

# **Berjaya Corporation Berhad**

Registration Number: 200101019033 (554790-X)

Date: 30 November 2022

Subject: **UNAUDITED QUARTERLY (Q1) FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 SEPTEMBER 2022**

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**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|                                    | 3 months ended |            |
|------------------------------------|----------------|------------|
|                                    | 30/09/2022     | 30/09/2021 |
|                                    | RM'000         | RM'000     |
| GROUP REVENUE                      | 2,243,190      | 1,386,155  |
| PROFIT/(LOSS) FROM OPERATIONS      | 153,514        | (35,426)   |
| Investment related income          | 33,065         | 12,371     |
| Investment related expenses        | (6,001)        | (1,959)    |
| Finance costs                      | (90,015)       | (87,111)   |
| Share of results of associates     | 11,011         | 23,328     |
| Share of results of joint ventures | 6,013          | 5,627      |
| PROFIT/(LOSS) BEFORE TAX           | 107,587        | (83,170)   |
| INCOME TAX EXPENSE                 | (69,590)       | (13,515)   |
| PROFIT/(LOSS) AFTER TAX            | 37,997         | (96,685)   |
| ATTRIBUTABLE TO:                   |                |            |
| - Equity holders of the parent     | (16,415)       | (59,311)   |
| - Non-controlling interests        | 54,412         | (37,374)   |
|                                    | 37,997         | (96,685)   |
| LOSS PER SHARE (SEN)               |                |            |
| - Basic, for the period            | (0.29)         | (1.03)     |
| - Diluted, for the period          | (0.29)         | (1.03)     |

