

Berjaya Corporation Berhad

Registration Number: 200101019033 (554790-X)

Date: 29 August 2023

Subject: **UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR
THE YEAR ENDED 30 JUNE 2023**

	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 - 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 - 29

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
				(Audited)
GROUP REVENUE	2,557,363	2,346,795	9,635,592	8,155,139
PROFIT FROM OPERATIONS	184,036	186,243	607,648	368,477
Investment related income	41,629	119,014	129,473	396,460
Investment related expenses	(134,032)	(236,747)	(143,060)	(256,029)
Finance costs	(117,067)	(92,760)	(419,952)	(349,196)
Share of results of associates	12,170	(4,385)	77,018	39,505
Share of results of joint ventures	4,569	11,916	22,045	31,354
(LOSS)/PROFIT BEFORE TAX	(8,695)	(16,719)	273,172	230,571
INCOME TAX EXPENSE	(77,986)	(31,158)	(257,136)	(207,078)
(LOSS)/PROFIT AFTER TAX	(86,681)	(47,877)	16,036	23,493
ATTRIBUTABLE TO:				
- Equity holders of the parent	(79,333)	48,629	(117,298)	51,770
- Non-controlling interests	(7,348)	(96,506)	133,334	(28,277)
	(86,681)	(47,877)	16,036	23,493
(LOSS)/EARNINGS PER SHARE (SEN)				
- Basic, for the period	(1.42)	0.86	(2.09)	0.93
- Diluted, for the period	(1.42)	0.86	(2.09)	0.93

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 YEAR ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>3 months ended</u>		<u>Year to date ended</u>	
	<u>30/06/2023</u>	<u>30/06/2022</u>	<u>30/06/2023</u>	<u>30/06/2022</u>
	RM'000	RM'000	RM'000	RM'000
				(Audited)
(LOSS)/PROFIT AFTER TAX	(86,681)	(47,877)	16,036	23,493
OTHER COMPREHENSIVE ITEMS				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	72,929	(10,402)	92,605	7,827
Foreign currency reserve transfer to profit or loss due to disposal of associated company	-	-	-	8
Share of associated companies' currency translation differences	3,296	1,124	3,928	727
<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")	(36,800)	14,032	24,380	(1,554)
Share of associated companies' changes in fair values of FVTOCI investments	2,238	(1,159)	11,340	(9,706)
Share of other comprehensive income items of associated companies	-	385	-	439
Revaluation of land and buildings	30	535	30	491
Tax effects relating to revaluation of land and buildings	-	(45)	-	149
Tax effects relating to defined benefit pension scheme	(2,185)	(3,717)	(2,185)	(3,735)
Actuarial gain recognised in defined benefit pension schemes	8,766	14,888	8,928	14,929
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(38,407)	(32,236)	155,062	33,068
ATTRIBUTABLE TO:				
- Equity holders of the parent	(70,738)	60,195	(45,311)	64,535
- Non-controlling interests	32,331	(92,431)	200,373	(31,467)
	(38,407)	(32,236)	155,062	33,068

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 YEAR ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/06/2023 RM'000	As at 30/06/2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,469,054	3,230,786
Right-of-use assets	2,295,523	1,853,675
Investment properties	869,263	936,605
Inventories - Land held for property development	2,177,338	2,307,376
Investment in associated companies	1,055,610	942,933
Investment in joint ventures	178,978	175,042
Other investments	517,160	349,425
Other long term receivables	414,497	383,893
Retirement benefit assets	38,082	25,294
Intangible assets	4,785,520	4,876,957
Deferred tax assets	117,677	86,692
	<u>15,918,702</u>	<u>15,168,678</u>
Current Assets		
Inventories - Property development costs	196,044	91,200
Inventories - Completed properties and others	1,734,207	1,467,950
Contract cost assets	7,337	12,417
Trade and other receivables	1,676,978	1,854,267
Contract assets	143,771	161,777
Short term investments	67,936	99,713
Tax recoverable	63,220	46,525
Deposits with financial institutions	639,808	637,209
Cash and bank balances	1,013,932	721,864
	<u>5,543,233</u>	<u>5,092,922</u>
Disposal Group/Non-current assets classified as held for sale	612,067	188,968
	<u>6,155,300</u>	<u>5,281,890</u>
TOTAL ASSETS	<u>22,074,002</u>	<u>20,450,568</u>
EQUITY AND LIABILITIES		
Share capital	5,347,774	5,286,202
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	110	53,231
Reserves	943,175	806,269
	<u>6,291,059</u>	<u>6,145,702</u>
Less: Treasury shares	(91,677)	(74,982)
	<u>6,199,382</u>	<u>6,070,720</u>
Non-controlling interests	2,670,602	2,808,371
Equity funds	<u>8,869,984</u>	<u>8,879,091</u>
Non-current liabilities		
Liability component of financial instruments	110,006	5,066
Long term borrowings	3,242,885	3,248,194
Other long term liabilities	164,880	135,638
Lease liabilities	2,227,529	1,802,679
Contract liabilities	166,702	185,341
Provisions	41,317	37,381
Deferred tax liabilities	1,228,375	1,237,231
	<u>7,181,694</u>	<u>6,651,530</u>
Current Liabilities		
Liability component of financial instruments	4	2,057
Trade and other payables	2,283,824	2,248,998
Contract liabilities	561,803	435,773
Derivative liabilities	62,864	39,750
Provisions	22,613	21,994
Short term borrowings	2,566,389	1,871,413
Lease liabilities	259,941	231,947
Taxation	45,146	68,015
	<u>5,802,584</u>	<u>4,919,947</u>
Liabilities directly associated with disposal group classified as held for sale	219,740	-
	<u>6,022,324</u>	<u>4,919,947</u>
Total Liabilities	<u>13,204,018</u>	<u>11,571,477</u>
TOTAL EQUITY AND LIABILITIES	<u>22,074,002</u>	<u>20,450,568</u>
Basic net assets per share (sen)	111.03	108.58
Dilutive net assets per share (sen)	109.79	106.82

