

# **Berjaya Corporation Berhad**

Registration Number: 200101019033 (554790-X)

Date: 30 May 2022

Subject: **UNAUDITED QUARTERLY (Q3) FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 MARCH 2022**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
GROUP REVENUE	2,421,551	1,820,939	5,863,406	5,705,205
PROFIT FROM OPERATIONS	112,072	42,234	210,368	145,531
Investment related income	40,189	70,088	229,395	209,459
Investment related expenses	(1,666)	(75,754)	(7,725)	(83,744)
Finance costs	(74,625)	(82,001)	(253,062)	(259,123)
Share of results of associates	10,330	14,162	44,507	(232)
Share of results of joint ventures	7,138	3,110	18,443	6,706
PROFIT/(LOSS) BEFORE TAX	93,438	(28,161)	241,926	18,597
INCOME TAX EXPENSE	(78,912)	(56,333)	(168,610)	(155,999)
PROFIT/(LOSS) AFTER TAX	14,526	(84,494)	73,316	(137,402)
ATTRIBUTABLE TO:				
- Equity holders of the parent	(35,886)	(87,565)	5,814	(196,224)
- Non-controlling interests	50,412	3,071	67,502	58,822
	14,526	(84,494)	73,316	(137,402)
(LOSS)/EARNINGS PER SHARE (SEN)				
- Basic, for the period	(0.62)	(1.52)	0.12	(3.40)
- Diluted, for the period	(0.62)	(1.52)	0.12	(3.40)

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
PROFIT/(LOSS) AFTER TAX	14,526	(84,494)	73,316	(137,402)
<b>OTHER COMPREHENSIVE ITEMS</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	8,735	18,441	20,104	17,519
Foreign currency reserve transfer to profit or loss upon disposal of subsidiary company	-	(15,829)	-	(81,437)
Foreign currency reserve transfer to profit or loss upon disposal of an associated company	-	(3,343)	-	(3,343)
Share of associated companies' currency translation differences	841	162	99	(2,798)
<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")	(2,753)	6,425	651	6,107
Share of associated companies' changes in fair values of FVTOCI investments	(3,231)	9,753	(8,573)	14,623
Share of other comprehensive income items of associated companies	(208)	(5)	(123)	(273)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>17,910</b>	<b>(68,890)</b>	<b>85,474</b>	<b>(187,004)</b>
<b>ATTRIBUTABLE TO:</b>				
- Equity holders of the parent	(34,695)	(101,323)	23,091	(260,819)
- Non-controlling interests	52,605	32,433	62,383	73,815
	<b>17,910</b>	<b>(68,890)</b>	<b>85,474</b>	<b>(187,004)</b>

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

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 31/03/2022 RM'000	Group As at 30/06/2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,221,030	3,139,768
Right-of-use assets	1,796,870	1,858,016
Investment properties	960,088	1,000,714
Inventories - Land held for property development	2,297,544	2,238,064
Investment in associated companies	995,884	1,065,165
Investment in joint ventures	163,117	134,777
Other investments	268,800	242,804
Other long term receivables	359,082	359,025
Retirement benefit assets	9,529	9,927
Intangible assets	4,884,163	4,879,130
Deferred tax assets	97,698	94,357
	<u>15,053,805</u>	<u>15,021,747</u>
<b>Current Assets</b>		
Inventories - Property development costs	97,791	107,556
Inventories - Completed properties and others	1,492,300	1,482,677
Contract cost assets	14,321	13,127
Derivative assets	-	195
Trade and other receivables	1,987,102	1,862,808
Contract assets	128,440	129,026
Short term investments	99,668	64,345
Tax recoverable	40,848	50,071
Deposits with financial institutions	604,741	556,767
Cash and bank balances	742,591	646,417
	<u>5,207,802</u>	<u>4,912,989</u>
Non-current assets classified as held for sale	198,661	187,768
	<u>5,406,463</u>	<u>5,100,757</u>
<b>TOTAL ASSETS</b>	<u>20,460,268</u>	<u>20,122,504</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	5,120,337	5,092,989
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	218,256	242,657
Reserves	842,382	807,627
	<u>6,180,975</u>	<u>6,143,273</u>
Less: Treasury shares	(73,561)	(59,987)
	<u>6,107,414</u>	<u>6,083,286</u>
Non-controlling interests	2,814,597	2,824,227
<b>Equity funds</b>	<u>8,922,011</u>	<u>8,907,513</u>
<b>Non-current liabilities</b>		
ICULS	5,972	11,464
Long term borrowings	3,037,455	2,675,926
Other long term liabilities	108,951	157,987
Lease liabilities	1,817,684	1,838,083
Contract liabilities	197,752	205,673
Provisions	38,604	24,521
Deferred tax liabilities	1,237,151	1,243,762
	<u>6,443,569</u>	<u>6,157,416</u>
<b>Current Liabilities</b>		
ICULS	12,129	25,714
Trade and other payables	2,338,651	2,081,346
Contract liabilities	416,138	316,262
Derivative liabilities	8,829	6,751
Provisions	10,992	7,904
Short term borrowings	2,054,477	2,349,735
Lease liabilities	178,576	228,154
Taxation	64,018	41,709
	<u>5,083,810</u>	<u>5,057,575</u>
Liabilities directly associated with disposal groups classified as held for sale	10,878	-
	<u>5,094,688</u>	<u>5,057,575</u>
<b>Total Liabilities</b>	<u>11,538,257</u>	<u>11,214,991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>20,460,268</u>	<u>20,122,504</u>
Basic net assets per share (sen)	115.19	114.22
Dilutive net assets per share (sen)	106.68	105.71