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

**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | 3 months ended |                 |
|--|----------------|-----------------|
|  | 30/09/2022     | 30/09/2021      |
|  | RM'000         | RM'000          |
| PROFIT/(LOSS) AFTER TAX  | 37,997         | (96,685)        |
| OTHER COMPREHENSIVE ITEMS  |                |                 |
| <u>Items that may be reclassified subsequently to profit or loss</u>                                 |                |                 |
| Foreign currency translation   | (595)          | 3,487           |
| Share of associated companies' currency translation differences                                      | (122)          | (189)           |
| <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") | 33,713         | 5,676           |
| Share of associated companies' changes in fair values of FVTOCI investments                          | 1,774          | (1,723)         |
| Share of other comprehensive income items of associated companies                                    | -              | 4               |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD  | <u>72,767</u>  | <u>(89,430)</u> |
| ATTRIBUTABLE TO:   |                |                 |
| - Equity holders of the parent   | 18,384         | (42,096)        |
| - Non-controlling interests  | 54,383         | (47,334)        |
|  | <u>72,767</u>  | <u>(89,430)</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 PERIOD ENDED 30 SEPTEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | As at<br>30/09/2022<br>RM'000 | As at<br>30/06/2022<br>RM'000<br>(Audited) |
|---|-------------------------------|--|
| <b>ASSETS</b>   |                               |  |
| <b>Non-current assets</b>   |                               |  |
| Property, plant and equipment   | 3,257,760                     | 3,230,786                                  |
| Right-of-use assets   | 1,842,290                     | 1,853,675                                  |
| Investment properties   | 910,627                       | 936,605                                    |
| Inventories - Land held for property development                            | 2,306,783                     | 2,307,376                                  |
| Investment in associated companies  | 942,260                       | 942,933                                    |
| Investment in joint ventures  | 185,871                       | 175,042                                    |
| Other investments   | 427,560                       | 349,425                                    |
| Other long term receivables   | 390,680                       | 383,893                                    |
| Retirement benefit assets   | 25,294                        | 25,294                                     |
| Intangible assets   | 4,896,723                     | 4,876,957                                  |
| Deferred tax assets   | 92,209                        | 86,692                                     |
|   | <u>15,278,057</u>             | <u>15,168,678</u>                          |
| <b>Current Assets</b>   |                               |  |
| Inventories - Property development costs                                    | 77,494                        | 91,200                                     |
| Inventories - Completed properties and others                               | 1,509,013                     | 1,467,950                                  |
| Contract cost assets  | 14,405                        | 12,417                                     |
| Trade and other receivables   | 1,774,280                     | 1,854,267                                  |
| Contract assets   | 166,554                       | 161,777                                    |
| Short term investments  | 139,343                       | 99,713                                     |
| Tax recoverable   | 54,299                        | 46,525                                     |
| Deposits with financial institutions  | 702,645                       | 637,209                                    |
| Cash and bank balances  | 751,932                       | 721,864                                    |
|   | <u>5,189,965</u>              | <u>5,092,922</u>                           |
| Non-current assets classified as held for sale                              | 188,769                       | 188,968                                    |
|   | <u>5,378,734</u>              | <u>5,281,890</u>                           |
| <b>TOTAL ASSETS</b>   | <u>20,656,791</u>             | <u>20,450,568</u>                          |
| <b>EQUITY AND LIABILITIES</b>   |                               |  |
| Share capital   | 5,286,202                     | 5,286,202                                  |
| Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component | 53,231                        | 53,231                                     |
| Reserves  | 836,431                       | 806,269                                    |
|   | <u>6,175,864</u>              | <u>6,145,702</u>                           |
| Less: Treasury shares   | (74,982)                      | (74,982)                                   |
|   | <u>6,100,882</u>              | <u>6,070,720</u>                           |
| Non-controlling interests   | 2,742,954                     | 2,808,371                                  |
| <b>Equity funds</b>   | <u>8,843,836</u>              | <u>8,879,091</u>                           |
| <b>Non-current liabilities</b>  |                               |  |
| ICULS - liability component   | 5,169                         | 5,066                                      |
| Long term borrowings  | 3,545,557                     | 3,248,194                                  |
| Other long term liabilities   | 131,998                       | 135,638                                    |
| Lease liabilities   | 1,797,604                     | 1,802,679                                  |
| Contract liabilities  | 167,273                       | 185,341                                    |
| Provisions  | 39,875                        | 37,381                                     |
| Deferred tax liabilities  | 1,232,816                     | 1,237,231                                  |
|   | <u>6,920,292</u>              | <u>6,651,530</u>                           |
| <b>Current Liabilities</b>  |                               |  |
| ICULS - liability component   | 2,057                         | 2,057                                      |
| Trade and other payables  | 2,250,822                     | 2,248,998                                  |
| Contract liabilities  | 471,731                       | 435,773                                    |
| Derivative liabilities  | 43,520                        | 39,750                                     |
| Provisions  | 8,225                         | 21,994                                     |
| Short term borrowings   | 1,824,153                     | 1,871,413                                  |
| Lease liabilities   | 212,718                       | 231,947                                    |
| Taxation  | 79,437                        | 68,015                                     |
|   | <u>4,892,663</u>              | <u>4,919,947</u>                           |
| <b>Total Liabilities</b>  | <u>11,812,955</u>             | <u>11,571,477</u>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <u>20,656,791</u>             | <u>20,450,568</u>                          |
| Basic net assets per share (sen)  | 109.13                        | 108.58                                     |
| Dilutive net assets per share (sen)   | 107.30                        | 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 PERIOD ENDED 30 SEPTEMBER 2022  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | Attributable to the equity holders of the Parent |                                    |                           |                              |                               |                            |                                 |   | Treasury shares<br>RM'000   | Total net equity funds<br>RM'000 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |           |
|--|--|------------------------------------|---------------------------|------------------------------|-------------------------------|----------------------------|---------------------------------|---|-----------------------------|----------------------------------|-------------------------------------|------------------------|-----------|
|  | Non-distributable                                |                                    |                           |                              | Distributable                 |                            |                                 |   |                             |                                  |                                     |                        |           |
|  | Share capital<br>RM'000                          | ICULS - equity component<br>RM'000 | FVTOCI reserves<br>RM'000 | Warrants reserve ^<br>RM'000 | Fair value reserves<br>RM'000 | Capital reserves<br>RM'000 | Consolidation reserve<br>RM'000 | Foreign currency translation reserves<br>RM'000 | Retained earnings<br>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 |
| Profit/(Loss) for the year   | -  | -                                  | -                         | -                            | -                             | -                          | -                               | -   | (16,415)                    | -                                | (16,415)                            | 54,412                 | 37,997    |
| Other comprehensive income   | -  | -                                  | 31,255                    | -                            | -                             | -                          | -                               | 3,544   | -                           | -                                | 34,799                              | (29)                   | 34,770    |
| Total comprehensive income   | -  | -                                  | 31,255                    | -                            | -                             | -                          | -                               | 3,544   | (16,415)                    | -                                | 18,384                              | 54,383                 | 72,767    |
| Share of an associated company's effect arising on changes in interest in its subsidiary company | -  | -                                  | -                         | -                            | -                             | -                          | 1,740                           | -   | -                           | -                                | 1,740                               | -                      | 1,740     |
| <b>Transactions with owners:</b>   |  |                                    |                           |                              |                               |                            |                                 |   |                             |                                  |                                     |                        |           |
| Transfer of reserves   | -  | -                                  | 492                       | -                            | (10,862)                      | (3,780)                    | (4,512)                         | (13,855)  | 32,517                      | -                                | -                                   | -                      | -         |
| Adjustment due to increase in equity in subsidiary companies                                     | -  | -                                  | -                         | -                            | -                             | -                          | 33,542                          | -   | -                           | -                                | 33,542                              | (108,261)              | (74,719)  |
| Adjustment in relation to dilution of equity interest in subsidiary companies                    | -  | -                                  | -                         | -                            | -                             | -                          | (23,504)                        | -   | -                           | -                                | (23,504)                            | 33,828                 | 10,324    |
| Capital repayment by a subsidiary company  | -  | -                                  | -                         | -                            | -                             | -                          | -                               | -   | -                           | -                                | -                                   | (3,132)                | (3,132)   |
| Share based payment  | -  | -                                  | -                         | -                            | -                             | -                          | -                               | -   | -                           | -                                | -                                   | 560                    | 560       |
| Dividends paid to non-controlling interests  | -  | -                                  | -                         | -                            | -                             | -                          | -                               | -   | -                           | -                                | -                                   | (42,795)               | (42,795)  |
|  | -  | -                                  | 492                       | -                            | (10,862)                      | (3,780)                    | 5,526                           | (13,855)  | 32,517                      | -                                | 10,038                              | (119,800)              | (109,762) |
| At 30 Sept 2022  | 5,286,202  | 53,231                             | (57,845)                  | 113,039                      | (8,664)                       | 209,955                    | (468,001)                       | 50,802  | 997,145                     | (74,982)                         | 6,100,882                           | 2,742,954              | 8,843,836 |