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 YEAR ENDED 30 JUNE 2023
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent											Non-controlling interests RM'000	Total equity RM'000
	Non-distributable							Distributable					
	Share capital RM'000	ICULS - equity component RM'000	FVTOCI 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		
At 1 July 2022	5,286,202	53,231	(89,592)	113,039	2,198	213,735	(475,267)	61,113	981,043	(74,982)	6,070,720	2,808,371	8,879,091
Loss for the year	-	-	-	-	-	-	-	-	(117,298)	-	(117,298)	133,334	16,036
Other comprehensive income	-	-	27,545	-	30	-	-	42,360	2,052	-	71,987	67,039	139,026
Total comprehensive income	-	-	27,545	-	30	-	-	42,360	(115,246)	-	(45,311)	200,373	155,062
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	2,423	-	-	-	2,423	-	2,423
Effects arising from the disposals of FVTOCI investments	-	-	(1,575)	-	-	-	-	-	1,575	-	-	-	-
Transactions with owners:													
Transfer of reserves	-	-	(8,924)	-	(10,207)	(3,072)	(5,704)	(12,147)	40,054	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(16,695)	(16,695)	-	(16,695)
Reversal of deferred tax liability on conversion of BCorp ICULS	-	1,225	-	-	-	-	-	-	-	-	1,225	-	1,225
Arising from conversion of BCorp ICULS	61,572	(54,346)	-	-	-	-	-	-	-	-	7,226	-	7,226
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	152,553	-	-	-	152,553	(388,430)	(235,877)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	27,376	-	-	-	27,376	147,951	175,327
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	403	403
Capital repayment by a subsidiary company	-	-	-	-	-	(135)	-	-	-	-	(135)	(3,270)	(3,405)
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,020	1,020
Share based payment	-	-	-	-	-	-	-	-	-	-	-	2,531	2,531
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(98,347)	(98,347)
	61,572	(53,121)	(8,924)	-	(10,207)	(3,207)	174,225	(12,147)	40,054	(16,695)	171,550	(338,142)	(166,592)
At 30 June 2023	5,347,774	110	(72,546)	113,039	(7,979)	210,528	(298,619)	91,326	907,426	(91,677)	6,199,382	2,670,602	8,869,984

Note:

^ This represents the fair values of warrants.

BERJAYA CORPORATION BERHAD
Registration Number: 200101019033 (554790-X)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023
 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	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 2021	5,092,989	242,657	(69,786)	1,779	258,797	47,883	218,738	(406,803)	33,179	723,840	(59,987)	6,083,286	2,824,227	8,907,513
Profit for the year	-	-	-	-	-	-	-	-	-	51,770	-	51,770	(28,277)	23,493
Other comprehensive income	-	-	(18,981)	-	-	640	262	-	27,731	3,113	-	12,765	(3,190)	9,575
Total comprehensive income	-	-	(18,981)	-	-	640	262	-	27,731	54,883	-	64,535	(31,467)	33,068
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	(67)	(6,092)	-	-	-	(6,159)	-	(6,159)
Transactions with owners:														
Transfer of reserves	-	-	(825)	(865)	(147,018)	(46,325)	(5,198)	(3,475)	203	203,503	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	(14,995)	(14,995)	-	(14,995)
Re-issuance of Warrants 2012/2022	-	-	-	-	1,260	-	-	-	-	(1,183)	-	77	-	77
Reversal of deferred tax liability on conversion of BCorp ICULS	-	1,462	-	-	-	-	-	-	-	-	-	1,462	-	1,462
Arising from conversion of BCorp ICULS	193,213	(190,888)	-	-	-	-	-	-	-	-	-	2,325	-	2,325
Adjustment due to increase in equity interest in subsidiary companies	-	-	-	-	-	-	-	19,978	-	-	-	19,978	(129,491)	(109,513)
Adjustment in relation to part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	(78,875)	-	-	-	(78,875)	157,393	78,518
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	884	884
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	(17,911)	(17,911)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	45,644	45,644
Share based payment	-	-	-	(914)	-	-	-	-	-	-	-	(914)	1,238	324
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(42,146)	(42,146)
	193,213	(189,426)	(825)	(1,779)	(145,758)	(46,325)	(5,198)	(62,372)	203	202,320	(14,995)	(70,942)	15,611	(55,331)
At 30 June 2022	5,286,202	53,231	(89,592)	-	113,039	2,198	213,735	(475,267)	61,113	981,043	(74,982)	6,070,720	2,808,371	8,879,091

Note:

