

# **Berjaya Corporation Berhad**

Registration Number: 200101019033 (554790-X)

Date: 29 September 2021

Subject: **UNAUDITED QUARTERLY (Q4) FINANCIAL REPORT FOR  
THE YEAR ENDED 30 JUNE 2021**

	Page
Table of contents	
Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4 - 5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Unaudited Interim Financial Report	7 - 13
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	14 - 31

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
GROUP REVENUE	1,754,892	859,019	7,460,097	6,989,780
PROFIT/(LOSS) FROM OPERATIONS	24,306	(229,940)	167,009	(100,051)
Investment related income	28,591	192,502	235,024	912,330
Investment related expenses	(162,487)	(188,500)	(243,205)	(260,471)
Finance costs	(99,697)	(118,695)	(355,992)	(390,321)
Share of results of associates	(7,334)	(9,114)	(7,566)	3,583
Share of results of joint ventures	8,517	1,178	15,223	8,385
(LOSS)/PROFIT BEFORE TAX	(208,104)	(352,569)	(189,507)	173,455
INCOME TAX EXPENSE	(64,218)	(30,495)	(220,217)	(236,347)
LOSS AFTER TAX	<u>(272,322)</u>	<u>(383,064)</u>	<u>(409,724)</u>	<u>(62,892)</u>
ATTRIBUTABLE TO:				
- Equity holders of the parent	(242,574)	(323,760)	(438,798)	(95,226)
- Non-controlling interests	(29,748)	(59,304)	29,074	32,334
	<u>(272,322)</u>	<u>(383,064)</u>	<u>(409,724)</u>	<u>(62,892)</u>
LOSS PER SHARE (SEN)				
- Basic, for the period	<u>(4.23)</u>	<u>(5.68)</u>	<u>(7.67)</u>	<u>(1.53)</u>
- Diluted, for the period	<u>(4.23)</u>	<u>(5.68)</u>	<u>(7.67)</u>	<u>(1.53)</u>

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

**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	30/06/2021 RM'000	30/06/2020 RM'000 Restated	30/06/2021 RM'000	30/06/2020 RM'000 Restated
LOSS AFTER TAX	(272,322)	(383,064)	(409,724)	(62,892)
<b>OTHER COMPREHENSIVE ITEMS</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	37,935	(265)	55,454	14,544
Foreign currency reserve transfer to profit or loss upon disposal of subsidiary companies	-	-	(81,437)	-
Foreign currency reserve transfer to profit or loss upon disposal of an associated company	-	-	(3,343)	-
Share of associated companies' currency translation differences	62	-	(2,736)	-
<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")	13,736	(2,823)	19,843	(11,549)
Share of associated companies' changes in fair values of FVTOCI investments	(19,254)	5,791	(4,631)	(3,303)
Share of other comprehensive income items of associated companies	(3,361)	3,775	(3,634)	21,650
Revaluation of land and buildings	559	(382)	559	(382)
Actuarial gain/(loss) recognised in defined benefit pension scheme	11,774	(1,605)	11,774	(4,657)
Tax effects relating to revaluation of building	(55)	(7)	(55)	(7)
Tax effects relating to the defined benefit pension scheme	(2,268)	330	(2,268)	986
Tax effects relating to FVTOCI investments	-	(305)	-	(223)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(233,194)</b>	<b>(378,555)</b>	<b>(420,198)</b>	<b>(45,833)</b>
<b>ATTRIBUTABLE TO:</b>				
- Equity holders of the parent	(223,690)	(302,902)	(484,509)	(86,467)
- Non-controlling interests	(9,504)	(75,653)	64,311	40,634
	<b>(233,194)</b>	<b>(378,555)</b>	<b>(420,198)</b>	<b>(45,833)</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 YEAR ENDED 30 JUNE 2021**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 30/06/2021 RM'000	Group As at 30/06/2020 RM'000 Restated
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,142,917	3,172,281
Right-of-use assets	1,828,048	1,907,081
Investment properties	1,000,714	1,012,176
Inventories - Land held for property development	2,232,787	2,165,351
Investment in associated companies	1,065,448	1,075,280
Investment in joint ventures	136,532	114,018
Other investments	238,587	159,325
Other long term receivables	308,746	263,036
Intangible assets	4,955,092	4,993,190
Deferred tax assets	97,259	114,381
	<u>15,006,130</u>	<u>14,976,119</u>
<b>Current Assets</b>		
Inventories - property development costs	99,929	67,447
Inventories - Completed properties and others	1,483,720	1,717,677
Contract cost assets	18,018	118,554
Derivative assets	195	2,302
Trade and other receivables	1,979,859	1,986,478
Contract assets	136,431	62,280
Short term investments	64,145	78,439
Tax recoverable	68,451	85,502
Deposits with financial institutions	465,828	494,946
Cash and bank balances	645,462	1,009,839
	<u>4,962,038</u>	<u>5,623,464</u>
Assets of disposal group/Non-current assets classified as held for sale	188,199	841,379
	<u>5,150,237</u>	<u>6,464,843</u>
<b>TOTAL ASSETS</b>	<u>20,156,367</u>	<u>21,440,962</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	5,170,026	5,017,956
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	242,657	306,739
Reserves	742,928	1,342,074
	<u>6,155,611</u>	<u>6,666,769</u>
Less: Treasury shares	(59,987)	(92,344)
	<u>6,095,624</u>	<u>6,574,425</u>
Non-controlling interests	2,848,949	2,977,670
<b>Equity funds</b>	<u>8,944,573</u>	<u>9,552,095</u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stocks	11,704	39,160
Long term borrowings	2,742,028	3,013,575
Other long term liabilities	140,868	97,509
Lease liabilities	1,847,079	1,936,977
Contract liabilities	206,319	224,814
Provisions	17,856	26,051
Derivative liabilities	-	28,239
Deferred tax liabilities	1,258,924	1,318,801
	<u>6,224,778</u>	<u>6,685,126</u>
<b>Current Liabilities</b>		
Irredeemable Convertible Unsecured Loan Stocks	25,714	34,513
Trade and other payables	2,065,065	2,035,071
Contract liabilities	291,171	452,563
Derivative liabilities	6,751	6,992
Provisions	9,015	7,466
Short term borrowings	2,283,234	2,299,650
Lease liabilities	240,217	222,907
Taxation	65,849	41,046
	<u>4,987,016</u>	<u>5,100,208</u>
Liabilities directly associated with disposal groups classified as held for sale	-	103,533
	<u>4,987,016</u>	<u>5,203,741</u>
<b>Total Liabilities</b>	<u>11,211,794</u>	<u>11,888,867</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>20,156,367</u>	<u>21,440,962</u>
Basic net assets per share (sen)	114.46	128.59
Dilutive net assets per share (sen)	105.88	114.60