Note:

^ This represents the fair values of warrants.

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

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

|   | Attributable to the equity holders of the Parent |                                    |                           |                                 |                              |                               |                            |                                 |   |                             |                           | Total net equity funds<br>RM'000 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |
|---|--|------------------------------------|---------------------------|---------------------------------|------------------------------|-------------------------------|----------------------------|---------------------------------|---|-----------------------------|---------------------------|----------------------------------|-------------------------------------|------------------------|
|   | Non-distributable                                |                                    |                           |                                 |                              |                               |                            | Distributable                   |   |                             |                           |                                  |                                     |                        |
|   | Share capital<br>RM'000                          | ICULS - equity component<br>RM'000 | FVTOCI reserves<br>RM'000 | Share option reserves<br>RM'000 | Warrants reserve ^<br>RM'000 | Fair value reserves<br>RM'000 | Capital reserves<br>RM'000 | Consolidation reserve<br>RM'000 | Foreign currency translation reserves<br>RM'000 | Retained earnings<br>RM'000 | Treasury shares<br>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              |
| Loss for the year   | -  | -                                  | -                         | -                               | -                            | -                             | -                          | -                               | -   | (59,311)                    | -                         | (59,311)                         | (37,374)                            | (96,685)               |
| Other comprehensive income  | -  | -                                  | 2,455                     | -                               | -                            | -                             | 204                        | (200)                           | 14,756  | -                           | -                         | 17,215                           | (9,960)                             | 7,255                  |
| Total comprehensive income  | -  | -                                  | 2,455                     | -                               | -                            | -                             | 204                        | (200)                           | 14,756  | (59,311)                    | -                         | (42,096)                         | (47,334)                            | (89,430)               |
| <b>Transactions with owners:</b>  |  |                                    |                           |                                 |                              |                               |                            |                                 |   |                             |                           |                                  |                                     |                        |
| Transfer of reserves  | -  | -                                  | (362)                     | 164                             | -                            | 216                           | 1                          | (552)                           | 1,609   | (1,076)                     | -                         | -                                | -                                   | -                      |
| Reversal of deferred tax liability on conversion of BCorp ICULS                             | -  | 160                                | -                         | -                               | -                            | -                             | -                          | -                               | -   | -                           | -                         | 160                              | -                                   | 160                    |
| Arising from conversion of BCorp ICULS  | 13,385   | (12,020)                           | -                         | -                               | -                            | -                             | -                          | -                               | -   | -                           | -                         | 1,365                            | -                                   | 1,365                  |
| Adjustment due to increase in equity interest in subsidiary companies                       | -  | -                                  | -                         | -                               | -                            | -                             | -                          | (4,876)                         | -   | -                           | -                         | (4,876)                          | (8,043)                             | (12,919)               |
| Adjustment in relation to part disposal/dilution of equity interest in subsidiary companies | -  | -                                  | -                         | (453)                           | -                            | -                             | (1)                        | 3,388                           | -   | -                           | -                         | 2,934                            | 7,331                               | 10,265                 |
| Capital contribution by non-controlling interests   | -  | -                                  | -                         | -                               | -                            | -                             | -                          | -                               | -   | -                           | -                         | -                                | 27,368                              | 27,368                 |
| Share based payment   | -  | -                                  | -                         | 10                              | -                            | -                             | -                          | -                               | -   | -                           | -                         | 10                               | 86                                  | 96                     |
| Dividends paid to non-controlling interests   | -  | -                                  | -                         | -                               | -                            | -                             | -                          | -                               | -   | -                           | -                         | -                                | (15,594)                            | (15,594)               |
|   | 13,385   | (11,860)                           | (362)                     | (279)                           | -                            | 216                           | -                          | (2,040)                         | 1,609   | (1,076)                     | -                         | (407)                            | 11,148                              | 10,741                 |
| At 30 September 2021  | 5,106,374  | 230,797                            | (67,693)                  | 1,500                           | 258,797                      | 48,099                        | 218,942                    | (409,043)                       | 49,544  | 663,453                     | (59,987)                  | 6,040,783                        | 2,788,041                           | 8,828,824              |