^ This represents 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 YEAR ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/06/2023 RM'000	30/06/2022 RM'000 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	10,245,480	8,463,597
Payments for operating expenses	(9,072,746)	(7,721,247)
Payment of taxes	(345,749)	(235,693)
Other receipts (including tax refunds)	143,528	67,698
Net cash generated from operating activities	<u>970,513</u>	<u>574,355</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	88,286	87,302
Disposal of investments in subsidiary companies	70,329	104,059
Disposal of investments in associated companies	22,630	236,456
Disposal of other investments and short term investments	167,955	8,558
Acquisition of property, plant and equipment and non-current assets	(579,341)	(440,281)
Acquisition of investments in subsidiary companies	(236,399)	(64,881)
Acquisition of investments in associated companies and joint venture	(59,606)	(12,219)
Acquisition of other investments and short term investments	(245,427)	(28,109)
Acquisition of treasury shares by subsidiary company	(54,701)	(9,968)
Interest received	43,583	12,975
Dividend received	54,024	33,320
Net repayment from joint ventures and associated companies	7,254	358
Other (payments)/receipts	(6,576)	88,144
Net cash (used in)/generated from investing activities	<u>(727,989)</u>	<u>15,714</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of treasury shares by the Company	(16,695)	(14,995)
Issuance of share capital to non-controlling interests of subsidiary companies	-	45,644
Issuance of Redeemable Convertible Loan by subsidiary company	109,901	42,928
Issuance of medium term notes by subsidiary companies	138,450	558,850
Redemption of medium term notes by subsidiary companies	(127,650)	(586,560)
Dividends paid to non-controlling interests of subsidiary companies	(121,772)	(39,647)
Interest paid	(404,005)	(340,438)
Drawdown of bank and other borrowings	1,660,401	1,185,080
Repayment of bank and other borrowings	(973,785)	(1,035,975)
Payment of lease liabilities	(258,259)	(243,044)
Net placement with banks as security pledges for borrowings	(53,155)	(34,378)
Net cash used in financing activities	<u>(46,569)</u>	<u>(462,535)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	195,955	127,534
OPENING CASH AND CASH EQUIVALENTS	1,085,172	948,321
Effect of exchange rate changes	74,449	9,317
CLOSING CASH AND CASH EQUIVALENTS	<u>1,355,576</u>	<u>1,085,172</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	639,808	637,209
Cash and bank balances	1,013,932	721,864
Bank overdraft (included under short term borrowings)	(60,281)	(60,990)
	<u>1,593,459</u>	<u>1,298,083</u>
Less :		
Remisiers' deposit held in trust	(12,837)	(10,915)
Cash and cash equivalents restricted in use	(253,227)	(201,996)
	<u>1,327,395</u>	<u>1,085,172</u>
Including: Cash and cash equivalents classified as held for sale	28,181	-
	<u>1,355,576</u>	<u>1,085,172</u>

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 YEAR ENDED 30 JUNE 2023

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 year ended 30 June 2022. 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 year ended 30 June 2022.

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 2022.

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

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- the property 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/year 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
Loss on partial disposal of associated companies	-	(4,584)
Loss on deemed disposal of a subsidiary company	-	(1,474)
Gain on disposal of investment property	3,716	5,716
Impairment on intangible assets	(9,603)	(9,603)
Impairment on amount owing by associated companies	(4,690)	(4,690)
Impairment on balance sale proceeds of Great Mall Project *	(99,919)	(99,919)
Remeasurement gain of a former joint venture prior to its reclassification to investment in a subsidiary company	(1,064)	1,326
Negative goodwill	-	124
Gain on disposal of land held for development	5,027	6,563
Gain on deemed disposal/disposal of subsidiary companies	1,943	1,943
Gain on disposal of associated company	1,105	1,105
Net fair value changes on investment properties	(4,899)	(4,899)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(2,351)	36,889
Impairment on investment in associated companies	(4,534)	(3,339)
	<u>(115,269)</u>	<u>(74,842)</u>

- * The impairment which is attributable to the Group, which holds 41.5% effective equity interest in GMOC, amounted to RM41.5 million.

The additional impairment of the Final Instalment on the balance sale proceeds of Great Mall Project amounting to RM99.9 million was made in view of the prolonged and arduous enforcement procedures of the arbitration. Notwithstanding the impairment made, GMOC is vigorously pursuing enforcements in both jurisdictions in the PRC and Hong Kong.

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter/year ended 30 June 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A4 There were no issuances and repayment of equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial year ended 30 June 2023 except for the following:

- (a) Share Capital
102,627,780 ordinary shares were issued pursuant to conversion of 102,627,780 BCorp ICULS 2016/2026.
- (b) 2% 10-year ICULS of RM1.00 nominal value each
102,627,780 BCorp ICULS 2016/2026 were tendered for the subscription of 102,627,780 ordinary shares.
- (c) Treasury shares
61,071,000 units of ordinary share were bought back and held as treasury shares with none of these shares being cancelled or sold.

The details of the share buyback during the financial year ended 30 June 2023 were as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
November 2022	0.2350	0.2500	0.2432	10,741,000	2,612
December 2022	0.2550	0.2900	0.2798	50,330,000	14,083
			0.2734	61,071,000	16,695

The number of treasury shares held in hand as at 30 June 2023 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 1 July 2022	0.2358	317,988,527	74,982
Increase in treasury shares	0.2734	61,071,000	16,695
	0.2419	379,059,527	91,677

As at 30 June 2023, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,583,491,000 ordinary shares (30 June 2022: 5,541,934,000).