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

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

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

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

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021  
 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 (as reported)	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
Effects from finalisation of purchase price allocation	-	-	-	-	-	-	-	-	-	9,658	22,046	-	31,704	8,899	40,603
At 1 July 2020 (as restated)	5,017,956	306,739	51,404	(165,979)	2,215	258,797	67,514	222,664	(483,512)	22,886	1,366,085	(92,344)	6,574,425	2,977,670	9,552,095
Total comprehensive income	-	-	(51,404)	6,872	-	-	504	(3,776)	142	(1,274)	(435,573)	-	(484,509)	64,311	(420,198)
Share of an associated company's effect arising from acquisition of subsidiaries under common control	-	-	-	-	-	-	-	3,469	6,356	-	(15,430)	-	(5,605)	-	(5,605)
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	84,940	111	-	(20,135)	(3,290)	49,977	10,783	(122,386)	-	-	-	-
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	-	1,003	-	-	-	-	-	-	-	-	-	-	1,003	-	1,003
Arising from conversion of BCorp ICULS	152,070	(65,085)	-	-	-	-	-	-	-	-	(77,036)	-	9,949	-	9,949
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	(136,639)	(136,639)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	146,796	-	-	-	146,796	(243,149)	(96,353)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	334	-	-	-	(125,394)	-	-	-	(125,060)	243,143	118,083
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	4,470	4,470
Share based payment	-	-	-	-	(881)	-	-	-	-	-	-	-	(881)	(2,029)	(2,910)
Share dividend	-	-	-	-	-	-	-	-	-	-	(52,851)	52,851	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,631)	(67,631)
	152,070	(64,082)	-	84,940	(436)	-	(20,135)	(3,290)	71,379	10,783	(252,273)	32,357	11,313	(193,032)	(181,719)
At 30 June 2021	5,170,026	242,657	-	(74,167)	1,779	258,797	47,883	219,067	(405,635)	32,395	662,809	(59,987)	6,095,624	2,848,949	8,944,573

Note:

^ This represents the fair values of warrants .

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent												Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable						Distributable								
	Share capital RM'000	ICULS - equity component RM'000	Reserve of disposal group classified as held for sale RM'000	FVTOCI reserves RM'000	Share option reserves RM'000	Warrants reserve ^ RM'000	Fair value reserves RM'000	Capital reserves RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 July 2019	5,017,956	306,739	926	(151,338)	2,077	258,797	63,387	226,266	(488,705)	98,694	1,388,524	(34,253)	6,689,070	3,043,826	9,732,896
Total comprehensive income - restated	-	-	-	(4,689)	-	-	(390)	5,414	18,761	(9,323)	(96,240)	-	(86,467)	40,634	(45,833)
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	1,151	-	1,151	-	1,151
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	50,478	(9,952)	(77)	-	4,517	(9,016)	5,224	(66,485)	25,311	-	-	-	-
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	476	-	-	-	(17,673)	-	(113)	-	(17,310)	89,614	72,304
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	-	-	-	(1,119)	-	47,452	-	46,333	(232,858)	(186,525)
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(58,091)	(58,091)	-	(58,091)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	101,749	101,749
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	2,391	2,391
Share based payment	-	-	-	-	(261)	-	-	-	-	-	-	-	(261)	-	(261)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,686)	(67,686)
	-	-	50,478	(9,952)	138	-	4,517	(9,016)	(13,568)	(66,485)	72,650	(58,091)	(29,329)	(106,790)	(136,119)
At 30 June 2020 (restated)	5,017,956	306,739	51,404	(165,979)	2,215	258,797	67,514	222,664	(483,512)	22,886	1,366,085	(92,344)	6,574,425	2,977,670	9,552,095

Note:

^ This represents the fair values of warrants

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/06/2021	30/06/2020
	RM'000	RM'000
		(Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	7,768,180	7,542,714
Payments for operating expenses	(7,218,218)	(7,291,944)
Payment of taxes	(227,002)	(241,873)
Other receipts (including tax refunds)	105,080	66,847
Net cash generated from operating activities	<u>428,040</u>	<u>75,744</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	70,769	2,006,592
Disposal of investments in subsidiary companies	507,549	83,005
Disposal of investments in joint venture/associated companies	34,754	22,047
Disposal of other investments and short term investments	104,163	28,336
Acquisition of property, plant and equipment and non-current assets	(222,795)	(310,730)
Acquisition of investments in subsidiary companies	(96,553)	(364,725)
Acquisition of investments in associated companies and a joint venture	(114,136)	(13,765)
Acquisition of other investments and short term investments	(137,917)	(108,512)
Acquisition of treasury shares by subsidiary companies	(18,229)	(39,924)
Interest received	26,643	32,237
Dividend received	20,426	17,421
Net repayment from joint ventures and associated companies	15,770	30,180
Placement with fund managers	(90,939)	-
Other (payments)/receipts	(25,471)	41,410
Net cash generated from investing activities	<u>74,034</u>	<u>1,423,572</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares by the Company	(20,494)	(58,091)
Issuance of share capital to non-controlling interests of subsidiary companies	8,948	2,391
Share application money received from non-controlling interests	338	-
Issuance of ICULS by subsidiary company	24,384	5,613
Issuance of medium term notes by subsidiary company	185,360	358,960
Redemption of medium term notes by subsidiary company	(200,000)	(460,000)
Dividends paid to non-controlling interests of subsidiary companies	(57,614)	(100,660)
Interest paid	(351,615)	(339,216)
Drawdown of bank and other borrowings	1,307,086	1,604,975
Repayment of bank and other borrowings	(1,613,844)	(2,444,433)
Payment of lease liabilities	(200,522)	(167,301)
Net withdrawal with banks as security pledges for borrowings	48,110	6,803
Net cash used in financing activities	<u>(869,863)</u>	<u>(1,590,959)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(367,789)</u>	<u>(91,643)</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	1,188,661	1,264,056
Effect of exchange rate changes	14,367	16,248
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>835,239</u>	<u>1,188,661</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	465,828	494,946
Cash and bank balances	645,462	1,009,839
Bank overdraft (included under short term borrowings)	(63,573)	(60,206)
	<u>1,047,717</u>	<u>1,444,579</u>
Less :		
Remisiers' deposit held in trust	(22,902)	(17,666)
Cash and cash equivalents restricted in use	(189,576)	(239,219)
	<u>835,239</u>	<u>1,187,694</u>
Including: Cash and cash equivalents classified as held for sale	-	967
	<u>835,239</u>	<u>1,188,661</u>

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## 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 2020. 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 2020.

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 2020.

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 development segment is affected by the prevailing cyclical economic conditions.
  - the stock and futures broking businesses are influenced by the performance of the stock market.
  - the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the second and third quarters of the financial year.
  - the gaming business may be positively impacted by the festive seasons.
  - the global impact of Coronavirus ("Covid-19") pandemic.
- A3 (a) The Covid-19 pandemic and multiple phases of lockdown or restrictive measures implemented by the Malaysian Government as well as the governments of the respective countries where the Group has business operations have impacted the Group's business operations, particularly the gaming, hotels and resorts and property investment segments as disclosed in Notes B1 and B2.