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 PERIOD ENDED 30 SEPTEMBER 2022

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|  | 3 months ended          |                       |
|--|-------------------------|-----------------------|
|  | 30/09/2022<br>RM'000    | 30/09/2021<br>RM'000  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                     |                         |                       |
| Receipts from operations   | 2,418,827               | 1,497,318             |
| Payments for operating expenses  | (2,134,257)             | (1,434,123)           |
| Payment of taxes   | (71,146)                | (69,870)              |
| Other receipts (including tax refunds)   | 10,492                  | 20,961                |
| Net cash generated from operating activities                                   | <u>223,916</u>          | <u>14,286</u>         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                     |                         |                       |
| Disposal of property, plant and equipment and non-current assets               | 15,494                  | 2,868                 |
| Disposal of investments in subsidiary companies                                | 35,126                  | 10,060                |
| Disposal of investments in associated companies                                | 22,630                  | -                     |
| Disposal of other investments and short term investments                       | 54,918                  | 4,275                 |
| Acquisition of property, plant and equipment and non-current assets            | (132,740)               | (68,130)              |
| Acquisition of investments in subsidiary companies                             | (72,371)                | (20,414)              |
| Acquisition of investments in associated companies and joint venture           | (45,282)                | (244)                 |
| Acquisition of other investments and short term investments                    | (96,368)                | (20,035)              |
| Acquisition of treasury shares by subsidiary company                           | (39,891)                | -                     |
| Interest received  | 12,780                  | 7,041                 |
| Dividend received  | 40,869                  | 22,218                |
| Net repayment from joint ventures and associated companies                     | 2,857                   | 1,454                 |
| Other payments   | (7,608)                 | (37,789)              |
| Net cash used in investing activities  | <u>(209,586)</u>        | <u>(98,696)</u>       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                     |                         |                       |
| Issuance of share capital to non-controlling interests of subsidiary companies | -                       | 27,368                |
| Issuance of Redeemable Convertible Loan by subsidiary company                  | 14,898                  | -                     |
| Issuance of medium term notes by subsidiary companies                          | 6,630                   | 30,000                |
| Redemption of medium term notes by subsidiary companies                        | (8,180)                 | (37,420)              |
| Dividends paid to non-controlling interests of subsidiary companies            | (17,862)                | (10,388)              |
| Interest paid  | (88,800)                | (75,388)              |
| Drawdown of bank and other borrowings  | 573,030                 | 473,191               |
| Repayment of bank and other borrowings   | (339,315)               | (279,984)             |
| Payment of lease liabilities   | (79,216)                | (67,573)              |
| Net placement of banks as security pledges for borrowings                      | (40,132)                | (52,321)              |
| Net cash generated from financing activities                                   | <u>21,053</u>           | <u>7,485</u>          |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                 | <b>35,383</b>           | <b>(76,925)</b>       |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>                                       | <b>1,085,172</b>        | <b>948,321</b>        |
| Effect of exchange rate changes  | 23,522                  | (584)                 |
| <b>CLOSING CASH AND CASH EQUIVALENTS</b>                                       | <b><u>1,144,077</u></b> | <b><u>870,812</u></b> |
| Cash and cash equivalents carried forward comprise:                            | RM'000                  | RM'000                |
| Deposits with financial institutions   | 702,645                 | 539,422               |
| Cash and bank balances   | 751,932                 | 631,844               |
| Bank overdraft (included under short term borrowings)                          | <u>(57,459)</u>         | <u>(57,614)</u>       |
|  | 1,397,118               | 1,113,652             |
| Less :   |                         |                       |
| Remisiers' deposit held in trust   | (10,937)                | (22,902)              |
| Cash and cash equivalents restricted in use                                    | <u>(242,104)</u>        | <u>(219,938)</u>      |
|  | <u>1,144,077</u>        | <u>870,812</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 PERIOD ENDED 30 SEPTEMBER 2022

## 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:
- (a) the property segment is affected by the prevailing cyclical economic conditions.
  - (b) the stock and futures broking businesses are influenced by the performance of the stock market.
  - (c) 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.
  - (d) the gaming business may be positively impacted by the festive seasons.
- A3 (a) The Covid-19 pandemic and multiple phases of movement control or lockdowns as preventive and restrictive measures implemented by the Malaysian Government and other jurisdictions for the past 2 years have impacted the Group's major business operations, particularly the retail, property, hospitality and the services segments. Any future pandemic, may also affect the operating performance of the Group's business in various jurisdictions should the imposition of restrictive measures be introduced to curb the pandemic.