Subsequent to the financial year ended 30 June 2023 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 year ended 30 June 2023.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segment information for the financial year ended 30 June 2023:-

REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Retail	4,621,626	2,571	4,624,197
Property	447,620	17,428	465,048
Hospitality	1,060,515	36,360	1,096,875
Services	3,505,831	162,450	3,668,281
Elimination: Inter-segment Revenue	-	(218,809)	(218,809)
Total revenue	<u>9,635,592</u>	<u>-</u>	<u>9,635,592</u>

RESULTS

Retail		238,075
Property		135,784
Hospitality		10,760
Services		<u>351,612</u>
		736,231
Unallocated corporate items		<u>(128,583)</u>
Profit from operations		607,648
Investment related income		
-Interest income		51,788
-Gain on deemed disposal/disposal of subsidiary companies		1,943
-Gain on disposal of an associated company		1,105
-Gain on disposal of investment property		5,716
-Gain on disposal of land held for development		6,563
-Fair value gain on FVTPL investments		46,610
-Fair value gain on investment properties		4,691
-Remeasurement gain of a former joint venture prior to its reclassification to investment in a subsidiary company		1,326
-Negative goodwill		124
-Reversal of impairment in an associated company		140
-Dividend income		9,293
-Other investment income		174
		<u>129,473</u>
Investment related expenses		
-Fair value loss on FVTPL investments		(9,721)
-Fair value loss on investment properties		(9,590)
-Loss on deemed disposal a subsidiary company		(1,474)
-Loss on partial disposal of associated companies		(4,584)
-Impairment on investment in associated companies		(3,479)
-Impairment on intangible assets		(9,603)
-Impairment on amount owing by associated companies		(4,690)
-Impairment on balance sale proceeds of Great Mall Project		(99,919)
		<u>(143,060)</u>
Finance costs		(419,952)
Share of results of associates		77,018
Share of results of joint ventures		<u>22,045</u>
Profit before tax		273,172
Income tax expense		<u>(257,136)</u>
Profit after tax		<u>16,036</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current period under review that have not been reflected in the financial statements for this current financial year under review.
- A8 There were no changes in the composition of the Group for the current financial year ended 30 June 2023, including business combinations, acquisition or disposal of subsidiary companies, restructuring and discontinuing operations except for the following:-
- (i) On 4 July 2022, Berjaya Enviro (S) Pte Ltd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Singapore.
 - (ii) On 22 July 2022, Berjaya Air Cargo Sdn Bhd and Rumah Mampu Berjaya Sdn Bhd, both wholly-owned subsidiaries of the Group, were struck off from the Registrar of Companies, Companies Commission of Malaysia.
 - (iii) On 26 July 2022, London Lotus Centre Limited, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies of United Kingdom and dissolved accordingly.
 - (iv) On 9 August 2022, H.R. Owen Leasing Limited, H.R. Owen Motor Dealerships Limited, H.R. Owen Motor Properties Limited and H.R. Owen Vehicle Leasing Company, the wholly-owned subsidiaries of the Group, were struck off from the Registrar of Companies of United Kingdom and dissolved accordingly.
 - (v) On 31 August 2022, H.R. Owen Plc, a wholly-owned subsidiary of the Group, had acquired two wholly-owned subsidiaries namely H.R. Owen Servicing And Repairs Limited (formerly known as Joe Macari Servicing Limited) and J M Developments (UK) Limited for a total consideration of £3.0 million (equivalent to approximately RM15.6 million). An initial sum of £750,000 (equivalent to approximately RM3.9 million) was paid during the first quarter of the current financial year and the remaining sum to be paid over 3 years from the date of completion. The principal activities of the subsidiaries are maintenance and repair of motor vehicles and property investment respectively.
 - (vi) On 5 September 2022, PT Berjaya Cosway Indonesia, a 95%-owned subsidiary of the Group, had commenced the members' voluntary liquidation pursuant to the Indonesian Laws.
 - (vii) On 5 September 2022, Informatics Global Campus Pte Ltd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Singapore.
 - (viii) On 20 September 2022, Netprofit.com Limited, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies of United Kingdom and dissolved accordingly.
 - (ix) On 26 September 2022, Semakin Sinar Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
 - (x) On 1 October 2022, Informatics Computer Education Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
 - (xi) On 19 October 2022, eCosway.com (HK) Limited and Tact Full Limited, the wholly-owned subsidiaries of the Group, had commenced the voluntary deregistration pursuant to Section 750 of the Hong Kong Companies Ordinance (Cap 622).
 - (xii) On 1 November 2022, the Group had incorporated a wholly-owned subsidiary company, Agensi Pekerjaan Berjaya HR Sdn Bhd (formerly known as Berjaya HR Sdn Bhd) ("APBHR") with a share capital of RM2. The intended principal activities of APBHR are to provide recruitment services of foreign workers being expatriate of professional and skilled workers.
 - (xiii) On 1 November 2022, Sports Toto Apparel Sdn Bhd and Sports Toto Products Sdn Bhd, the wholly-owned subsidiaries of the Group, had commenced the creditors' voluntary winding up pursuant to Section 440(1) of the Companies Act 2016.
 - (xiv) On 8 November 2022, FEAB Equity Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE INTERIM FINANCIAL REPORT