The following are the unusual items that occurred during the current quarter and financial year under review:

Recognised directly in statement of profit or loss

(i) Included under investment related income and (expenses):	Current Quarter RM'000	Financial Year to date RM'000
Gain on disposal/deemed disposal of subsidiary companies	6,569	89,544
Negative goodwill on an acquisition of a subsidiary company	-	2,309
Loss on deemed disposal of subsidiary companies	(7,267)	(7,430)
Fair value changes on derivative assets	(2,033)	(1,844)
Fair value changes on derivative liabilities	15,738	14,105
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(8,670)	8,893
Impairment on intangible assets/goodwill	(65,731)	(65,731)
Net fair value changes of investment properties	(24,331)	(24,649)
Impairment on associated companies	(12,012)	(54,358)
Impairment on amount due from associated companies	(7,983)	(7,983)
Impairment of property, plant and equipment	(33,697)	(48,967)
Impairment of inventories	(8,092)	(26,118)
Reversal of impairment on amount owing from a joint venture	814	7,371
Gain on disposal/deemed disposal of associated companies	1,571	11,698
Gain on disposal of property, plant and equipment	131	40,003
Award of insurance claim	-	17,848
	<u>(144,993)</u>	<u>(45,309)</u>



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE INTERIM FINANCIAL REPORT

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current financial year ended 30 June 2021 other than the changes explained below:

Adjustment arising from the finalisation of purchase price allocation exercise in respect of the acquisition of Icelandair Hotels ehf Group.

In the previous financial year ended 30 June 2020, the BLand Group had acquired 75% equity interest in Icelandair Hotels ehf ("Icelandair") for a total cash consideration of USD43.63 million (equivalent to approximately RM196.0 million). The consolidation of Icelandair was regarded as a business combination in accordance with MFRS 3: Business Combinations and a purchase price allocation exercise was undertaken to determine the fair values of identifiable assets and liabilities at acquisition. During the current financial year, the purchase price allocation exercise was finalised resulting in the identification of negative goodwill arising on consolidation of Icelandair amounting to RM28.23 million. The amount of negative goodwill is adjusted retrospectively to the financial statements of the previous financial year ended 30 June 2020.

As a result of the above, certain comparative amounts as at 30 June 2020 have been adjusted as disclosed below.

Group

	<u>As previously reported RM'000</u>	<u>Adjustments RM'000</u>	<u>As restated RM'000</u>
<b>At 30 June 2020</b>			
<u>Statement of Financial Position</u>			
Property, plant and equipment	2,984,319	187,962	3,172,281
Right-of-use assets	2,049,711	(142,630)	1,907,081
Deferred tax liabilities	1,314,072	4,729	1,318,801
Reserves - retained earnings	1,344,039	22,046	1,366,085
Reserves - foreign currency translation reserves	13,228	9,658	22,886
Non-controlling interests	<u>2,968,771</u>	<u>8,899</u>	<u>2,977,670</u>
<b>For the financial quarter ended 30 June 2020</b>			
<u>Statement of Profit or Loss</u>			
Investment related income	164,268	28,234	192,502
Loss for the year attributable to:			
- Equity holders of the parent	(345,806)	22,046	(323,760)
- Non-controlling interests	<u>(65,492)</u>	<u>6,188</u>	<u>(59,304)</u>
<b>For the financial quarter ended 30 June 2020</b>			
<u>Statement of Comprehensive Income</u>			
Foreign currency translation	(12,634)	12,369	(265)
Total comprehensive income attributable to:			
- Equity holders of the parent	(334,606)	31,704	(302,902)
- Non-controlling interests	<u>(84,552)</u>	<u>8,899</u>	<u>(75,653)</u>
<b>For the financial year ended 30 June 2020</b>			
<u>Statement of Profit or Loss</u>			
Investment related income	884,096	28,234	912,330
Loss for the year attributable to:			
- Equity holders of the parent	(117,272)	22,046	(95,226)
- Non-controlling interests	<u>26,146</u>	<u>6,188</u>	<u>32,334</u>
<b>For the financial year ended 30 June 2020</b>			
<u>Statement of Comprehensive Income</u>			
Foreign currency translation	2,175	12,369	14,544
Total comprehensive income attributable to:			
- Equity holders of the parent	(118,171)	31,704	(86,467)
- Non-controlling interests	<u>31,735</u>	<u>8,899</u>	<u>40,634</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE INTERIM FINANCIAL REPORT

A4 There were no issuances and repayment of equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial year ended 30 June 2021 except for the following:

- (a) Share Capital  
152,069,400 ordinary shares of RM1.00 each were issued pursuant to conversion of 152,069,400 BCorp ICULS 2012/2022 of RM1.00 nominal value each.
- (b) 5% 10-year ICULS of RM1.00 nominal value each  
152,069,400 BCorp ICULS 2012/2022 were tendered for the subscription of 152,069,400 ordinary shares of RM1.00 each.
- (c) Treasury shares  
107,827,464 units of ordinary share were bought back and held as treasury shares with none of these shares being cancelled or sold.

The details of the share buyback during the financial year ended 30 June 2021 were as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
October 2020	0.185	0.190	0.190	47,274,464	8,988
November 2020	0.185	0.190	0.190	60,553,000	11,506
			0.190	107,827,464	20,494

The number of treasury shares held in hand as at 30 June 2021 were as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 1 July 2020	0.271	340,600,000	92,344
Distribution as share dividend	(0.271)	(194,949,937)	(52,851)
Increase in treasury shares	0.271	145,650,063	39,493
	0.190	107,827,464	20,494
<b>Total treasury shares as at 30 June 2021</b>	<b>0.237</b>	<b>253,477,527</b>	<b>59,987</b>

As at 30 June 2021, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,113,516,000 ordinary shares (30 June 2020: 4,874,325,000).