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<br>Quarter<br>RM'000 |
|--|------------------------------|
| Loss on partial disposal of associated companies                                     | (4,584)                      |
| Gain on disposal of investment property  | 2,000                        |
| Net fair value changes of fair value through<br>profit or loss ("FVTPL") investments | 13,162                       |
| Reversal of impairment in associated companies                                       | 3,872                        |
|  | <u>14,450</u>                |

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 30 September 2022.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

## 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 period ended 30 September 2022 except for the following:

Treasury shares

There was no share buyback during the financial period ended 30 September 2022.

The number of treasury shares held in hand as at 30 September 2022 was as follows:

|   | Average price per share RM | Number of shares | Amount RM'000 |
|---|----------------------------|------------------|---------------|
| Total treasury shares as at 30 September 2022 | 0.2358                     | 317,988,527      | 74,983        |

As at 30 September 2022, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,541,934,000 ordinary shares (30 September 2021: 5,141,600,000).

Subsequent to the financial period ended 30 September 2022 and up to the date of this announcement:-

| <u>Share Capital</u>   | '000             | RM'000           |
|--|------------------|------------------|
| Share capital - Issued and fully paid up as at 30 September 2022 | 5,859,923        | 5,286,202        |
| Arising from conversion of BCorp 2% ICULS 2016/2026              | 102,628          | 61,573           |
| Share capital - Issued and fully paid up as at 29 November 2022  | <u>5,962,551</u> | <u>5,347,775</u> |

Subsequent to financial period ended 30 September 2022, 10,741,000 units of ordinary shares were bought back and held as treasury shares. As at 29 November 2022, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,633,821,000 ordinary shares.

- A5 The Company did not pay any dividend in the financial period ended 30 September 2022.

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## NOTES TO THE INTERIM FINANCIAL REPORT

## A6 Segment information for the financial period ended 30 September 2022:-

## REVENUE

|                                    | External<br>RM'000 | Inter-<br>segment<br>RM'000 | Total<br>RM'000  |
|------------------------------------|--------------------|-----------------------------|------------------|
| Retail                             | 1,077,831          | 577                         | 1,078,408        |
| Property                           | 52,934             | 4,568                       | 57,502           |
| Hospitality                        | 270,562            | 11,926                      | 282,488          |
| Services                           | 841,863            | 47,038                      | 888,901          |
| Elimination: Inter-segment Revenue | -                  | (64,109)                    | (64,109)         |
| Total revenue                      | <u>2,243,190</u>   | <u>-</u>                    | <u>2,243,190</u> |

## RESULTS

|   |  |                 |                      |
|---|--|-----------------|----------------------|
| Retail  |  | RM'000          | 67,522               |
| Property  |  | (7,063)         |                      |
| Hospitality                                       |  | 16,892          |                      |
| Services  |  | <u>107,684</u>  |                      |
|   |  | 185,035         |                      |
| Unallocated corporate items                       |  | <u>(31,521)</u> |                      |
| Profit from operations                            |  | 153,514         |                      |
| Investment related income                         |  |                 |                      |
| -Interest income                                  |  |                 | 11,780               |
| -Gain on disposal of investment property          |  |                 | 2,000                |
| -Fair value gain on FVTPL investments             |  |                 | 14,579               |
| -Reversal of impairment in associated companies   |  |                 | 3,872                |
| -Dividend income                                  |  |                 | 834                  |
|   |  |                 | <u>33,065</u>        |
| Investment related expenses                       |  |                 |                      |
| -Fair value loss on FVTPL investments             |  |                 | <u>(1,417)</u>       |
| -Loss on partial disposal of associated companies |  |                 | <u>(4,584)</u>       |
|   |  |                 | (6,001)              |
| Finance costs                                     |  |                 | (90,015)             |
| Share of results of associates                    |  |                 | 11,011               |
| Share of results of joint ventures                |  |                 | <u>6,013</u>         |
| Profit before tax                                 |  |                 | <u>107,587</u>       |
| Income tax expense                                |  |                 | <u>(69,590)</u>      |
| Profit after tax                                  |  |                 | <u><u>37,997</u></u> |

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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 period under review.
- A8 There were no changes in the composition of the Group for the current financial period ended 30 September 2022, 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 current quarter. 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.
- 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.