- (xv) On 26 November 2022, Berjaya Group (Aust) Pty Limited, a wholly-owned subsidiary of the Group, was deregistered from the Australian Securities and Investments Commission.
 - (xvi) On 2 December 2022, Simply Real Sdn Bhd ("SRSB"), a wholly-owned subsidiary of the Group, acquired 28.4% equity interests in Kusa Vegan Sdn Bhd ("KVSb") for a consideration of RM120,000. Subsequently, on 22 December 2022, SRSB further subscribed for 250,000 new shares in KVSb at RM1 each. Upon the completion of the share subscription, the Group's equity interest in KVSb increased from 28.4% to 55.0% and hence, KVSb became a subsidiary company of the Group.
 - (xvii) On 30 December 2022, Berjaya Bakes Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
 - (xviii) On 6 January 2023, the Group had incorporated a wholly-owned subsidiary company, Berjaya Iceland Sdn Bhd ("BISb") with a share capital of RM2. The intended principal activity of BISb is investment holding.
 - (xix) On 8 February 2023, Berjaya Vacation Club Berhad ("BVC"), a wholly-owned subsidiary of the Group, acquired the remaining 31.27% equity interest in its joint venture, Asia Jet Sdn Bhd ("AJSb") for a total cash consideration of RM1.8 million, thus making AJSb a wholly-owned subsidiary of BVC.
 - (xx) On 10 February 2023, Cahaya Nominees (Tempatan) Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
 - (xxi) On 2 March 2023, Boxit Holdings Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
 - (xxii) On 31 March 2023, Just Kpop Limited, a wholly-owned subsidiary of the Group, had commenced the liquidation pursuant to the Supreme Court of Korea.
 - (xxiii) On 1 April 2023, Informatics Education Limited, a subsidiary of the Group, disposed of its entire equity interest in Informatics Education (HK) Ltd, Informatics Education UK Ltd, NCC Education Limited, NCC Education (Beijing) Consulting Co. Ltd and NCC Education (M) Sdn Bhd for a consideration of SGD260,000 (equivalent to approximately RM858,000).
- 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 2022.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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:

Retail

Retail - non-food:

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.

Retail - food:

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

Property

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

Hospitality

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.

Services

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

The performance of the Group's operating businesses may be affected should the imposition of restrictive measures be introduced in response to any future pandemic.

The summarised results of the Group are as follows:

	3-Month Ended			12-Month Ended		
	30/06/2023 RM'000	30/06/2022 RM'000	+ / (-) %	30/06/2023 RM'000	30/06/2022 RM'000	+ / (-) %
Revenue	<u>2,557,363</u>	<u>2,346,795</u>	<u>9</u>	<u>9,635,592</u>	<u>8,155,139</u>	<u>18</u>
Profit from operations	<u>184,036</u>	<u>186,243</u>	<u>(1)</u>	<u>607,648</u>	<u>368,477</u>	<u>65</u>
(Loss)/Profit before tax	<u>(8,695)</u>	<u>(16,719)</u>	<u>(48)</u>	<u>273,172</u>	<u>230,571</u>	<u>18</u>

Review of results for the quarter

The Group registered a revenue of RM2.56 billion and pre-tax loss of RM8.70 million in the current quarter ended 30 June 2023 as compared to a revenue of RM2.35 billion and pre-tax loss of RM16.72 million reported in the previous year corresponding quarter.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on revenue

The Group recorded a higher revenue in the current quarter mainly contributed by the non-food retail business and hospitality segments.

Retail

The higher revenue from the non-food retail business segment was mainly due to higher revenue from H.R. Owen Plc ("HR Owen"). HR Owen's revenue increased mainly due to the improved sales from both new and used car sectors coupled with favourable foreign exchange effect during the current quarter under review.

The lower revenue reported by the food retail business was mainly due to lower sales performance in the current quarter as compared to the exceptional sales performance in the previous year corresponding quarter where the Group enjoyed strong sales primarily due to the pent-up demand arising from the prolonged lockdown caused by the COVID-19 pandemic.

Property

The property segment reported a marginal increase in revenue in the current quarter under review.

Hospitality

The hospitality segment reported higher revenue mainly due to the higher overall average room rates as compared to the previous year corresponding quarter.

Services

The services segment reported a decrease in revenue in the current quarter. The gaming operations, which was operated by STM Lottery Sdn Bhd ("STM Lottery") reported higher average revenue in the current quarter as compared to the previous year corresponding quarter. However, the total revenue in the current quarter was lower than the previous year corresponding quarter mainly due to lesser number of draws conducted in the current quarter (40 draws as compared to 42 draws in the last year corresponding quarter).

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on results

The Group reported an improved results in the current quarter, which was mainly due to the lower net investment related expenses incurred as well as share of better results from associated companies.

Retail

The higher pre-tax profit from HR Owen in the current quarter was mainly due to lower restoration cost incurred as compared to the previous amount that was provided for, as well as the lower lease related expenses incurred in the current quarter upon the relocation of certain showrooms and aftersales service sites to the Hatfield Centre.

The food retail segment reported a lower pre-tax profit in the current quarter which was mainly due to lower sales and margin compression arising from inflationary pressures as well as the unfavourable foreign exchange rate against the United States Dollar ("USD").

Property

The property business segment reported a higher pre-tax profit mainly due to reduction of development costs for a completed project upon finalisation of construction billings.

Hospitality

The hotel business segment reported a higher pre-tax profit mainly due to the abovementioned reasons.

Services

The drop in pre-tax profit was mainly due to the lower revenue attained by STM Lottery coupled with higher operating expenses incurred in the current quarter under review.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Review of results for the financial year

The Group registered a revenue of RM9.64 billion and pre-tax profit of RM273.17 million for the financial year ended 30 June 2023 as compared to a revenue of RM8.16 billion and pre-tax profit of RM230.57 million reported in the previous financial year.

Commentary on revenue

The Group registered higher revenue in the current financial year due to improved performance from all business segments that contributed to the increase in revenue for the year.

Retail

The higher revenue from the non-food retail segment was mainly attributed to HR Owen's improved sales from both new and used car sectors coupled with favourable foreign exchange effect during the financial year under review.