Subsequent to the financial year ended 30 June 2021 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 June 2021	5,366,994	5,170,026
Arising from conversion of BCorp 5% ICULS 2012/2022	28,084	28,084
Share capital - Issued and fully paid up as at 29 September 2021	<u>5,395,078</u>	<u>5,198,110</u>

A5 During the financial year ended 30 June 2021, the Company distributed a first interim share dividend of 194,949,937 treasury shares on the basis of 4 treasury shares for every 100 ordinary shares held (equivalent to a dividend of approximately 1.08 sen per share) in respect of financial year ended 30 June 2020, and credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 15 October 2020. The book cost of the share dividend distributed amounted to RM52,850,928.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE INTERIM FINANCIAL REPORT

## A6 Segment information for the financial year ended 30 June 2021:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
Gaming operations	2,383,328	100,596	2,483,924
Financial services	185,227	2,677	187,904
Property investment and development	441,018	17,601	458,619
Hotels and resorts	240,749	336	241,085
Marketing of consumer products and services	3,355,618	22,040	3,377,658
Restaurants and cafes	737,760	9,451	747,211
Others	116,397	2,069	118,466
Elimination: Inter-segment Revenue	-	(154,770)	(154,770)
Total revenue	<u>7,460,097</u>	<u>-</u>	<u>7,460,097</u>
RESULTS			RM'000
Gaming operations			273,900
Financial services			46,714
Property investment and development			15,868
Hotels and resorts			(221,595)
Marketing of consumer products and services			86,215
Restaurants and cafes			104,850
Others			<u>(19,113)</u>
			286,839
Unallocated corporate items			<u>(119,830)</u>
Profit from operations			167,009
Investment related income			
-Interest income			37,515
-Gain on disposal/deemed disposal of subsidiary companies			89,544
-Gain on disposal/deemed disposal of associated companies			11,698
-Gain on disposal of property, plant and equipment			40,003
-Fair value gain on FVTPL investments			9,302
-Fair value gain on investment properties			2,480
-Fair value changes on derivative liabilities			14,105
-Award of insurance claim			17,848
-Reversal of impairment on amount owing from a joint venture			7,371
-Negative goodwill on an acquisition of a subsidiary company			2,309
-Dividend income			2,849
			235,024
Investment related expenses			
-Fair value loss on FVTPL investments			(409)
-Fair value loss on investment properties			(27,129)
-Fair value changes on derivative assets			(1,844)
-Impairment on associated companies			(54,358)
-Impairment on property, plant and equipment			(48,967)
-Impairment on inventories			(26,118)
-Impairment on intangible assets/goodwill			(65,731)
-Impairment on amount due from associated companies			(7,983)
-Loss on disposal/deemed disposal of subsidiary companies			(7,430)
-Others			<u>(3,236)</u>
			(243,205)
Finance costs			(355,992)
Share of results of associates			(7,566)
Share of results of joint ventures			15,223
Loss before tax			<u>(189,507)</u>
Income tax expense			<u>(220,217)</u>
Loss after tax			<u><u>(409,724)</u></u>

## **BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

**NOTES TO THE INTERIM FINANCIAL REPORT**

- A7 There were no significant events since the end of this current quarter under review that have not been reflected in the financial statements for this current financial quarter under review.
- A8 There were no changes in the composition of the Group for the current financial year ended 30 June 2021, including business combinations, acquisition or disposal of subsidiary companies, restructuring and discontinuing operations except for the following:-
- (i) On 6 July 2020, Mothers En Vogue Pte. Ltd., a subsidiary of the Group, was struck off from the Registrar of Companies, Singapore.
  - (ii) On 17 July 2020, Berjaya Fukuoka Development (S) Pte Ltd, a wholly owned subsidiary of the Group acquired 100% equity interest in Berjaya Japan Co. Ltd ("BJCL") (formerly known as Berjaya Kyoto Management Co. Ltd) for total cash consideration of JPY3.0 million (equivalent to approximately RM0.11 million). The intended principal activities of BJCL are operations of real estate activities.
  - (iii) On 17 July 2020, Berjaya Engineering Construction Sdn Bhd, a wholly owned subsidiary of the Group acquired 51% equity interest in Mantra Design Sdn Bhd ("MDSB") for total cash consideration of RM250,000. The principal activity of MDSB is the provision of interior design consultancy services for land and building development projects.
  - (iv) On 19 August 2020, Berjaya Food (International) Sdn Bhd ("BFI"), a wholly owned subsidiary of the Group, completed the subscription for 50,100 new ordinary shares representing 50% equity interest of the enlarged issued share capital of Ser Vegano Sdn Bhd ("SER") for cash subscription price of RM250,000. The principal activity of SER is to operate Latin-inspired, Tex-Mex, plant-based vegan restaurants under the name "Sala". SER is deemed a 50% owned subsidiary company of BFI as the Group has de facto control.
  - (v) On 28 August 2020, Berjaya Manufacturing (HK) Limited, a subsidiary of the Group, was deregistered by the Registrar of Companies, Hong Kong and dissolved accordingly.
  - (vi) On 28 August 2020, Berjaya Jeju Resort Limited, a subsidiary of the Group, had ceased to be a subsidiary of the Group upon the resolution of its lawsuit involving the receipt of KRW102.0 billion (equivalent to approximately RM362.19 million) settlement sum by its immediate holding company, Berjaya Leisure (Cayman) Limited on even date.
  - (vii) On 28 August 2020, Informatics Education Malaysia Sdn Bhd, a subsidiary of the Group, was deregistered by the Registrar of Companies, Companies Commission of Malaysia, pursuant to Section 308(4) of the Companies Act 2016 and dissolved accordingly.
  - (viii) On 4 September 2020, Berjaya Vacation Club (HK) Limited, a subsidiary of the Group, was deregistered by the Registrar of Companies, Hong Kong and dissolved accordingly.
  - (ix) On 8 September 2020, FEAB Realty Sdn Bhd, a subsidiary of the Group, was deregistered by the Registrar of Companies, Companies Commission of Malaysia, pursuant to Section 308(4) of the Companies Act 2016 and dissolved accordingly.
  - (x) On 11 September 2020, eCosway Inc., a wholly owned subsidiary of the Group, was deregistered by the Registrar of Companies, United States of America and dissolved accordingly.
  - (xi) On 15 September 2020, Berjaya Group Berhad, a wholly owned subsidiary of the Group had acquired 2 ordinary shares, representing 100% equity interest, in Berjaya Cafe (M) Sdn Bhd (formerly known as All Joy Cafe Sdn Bhd) for a total consideration of RM2.
  - (xii) On 21 September 2020, Berjaya Roasters (Cambodia) Ltd, a 70% owned subsidiary of the Group, was struck off from the register by the Registrar of Companies, Phnom Penh, Cambodia and dissolved accordingly.
  - (xiii) On 21 September 2020, Berjaya Trading (U.K.) Limited, a wholly owned subsidiary of the Group, was struck off from the register by the Registrar of Companies, United Kingdom and dissolved accordingly.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