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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.

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:

|                               | <b>3-Month Ended</b> |                   |              |
|-------------------------------|----------------------|-------------------|--------------|
|                               | <b>30/09/2022</b>    | <b>30/09/2021</b> | <b>+/(-)</b> |
|                               | <b>RM'000</b>        | <b>RM'000</b>     | <b>%</b>     |
| Revenue                       | <u>2,243,190</u>     | <u>1,386,155</u>  | <u>62</u>    |
| Profit/(Loss) from operations | <u>153,514</u>       | <u>(35,426)</u>   | <u>N/A</u>   |
| Profit/(Loss) before tax      | <u>107,587</u>       | <u>(83,170)</u>   | <u>N/A</u>   |

**Review of results for the quarter**

The Group registered a revenue of RM2.24 billion and pre-tax profit of RM107.59 million in the current quarter ended 30 September 2022 as compared to a revenue of RM1.39 billion and pre-tax loss of RM83.17 million reported in the previous year corresponding quarter.

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Commentary on revenue

With the resumption of international and domestic travel and further relaxation of the COVID-19 standard operating procedures, most of the business segments of the Group also reported higher revenue.

Retail

The lower revenue from the non-food retail business segment was mainly due to lower revenue from H.R. Owen Plc ("HR Owen") and the deconsolidation effect of a motor trading subsidiary. The lower revenue from HR Owen was also affected by the unfavourable foreign exchange effect. In fact, HR Owen registered a revenue growth of 7.1% in its reporting currency i.e. sterling pound, which was driven by the higher sales from the new car sector.

The higher revenue reported by the food retail business was mainly due to higher same-store-sales growth particularly from Starbucks cafe outlets as well as the full quarter effect of the new Starbucks cafe outlets opened during the previous financial year.

Property

The property segment reported higher revenue in the current quarter, mainly due to higher property progress billings reported from its local project at The Tropika, Bukit Jalil as well as higher sales of local residence units.

Hospitality

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

Services

The services segment reported higher revenue in the current quarter, mainly due to the higher revenue reported by the gaming operations, which was operated by STM Lottery Sdn Bhd (formerly known as Sports Toto Malaysia Sdn Bhd) ("STM Lottery"). Its revenue growth of 844.7% was primarily due to higher number of draws conducted, which was forty six (46) draws in the current quarter as opposed to eight (8) draws in the previous year corresponding quarter.

STM Lottery's operations in the previous year corresponding quarter were adversely impacted with the cancellation of thirty seven (37) draws due to the imposition of nationwide lockdowns by the Malaysian Government from 1 June 2021 to 13 September 2021.

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Commentary on results

The Group reported a turnaround to pre-tax profit of RM107.59 million mainly due to the significantly higher revenue due to the factors mentioned above. Most of the business segments of the Group reported improved performance after the resumption of international and domestic travel and further relaxation of the COVID-19 standard operating procedures.

Retail

The lower pre-tax profit reported by the non-food retail business was mainly due to lower pre-tax profit reported by HR Owen, as a result of higher operating expenses incurred as well as the unfavourable foreign exchange effect in conversion to Ringgit Malaysia in the current quarter under review. In addition, the previous year corresponding quarter benefitted from the higher sales and better profit margin generated by stronger used car market due to new car supply shortage.

For the food retail segment, the increase in pre-tax profit was in tandem with the higher revenue achieved in the current quarter.

Property

The property business segment reported lower pre-tax loss which was due to the abovementioned reasons.

Hospitality

The improved performance reported by the hospitality segment was mainly due to higher revenue arising from higher occupancy and average room rates in the current quarter under review.

Services

The services segment reported a pre-tax profit as opposed to a pre-tax loss in the previous year corresponding quarter was mainly due to the abovementioned reasons..

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**B2 Review of results of current quarter vs preceding quarter**

|                          | 3-Month Ended        |                      | + / (-)<br>% |
|--------------------------|----------------------|----------------------|--------------|
|                          | 30/09/2022<br>RM'000 | 30/06/2022<br>RM'000 |              |
| Revenue                  | <u>2,243,190</u>     | <u>2,346,795</u>     | <u>(4)</u>   |
| Profit from operations   | <u>153,514</u>       | <u>186,243</u>       | <u>(18)</u>  |
| Profit/(Loss) before tax | <u>107,587</u>       | <u>(16,719)</u>      | <u>N/A</u>   |

For the current quarter under review, the Group recorded a revenue of RM2.24 billion and pre-tax profit of RM107.59 million as compared to a revenue of RM2.35 billion and pre-tax loss of RM16.72 million reported in the preceding quarter.