The food retail business segment reported a higher revenue in the current financial year under review mainly due to aggressive marketing campaigns and effective promotion strategies, as well as the additional Starbucks cafés operating in Malaysia as compared to the previous financial year.

Property

The higher revenue reported by the property segment was mainly due to higher property progress billings coupled with the disposal of several parcels of land.

Hospitality

The hospitality segment reported higher revenue mainly due to higher overall occupancy rates and average room rates in the current financial year under review.

Services

The higher revenue of services segment was mainly contributed by the gaming operations. The increase in revenue was mainly due to improved sales primarily attributed to the full resumption of business operations in the current financial year ended 30 June 2023. Whilst in the previous financial year, the business operations were adversely affected following the cancellation of thirty seven (37) draws arose from the imposition of nationwide lockdown from 1 June 2021 to 13 September 2021. In addition, the strong sales achieved was also driven by higher accumulated jackpot prizes from jackpot games during the current financial year under review.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on results

The higher pre-tax profit reported for the current financial year was mainly due to the significant improvement of profit from operations which was mainly contributed by the services and property segments, as well as improved performance from the hospitality segment.

Retail

The lower pre-tax profit reported by the non-food retail business was mainly due to HR Owen. HR Owen's pre-tax profit declined in the current financial year as compared to the previous financial year. The outstanding performance recorded in the previous financial year benefited from the exceptionally strong demand in used car as a result of new car supply constraints. In addition, the incurrence of higher operating costs as a result of inflationary pressures and higher finance costs arising from interest rate hike in the United Kingdom have further impacted the profit margin in the current financial year.

In spite of the higher revenue reported by the food retail segment, it reported a lower pre-tax profit in the current financial year, which was mainly due to higher operating costs incurred arising from the inflationary pressures and the unfavourable exchange rate against the USD.

Property

The property business segment reported a higher pre-tax profit which was mainly due to the higher revenue achieved as mentioned above in the current year under review.

Hospitality

The improved performance from the hospitality business segment was in tandem with the higher revenue attained.

Services

The increase in pre-tax profit from the services business segment in the current year was mainly in line with the improved revenue achieved.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B2 Review of results of current quarter vs preceding quarter

	3-Month Ended		+ / (-) %
	30/06/2023 RM'000	31/03/2023 RM'000	
Revenue	<u>2,557,363</u>	<u>2,499,882</u>	<u>2</u>
Profit from operations	<u>184,036</u>	<u>130,334</u>	<u>41</u>
(Loss)/Profit before tax	<u>(8,695)</u>	<u>82,199</u>	<u>N/A</u>

For the current quarter under review, the Group recorded a revenue of RM2.56 billion and pre-tax loss of RM8.70 million as compared to a revenue of RM2.5 billion and pre-tax profit of RM82.2 million reported in the preceding quarter.

Commentary on revenue

The Group recorded higher revenue in the current quarter mainly contributed by hospitality and retail segments.

Retail

The non-food retail business segment reported higher revenue as HR Owen's revenue was on par with the preceding quarter. With the favourable foreign exchange effect when converted into Ringgit Malaysia, the revenue was slightly higher as compared to the revenue reported in the preceding quarter.

The food retail business reported higher revenue was primarily due to the additional new Starbucks cafés opened in the current quarter.

Property

The property segment reported a drop in revenue in the current quarter under review mainly due to preceding quarter benefitted from the disposal of several parcels of land.

Hospitality

The higher revenue registered from the hospitality business segment was mainly due to higher overall occupancy rates and average room rates as compared to the preceding quarter.

Services

The services segment reported a lower revenue mainly due to lower revenue reported by STM Lottery, as a result of lower number of draws conducted during the current quarter. Furthermore, the preceding quarter also benefited from improved sales arising from stronger customer sentiment traditionally during the festive period in the month of January 2023.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on results

The increase in profit from operations in the current quarter contributed from hospitality, services and retail segments. Overall, the Group reported a pre-tax loss for the current quarter under review mainly due to the additional impairment on balance sale proceeds of Great Mall Project amounting to RM99.9 million.

Retail

HR Owen recorded an increase in pre-tax profit in the current quarter mainly due to the growth in the profit margin from new car sector coupled with lower operating expenses incurred resulted from lower restoration costs incurred as compared to the amounts that had been provided for as well as lower lease related expenses in the current quarter upon the relocation of certain showrooms and aftersales services sites to the Hatfield Centre.

The higher pre-tax profit reported by the food retail business was mainly due to the abovementioned reason.

Property

The lower pre-tax profit reported by the property segment was mainly due to the abovementioned reason.

Hospitality

The pre-tax profit reported by the hospitality segment was in tandem with the higher revenue achieved.

Services

STM Lottery registered a higher pre-tax profit when compared to the preceding quarter mainly attributed to lower prize payout during the current quarter under review.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B3 Future prospects

Malaysia's economic growth is expected to moderate in 2023, underpinned by strong domestic demand and the moderation of average inflation rate despite the uncertainties in global economic conditions. The NFO business industry in Malaysia continues to be vigilant and to navigate carefully through changes in the local government policies. The performance of the business segments of the Group is expected to improve on the back of strong consumer spending, rebound of tourism activities and better-than-expected labour market conditions. The Group will monitor the prevailing global and local political development in the countries where the Group has business operations.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors are cautiously optimistic that the performance of the business operations of the Group for the financial year ending 30 June 2024 to be satisfactory.

B4 There is no profit forecast or profit guarantee for the financial year ended 30 June 2023.