**NOTES TO THE INTERIM FINANCIAL REPORT**

- (xiv) On 21 September 2020, Berjaya Roasters (UK) Limited, a wholly owned subsidiary of the Group, was struck off from the register by the Registrar of Companies, United Kingdom and dissolved accordingly.
- (xv) On 23 September 2020, Berjaya Group Berhad, a wholly owned subsidiary of the Group, had subscribed for 306,000 ordinary shares, representing 51% equity interest, in Simply Real Sdn Bhd ("SRSB") for a total consideration of RM306,000. The principal activities of SRSB are in the operation of a casual dining restaurant under the trade or business name of "Simply Good Food" offering vegetarian, vegan and organic cuisine and groceries.
- (xvi) On 23 September 2020, Cosway (S) Pte Ltd, a wholly owned subsidiary of the Group, was struck off from the register by the Registrar of Companies, Singapore.
- (xvii) On 29 September 2020, Berjaya Group (Cayman) Limited, a wholly owned subsidiary of the Group, subscribed for new ordinary shares in Berjaya Auto Asia Inc. ("BAAI"). Consequently, the Group's equity interest in BAAI increased from 30% to 60% and hence, it became a subsidiary company of the Group.
- (xviii) eCosway Colombia Ltda, a subsidiary of the Group, was deregistered by the Registrar of Companies, Colombia.
- (xix) eCosway Rus LLC, a subsidiary of the Group, was deregistered by the Registrar of Companies, Russia.
- (xx) NF Roasters of Commack Inc. and NF Roasters of Rockville Center Inc., both subsidiaries of the Group, have been dissolved by the NYS Department of State, United States of America.
- (xxi) On 9 October 2020, Berjaya-ILTS Limited and Berjaya Properties (HK) Limited, both subsidiaries of the Group, were deregistered by the Registrar of Companies, Hong Kong and dissolved accordingly.
- (xxii) On 26 October 2020, First Ever Marketing Sdn Bhd, a subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia, pursuant to Section 551(3) of the Companies Act 2016 and dissolved accordingly.
- (xxiii) On 16 November 2020, Cosway New Zealand Limited, a wholly owned subsidiary of the Group, was deregistered by the Registrar of Companies, New Zealand.
- (xxiv) On 23 November 2020, REDtone Engineering & Network Services Sdn Bhd, a wholly owned subsidiary of the Group, subscribed for a total of 60 ordinary shares representing 60% equity interest in Bytebuilder Sdn Bhd ("BSB"). The intended principal activities of BSB is provision of fibre optics transmission network services and project management services relating to telecommunications.
- (xxv) On 26 November 2020, the Company subscribed for a total of 51 new ordinary shares, representing 51% equity interest of the enlarged issued share capital, in Berjaya Auto Alliance Sdn Bhd ("BAASB"). The principal activities of BAASB is assembly, distribution, retail of motor vehicles and parts and the provision of after sales services.
- (xxvi) On 23 December 2020, Berjaya Land Berhad, a subsidiary of the Group, incorporated a wholly owned subsidiary company, Landasan Lumayan Berjaya Sdn Bhd ("LLBSB") with a share capital of RM2. The intended principal activities of LLBSB is to do river cleaning and property development.
- (xxvii) On 27 January 2021, BLoyalty Sdn Bhd, a wholly owned subsidiary of the Group had acquired 2 ordinary shares, representing 100% equity interest, in B Infinite Ventures Sdn Bhd for a total consideration of RM2.
- (xxviii) On 26 February 2021, Berjaya Hartanah Berhad (formerly known as Berjaya Golf Resort Berhad), a subsidiary of the Group, incorporated a wholly owned subsidiary company, Bukit Jalil Golf Club Sdn Bhd ("BJGC") with a share capital of RM2. The intended principal activities of BJGC are operations of golf club and property development.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

**NOTES TO THE INTERIM FINANCIAL REPORT**

- (xxix) On 16 March 2021, Cosway (UK) Limited, a wholly owned subsidiary of the Group, was struck off from the register by the Registrar of Companies, United Kingdom and dissolved accordingly.
  - (xxx) On 16 April 2021, the Company had acquired 2 ordinary shares, representing 100% equity interest, in Gaia Ayer Sdn Bhd (formerly known as Gaia World Sdn Bhd) for a total consideration of RM2. The intended principal activity of Gaia Ayer Sdn Bhd is water bottling and manufacturing.
  - (xxxix) On 12 May 2021, eCosway Pty Ltd, a wholly owned subsidiary of the Group, was struck off from the register by the Registrar of Companies, Australia and dissolved accordingly.
  - (xxxixii) On 8 June 2021, the Company had divested its entire 51% stake in BAASB comprising 6,120,000 ordinary shares for a cash consideration of RM6.67 million.
  - (xxxixiii) ALDA Hotel Reykjavik ehf, a subsidiary of the Group, was deregistered by the Registrar of Companies, Iceland and dissolved accordingly.
  - (xxxixiv) Berjaya Property Ireland Limited ("BPIL"), a wholly-owned subsidiary of the Group has completed the acquisition of the remaining 25% equity interest in Icelandair Hotels ehf ("Icelandair") for a total cash consideration of USD3.40 million (equivalent to approximately RM14.11 million). Consequently, BPIL's equity interest in Icelandair is now 100%.
- 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 2020 except for the reduction for the share subscription in associated company amounting to RM105 million and approved capital expenditure of RM16.6 million during the current financial year.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

Marketing of consumer products and services

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

Restaurants and cafes

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

Property investment and development

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

Hotels and resorts

Room rates, seasonal festive periods and school holidays, location of the hotels and resorts, tourism and currency exchange trends, energy/other supplies costs, quality of rooms/amenities/service.

Gaming operations

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

Prior to the COVID-19 pandemic, the above is the key factors that affect the performance of the Group's businesses. Upon the onset of the COVID-19 pandemic since 18 March 2020 till today, certain of the aforesaid key factors are adversely impacted by the various restrictive measures implemented by the Malaysian Government and other jurisdictions to curb the COVID-19 pandemic.

The summarised results of the Group are as follows:

	<b>30/06/2021</b>	<b>3-Month Ended</b>		<b>30/06/2021</b>	<b>12-Month Ended</b>	
	<b>RM'000</b>	<b>30/06/2020</b>	<b>+ / (-)</b>	<b>RM'000</b>	<b>30/06/2020</b>	<b>+ / (-)</b>
		<b>Restated</b>	<b>%</b>	<b>RM'000</b>	<b>Restated</b>	<b>%</b>
Revenue	<u>1,754,892</u>	<u>859,019</u>	<u>104</u>	<u>7,460,097</u>	<u>6,989,780</u>	<u>7</u>
Profit/(Loss) from operations	<u>24,306</u>	<u>(229,940)</u>	<u>N/A</u>	<u>167,009</u>	<u>(100,051)</u>	<u>N/A</u>
(Loss)/Profit before tax	<u>(208,104)</u>	<u>(352,569)</u>	<u>(41)</u>	<u>(189,507)</u>	<u>173,455</u>	<u>N/A</u>

Review of results for the quarter

The Group registered a revenue of RM1.75 billion and pre-tax loss of RM208.10 million in the current quarter ended 30 June 2021 as compared to a revenue of RM859.02 million and pre-tax loss of RM352.57 million reported in the previous year corresponding quarter.

## **BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### Commentary on revenue

The Group recorded higher revenue for all the business segments in the current quarter under review as compared to the previous year corresponding quarter. The higher revenue was largely contributed by both the gaming operations from Sports Toto Malaysia Sdn Bhd ("STM") as well as motor distribution business operated by H.R. Owen Plc ("HR Owen").

