences in Japan.

Hotels and resorts

The hotels and resorts segment reported a lower revenue mainly due to lower occupancy rate and average room rates as certain resorts were affected by the onset of the monsoon season at the East Coast of Peninsular Malaysia.

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Gaming operations

The lower revenue reported by gaming operations as compared to previous quarter was mainly due to the strong sales from highest ever jackpot in the Grand 6/63 Jackpot game during the preceding quarter.

Commentary on pre-tax profit

Despite lower profit from operations reported in the current quarter, the Group reported a pre-tax profit in the current quarter as compared to pre-tax loss in the previous quarter, as the Group provided for impairment of a portion of the balance sales proceeds from the sales of GMOC Project in the previous quarter.

Marketing of consumer products and services

The retail distribution business reported a pre-tax loss in the current quarter, due to the reasons mentioned above.

The motor distribution business reported a pre-tax profit as compared to a pre-tax loss in the previous quarter. This was mainly due to the abovementioned reasons.

Restaurants and cafes

The higher pre-tax profit of restaurants and cafes segment in the current quarter under review was mainly due to higher pre-tax profit recorded by Starbucks operations, which is in tandem with the higher revenue reported in the current quarter.

Property investment and development

The property investment and development segment registered higher pre-tax profit due to higher sales as mentioned above.

Hotels and resorts

The hotels and resorts segment reported lower pre-tax profit as compared to the previous quarter mainly due to lower revenue in the current quarter.

Gaming operations

The gaming segment contributed higher pre-tax profit mainly due to lower prize payout and lower operating expenses incurred in the current quarter.

B3 Future prospects

Given the prevailing economic conditions and global financial outlook, the Directors are of the view that the Group's operating environment will be challenging going forward.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 January 2018.

B5 The taxation charge for the current quarter and financial period ended 31 January 2018 are detailed as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	45,572	150,999
- Outside Malaysia	10,636	37,630
Deferred tax	9,283	(2,462)
Under provision in prior years	2,496	9,609
	<u>67,987</u>	<u>195,776</u>

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

The disproportionate tax charge of the Group for the current quarter/financial period ended 31 January 2018 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.

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

	Current Quarter RM'000	Financial Year to date RM'000
Interest income	(34,091)	(86,880)
Dividend income	(159)	(1,791)
Gain on disposal of property, plant and equipment	(145)	(611)
Gain on disposal of other investments	(363)	(3,517)
Gain on disposal of a subsidiary company	(11,994)	(11,994)
Gain on disposal of other investments	(363)	(3,517)
Loss arising from disposal of a subsidiary company	15,382	15,382
Loss arising from dilution of interest in an associated company	1,554	3,098
Depreciation of property, plant and equipment	55,174	171,590
Amortisation of intangible assets	13,852	46,484
Impairment loss on receivables	199	16,868
Impairment in value of investment in associated companies	-	43
Impairment in value of AFS investment	1,224	2,918
Provision for and write off of inventories	8,472	21,179
Provision for impairment on a portion of the balance of GMOC Project sales proceeds	-	155,084
Loss on partial disposal of an associated company	-	39,942
Foreign exchange loss (net)	56,434	73,972
Fair value changes of FVTPL investments (net)	<u>9,179</u>	<u>11,420</u>

B7 (A) There has been no further developments for those corporate proposals disclosed in Notes 46 and 47 to the audited financial statements of the Company for the financial year ended 30 April 2017 except for the following:

(i) Note 46(12) in relation to the proposed acquisition of leasehold land in Sungai Besi

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

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- B7
- 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.

The judgment is summarised as follows based on the notes of proceedings dated 9 November 2017:

- 1) The Applicants had a legitimate expectation that the site would be constructed and developed for the BCity Project.
- 2) The Selangor State Government and Selangor Town and Country Planning Department (1st and 5th Respondents) had failed to re-table the execution of the BCity Project.
- 3) The 1st and 5th Respondents had acted unreasonably when they failed to have regard to all relevant considerations and disregarded all improper considerations to re-table the execution of the BCity Project. In these circumstances, it has resulted in unfairness to the Applicants as it is tantamount to an abuse of power.
- 4) The cause of action of the substantive application of the judicial review does not involve the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents and is therefore dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.
- 5) The High Court made the following order:
 - (a) In respect of the BCity Project and construction of the equestrian centre, the Applicants are allowed to continue with its development and construction.
 - (b) The Applicants have to submit the comments by the technical departments to the relevant parties.
 - (c) The relevant technical departments shall revert with their response/ feedback within 3 months, failing which the relevant departments are deemed to have no objection to the said development.
 - (d) In respect of the NewSTC, the 1st and 5th Respondents shall re-table its relocation and construction to the National Physical Planning Council within 3 months upon receipt of the proposal from the Applicants. The Applicants shall submit the said proposal within 3 months upon receipt of the fair order, failing which the Applicants are deemed to be no longer interested in carrying out the said proposal.
- 6) The High Court also allows for compensation to be paid to the Applicants by the 1st and 5th Respondents. 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 defendants have filed a Notice of Appeal to the Court of Appeal.

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B7 (A) (ii) Note 46(17) in relation to the disposal of the Berjaya (China) Great Mall Recreation Centre

On 8 December 2017, BLand announced that Beijing SkyOcean had not remitted the remaining adjusted proceeds ("Outstanding Payment") of RMB974.07 million (about RM601.78 million) by 28 November 2017 as agreed. Accordingly, GMOC had on 7 December 2017 issued a notice of demand to Beijing SkyOcean and the guarantors to pay the Outstanding Payment and late payment interest.

On 19 January 2018, BLand announced that GMOC has on even date submitted a notice of arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the guarantors namely, against SkyOcean Holdings Group Limited and Mr Zhou Zheng, to recover the Outstanding Payment and other reliefs.

(B) Events announced subsequent to the date of the audited financial statements:

- (i) On 15 June 2017, BToto announced that Sports Toto Malaysia Sdn Bhd, its wholly owned subsidiary company, proposed to establish a Medium Term Notes ("MTN") Programme of up to RM800.00 million in nominal value. The MTN Programme shall have a tenure of up to 15 years and the first issuance of under the MTN Programme will be made within 60 business days from 15 June 2017. The MTN Programme has been accorded a preliminary rating of AA-/Stable by the Malaysian Rating Corporation Berhad.
- (ii) On 15 September 2017, the Company announced the proposed disposal of the entire 100% equity interest in Berjaya Green Resources Environmental Engineering (Foshan) Co Ltd ("BGREE"), incorporated in the People's Republic of China ("PRC"), to Foshan Water & Environmental Investment Co Ltd ("FWEI"), a company incorporated in the PRC, for a cash consideration of about RMB78.50 million (or about RM50.87 million). FWEI will undertake to repay the amount owing by BGREE to the Company of about RM24.80 million. The proposed disposal is subject to approvals from various authorities in PRC.
- (iii) On 6 March 2018, the Company announced that the Company and other shareholders of DSG Holdings Limited ("DSG"), namely Earthlodge Investments Limited and Elque Resources Sdn Bhd, have entered into an agreement with Besino Environment Limited ("Besino"), a company incorporated in the People's Republic of China ("PRC"), for the proposed disposal of their entire equity interest comprising 10.00 million ordinary shares in DSG to Besino or its affiliate for a total cash consideration of RMB508 million (about RM312.93 million). The Company's portion of the sale proceeds is RMB431.80 million (about RM265.99 million). The disposal is pending approvals from the authorities in the PRC.

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B8 Group borrowings and debt securities as at 31 January 2018 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
Denominated in	'000	
Ringgit Malaysia	#	2,256,134
USD	24,157 *	93,909
SGD	28,439 *	84,372
GBP	61,308 *	337,887
PHP	389,393 *	29,514
KRW	2,350,000 *	8,460
JPY	1,938,599 *	69,136
VND	59,770,000 *	11,954
		2,891,366
Unsecured		
Denominated in		
Ringgit Malaysia		67,051
USD	58 *	225
		67,276
		2,958,642
Long term borrowings		
Secured		
Denominated in	'000	
Ringgit Malaysia	#	2,360,958
USD	522 *	2,029
SGD	75 *	223
GBP	12,381 *	67,779
PHP	300,000 *	22,737
JPY	16,401,849 *	585,546
RMB	208,730 *	128,411
VND	173,850,000 *	34,770
		3,202,453
Unsecured		
Denominated in		
RMB	8,165 *	5,023
		5,023
		3,207,476
Total bank borrowings (inclusive of borrowings classified as liabilities of disposal group) @		6,166,118
* Converted at the respective exchange rates prevailing as at 31 January 2018		
# Includes medium term notes		
- short term		832,484
- long term		874,220
		1,706,704
@ Includes borrowings classified as liabilities of disposal group		
- short term		8,595
- long term		135,463
		144,058

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B9 There is no change in material litigation since the last annual reporting date up to the date of this announcement, other than as disclosed in Note A9, except for the following:-

- (a) 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 ("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. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed a suit demanding that the said lands be returned to them. Under the circumstances, the on-going development works on the Jeju Project had been suspended pending the resolution of this matter by JDC with the affected landowners.