B5 The taxation charge for the current quarter/year ended 30 June 2023 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	77,438	267,731
- Outside Malaysia	(7,947)	(2,487)
Deferred tax	4,725	(7,096)
Under/(Over) provision in prior years	3,770	(1,012)
	<u>77,986</u>	<u>257,136</u>

The disproportionate tax charge of the Group for the current quarter/year ended 30 June 2023 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 YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Current Quarter RM'000	Financial Period to date RM'000
Interest income	(14,412)	(51,788)
Dividend income	(8,283)	(9,296)
Loss on partial disposal of associated companies	-	4,584
Loss on deemed disposal of a subsidiary company	2,948	1,474
Gain on deemed disposal/disposal of subsidiary companies	(1,943)	(1,943)
Gain on disposal of associated company	(1,105)	(1,105)
Gain on disposal of investment property	(3,716)	(5,716)
Gain on disposal of land held for development	(5,027)	(6,563)
Depreciation of property, plant and equipment	60,174	210,542
Depreciation of right-of-use assets	68,181	242,449
Amortisation of intangible assets	44,235	78,089
Remeasurement gain of a former joint venture prior to its reclassification to investment in a subsidiary company	1,064	(1,326)
Negative goodwill	-	(124)
Fair value changes on investment properties (net)	4,899	4,899
Impairment on intangible assets	9,603	9,603
Impairment on amount owing by associated companies	4,690	4,690
Impairment on balance sale proceeds of Great Mall Project	99,919	99,919
Impairment on receivables (net)	6,939	19,746
Impairment on investment in associated companies	6,792	3,339
Provision for write down of inventories (net)	1,450	5,233
Bad debts recovered	(2,297)	(8,155)
Foreign exchange gain (net)	(12,080)	(2,873)
Fair value changes of FVTPL investments (net)	<u>2,351</u>	<u>(36,889)</u>

B7 (A) There has been no further development for those corporate proposals disclosed in Notes 46 and 47 to the audited financial statements of the Company for the financial year ended 30 June 2022.

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

- (i) On 13 July 2022, the Company announced that the Company proposed to list its indirect on the Catalist Board of the Singapore Exchange Securities Trading Limited by way of an initial public offering ("Proposed Listing"). The Proposed Listing was approved by the shareholders of the Company at the Extraordinary General Meeting held on 6 October 2022.
- (ii) On 17 July 2023, the Company announced that Berjaya Group Berhad, a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement for the proposed disposal of its entire 100% equity interest comprising 310.6 million ordinary shares in Berjaya Enviro Holdings Sdn Bhd ("BEnviro") ("BEnviro Share") for a cash consideration of RM700.0 million or at approximately RM2.25 per BEnviro Share.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B8 Group borrowings and debt securities as at 30 June 2023 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in	#	1,827,466
Ringgit Malaysia		81,030
USD	17,292	79,428
SGD	22,999	450,767
GBP	76,276	70,123
JPY	2,166,000	8,675
PHP	102,500	15,836
EUR	3,111	2,533,325
Unsecured		
Denominated in		33,064
Ringgit Malaysia		2,566,389
Long term borrowings		
Secured		
	'000	
Denominated in	#	2,469,431
Ringgit Malaysia		64,450
SGD	18,662	164,625
GBP	27,857	187,270
JPY	5,784,316	2,204
PHP	26,042	255,911
EUR	50,267	98,994
ISK	2,909,111	3,242,885
Total bank borrowings		
		<u>5,809,274</u>
* Converted at the respective exchange rates prevailing as at 30 June 2023		
# Includes medium term notes		
- short term (Conventional)		164,959
- short term (Islamic)		158,450
		323,409
- long term (Conventional)		784,060
- long term (Islamic)		60,000
		844,060
		<u>1,167,469</u>

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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) Note 41(b)(1) 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 2024 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 YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 41(b)(1) 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 were allowed to proceed with the development.
- 3) The Applicants were required to submit the relevant documents to the relevant technical departments for comments.
- 4) The technical departments were 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 were 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 were 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 were ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation would be assessed in subsequent proceedings.

On 14 December 2017, BLand announced that the Selangor State Government and several other respondents ("the Appellants") had 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 had been fixed on 8 October 2018. The 1st and 5th Respondents had 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 had 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 had also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgment ("Assessment Proceedings").

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

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 41(b)(1) regarding the STC Proposals proceedings (continued)

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

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

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

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

The Main Appeal was heard by the Court of Appeal on 3 November 2021. The Court of Appeal allowed the appeal of the Appellants and set aside the decision of the Shah Alam High Court rendered on 9 November 2017.

The Applicants did not agree with the decision of the Court of Appeal and filed a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restored the decision of the Shah Alam High Court of 9 November 2017 ("Motion for Leave"). With respect to the Assessment Proceedings and Extension of Time Application, the Shah Alam High Court had fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision on 3 November 2021.

The case management date at the Shah Alam High Court was subsequently rescheduled to 8 December 2021 at which the Shah Alam High Court directed that in light of the Court of Appeal's decision, there were no further proceedings on both the Assessment Proceedings and the Extension of Time Application at the Shah Alam High Court. Hence, there was no basis for the applications to be kept in abeyance at the Shah Alam High Court. The Court then struck out both the Assessment Proceedings and the Extension of Time Application with no order as to costs.