### Marketing of consumer products and services

The marketing of consumer products and services segment reported higher revenue, which was achieved by HR Owen from the motor distribution business. In the previous year corresponding quarter, HR Owen reported lower sales due to its business operations were temporarily shut down for more than 2 months during the COVID-19 pandemic lockdown in the UK.

### Restaurants and cafes

The restaurants and cafes segment reported higher revenue in the current quarter under review. The business operation for this segment in the current quarter was not as adversely impacted by the COVID-19 pandemic lockdown in Malaysia as compared to the previous year corresponding quarter, as the lockdown measures was not prevalent then. The management was more prepared during this quarter as compared to the previous year corresponding quarter and implemented various measures to operate more efficiently.

### Property investment and development

The property investment and development segment registered higher revenue in the current quarter, mainly contributed by higher sales recognised from the local high-end projects of the Group.

### Hotels and resorts

The hotels and resorts segment reported higher revenue due to higher overall occupancy rate from domestic travel demands and increased 'dine-in' food and beverage revenue during the Conditional Movement Control Order ("CMCO") period effective from 5 March 2021 till 31 May 2021 before the re-imposition of full lockdown on 1 June 2021 in Malaysia. Besides, the easing of travel and social restrictions in Iceland in the current quarter under review also contributed to higher revenue in this segment.

### Gaming operations

STM achieved a significant increase in revenue as there were 28 draws conducted in the current quarter as compared to only 6 draws conducted in the previous year corresponding quarter. The re-imposition of MCO 3.0 resulted in the cancellation of 15 draws in the current quarter under review whilst 34 draws were cancelled in the previous year corresponding quarter when MCO 1.0 was enforced.



**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on results

The pre-tax loss in the current quarter was mainly due to the recognition of non-cash impairment in value of certain assets, both tangible and intangible, and fair value loss in investment properties. The losses were, however, mitigated by the profits achieved by the Group's other business segments such as gaming operations, restaurants and cafes segment, and marketing of consumer products and services.

Marketing of consumer products and services

The marketing of consumer products and services segment reported a pre-tax profit in the current quarter as compared to the pre-tax loss in the previous year corresponding quarter. The pre-tax profit was primarily contributed by HR Owen from the motor distribution business. This was in line with its higher sales achieved as mentioned above.

Restaurants and cafes

The restaurants and cafes segment reported a pre-tax profit in the current quarter as compared to the pre-tax loss in the previous year corresponding quarter. This was in tandem with its higher revenue as mentioned above. In addition, this segment also recognised the income upon termination of the old Starbucks reward programme in the current quarter under review.

In the previous year corresponding quarter, this business segment recorded a negative same-store-sales growth as the business was restricted from operating at its full capacity during COVID-19 pandemic lockdown period. Consequently, the drop in sales caused a reduction in gross profit contribution, which was insufficient to offset the fixed costs in some outlets.

Property investment and development

The property investment and development segment reported a pre-tax profit in the current quarter as compared to the pre-tax loss in the previous year corresponding quarter. This was mainly due to higher operating expenses incurred in the previous year corresponding quarter from an overseas project.

Hotels and resorts

The hotels and resorts segment reported lower pre-tax loss primarily due to higher revenue and cost cutting measures.

Gaming operations

The gaming operations reported a pre-tax profit in the current quarter as opposed to the pre-tax loss in the previous year corresponding quarter. This was in line with the higher revenue achieved by STM as a result of higher number of draws in the current quarter under review.

## **BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### **Review of results for the financial year**

The Group registered a revenue of RM7.46 billion and pre-tax loss of RM189.51 million for the financial year ended 30 June 2021 as compared to a revenue of RM6.99 billion and pre-tax profit of RM173.46 million reported in the previous financial year.

### **Commentary on revenue**

The Group recorded higher revenue for the financial year under review as compared to the previous financial year. The higher revenue was mainly due to higher revenue achieved by the motor distribution business operated by HR Owen.

### **Marketing of consumer products and services**

The marketing of consumer products and services segment reported higher revenue, which was mainly contributed by HR Owen from the motor distribution business. This was due to higher new and used car sales with backlog orders fulfilment from the earlier COVID-19 pandemic lockdown in the UK as well as the favourable foreign exchange translation effect of converting Pound Sterling into Ringgit Malaysia.

### **Restaurants and cafes**

With the gradual easing of the lockdown measures since the first quarter, the restaurants and cafes segment recorded higher same-store-sales growth, which resulted in the higher revenue recorded in the current financial year.

### **Property investment and development**

The property investment and development segment registered higher revenue in the current year mainly due to the completion and handing over of a mixed development project located in Dong Nai, Vietnam. In addition, the sale of overseas residence units also further contributed to the increase in revenue in the current financial year.

### **Hotels and resorts**

The hotels and resorts segment reported lower revenue mainly due to lower average occupancy rates as a result of continued international border closures and domestic travel restrictions. The hospitality industry is quite dependent on international tourism and reliance solely on domestic tourism only is not sustainable.

### **Gaming operations**

STM contributed lower revenue primarily due to the prolonged impact of COVID-19 pandemic and the implementation of various phases of lockdowns which resulted in partial and full business closures in all states in Malaysia. Notwithstanding that there were a total of 157 draws conducted in the current financial year under review as compared to only 126 draws conducted in the previous financial year, revenue achieved was lower as the prolonged lockdown and irregular business disruptions had dampened consumer sentiments and excitement from the draws as well as causing a change in punters' spending behaviour.

## **BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### Commentary on results

The pre-tax loss reported in the current financial year was primarily due to the non-cash impairment of certain assets, both tangible and intangible, totaling about RM203.16 million as disclosed in A3. Besides, the hotels and resorts business segment incurred losses as this segment was severely impacted by international border closures and domestic travel restrictions. However, the other business segments recorded profits to mitigate the losses. In addition, the Group also recognised a gain on disposal of Berjaya Jeju Resort Limited amounting to about RM67 million in the current financial year, following the completion of the JDC Lawsuit settlement.

In the previous financial year, the pre-tax profit included a significant gain of about RM669.79 million from the disposal of the trust beneficial interest on the hotel component of the Four Seasons Hotel & Hotel Residence Kyoto, Japan.

### Marketing of consumer products and services

The marketing of consumer products and services segment reported a pre-tax profit, with HR Owen being the main contributor which is in line with its higher revenue as explained above. The improved result was also attributed to lower operating expenses incurred as a result of certain austerity measures undertaken by the company, coupled with support fee income received from franchises as well as certain business reliefs granted by the UK government during the lockdown order that was imposed. The pre-tax loss in the previous year included the recognition of amortisation of intangible assets in relation to the telecommunication licences as the useful life was reduced from indefinite to an estimated 15 years.

### Restaurants and cafes

The higher pre-tax profit reported by restaurants and cafes segment was in tandem with the higher revenue recorded in the current financial year, coupled with the lower operating costs from the effective cost management to mitigate the impact of COVID-19 pandemic.