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

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

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

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

**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
Total comprehensive income	-	-	(13,747)	-	-	-	262	(385)	31,147	5,814	-	23,091	62,383	85,474
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	-	(6,750)	-	-	-	(6,750)	-	(6,750)
<b>Transactions with owners:</b>														
Transfer of reserves	-	-	1,484	351	-	(1,036)	128	(3,334)	5,037	(2,630)	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	(13,574)	(13,574)	-	(13,574)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	81	81
Re-issuance of Warrants 2012/2022	-	-	-	-	1,260	-	-	-	-	(154)	-	1,106	-	1,106
Reversal of deferred tax liability on conversion of BCorp ICULS	-	242	-	-	-	-	-	-	-	-	-	242	-	242
Arising from conversion of BCorp ICULS	27,348	(24,643)	-	-	-	-	-	-	-	-	-	2,705	-	2,705
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	(1,204)	-	-	-	(1,204)	(74,196)	(75,400)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	(793)	-	-	-	20,219	-	-	-	19,426	(6,776)	12,650
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	32,897	32,897
Share based payment	-	-	-	(914)	-	-	-	-	-	-	-	(914)	1,783	869
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(25,802)	(25,802)
	27,348	(24,401)	1,484	(1,356)	1,260	(1,036)	128	15,681	5,037	(2,784)	(13,574)	7,787	(72,013)	(64,226)
At 31 March 2022	5,120,337	218,256	(82,049)	423	260,057	46,847	219,128	(398,257)	69,363	726,870	(73,561)	6,107,414	2,814,597	8,922,011

Note:

^ This represents the fair values of warrants.

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent												Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable						Distributable								
	Share capital RM'000	ICULS - equity component RM'000	Reserve of disposal group classified as held for sale RM'000	FVTOCI reserves RM'000	Share option reserves RM'000	Warrants reserve ^ RM'000	Fair value reserves RM'000	Capital reserves RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 July 2020	5,017,956	306,739	51,404	(165,979)	2,215	258,797	67,514	222,664	(483,512)	13,228	1,344,039	(92,344)	6,542,721	2,968,771	9,511,492
Total comprehensive income	-	-	(51,404)	11,658	-	-	-	-	144	(24,901)	(196,316)	-	(260,819)	73,815	(187,004)
Share of an associated company's effect arising from acquisition of subsidiaries under common control	-	-	-	-	-	-	-	-	(8,683)	-	(1,648)	-	(10,331)	-	(10,331)
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	103,040	27	-	(17,700)	(2,731)	5,838	6,037	(94,511)	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	(20,494)	-	(20,494)	-	(20,494)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	8,803	8,803
Reversal of deferred tax liability on conversion of BCorp ICULS	-	345	-	-	-	-	-	-	-	-	-	-	345	-	345
Arising from conversion of BCorp ICULS	40,553	(17,357)	-	-	-	-	-	-	-	-	(19,343)	-	3,853	-	3,853
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,636)	(128,636)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	133,319	-	(45,192)	-	88,127	(143,663)	(55,536)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	325	-	-	-	(75,198)	-	-	-	(74,873)	120,828	45,955
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	2,804	2,804
Share based payment	-	-	-	-	(653)	-	-	-	-	-	-	-	(653)	(106)	(759)
Share dividend	-	-	-	-	-	-	-	-	-	-	(52,851)	52,851	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(55,306)	(55,306)
	40,553	(17,012)	-	103,040	(301)	-	(17,700)	(2,731)	63,959	6,037	(211,897)	32,357	(3,695)	(195,276)	(198,971)
At 31 March 2021	5,058,509	289,727	-	(51,281)	1,914	258,797	49,814	219,933	(428,092)	(5,636)	934,178	(59,987)	6,267,876	2,847,310	9,115,186

Note:

^ This represents the fair values of warrants .