**Commentary on revenue**

The Group recorded a lower revenue in the current quarter mainly contributed by the retail and property segments.

**Retail**

The non-food retail business segment reported lower revenue as HR Owen's sales soften in the current quarter as compared to the preceding quarter. The lower revenue in the current quarter was consequential to lower volume of vehicle sold from the new and used car sectors, mainly resulted from the delay in supply of certain car models and the gap pending new models launches in the coming periods.

The food retail business reported lower revenue in the current quarter under review. The higher revenue reported by the food retail business in the previous quarter was mainly due to the higher sales recorded during the long holiday festive period.

**Property**

The property business segment reported lower revenue mainly due to lower property progress billings reported from its project at The Tropika, Bukit Jalil and there was no sales generated from overseas residence units in current quarter.

**Hospitality**

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

**Services**

The services segment reported higher revenue mainly due to higher revenue reported by STM Lottery which was driven by higher number of draws conducted as well as higher accumulated jackpot prizes.

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Commentary on results

Despite the lower profit from operations, the Group reported a pre-tax profit of RM107.59 million as opposed to a pre-tax loss of RM16.72 million. The pre-tax loss in the previous quarter was mainly due to partial impairment loss on balance sale proceeds of Great Mall Project amounting to RM197.8 million.

Retail

Despite the lower revenue registered by HR Owen, it reported a higher pre-tax profit which was mainly due to lower operating costs incurred and the foreign exchange effect in the current quarter as compared to the preceding quarter.

The food retail business segment reported a lower pre-tax profit in the current quarter under review was mainly due to margin compression as a result of the higher operating costs incurred and the weaker Ringgit Malaysia.

Property

The pre-tax loss reported by the property segment was mainly due to the abovementioned reasons.

Hospitality

The improved performance from the hospitality segment was mainly due to the abovementioned reasons.

Services

The higher pre-tax profit reported by STM Lottery was in tandem with higher revenue achieved as well as lower prize payout in the current quarter under review.



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**B3 Future prospects**

As most parts of the world transition into the endemic phase of COVID-19, the recovery of the global and domestic economies are gaining momentum. However, the recent rise of global inflation rates caused by the reduction of commodities supplies and supply chain disruptions, brought on by the ongoing Russia-Ukraine war and the COVID-19 lockdowns in China as well as the geopolitical tension, have certainly impacted the economic recovery rate.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors are optimistic that the performance of the business operations of the Group for the remaining quarters of the financial year ending 30 June 2023 to be satisfactory, despite having to bear the rising operating costs going forward.

**B4** There is no profit forecast or profit guarantee for the financial period ended 30 September 2022.

**B5** The taxation charge for the current quarter ended 30 September 2022 are detailed as follows:

|                                       | Current<br>Quarter<br>RM'000 |
|---------------------------------------|------------------------------|
| Based on the results for the period:- |                              |
| Current period provision              |                              |
| - In Malaysia                         | 69,679                       |
| - Outside Malaysia                    | 8,707                        |
| Deferred tax                          | (11,010)                     |
| Under provision in prior years        | 2,214                        |
|                                       | <u>69,590</u>                |

The disproportionate tax charge of the Group for the current quarter ended 30 September 2022 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.

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

|  | Current<br>Quarter<br>RM'000 |
|--|------------------------------|
| Interest income                                  | (11,780)                     |
| Dividend income                                  | (834)                        |
| Loss on partial disposal of associated companies | 4,584                        |
| Gain on disposal of investment property          | (2,000)                      |
| Depreciation of property, plant and equipment    | 50,077                       |
| Depreciation of right-of-use assets              | 45,911                       |
| Amortisation of intangible assets                | 11,665                       |
| Impairment loss on receivables (net)             | 8,752                        |
| Reversal of impairment in associated companies   | (3,872)                      |
| Provision for and write off of inventories       | 6,935                        |
| Foreign exchange loss (net)                      | 16,495                       |
| Fair value changes of FVTPL investments (net)    | <u>(13,162)</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 51.62%-owned subsidiary, Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH") 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.