### Property investment and development

The property investment and development segment reported a pre-tax profit in the current year as opposed to the pre-tax loss reported in the previous financial year. The current year's pre-tax profit was mainly due to the completion of the Vietnam project as well as the sale of the overseas residence units as mentioned above.

### Hotels and resorts

The hotels and resorts segment reported higher pre-tax loss in the current year mainly due to lower revenue as a result of continued international border closures and domestic travel restrictions as mentioned above.

### Gaming operations

The gaming operations reported lower pre-tax profit in the current year mainly due to certain impairment losses recognised by the Vietnam operation.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	3-Month Ended		
	30/06/2021	31/03/2021	+ / (-)
	RM'000	RM'000	%
Revenue	<u>1,754,892</u>	<u>1,820,939</u>	<u>(4)</u>
Profit from operations	<u>24,306</u>	<u>30,358</u>	<u>(20)</u>
Loss before tax	<u>(208,104)</u>	<u>(28,161)</u>	<u>639</u>

For the current quarter under review, the Group recorded a revenue of RM1.75 billion and pre-tax loss of RM208.10 million as compared to a revenue of RM1.82 billion and pre-tax loss of RM28.16 million reported in the preceding quarter.

**Commentary on revenue**

The Group recorded lower revenue in the current quarter mainly from the property investment and development segment as well as the gaming operations. However, this was mitigated by higher sales performance achieved by both the motor distribution business operated by HR Owen and the hotels and resorts segment.

**Marketing of consumer products and services**

The marketing of consumer products and services segment reported higher revenue mainly due to the motor distribution business operated by HR Owen. The improved results in the current quarter was mainly due to higher sales from used car sector as well as the favourable foreign exchange effect of converting Pound Sterling into Ringgit Malaysia in the current quarter under review.

**Restaurants and cafes**

The revenue for restaurants and cafes segment in the current quarter was comparable to the preceding quarter.

**Property investment and development**

The property investment and development segment reported lower revenue as there was no sales of overseas residence units in the current quarter under review. Besides, a substantial portion of the property development project in Dong Nai, Vietnam was completed and handed over to buyers in the preceding quarter.

**Hotels and resorts**

The hotels and resorts segment reported higher revenue mainly due to higher overall occupancy rate and average room rates from domestic travel demands and increased 'dine-in' food and beverage revenue during the CMCO period in Malaysia and the easing of travel and social restrictions in Iceland.

**Gaming operations**

Lower revenue reported by gaming operations mainly from STM as a result of lower number of draws in the current quarter under review due to the restriction in business operations arising from the implementation of various phases of lockdowns. In the current quarter, there were only 28 draws conducted as compared to 45 draws in the preceding quarter.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on results

The higher pre-tax loss in the current quarter was primarily due to the non-cash impairments and net fair value loss on investment properties as mentioned in Note A3.

Marketing of consumer products and services

The marketing of consumer products and services segment reported higher pre-tax profit mainly due to higher revenue from motor distribution business operated by HR Owen as explained above.

Restaurants and cafes

The restaurants and cafes segment registered higher pre-tax profit in the current quarter mainly arising from the recognition of income from the deferred revenue of Starbucks rewards program upon termination of the old programme after the successful strategic implementation of a new Starbucks rewards programme in Malaysia ahead of schedule.

Property investment and development

The property investment and development segment reported lower pre-tax profit in the current quarter as compared to the preceding quarter as there was no sales of overseas residence units in the current quarter under review.

Hotels and resorts

The hotels and resorts segment reported lower pre-tax loss in the current quarter as compared to the preceding quarter mainly due to higher revenue as explained above.

Gaming operations

STM reported higher pre-tax profit despite a drop in revenue. This was mainly due to lower prize payout and lower operating expenses incurred in the current quarter as compared to the preceding quarter.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

**B3** Future prospects

The COVID-19 pandemic, which resulted in unprecedented preventive measures primarily lockdowns, have adversely impacted the global economy. With the gradual easing of these measures, economic activities have progressively resumed. However, subsequent surges of COVID-19 infections in many countries have resulted in the re-imposition of tighter movement controls or lockdowns.

In Malaysia, all states were placed under Full Movement Control Order beginning 1 June 2021 which dampened the recovery rate of the Group's business operations. The acceleration of the ongoing National COVID-19 Immunisation Programme is expected to drive the recovery of the Malaysian economy in due course. In addition, the Malaysian Government has launched the National Recovery Plan as an exit strategy from the COVID-19 crisis to allow the opening of businesses in phases. Notwithstanding the initiatives launched to counter the impact of the pandemic, the economy is expected to recover at a slower pace in view of the prevailing weak business environment and consumer sentiments.

Taking all of this into account, the Directors expect that the performance of the business operations of the Group for the financial year ending 30 June 2022, will move in tandem with the economy as it begins to open up both domestically and abroad.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B4 There is no profit forecast or profit guarantee for the financial year ended 30 June 2021.

B5 The taxation charge for the current quarter and financial year ended 30 June 2021 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	37,962	180,016
- Outside Malaysia	17,264	36,795
Deferred tax	11,867	(1,248)
(Over)/Under provision in prior years	(2,875)	4,654
	<u>64,218</u>	<u>220,217</u>

The disproportionate tax charge of the Group for the current quarter / financial year ended 30 June 2021 was mainly due to certain expenses or losses being disallowed for tax purposes, certain gains which are not taxable and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

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

	Current Quarter RM'000	Financial Year to date RM'000
Interest income	(9,146)	(37,515)
Dividend income	(2,613)	(2,849)
Gain on disposal of property, plant and equipment	(131)	(40,003)
Gain on disposal of subsidiary companies	(6,569)	(89,544)
Gain on disposal of associated companies	(1,571)	(11,698)
Negative goodwill on an acquisition of a subsidiary company	-	(2,309)
Loss on deemed disposal of subsidiary companies	7,267	7,430
Fair value changes on derivative assets	2,033	1,844
Fair value changes on derivative liabilities	(15,738)	(14,105)
Depreciation of property, plant and equipment	51,675	215,157
Depreciation of right-of-use assets	69,755	247,391
Amortisation of intangible assets	16,781	47,551
Impairment on associated companies	12,012	54,358
Impairment loss on receivables (net)	10,362	11,431
Impairment on intangible assets/goodwill	65,731	65,731
Provision for and write off of inventories	20,574	46,730
Reversal of impairment on amount owing from a joint venture	(814)	(7,371)
Foreign exchange (gain)/loss (net)	(6,809)	(16,589)
Fair value changes of investment properties (net)	24,331	24,649
Fair value changes of FVTPL investments (net)	<u>8,670</u>	<u>(8,893)</u>

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B7 (A) There has been no further development for those corporate proposals disclosed in Notes 45 and 46 to the audited financial statements of the Company for the financial year ended 30 June 2020.