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/03/2022 RM'000	31/03/2021 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	6,110,368	5,934,136
Payments for operating expenses	(5,591,087)	(5,565,966)
Payment of taxes	(144,629)	(120,330)
Other receipts (including tax refunds)	30,174	92,107
Net cash generated from operating activities	<u>404,826</u>	<u>339,947</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	95,002	60,252
Disposal of investments in subsidiary companies	36,216	438,484
Disposal of investments in associated companies	221,515	34,746
Disposal of other investments and short term investments	8,534	73,731
Acquisition of property, plant and equipment and non-current assets	(359,605)	(155,859)
Acquisition of investments in subsidiary companies	(31,187)	(59,535)
Acquisition of investments in associated companies and a joint venture	(9,515)	(109,661)
Acquisition of other investments and short term investments	(23,112)	(125,757)
Acquisition of treasury shares by subsidiary companies	(4,973)	(15,006)
Interest received	20,710	14,665
Dividend received	29,333	18,929
Net repayment from joint ventures and associated companies	2	11,658
Other receipts/(payments)	92,457	(15,460)
Net cash generated from investing activities	<u>75,377</u>	<u>171,187</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares by the Company	(13,574)	(20,494)
Issuance of share capital to non-controlling interests of subsidiary companies	32,704	7,544
Issuance of ICULS by subsidiary company	-	17,448
Issuance of medium term notes by subsidiary companies	228,850	156,300
Redemption of medium term notes by subsidiary companies	(286,380)	(175,000)
Dividends paid to non-controlling interests of subsidiary companies	(30,930)	(61,937)
Interest paid	(207,429)	(178,209)
Drawdown of bank and other borrowings	915,428	994,942
Repayment of bank and other borrowings	(777,158)	(1,302,041)
Payment of lease liabilities	(204,124)	(153,177)
Net withdrawal of banks as security pledges for borrowings	9,854	64,168
Net cash used in financing activities	<u>(332,759)</u>	<u>(650,456)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>147,444</b>	<b>(139,322)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>948,321</b>	<b>1,188,661</b>
Effect of exchange rate changes	5,650	2,070
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>1,101,415</u></b>	<b><u>1,051,409</u></b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	604,741	448,850
Cash and bank balances	742,591	857,223
Bank overdraft (included under short term borrowings)	(57,133)	(58,760)
	<u>1,290,199</u>	<u>1,247,313</u>
Less :		
Remisiers' deposit held in trust	(31,765)	(18,185)
Cash and cash equivalents restricted in use	(157,764)	(177,719)
	<u>1,100,670</u>	<u>1,051,409</u>
Including: Cash and cash equivalents classified as held for sale	745	-
	<u>1,101,415</u>	<u>1,051,409</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 31 MARCH 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 2021. 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 2021.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 July 2021.

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.
  - the global impact of Coronavirus ("Covid-19") pandemic.
- 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 have impacted the Group's major business operations, particularly the retail, property, hospitality and the services segments.

The following are the unusual items that occurred during the current period under review:

Recognised directly in statement of profit or loss

(i) Included under investment related income and (expenses):	Current Quarter RM'000	Financial Year to date RM'000
Gain on deemed disposal of subsidiary company	299	299
Loss on disposal of subsidiary company	(1,661)	(1,661)
Gain on disposal of associated company	-	161,095
Gain on disposal of investment properties	22,444	24,912
Fair value changes on derivative liabilities	(790)	(2,078)
Fair value changes on derivative assets	(268)	(195)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	246	(1,443)
Fair value loss on investment properties	-	(10)
Reversal of impairment in associated company	9,381	8,311
Intangible assets written off	(6)	(990)
	<u>29,645</u>	<u>188,240</u>

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current period ended 31 March 2022.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 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 31 March 2022 except for the following:

(a) Share Capital

57,577,500 ordinary shares were issued pursuant to conversion of 57,577,500 BCorp ICULS 2012/2022.

(b) 5% 10-year ICULS of RM1.00 nominal value each

57,577,500 BCorp ICULS 2012/2022 were tendered for the subscription of 57,577,500 ordinary shares.

(c) 10-year warrants 2012/2022

6,000,000 warrants have been reissued pursuant to the sales of the warrants to third parties by a subsidiary of the Group.

(d) Treasury shares

The details of the share buyback during the financial period ended 31 March 2022 are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
March 2022	0.2287	0.2406	0.2321	58,491,000	13,574
			0.2321		

The number of treasury shares held in hand as at 31 March 2022 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2021	0.2367	253,477,527	59,987
Increase in treasury shares	0.2321	58,491,000	13,574
Total treasury shares as at 31 March 2022	0.2358	311,968,527	73,561

As at 31 March 2022, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,112,603,000 ordinary shares (31 March 2021: 5,002,000,000).

Subsequent to the financial period ended 31 March 2022 and up to the date of this announcement:-

Share Capital

RM'000

Share capital - Issued and fully paid up as at 31 March 2022

5,120,337

Arising from conversion of BCorp 5% ICULS 2012/2022 upon the expiry date of 22 April 2022

435,351

Share capital - Issued and fully paid up as at 27 May 2022

5,555,688

Subsequent to financial period ended 31 March 2022, 6,020,000 units of ordinary shares were bought back and held as treasury shares. As at 27 May 2022, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,541,934,000 ordinary shares.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

## NOTES TO THE INTERIM FINANCIAL REPORT

A5 The Company did not pay any dividend in the financial period ended 31 March 2022.

A6 Segment information for the financial period ended 31 March 2022:-

## REVENUE

	External	Inter-	Total
	RM'000	segment	RM'000
		RM'000	RM'000
Retail	3,302,115	12,866	3,314,981
Property	209,706	14,062	223,768
Hospitality	481,279	4,831	486,110
Services	1,870,306	71,662	1,941,968
Elimination: Inter-segment Revenue	-	(103,421)	(103,421)
Total revenue	<u>5,863,406</u>	<u>-</u>	<u>5,863,406</u>