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B8 Group borrowings and debt securities as at 30 September 2022 were as follows:

|   |                         | At end of<br>current quarter<br>RM'000 |
|---|-------------------------|--|
| Short term borrowings   |                         |  |
| Secured   |                         |  |
|   | Foreign currency amount |  |
|   | '000                    |  |
| Denominated in  | #                       |  |
| Ringgit Malaysia  |                         | 1,318,102                              |
| USD   | 10,340 *                | 47,926                                 |
| SGD   | 21,369 *                | 69,140                                 |
| GBP   | 50,411 *                | 261,554                                |
| JPY   | 1,872,027 *             | 60,064                                 |
| PHP   | 149,583 *               | 11,840                                 |
| EUR   | 4,498 *                 | 20,481                                 |
|   |                         | <u>1,789,107</u>                       |
| Unsecured   |                         |  |
| Denominated in  |                         |  |
| Ringgit Malaysia  |                         | 34,994                                 |
| GBP   | 10 *                    | 52                                     |
|   |                         | <u>35,046</u>                          |
|   |                         | 1,824,153                              |
| Long term borrowings  |                         |  |
| Secured   |                         |  |
|   | '000                    |  |
| Denominated in  | #                       |  |
| Ringgit Malaysia  |                         | 2,789,550                              |
| SGD   | 33,271 *                | 107,648                                |
| GBP   | 18,971 *                | 98,432                                 |
| JPY   | 7,263,504 *             | 233,132                                |
| PHP   | 70,417 *                | 5,574                                  |
| EUR   | 50,145 *                | 228,308                                |
| ISK   | 2,550,444 *             | 82,770                                 |
|   |                         | <u>3,545,414</u>                       |
| Unsecured   |                         |  |
| Denominated in  |                         |  |
| GBP   | 28 *                    | 143                                    |
|   |                         | <u>143</u>                             |
|   |                         | 3,545,557                              |
| Total bank borrowings   |                         | <u><u>5,369,710</u></u>                |
| * Converted at the respective exchange rates prevailing as at 30 September 2022 |                         |  |
| # Includes medium term notes  |                         |  |
|   |                         | 75,000                                 |
| - short term (Conventional)   |                         | 51,100                                 |
| - short term (Islamic)  |                         | <u>126,100</u>                         |
|   |                         | 948,843                                |
| - long term (Conventional)  |                         | 80,000                                 |
| - long term (Islamic)   |                         | <u>1,028,843</u>                       |
|   |                         | <u><u>1,154,943</u></u>                |

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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 2022 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.

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(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.

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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.

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(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;
- (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

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

- (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 recognition and 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 Additional Assessment ("Form JA") 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 set 31 October 2022 as the next mention date of the appeal.

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 has been granted till then.



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

At the hearing on 25 July 2022, the High Court granted leave for AMSB's application for judicial review and a stay until the final determination of the judicial review application.

On 8 August 2022, IRB informed the High Court that it had filed an application to intervene ("IRB Application to Intervene"). The next case management was fixed on 11 October 2022 for both parties to obtain instruction on filing of submission and to fix hearing date for IRB Application to Intervene.

The next case management for MOF Judicial Review had also been fixed on 11 October 2022 pending the disposal of 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 High Court had fixed case management on 2 February 2023 to update the High Court on the status of the AGC Appeal.

The Court of Appeal has fixed a case management on 13 February 2023 in regards to AGC Appeal.

In regards to the IRB Application to Intervene, the High Court had fixed the hearing date on 2 February 2023.

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 September 2021: Nil).

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

|  | Group (3-month period) |                  |               |               |
|--|------------------------|------------------|---------------|---------------|
|  | 30/09/2022             | 30/09/2021       | 30/09/2022    | 30/09/2021    |
|  | RM'000                 |                  | sen           |               |
| Net loss for the quarter   | (16,415)               | (59,311)         |               |               |
| Impact on statement of profit or loss upon conversion of ICULS   |                        |                  |               |               |
| - BCorp ICULS 2012/2022  | -                      | 382              |               |               |
| - BCorp ICULS 2016/2026  | 104                    | 127              |               |               |
| Adjusted net loss for the quarter  | <u>(16,311)</u>        | <u>(58,802)</u>  |               |               |
| Weighted average number of ordinary shares in issue with voting rights ('000)                          | 5,541,934              | 5,131,832        |               |               |
| Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000) | <u>102,837</u>         | <u>577,450</u>   |               |               |
| Number of shares used in the calculation of basic loss per share ('000)                                | <u>5,644,771</u>       | <u>5,709,282</u> |               |               |
| Basic loss per share   |                        |                  | <u>(0.29)</u> | <u>(1.03)</u> |
| Adjusted net loss for the quarter  | (16,311)               | (58,802)         |               |               |
| Dilution effect on exercise of Berjaya Food Berhad share options                                       | <u>-</u>               | <u>(23)</u>      |               |               |
|  | <u>(16,311)</u>        | <u>(58,825)</u>  |               |               |
| Number of shares used in the calculation of diluted loss per share ('000)                              | <u>5,644,771</u>       | <u>5,709,282</u> |               |               |
| Diluted loss per share   |                        |                  | <u>(0.29)</u> | <u>(1.03)</u> |
| c.c. Securities Commission   |                        |                  |               |               |