Subsequently, the initial hearing date to hear the Motion for Leave at the Federal Court was fixed for 2 August 2022 which was postponed to a later date to be fixed by the Federal Court. At the case management on 3 October 2022, the Federal Court had fixed 12 January 2023 to hear the Motion for Leave. On 12 January 2023, the Federal Court postponed the hearing to 12 April 2023.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 41(b)(1) regarding the STC Proposals proceedings (continued)

At the hearing on 12 April 2023, the Federal Court has granted the Applicants leave for appeal at the Federal Court. The e-hearing date to hear the Applicants' appeal before the Federal Court ("Federal Court Appeal") has been fixed on 30 October 2023.

The BCity Project Legal Proceedings are still ongoing.

(b) Note 41(b)(2) 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 had 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 had 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 was to be received by November 2017 ("Final Instalment").

Subsequently, on 28 April 2017, BLand announced that following the completion of the Proposed Disposal, GMOC had 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 revised the Final Instalment to RMB974.07 million as a result of part of the land being regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

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

On 8 December 2017, 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 would 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 ("Respondents") to seek recovery of the Final Instalment and accrued late payment interest as well as other reliefs.

The arbitral hearing was held and concluded in the week of 16 December 2019.

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

(i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(b) Note 41(b)(2) regarding the GMOC Project Arbitration Proceedings (continued)

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

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

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

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

The abovementioned enforcement proceedings are still ongoing.

(c) Note 41(c)(1) regarding the Amat Muhibah Tax Dispute

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

AMSB did not agree with the basis applied by the IRB and had filed an official appeal against the additional assessment for YA2017 through submission of the prescribed Form Q to the Special Commissioners of Income Tax ("SCIT"). SCIT had fixed the trial on 25 March 2024 and 26 March 2024.

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

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

As MOF did not respond to AMSB's request, AMSB had filed an application to the High Court of Kuala Lumpur ("High Court") for judicial review against MOF on 8 July 2021 ("MOF Judicial Review"). The High Court fixed 15 September 2021 for the first hearing of the MOF Judicial Review. AMSB had also been granted an interim stay on the payment of the Tax in Dispute until 15 September 2021. Subsequently, the hearing date had been rescheduled to 25 July 2022 and an interim stay had been granted till then. At the hearing on 25 July 2022, the High Court granted leave for AMSB's application of judicial review and a stay until the full and final determination of the judicial review application.

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(c) Note 41(c)(1) regarding the Amat Muhibah Tax Dispute (continued)

On 8 August 2022, IRB informed the High Court that it had filed an application to intervene ("IRB Application to Intervene"). At the hearing on 2 February 2023, the High Court had allowed IRB Application to Intervene.

On 11 October 2022, the Attorney General Chambers informed the High Court that it had filed an appeal at the Court of Appeal against the High Court's decision to grant leave for the MOF Judicial Review ("AGC Appeal").

The Court of Appeal had fixed a case management on 13 February 2023 in regards to AGC Appeal. On 13 February 2023, the Court of Appeal had fixed a further case management date on 27 March 2023 for the Applicants to update the Court of Appeal on the status of the Notes of Proceedings. At the case management on 27 March 2023, MOF requested for more time to file Notes of Proceedings. The Court of Appeal then fixed case management on 26 July 2023 for both parties to update the status. In regards to the MOF Judicial Review, the High Court had fixed a further case management on 27 July 2023 to update the High Court on the status of the AGC Appeal.

At 26 July 2023, the Court of Appeal allowed MOF's request to consolidate the AGC Appeal with 22 other appeals. The next case management is fixed on 19 September 2023. Following this, the High Court fixed a further case management on 25 September 2023 to update the High Court on the status of the AGC Appeal.

Based on the opinion of AMSB's external legal advisor, the Board of Directors are of the view, that AMSB has an arguable case that the IRB has no legal and factual basis to raise the Tax in Dispute.

B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 30 June 2022: Nil).

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Group (3-month period)			
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000		sen	
Net (loss)/profit for the quarter	(79,333)	48,629		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2016/2026	-	33		
Adjusted net (loss)/profit for the quarter	<u>(79,333)</u>	<u>48,662</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,583,491	5,441,687		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>209</u>	<u>203,302</u>		
Number of shares used in the calculation of basic (loss)/earnings per share ('000)	<u>5,583,700</u>	<u>5,644,989</u>		
Basic (loss)/earnings per share			<u>(1.42)</u>	<u>0.86</u>
Adjusted net (loss)/profit for the quarter	<u>(79,333)</u>	<u>48,662</u>		
Number of shares used in the calculation of diluted (loss)/earnings per share ('000)	<u>5,583,700</u>	<u>5,644,989</u>		
Diluted (loss)/earnings per share			<u>(1.42)</u>	<u>0.86</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B11	Group (12-month period)			
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000		sen	
		(Audited)		(Audited)
Net (loss)/profit for the year	(117,298)	51,770		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	-	1,512		
- BCorp ICULS 2016/2026	118	479		
Adjusted net (loss)/profit for the year	<u>(117,180)</u>	<u>53,761</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,581,088	5,224,571		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>29,451</u>	<u>467,283</u>		
Number of shares used in the calculation of basic (loss)/earnings per share ('000)	<u>5,610,539</u>	<u>5,691,854</u>		
Basic (loss)/earnings per share			<u>(2.09)</u>	<u>0.94</u>
Adjusted net (loss)/profit for the year	<u>(117,180)</u>	<u>53,761</u>		
Number of shares used in the calculation of diluted (loss)/earnings per share ('000)	<u>5,610,539</u>	<u>5,691,854</u>		
Diluted (loss)/earnings per share			<u>(2.09)</u>	<u>0.94</u>

c.c. Securities Commission