## RESULTS

	RM'000
Retail	223,465
Property	(106)
Hospitality	(70,109)
Services	<u>176,108</u>
	329,358
Unallocated corporate items	<u>(118,990)</u>
Profit from operations	210,368
Investment related income	
-Interest income	27,693
-Gain on deemed disposal of subsidiary company	299
-Gain on disposal of associated company	161,095
-Gain on disposal of investment properties	24,912
-Investment income	3,137
-Fair value gain on FVTPL investments	1,348
-Reversal of impairment in associated company	8,311
-Dividend income	<u>2,600</u>
	229,395
Investment related expenses	
-Fair value loss on FVTPL investments	(2,791)
-Fair value loss on investment properties	(10)
-Fair value changes on derivative assets	(195)
-Fair value changes on derivative liabilities	(2,078)
-Intangible assets written off	(990)
-Loss on disposal of subsidiary company	<u>(1,661)</u>
	(7,725)
Finance costs	(253,062)
Share of results of associates	44,507
Share of results of joint ventures	<u>18,443</u>
Profit before tax	241,926
Income tax expense	<u>(168,610)</u>
Profit after tax	<u>73,316</u>

## BERJAYA CORPORATION BERHAD

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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 31 March 2022, including business combinations, acquisition or disposal of subsidiary companies, restructuring and discontinuing operations except for the following:-
- (i) On 7 July 2021, VMart (Tianjin) Trading Co. Ltd and Cosway (China) Co. Ltd, both wholly owned subsidiaries of the Group, had commenced the members' voluntary liquidation pursuant to the People's Republic of China Laws.
  - (ii) On 8 July 2021, the Company had incorporated a wholly-owned subsidiary company, Berjaya Digital Sdn Bhd ("BDSB") with a share capital of RM1. The intended principal activities of BDSB are investment holding and digital business support service activities.
  - (iii) On 30 July 2021, H.R. Owen Plc, a subsidiary of the Group, had acquired a further 35.00% equity interest in its subsidiary company namely H R Owen Insurance Services Limited ("HR Owen Insurance") for a total consideration of GBP1.35 million (equivalent to approximately RM7.59 million), and its total equity interest in HR Owen Insurance increased from 60.00% to 95.00%.
  - (iv) On 31 July 2021, Sports Toto Fitness Sdn Bhd, a wholly-owned subsidiary company of the Group, had ceased operation and became dormant.
  - (v) On 5 August 2021, the Company has further acquired 40,819 ordinary shares in Cekap Urus Sdn Bhd ("CUSB"), an associated company of the Company, for a consideration of RM40,819. This acquisition representing 2.00% equity interest of CUSB. Consequently, the Company's equity interest in CUSB had increased from 49.00% to 51.00% and hence, it became a subsidiary company of the Group.
  - (vi) On 24 August 2021, Berjaya Group Berhad ("BGB"), a wholly-owned subsidiary of the Group, has disposed of 83,000,000 ordinary shares, representing 85.86% equity interest, in Natural Intelligence Solutions Pte Ltd for a total consideration of RM43,000 to Berjaya Fintech Sdn Bhd ("BFintech"), a wholly owned subsidiary of BGB. BFintech settled the amount with the issuance of 43,000 new BFintech shares at RM1.00 per share.
  - (vii) On 24 August 2021, BGB has disposed of 606,000 ordinary shares, representing 60.00% equity interest, in BLoyalty Pte Ltd for a total consideration of RM1,848,000 to BFintech. BFintech settled the amount with the issuance of 1,848,000 new BFintech shares at RM1.00 per share.
  - (viii) On 1 September 2021, BGB has disposed of 8,000,000 ordinary shares, representing 100.00% equity interest, in Natural Intelligence Solutions Technology Sdn Bhd for a total consideration of RM1 to BFintech. BFintech settled the amount with the issuance of 1 new BFintech share at RM1.00 per share.
  - (ix) On 2 September 2021, Berjaya Okinawa Hospitality Asset TMK, a wholly-owned subsidiary of the Group, has completed the voluntary winding-up and ceased to be a subsidiary of the Group.
  - (x) On 6 September 2021, Informatics International Pte Ltd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Singapore.
  - (xi) On 10 September 2021, Berjaya Enviro Holdings Sdn Bhd ("BEH"), a wholly-owned subsidiary of the Group, had disposed of 397,600 ordinary shares in Berjaya Alam Murni Sdn Bhd ("BAM"), a wholly owned subsidiary of BEH. This disposal representing a reduction of 5.68% equity interest in BAM by BEH. BEH's equity interest in BAM was further diluted when the minority interest shareholders of BAM had subscribed for the newly issued ordinary shares of 2,432,000 at approximately RM10.07 per share. Hence, BEH's equity interest in BAM decreased to 70.00% from 100.00%.
  - (xii) On 1 November 2021, Berjaya Food (International) Sdn Bhd ("BFI"), a wholly-owned subsidiary of the Group, incorporated Berjaya Kelava Sdn Bhd ("BKL"). BFI subscribed for 51 ordinary shares representing 51% equity interest in BKL for RM51. The intended principal activities of BKL are to carry on the business of manufacturing and trading, producing vegan ice cream under the brand name of "Kelava".

