

# **Berjaya Corporation Berhad**

Registration Number: 200101019033 (554790-X)

Date: 30 November 2021

Subject: **UNAUDITED QUARTERLY (Q1) FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 SEPTEMBER 2021**

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**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended	
	30/09/2021	30/09/2020
	RM'000	RM'000
GROUP REVENUE	1,386,155	1,943,623
(LOSS)/PROFIT FROM OPERATIONS	(35,426)	25,885
Investment related income	12,371	80,800
Investment related expenses	(1,959)	(7,161)
Finance costs	(87,111)	(88,804)
Share of results of associates	23,328	(328)
Share of results of joint ventures	5,627	491
(LOSS)/PROFIT BEFORE TAX	(83,170)	10,883
INCOME TAX EXPENSE	(13,515)	(44,841)
LOSS AFTER TAX	(96,685)	(33,958)
ATTRIBUTABLE TO:		
- Equity holders of the parent	(59,311)	(58,952)
- Non-controlling interests	(37,374)	24,994
	(96,685)	(33,958)
LOSS PER SHARE (SEN)		
- Basic, for the period	(1.03)	(1.03)
- Diluted, for the period	(1.03)	(1.03)

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

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

	3 months ended	
	30/09/2021	30/09/2020
	RM'000	RM'000
LOSS AFTER TAX	(96,685)	(33,958)
OTHER COMPREHENSIVE ITEMS		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	3,487	23,303
Foreign currency reserve transfer to profit or loss upon disposal of subsidiary company	-	(65,608)
Share of associated companies' currency translation differences	(189)	(40)
<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")	5,676	399
Share of associated companies' changes in fair values of FVTOCI investments	(1,723)	(145)
Share of other comprehensive income items of associated companies	4	(274)
Tax effects relating to FVTOCI investments	-	181
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(89,430)</u>	<u>(76,142)</u>
ATTRIBUTABLE TO:		
- Equity holders of the parent	(42,096)	(89,412)
- Non-controlling interests	<u>(47,334)</u>	<u>13,270</u>
	<u>(89,430)</u>	<u>(76,142)</u>

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

**BERJAYA CORPORATION BERHAD**

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30/09/2021 RM'000	Group As at 30/06/2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,118,480	3,139,768
Right-of-use assets	1,805,653	1,858,016
Investment properties	1,000,787	1,000,714
Inventories - Land held for property development	2,255,918	2,238,064
Investment in associated companies	1,077,212	1,065,165
Investment in joint ventures	141,212	134,777
Other investments	241,100	242,804
Other long term receivables	380,974	359,025
Retirement benefit assets	9,705	9,927
Intangible assets	4,879,371	4,879,130
Deferred tax assets	101,346	94,357
	<u>15,011,758</u>	<u>15,021,747</u>
<b>Current Assets</b>		
Inventories - Property development costs	97,666	107,556
Inventories - Completed properties and others	1,470,331	1,482,677
Contract cost assets	15,661	13,127
Derivative assets	241	195
Trade and other receivables	1,892,871	1,862,808
Contract assets	143,031	129,026
Short term investments	90,370	64,345
Tax recoverable	80,010	50,071
Deposits with financial institutions	539,422	556,767
Cash and bank balances	631,844	646,417
	<u>4,961,447</u>	<u>4,912,989</u>
Non-current assets classified as held for sale	188,374	187,768
	<u>5,149,821</u>	<u>5,100,757</u>
<b>TOTAL ASSETS</b>	<u>20,161,579</u>	<u>20,122,504</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	5,106,374	5,092,989
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	230,797	242,657
Reserves	763,599	807,627
	<u>6,100,770</u>	<u>6,143,273</u>
Less: Treasury shares	(59,987)	(59,987)
	<u>6,040,783</u>	<u>6,083,286</u>
Non-controlling interests	2,788,041	2,824,227
<b>Equity funds</b>	<u>8,828,824</u>	<u>8,907,513</u>
<b>Non-current liabilities</b>		
ICULS	11,319	11,464
Long term borrowings	3,007,664	2,675,926
Other long term liabilities	135,212	157,987
Lease liabilities	1,808,519	1,838,083
Contract liabilities	211,134	205,673
Provisions	33,845	24,521
Deferred tax liabilities	1,244,628	1,243,762
	<u>6,452,321</u>	<u>6,157,416</u>
<b>Current Liabilities</b>		
ICULS	24,731	25,714
Trade and other payables	2,044,285	2,081,346
Contract liabilities	353,941	316,262
Derivative liabilities	7,348	6,751
Provisions	9,209	7,904
Short term borrowings	2,203,200	2,349,735
Lease liabilities	209,471	228,154
Taxation	28,249	41,709
	<u>4,880,434</u>	<u>5,057,575</u>
<b>Total Liabilities</b>	<u>11,332,755</u>	<u>11,214,991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>20,161,579</u>	<u>20,122,504</u>
Basic net assets per share (sen)	113.00	114.22
Dilutive net assets per share (sen)	105.10	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 30 SEPTEMBER 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	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	-	-	2,455	-	-	-	204	(200)	14,756	(59,311)	-	(42,096)	(47,334)	(89,430)
<b>Transactions with owners:</b>														
Transfer of reserves	-	-	(362)	164	-	216	1	(552)	1,609	(1,076)	-	-	-	-
Reversal of deferred tax liability on conversion of BCorp ICULS	-	160	-	-	-	-	-	-	-	-	-	160	-	160
Arising from conversion of BCorp ICULS	13,385	(12,020)	-	-	-	-	-	-	-	-	-	1,365	-	1,365
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	(4,876)	-	-	-	(4,876)	(8,043)	(12,919)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	(453)	-	-	(1)	3,388	-	-	-	2,934	7,331	10,265
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	27,368	27,368
Share based payment	-	-	-	10	-	-	-	-	-	-	-	10	86	96
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(15,594)	(15,594)
	13,385	(11,860)	(362)	(279)	-	216	-	(2,040)	1,609	(1,076)	-	(407)	11,148	10,741
At 30 September 2021	5,106,374	230,797	(67,693)	1,500	258,797	48,099	218,942	(409,043)	49,544	663,453	(59,987)	6,040,783	2,788,041	8,828,824