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

(i) Partnership with New World Group to launch New World Capital Advisors Malaysia

On 18 March 2021, the Company announced that it has entered into a partnership with New World Capital Advisors Limited ("NWCA"), a leading London-headquartered merchant banking and investment company to establish New World Capital Advisors Sdn Bhd ("NCWA Malaysia").

The Company has subscribed for a 40% stake in NCWA Malaysia for USD240,000 (equivalent to approximately RM974,400) based on the founding share capital of USD500,000 (equivalent to approximately RM2,030,001) but the subscription money of USD240,000 shall be payable by the Company in four quarterly installments of USD60,000 each. As at 30 June 2021, the Company has paid two installments of total USD120,000 (equivalent to approximately RM487,200).

NCWA Malaysia will be focusing on providing advisory services including mergers and acquisitions, strategy and operations advice to diversified businesses, corporations, and institutional investors in Malaysia as well as neighbouring countries where they have a presence.



**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B8 Group borrowings and debt securities as at 30 June 2021 were as follows:

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
	'000	#	
Denominated in Ringgit Malaysia			1,908,863
USD	12,434	*	51,608
SGD	15,928	*	49,148
GBP	33,172	*	190,924
JPY	165,970	*	6,233
PHP	370,989	*	31,772
VND	33,270,000	*	6,654
EUR	1,470	*	7,264
			2,252,466
Unsecured			
Denominated in Ringgit Malaysia			30,709
GBP	10	*	59
			30,768
			2,283,234
Long term borrowings			
Secured			
	'000	#	
Denominated in Ringgit Malaysia			2,149,415
SGD	34,480	*	106,388
GBP	5,200	*	29,929
JPY	3,033,735	*	113,936
VND	92,630,000	*	18,526
EUR	52,558	*	259,689
ISK	1,902,375	*	63,916
			2,741,799
Unsecured			
Denominated in GBP	40	*	229
			229
			2,742,028
Total bank borrowings			5,025,262
* Converted at the respective exchange rates prevailing as at 30 June 2021			
# Includes medium term notes			
			299,258
- short term (Conventional)			35,360
- short term (Islamic)			334,618
			573,563
- long term (Conventional)			50,000
- long term (Islamic)			623,563
			958,181

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

(a) Note 40(2) regarding the STC Proposals proceedings

With reference to the conditional sale and purchase agreement ("SPA") entered into by Berjaya Tagar Sdn Bhd ("BTSB") with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.79 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied by a transfer to STC of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club ("NewSTC") thereon ("STC Proposals"), for which BTSB had proposed to acquire the Sungai Tinggi Land from BerjayaCity Sdn Bhd, ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor of the new turf club ("BCity Project"), BTSB subsequently entered into supplemental agreement for an extension of time until 18 January 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.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 40(2) regarding the STC Proposals proceedings (continued)

The judgment rendered on 9 November 2017 was as follows:

- 1) The Applicants' applications against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents were dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.
- 2) The Applicants are allowed to proceed with the development.
- 3) The Applicants are required to submit the relevant documents to the relevant technical departments for comments.
- 4) The technical departments are directed to respond within 3 months from the receipt of these documents, and failing which it is deemed that they have no objection to these documents.
- 5) Pursuant to an order in the nature of mandamus, the 1st and 5th Respondents are directed to re-table the Applicants' proposal papers to relocate and construct the Selangor Turf Club before the National Physical Planning Council within 3 months after the receipt of the proposal papers from the Applicants.
- 6) The Applicants are directed to submit the said proposal papers within 1 month upon receipt of the fair order, failing which the Applicants shall forfeit the benefit of the order of mandamus pursuant to paragraph (5) above.
- 7) The 1st and 5th Respondents are ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation will be assessed in subsequent proceedings.

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

The 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.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 40(2) regarding the STC Proposals proceedings (continued)

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

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 following a request by the Appellants.

As for the Assessment Proceedings, the Shah Alam High Court has fixed a case management date on 29 September 2021 to update the Shah Alam High Court on the status of the Main Appeal.

The STC Proposals proceedings are still ongoing.

(b) Note 40(4) regarding the GMOC Project Arbitration Proceedings

On 16 December 2015, BLand announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited, which in turn is a wholly-owned subsidiary of BLand had entered into a Construction Project Transfer Agreement ("Contract") with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean"), for the proposed disposal of the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project"), for a cash consideration of RMB2.08 billion (or about RM1.39 billion) ("Proposed Disposal").

Beijing SkyOcean has paid:

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

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

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

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(b) Note 40(4) regarding the GMOC Project Arbitration Proceedings (continued)

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

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

On 19 January 2018, BLand announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors ("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
- (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.

GMOC has proceeded to seek enforcement of the Final Award in all relevant jurisdictions, by obtaining court orders to freeze certain assets of the Respondents.

The above mentioned enforcement proceedings is still ongoing.

**BERJAYA CORPORATION BERHAD**

**Registration Number: 200101019033 (554790-X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(c) 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, the hearing date of MOF Judicial Review. However, this hearing date was subsequently vacated due to the imposition of FMCO, and is now rescheduled to 13 October 2021 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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 30 June 2020: Nil).

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

	Group (3-month period)			
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	Restated	sen	Restated
Net loss for the quarter	(242,574)	(323,760)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	724	1,261		
- BCorp ICULS 2016/2026	136	211		
Adjusted net loss for the quarter	<u>(241,714)</u>	<u>(322,288)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,045,059	4,930,183		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>664,223</u>	<u>747,835</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,709,282</u>	<u>5,678,018</u>		
Basic loss per share			<u>(4.23)</u>	<u>(5.68)</u>
Adjusted net loss for the quarter	(241,714)	(322,288)		
Dilution effect on exercise of Berjaya Food Berhad share options	<u>(36)</u>	<u>-</u>		
	<u>(241,750)</u>	<u>(322,288)</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,709,282</u>	<u>5,678,018</u>		
Diluted loss per share			<u>(4.23)</u>	<u>(5.68)</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B11	Group (12-month period)			
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	Restated	sen	Restated
Net loss for the year	(438,798)	(95,226)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	1,947	4,844		
- BCorp ICULS 2016/2026	564	648		
Adjusted net loss for the year	<u>(436,287)</u>	<u>(89,734)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,979,423	5,102,040		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>709,546</u>	<u>747,835</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,688,969</u>	<u>5,849,875</u>		
Basic loss per share			<u>(7.67)</u>	<u>(1.53)</u>
Adjusted net loss for the year	(436,287)	(89,734)		
Dilution effect on exercise of Berjaya Food Berhad options	<u>(118)</u>	<u>-</u>		
	<u>(436,405)</u>	<u>(89,734)</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,688,969</u>	<u>5,849,875</u>		
Diluted loss per share			<u>(7.67)</u>	<u>(1.53)</u>

c.c. Securities Commission