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- (xiii) On 30 November 2021, Berjaya Hartanah Sdn Bhd ("BHartanah"), a wholly-owned subsidiary of the Group, had entered into a joint venture agreement with Landasan Lumayan Sdn Bhd ("LLSB"), a subsidiary of Menteri Besar Incorporation Selangor through a joint venture company namely Landasan Lumayan Berjaya Sdn Bhd ("LLBerjaya") to undertake river cleaning, river rehabilitation and river developments in the Klang Valley. BHartanah and LLSB hold 55% and 45% equity interest in LLBerjaya respectively.
  - (xiv) On 2 December 2021, BHartanah had incorporated a wholly-owned subsidiary company, Berjaya Okinawa FS Sdn Bhd ("BOFS") with a share capital of RM2. The intended principal activities of BOFS are property investment, development, trading and construction.
  - (xv) On 7 December 2021, the Group had acquired 100% equity interest in Rumah Mampu Berjaya Sdn Bhd ("RMB") for total cash consideration of RM2. The intended principal activity of RMB is affordable housing property development.
  - (xvi) On 15 December 2021, the Group had subscribed 60% equity interest in JannaFarm Sdn Bhd ("JF") for a total consideration of RM400,000. The intended principal activity of JF is involved in the trading and outsourcing management of the production of black ginger.
  - (xvii) On 3 January 2022, BGB has disposed of 9,100,000 ordinary shares, representing 70.00% of its entire equity interest, in Berjaya China Motor Sdn Bhd for a total consideration of RM13.28 million and hence, it ceased to be a subsidiary of the Group.
  - (xviii) On 6 January 2022, Singapore Informatics Computer Institute (Pvt) Ltd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies of Sri Lanka and dissolved accordingly.
  - (xix) On 17 January 2022, the Group's equity interest in a subsidiary company, Berjaya Asia Auto Inc. ("BAAI"), was diluted from 60.00% to 39.96%. The dilution of equity interest in BAAI arose when Berjaya Group (Cayman) Limited and Berjaya Philippines Inc, the subsidiary companies of the Group, renounced their rights to subscribe for additional new shares to be issued by BAAI. BAAI is now an associated company of the Group.
  - (xx) On 24 January 2022, Berjaya Wood Furniture (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia.
  - (xxi) Berjaya Hotels and Resorts (Seychelles) Limited, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Seychelles.
  - (xxii) On 11 February 2022, Berjaya Vacation Club Berhad, a wholly-owned subsidiary of the Group has disposed of 10% equity interest in KDE Recreation Berhad ("KDE") for a consideration of RM1.0 million.
- 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 2021.

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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 COVID-19 pandemic has resulted in various forms of movement controls including international travel restrictions in many of the countries in which the Group operates as preventive or restrictive measures to curb the COVID-19 pandemic. Full Movement Control Order ("FMCO") was imposed nationwide from 1 June 2021. Subsequently the Malaysian Government announced the implementation of the 4-phase National Recovery Plan ("NRP") whereby movement control measures were gradually eased in phases. The prolonged Covid-19 pandemic has adversely impacted the country's economy as well as the global economy till to-date. Malaysia, like many countries, have transitioned into the endemic phase of COVID-19 pandemic on 1 April 2022, with the opening of its borders. Further, the negative list which prohibited certain business and social activities was relaxed since 15 May 2022.

The summarised results of the Group are as follows:

	3-Month Ended			9-Month Ended		
	31/03/2022 RM'000	31/03/2021 RM'000	+ / (-) %	31/03/2022 RM'000	31/03/2021 RM'000	+ / (-) %
Revenue	2,421,551	1,820,939	33	5,863,406	5,705,205	3
Profit from operations	112,072	42,234	165	210,368	145,531	45
Profit/(Loss) before tax	93,438	(28,161)	N/A	241,926	18,597	1,201

**Review of results for the quarter**

The Group registered a revenue of RM2.42 billion and pre-tax profit of RM93.44 million in the current quarter ended 31 March 2022 as compared to a revenue of RM1.82 billion and pre-tax loss of RM28.16 million reported in the previous year corresponding quarter.

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Commentary on revenue

The higher revenue reported in the current quarter under review was mainly from the services and retail segments.

Retail

The higher revenue reported by the non-food retail businesses was mainly due to the revenue reported by H.R. Owen Plc ("HR Owen"), arising from the higher sales recorded from both new and used car sectors upon the full resumption of its business operations for the quarter under review.

With the improved mobility upon the resumption of domestic tourism and further relaxation of the COVID-19 standard operating procedures, the food retail businesses recorded a significant increase in revenue. The higher revenue was mainly due to higher same-store-sales growth particularly from the Starbucks café outlets.

Property

The property segment reported lower revenue in the current quarter, mainly due to lower sales of overseas residence units and lower overall property progress billings.

Hospitality

The hospitality segment reported higher revenue due to higher overall occupancy and average room rates in particular from the hotels in Iceland after the easing of travel and social restrictions during the current quarter under review.

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"). The 70.3% increase in revenue from the gaming operations was mainly due to better sales from lotto games which resulted from higher accumulated jackpot prizes coupled with stronger sales attained during the festive period in the month of February 2022. In addition, the previous year corresponding quarter was also impacted by the Second Movement Control Order ("MCO 2.0"), imposed by the Malaysian Government from 13 January 2021 to 18 February 2021, in all states in Malaysia whereby all outlets were closed except for those operating in Sarawak.

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Commentary on results

The pre-tax profit reported in the current quarter under review was mainly due to higher pre-tax profit reported by services, retail and hospitality segments and higher net investment related income as disclosed in A3.

Retail

The non-food retail business segment reported higher pre-tax profit in the current quarter, was mainly due to better results achieved by the motor distribution business operated by HR Owen arising from higher sales from both new and used car sectors in the current quarter under review. HR Owen's operations in the previous year corresponding quarter was negatively impacted by the third national lockdown in United Kingdom from 5 January 2021 to 12 April 2021.