Note:

^ This represents the fair values of warrants.

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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	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)	(459)	-	-	-	-	(44)	21,539	(59,044)	-	(89,412)	13,270	(76,142)
Share of an associated company's effect arising from acquisition of subsidiaries under common control	-	-	-	-	-	-	-	(1,666)	(8,722)	-	(515)	-	(10,903)	-	(10,903)
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	171	(9)	-	-	46	(838)	952	(322)	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	3,251	3,251
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,636)	(128,636)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	48,607	-	(47,099)	-	1,508	(11,588)	(10,080)
Share based payment	-	-	-	-	112	-	-	-	-	-	-	-	112	185	297
Share dividend	-	-	-	-	-	-	-	-	-	-	(52,851)	-	(52,851)	-	(52,851)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,270)	(23,270)
	-	-	-	171	103	-	-	46	47,769	952	(100,272)	-	(51,231)	(160,058)	(211,289)
At 30 September 2020	5,017,956	306,739	-	(166,267)	2,318	258,797	67,514	221,044	(444,509)	35,719	1,184,208	(92,344)	6,391,175	2,821,983	9,213,158

Note:

^ This represents the fair values of warrants .

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	1,497,318	2,180,545
Payments for operating expenses	(1,434,123)	(1,783,987)
Payment of taxes	(69,870)	(70,699)
Other receipts (including tax refunds)	20,961	52,513
Net cash generated from operating activities	<u>14,286</u>	<u>378,372</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	2,868	5,714
Disposal of investments in subsidiary companies	10,060	394,025
Disposal of other investments and short term investments	4,275	33,318
Acquisition of property, plant and equipment and non-current assets	(68,130)	(51,026)
Acquisition of investments in subsidiary companies	(20,414)	(6,065)
Acquisition of investments in associated company	(244)	(1,000)
Acquisition of other investments and short term investments	(20,035)	(48,779)
Interest received	7,041	5,900
Dividend received	22,218	15,735
Net repayment from/(advance to) joint ventures and associated companies	1,454	(6,355)
Placement with fund managers	-	(47,119)
Other payments	(37,789)	(8,964)
Net cash (used in)/generated from investing activities	<u>(98,696)</u>	<u>285,384</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital to non-controlling interests of subsidiary companies	27,368	-
Issuance of ICULS by subsidiary company	-	1,419
Issuance of medium term notes by subsidiary company	30,000	15,600
Redemption of medium term notes by subsidiary companies	(37,420)	-
Dividends paid to non-controlling interests of subsidiary companies	(10,388)	(190)
Interest paid	(75,388)	(64,671)
Drawdown of bank and other borrowings	473,191	255,738
Repayment of bank and other borrowings	(279,984)	(684,963)
Payment of lease liabilities	(67,573)	(59,536)
Net placement with banks as security pledges for borrowings	(52,321)	(17,034)
Net cash generated from/(used in) financing activities	<u>7,485</u>	<u>(553,637)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(76,925)</b>	<b>110,119</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>948,321</b>	<b>1,188,661</b>
Effect of exchange rate changes	(584)	(18,920)
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>870,812</u></b>	<b><u>1,279,860</u></b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	539,422	719,454
Cash and bank balances	631,844	896,941
Bank overdraft (included under short term borrowings)	(57,614)	(59,293)
	<u>1,113,652</u>	<u>1,557,102</u>
Less :		
Remisiers' deposit held in trust	(22,902)	(11,806)
Cash and cash equivalents restricted in use	(219,938)	(265,436)
	<u>870,812</u>	<u>1,279,860</u>

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 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:
- (a) the property development segment is affected by the prevailing cyclical economic conditions.
  - (b) the stock and futures broking businesses are influenced by the performance of the stock market.
  - (c) the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the second and third quarters of the financial year.
  - (d) the gaming business may be positively impacted by the festive seasons.
  - (e) 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.

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

Recognised directly in statement of profit or loss

(i) Included under investment related income and (expenses):	Current Quarter RM'000
Fair value changes on derivative liabilities	(597)
Fair value changes on derivative assets	46
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(249)
Net fair value changes of investment properties	(10)
	<u>(810)</u>

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 30 September 2021.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 period ended 30 September 2021 except for the following:

- (a) Share Capital  
28,084,000 ordinary shares were issued pursuant to conversion of 28,084,000 BCorp ICULS 2012/2022.
- (b) 5% 10-year ICULS of RM1.00 nominal value each  
28,084,000 BCorp ICULS 2012/2022 were tendered for the subscription of 28,084,000 ordinary shares.
- (c) Treasury shares

There was no share buyback during the financial period ended 30 September 2021.

The number of treasury shares held in hand as at 30 September 2021 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 30 September 2021	0.237	253,477,527	59,987

As at 30 September 2021, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,141,600,000 ordinary shares (30 September 2020: 4,874,325,000).

Subsequent to the financial period ended 30 September 2021 and up to the date of this announcement:-

<u>Share Capital</u>	<u>'000</u>	<u>RM'000</u>
Share capital - Issued and fully paid up as at 30 September 2021	5,395,078	5,106,374
Arising from conversion of BCorp 5% ICULS 2012/2022	29,493	13,584
Share capital - Issued and fully paid up as at 29 November 2021	<u>5,424,571</u>	<u>5,119,958</u>

A5 The Company did not pay any dividend in the financial period ended 30 September 2021.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

## NOTES TO THE INTERIM FINANCIAL REPORT

## A6 Segment information for the financial period ended 30 September 2021:-

REVENUE	External RM'000	Inter- segment RM'000	Total RM'000
Gaming operations	92,168	13,013	105,181
Financial services	21,836	2,074	23,910
Property investment and development	37,771	7,149	44,920
Hotels and resorts	134,751	58	134,809
Marketing of consumer products and services	878,629	6,136	884,765
Restaurants and cafes	197,091	38	197,129
Others	23,909	4,395	28,304
Elimination: Inter-segment Revenue	-	(32,863)	(32,863)
Total revenue	<u>1,386,155</u>	<u>-</u>	<u>1,386,155</u>
<b>RESULTS</b>			<b>RM'000</b>
Gaming operations			(23,407)
Financial services			2,877
Property investment and development			(12,732)
Hotels and resorts			(20,345)
Marketing of consumer products and services			24,969
Restaurants and cafes			29,372
Others			<u>(4,550)</u>
			(3,816)
Unallocated corporate items			<u>(31,610)</u>
Loss from operations			(35,426)
Investment related income			
-Interest income			9,671
-Fair value gain on FVTPL investments			1,103
-Fair value changes on derivative assets			46
-Dividend income			<u>1,551</u>
			12,371
Investment related expenses			
-Fair value loss on FVTPL investments			<u>(1,352)</u>
-Fair value loss on investment properties			(10)
-Fair value changes on derivative liabilities			<u>(597)</u>
			(1,959)
Finance costs			(87,111)
Share of results of associates			23,328
Share of results of joint ventures			<u>5,627</u>
Loss before tax			(83,170)
Income tax expense			<u>(13,515)</u>
Loss after tax			<u>(96,685)</u>