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development 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 construction cost of Phase 1 that was due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR terminated the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At the sixth court hearings on 14 October 2016, the presiding judge had agreed to BJR's application to conduct land price appraisal of Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. As at the date of this announcement, the land price appraisal report of the Jeju Project has been completed by the court appointed land appraisal company and the land price appraisal report has been submitted directly to the court. The JDC Lawsuit is still ongoing.

- (b) Philippine Gaming Management Corporation ("PGMC"), an 88.26%-owned subsidiary company of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim agreement between PGMC and the PCSO whereby the parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018. On 1 March 2018, BToto announced that on 23 February 2018, Prime Gaming Management Corporation ("PGMC"), a wholly owned subsidiary company of BPI which is a 88.26% subsidiary of BToto, received a copy of the Final Award issued by the Arbitral Tribunal regarding the dispute between PGMC and Philippine Charity Sweepstakes Office ("PCSO") whereby the Arbitral Tribunal ruled that PGMC does not have an exclusive contractual right to supply an online lottery system for Luzon as the terms of its lease agreements do not grant such exclusivity. The Arbitral Tribunal also ordered PGMC to pay all PCSO's reasonable costs in the arbitration of about PHP53.59 million and to reimburse PCSO the amount of USD200,000 as advance for costs. PGMC has filed the appeal.

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

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 January 2017: Nil).

B11 The basic and diluted (loss)/earnings per share are calculated as follows:

	Group (3-month period)			
	31/01/2018	31/01/2017	31/01/2018	31/01/2017
	RM'000		sen	
Net (loss)/profit for the quarter	(92,502)	22,886		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	2,054	2,697		
- BCorp ICULS 4	203	215		
Adjusted net (loss)/earnings for the quarter	<u>(90,245)</u>	<u>25,798</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,875,583	4,784,523		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>747,835</u>		
Number of shares used in the calculation of basic (loss)/earnings per share ('000)	<u>5,623,418</u>	<u>5,532,358</u>		
Basic (loss)/earnings per share			<u>(1.60)</u>	<u>0.47</u>
Adjusted net (loss)/earnings for the quarter	(90,245)	25,798		
Dilution effect on conversion of Redtone International Berhad ICULS	(196)	(15)		
Dilution effect on exercise of Berjaya Food Berhad warrants	-	(12)		
	<u>(90,441)</u>	<u>25,771</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,623,418</u>	<u>5,532,358</u>		
Diluted (loss)/earnings per share			<u>(1.61)</u>	<u>0.47</u>

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2018

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B11	Group (9-month period)			
	31/01/2018	31/01/2017	31/01/2018	31/01/2017
	RM'000		sen	
Net (loss)/profit for the year-to-date	(281,883)	136,714		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	7,534	8,361		
- BCorp ICULS 4	622	837		
Adjusted net (loss)/earnings for the year-to-date	<u>(273,727)</u>	<u>145,912</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,875,583	4,685,357		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>776,282</u>		
Number of shares used in the calculation of basic (loss)/earnings per share ('000)	<u>5,623,418</u>	<u>5,461,639</u>		
Basic (loss)/earnings per share			<u>(4.87)</u>	<u>2.67</u>
Adjusted net (loss)/earnings for the year-to-date	(273,727)	145,912		
Dilution effect on exercise of Redtone International Berhad ICULS	(587)	(31)		
Dilution effect on exercise of Berjaya Food Berhad warrants	-	(38)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	-	(297)		
	<u>(274,314)</u>	<u>145,546</u>		
Number of shares used in the calculation of diluted (loss)/earnings per share ('000)	<u>5,623,418</u>	<u>5,461,639</u>		
Diluted (loss)/earnings per share			<u>(4.88)</u>	<u>2.66</u>

c.c. Securities Commission