The higher pre-tax profit reported by the food retail business was in tandem with the significant increase in revenue.

Property

The property business segment reported lower pre-tax profit which was due to lower sales of overseas residence units reported in the current quarter under review compared to the previous year corresponding quarter.

Hospitality

The lower pre-tax losses from the hospitality business segment was mainly due to the higher overall occupancy and average room rates during the current quarter under review.

Services

The higher pre-tax profit from the services business segment was mainly due to higher revenue reported by STM Lottery coupled with lower prize payout in the current quarter under review.

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**Review of results for the financial period**

The Group registered a revenue of RM5.86 billion and pre-tax profit of RM241.93 million for the financial period ended 31 March 2022 as compared to a revenue of RM5.71 billion and pre-tax profit of RM18.60 million reported in the previous year corresponding period.

**Commentary on revenue**

The Group registered higher revenue in the current period mainly due to the higher revenue recorded from retail and hotel segments. This was partly offset by lower revenue reported by both the services and property segments.

**Retail**

The non-food retail business reported higher revenue, which was mainly contributed by HR Owen from the motor distribution business. HR Owen reported an increase in revenue of 21.8% arising from the strong demand in the used car sector, which resulted from the continued supply chain disruptions in the new car sector.

The food retail business segment reported a higher revenue in the current quarter under review mainly due to the abovementioned reasons.

**Property**

The lower revenue reported by property segment was mainly due lower overall property progress billings reported by the property business segment in the current period under review. In the previous year corresponding period, the Group recorded higher revenue after the handing over to purchasers of a mixed development in Dong Nai, Vietnam.

**Hospitality**

The hospitality business segment reported higher revenue as the hotels reported higher overall average occupancy and room rates during the current period.

**Services**

The services segment reported lower revenue mainly came from the gaming operations. The lower revenue from gaming operations was mainly due to STM Lottery's revenue decreased by 18.5% with the cancellation of 37 draws in its first quarter of operations. The lower revenue attained was mainly due to the nationwide lockdown / National Recovery Plan imposed by the Malaysian Government from 1 June 2021 to 13 September 2021, where STM Lottery only conducted ninety six (96) draws in the current period under review, as compared to one hundred and twenty nine (129) draws in the previous year corresponding period.



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Commentary on results

The higher pre-tax profit reported for the current period under review mainly came from hospitality and retail segments. Furthermore, there were share of better results of associates and joint ventures, as well as recording higher net investment related income as disclosed in Note A3.

Retail

The higher pre-tax profit reported by the non-food retail business was mainly due to higher revenue reported by HR Owen as explained above.

The higher pre-tax profit reported by the food retail business was in tandem with the significant increase in revenue.

Property

The property business segment reported pre-tax loss was mainly attributed to lower sales of overseas residence units reported in the current period under review.

Hospitality

The improved results from the hospitality business segment was in tandem with the higher revenue reported in the current period under review.

Services

The lower profit reported from the services business segment was mainly due to lower revenue reported by STM Lottery as explained above, coupled with higher prize payout in the current financial period under review.

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

	3-Month Ended		+ / (-) %
	31/03/2022 RM'000	31/12/2021 RM'000	
Revenue	<u>2,421,551</u>	<u>2,055,700</u>	<u>18</u>
Profit from operations	<u>112,072</u>	<u>133,722</u>	<u>(16)</u>
Profit before tax	<u>93,438</u>	<u>231,658</u>	<u>(60)</u>

For the current quarter under review, the Group recorded a revenue of RM2.42 billion and pre-tax profit of RM93.44 million as compared to a revenue of RM2.06 billion and pre-tax profit of RM231.66 million reported in the preceding quarter.

**Commentary on revenue**

The Group recorded a higher revenue in the current quarter mainly due from the gaming operations under services segment and retail segment.

**Retail**

The non-food retail business segment reported an increase in revenue by HR Owen in the current quarter. HR Owen reported an increase in revenue of 40% as compared to the preceding quarter primarily due to higher sales from both new and used car sectors, while the preceding quarter performance was dampened by certain restrictions implemented by the UK Government due to concerns with rising COVID-19 cases.

The food retail business segment reported a higher revenue in the previous quarter mainly due to the calendar year end festive sales, school holidays and Christmas season. The second quarter is traditionally the biggest quarter for food retail business segment in terms of revenue in the financial year. Despite the growing concern from the general public on the increasing trend of infected cases of COVID-19 Omicron variant after the Chinese New Year festive period, the food retail segment still managed to achieve a strong set of results for the current quarter under review.

**Property**

The property business segment reported an increase in revenue mainly due to higher sales from overseas project and higher property progress billings from its project at The Tropika, Bukit Jalil.

**Hospitality**

The lower revenue from the hospitality business segment was due to lower occupancy rates from the hotels as compared to the preceding quarter.

**Services**

The services segment reported higher revenue in the current quarter, mainly due to the higher revenue reported by the gaming operations. The higher revenue from the gaming operations operated by STM Lottery reported a 38.2% increase in revenue in spite of having lower number of draws in the current quarter, driven mainly by the higher accumulated jackpot prizes and stronger sales during the festive period in the month of February 2022.

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Commentary on results

The lower pre-tax profit reported in the current quarter was mainly due to hospitality segment and food retail business. In the preceding quarter, the Group also recorded a significant gain on disposal of an associated company as disclosed in Note A3.

Retail

The improved results was mainly due to higher revenue reported by HR Owen from sales arising from both new car and used car sectors in the current quarter under review, while the preceding quarter performance was dampened by certain restrictions implemented by the UK Government due to concerns with rising Covid-19 cases caused by the new Omicron variant.

The food retail business segment reported a higher pre-tax profit in the previous quarter mainly due to the reasons mentioned above.

Property

The property business segment registered improved profit contribution as compared to the preceding quarter as higher sales of overseas residence units reported in the current quarter under review.

Hospitality

The higher pre-tax loss from the hospitality business segment was mainly due to the reason mentioned above.

Services

The gaming segment operated by STM Lottery reported a pre-tax profit in the current quarter. The increase in pre-tax profit was attributable to the higher revenue achieved in the current quarter under review.

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**B3 Future prospects**

The global economy has started to recover as most countries in the world have transitioned into the endemic phase of the COVID-19 pandemic with the full resumption of business activities and the re-opening of international borders. However, the recent rise of global inflation rates caused by the reduction of commodities supplies and disruptions in supply chains, brought on by the ongoing Russia-Ukraine war and the COVID-19 lockdowns in China, have certainly impacted the economic recovery rate.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors expect the performance of the business operations of the Group for the final quarter of the financial year ending 30 June 2022 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 31 March 2022.**B5** The taxation charge for the current quarter and financial period ended 31 March 2022 are detailed as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	54,608	136,418
- Outside Malaysia	9,800	22,411
Deferred tax	3,483	(875)
Under provision in prior years	11,021	10,656
	<u>78,912</u>	<u>168,610</u>

The disproportionate tax charge of the Group for the current quarter/ financial period ended 31 March 2022 was mainly due to additional provision for prosperity tax (cukai makmur) for certain business operations, 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 Quarter RM'000	Financial Year to date RM'000
Interest income	(8,550)	(27,693)
Dividend income	(328)	(2,600)
Investment income	-	(3,137)
Gain on deemed disposal of subsidiary company	(299)	(299)
Loss on disposal of subsidiary company	1,661	1,661
Gain on disposal of associated company	-	(161,095)
Gain on disposal of investment properties	(22,444)	(24,912)
Fair value changes on derivative liabilities	790	2,078
Fair value changes on derivative assets	268	195
Depreciation of property, plant and equipment	51,391	153,180
Depreciation of right-of-use assets	60,441	179,026
Amortisation of intangible assets	12,250	36,417
(Reversal)/Impairment loss on receivables (net)	(104)	1,608
Provision for and write off of inventories	5,507	19,651
Foreign exchange (gain)/loss (net)	24,089	25,074
Fair value changes of investment properties (net)	-	10
Fair value changes of FVTPL investments (net)	<u>(246)</u>	<u>1,443</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 2021.

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

Berjaya Starbucks Coffee Company Sdn Bhd, a wholly owned subsidiary of the Group, had on 22 December 2021 entered into two separate Sale and Purchase Agreements with Berjaya Times Square freehold commercial units located at Level 10, Berjaya Times Square for a cash consideration of RM15.67 million.

The acquisition has been completed on 28 February 2022.

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B8 Group borrowings and debt securities as at 31 March 2022 were as follows:

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
	'000		
Denominated in		#	
Ringgit Malaysia			1,587,475
USD	11,477	*	48,222
SGD	17,113	*	53,145
GBP	50,279	*	277,782
JPY	166,030	*	5,705
PHP	195,081	*	15,787
EUR	3,566	*	16,725
ISK	400,000	*	13,216
			2,018,057
Unsecured			
Denominated in			
Ringgit Malaysia			36,364
GBP	10	*	56
			36,420
			2,054,477
Long term borrowings			
Secured			
	'000		
Denominated in		#	
Ringgit Malaysia			2,407,350
SGD	32,745	*	101,690
GBP	14,659	*	80,988
JPY	3,856,247	*	132,501
PHP	102,917	*	8,329
EUR	52,258	*	245,092
ISK	1,856,088	*	61,325
			3,037,275
Unsecured			
Denominated in			
GBP	33	*	180
			180
			3,037,455
Total bank borrowings			
			5,091,932
* Converted at the respective exchange rates prevailing as at 31 March 2022			
# Includes medium term notes			
			387,578
- short term (Conventional)			40,160
- short term (Islamic)			427,738
			648,729
- long term (Conventional)			50,000
- long term (Islamic)			698,729
			1,126,467

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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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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 are allowed to proceed with the development.
- 3) The Applicants are required to submit the relevant documents to the relevant technical departments for comments.
- 4) The technical departments are directed to respond within 3 months from the receipt of these documents, and failing which it is deemed that they have no objection to these documents.
- 5) Pursuant to an order in the nature of mandamus, the 1st and 5th Respondents are directed to re-table the Applicants' proposal papers to relocate and construct the Selangor Turf Club before the National Physical Planning Council within 3 months after the receipt of the proposal papers from the Applicants.
- 6) The Applicants are directed to submit the said proposal papers within 1 month upon receipt of the fair order, failing which the Applicants shall forfeit the benefit of the order of mandamus pursuant to paragraph (5) above.
- 7) The 1st and 5th Respondents are ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation will be assessed in subsequent proceedings.

On 14 December 2017, Bland announced that the Selangor State Government and several other respondents ("the Appellants") have filed a Notice of Appeal to the Court of Appeal to appeal against the above decision of the Shah Alam High Court ("Main Appeal").

The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgment in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the 1st and 5th Respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgment ("Assessment Proceedings").

The Court of Appeal has granted a stay of execution of the Shah Alam High Court judgment and the Assessment Proceedings pending the disposal of the Main Appeal at the Court of Appeal.

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

The hearing of the Selangor State Government's 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 has fixed the hearing of the Appellants' application for leave to appeal on 13 April 2020.



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

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

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 Appellants have 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 do not agree with the decision of the Court of Appeal and will be filing a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restore the decision of the Shah Alam High Court of 9 November 2017 ("Motion for Leave"). The hearing date to hear the Motion for Leave at the Federal Court is set on 2 August 2022.

With respect to the Assessment Proceedings and Extension of Time Application, the Shah Alam High Court has 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 of 3 November 2021.

The case management date at the Shah Alam High Court was subsequently rescheduled to 8 December 2021. At the case management on 8 December 2021, the Shah Alam High Court directed that in light of the Court of Appeal's decision on 3 November 2021, which allowed the Appellants' appeal against the Shah Alam High Court's decision, there are no further proceedings on both the Assessment Proceedings and the Extension of Time Application at the Shah Alam High Court. Hence, there is 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.

The STC Proposals proceedings are still ongoing.

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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 has paid:

- (i) RMB50.0 million (or about RM33.4 million) to GMOC on the signing of the Contract; and
- (ii) RMB1.015 billion (or about RM677.92 million) paid into an escrow bank account ("1st Instalment"). This amount shall be released to GMOC within 5 working days after all condition precedents ("CP") have been fulfilled.

On 16 December 2016, BLand announced that the Proposed Disposal has been completed with the receipt of RMB1.015 billion or 1st Instalment by GMOC from the escrow bank account following the fulfilment of all CP. The balance of cash consideration of RMB1.015 billion will be received by November 2017 ("Final Instalment").

Subsequently, on 28 April 2017, BLand announced that following the completion of the Proposed Disposal, GMOC has entered into a supplementary agreement with Beijing SkyOcean to adjust the total cash consideration pursuant to the Proposed Disposal from RMB2.08 billion to RMB2.039 billion, and accordingly revise the Final Instalment to RMB974.07 million as a result of part of the land being regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

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

On 8 December 2017, BLand announced Beijing SkyOcean had not remitted the Final Instalment to GMOC by the appointed time. Hence, GMOC after seeking legal advice, had on 7 December 2017, issued a notice of demand to Beijing SkyOcean and the Guarantors to pay to GMOC the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceeding in Hong Kong against Beijing SkyOcean and the Guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, BLand announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors ("Respondents") to seek recovery of the Final Instalment and accrued late payment interest as well as other reliefs.

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

On 27 May 2020, BLand announced that GMOC has 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, identify, freeze and auction the identified property as well as investments to 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 above mentioned 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 Company 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 has 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").

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 has 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 has also been granted an interim stay on the payment of the Tax in Dispute until 15 September 2021. Subsequently, the hearing date has been rescheduled to 25 July 2022 and an interim stay has been granted till then.

Based on the opinion obtained from its legal advisors, AMSB has an arguable case that the IRB has no legal and factual basis to raise the Tax in Dispute.

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B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 March 2021: Nil).

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

	Group (3-month period)			
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000		sen	
Net loss for the quarter	(35,886)	(87,565)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	151	688		
- BCorp ICULS 2016/2026	112	134		
Adjusted net loss for the quarter	<u>(35,623)</u>	<u>(86,743)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,165,419	5,002,000		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>538,188</u>	<u>707,282</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,703,607</u>	<u>5,709,282</u>		
Basic loss per share			<u>(0.62)</u>	<u>(1.52)</u>
Adjusted net loss for the quarter	(35,623)	(86,743)		
Dilution effect on exercise of Berjaya Food Berhad share options	<u>-</u>	<u>(36)</u>		
	<u>(35,623)</u>	<u>(86,779)</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,703,607</u>	<u>5,709,282</u>		
Diluted loss per share			<u>(0.62)</u>	<u>(1.52)</u>

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B11	Group (9-month period)			
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000		sen	
Net profit/(loss) for the period	5,814	(196,224)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	730	2,449		
- BCorp ICULS 2016/2026	366	428		
Adjusted net profit/(loss) for the period	<u>6,910</u>	<u>(193,347)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,152,463	4,957,624		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>554,956</u>	<u>724,598</u>		
Number of shares used in the calculation of basic profit/(loss) per share ('000)	<u>5,707,419</u>	<u>5,682,222</u>		
Basic earnings/(loss) per share			<u>0.12</u>	<u>(3.40)</u>
Adjusted net profit/(loss) for the period	6,910	(193,347)		
Dilution effect on exercise of Berjaya Food Berhad options	<u>-</u>	<u>(103)</u>		
	<u>6,910</u>	<u>(193,450)</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,707,419</u>	<u>5,682,222</u>		
Diluted earnings/(loss) per share			<u>0.12</u>	<u>(3.40)</u>

c.c. Securities Commission