## **BERJAYA CORPORATION BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 2021, 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%.
- 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 except for capital expenditure of RM15.7 million approved during the current financial quarter.

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- 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 are the key factors that affect the performance of the Group's businesses. Upon the onset of the COVID-19 pandemic since 18 March 2020, the imposition of total lockdown and followed by the Full Movement Control Order ("FMCO") was imposed nationwide from 1 June 2021, and subsequently the Malaysian Government announced the implementation of the 4-phase National Recovery Plan ("NRP") whereby movement control measures will be gradually eased in phases. The prolonged Covid-19 pandemic has adversely impacted the country's economy as well as the global economy as a whole.

The summarised results of the Group are as follows:

	3-Month Ended		+ / (-) %
	30/09/2021 RM'000	30/09/2020 RM'000	
Revenue	<u>1,386,155</u>	<u>1,943,623</u>	<u>(29)</u>
(Loss)/Profit from operations	<u>(35,426)</u>	<u>25,885</u>	<u>N/A</u>
(Loss)/Profit before tax	<u>(83,170)</u>	<u>10,883</u>	<u>N/A</u>

**Review of results for the quarter**

The Group registered a revenue of RM1.39 billion and pre-tax loss of RM83.17 million in the current quarter ended 30 September 2021 as compared to a revenue of RM1.94 billion and pre-tax profit of RM10.88 million reported in the previous year corresponding quarter.

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Commentary on revenue

The Group recorded lower revenue in the current quarter mainly due from 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 H.R. Owen PLC ("HR Owen"). The higher revenue in the current quarter was mainly due to higher sales volume and improved profit margin generated from the used car sector as a result from the change in marketing strategy and additional resources invested to capitalise on the stronger used car market due to supply shortage.

Restaurants and cafes

The restaurants and cafes segment reported higher revenue in the current quarter under review. With the gradual easing of restrictions to the fully vaccinated general public against Covid-19, thus allowing for dine-in. As such, the Group recorded higher same-store-sales growth particularly from the Starbucks café outlets, which resulted in the higher revenue recorded in the current financial quarter.

Property investment and development

The property investment and development segment registered lower revenue in the current quarter mainly due to lower number of units sold from the local high-end project.

Hotels and resorts

The hotels and resorts segment reported higher revenue due to higher overall occupancy rate reported by the overseas hotels and resorts business segment especially from the hotels in Iceland after the easing of travel and social restrictions during the current quarter under review as compared to the previous year corresponding quarter.

Gaming operations

The gaming operations operated by Sports Toto Malaysia Sdn Bhd ("STM") reported significant drop in revenue mainly due to cancellation of thirty seven (37) draws in the current quarter. There were only eight (8) draws allowed to be conducted in the current quarter as compared to forty two (42) draws in the previous year corresponding quarter. All the sales outlets were temporarily closed from 1 June 2021 to 13 September 2021 following the imposition of the nationwide lockdown and subsequently the NRP implemented by the Malaysian Government. The sales outlets were only allowed to resume business operations on 14 September 2021 in accordance with the National Recovery Plan.

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### Commentary on results

The pre-tax loss reported in the current quarter was mainly due to the losses incurred by the gaming operations as a result from the significant drop in revenue due to cancellation of thirty seven (37) draws as mentioned above. However, the pre-tax loss was mitigated by the share of better results from the associates and joint ventures. In the previous year corresponding quarter, the Group had recognised the gain on disposal of Berjaya Jeju Resort Limited, amounting to about RM67.10 million, following the completion of the JDC Lawsuit settlement.

### Marketing of consumer products and services

The marketing of consumer products and services segment reported a higher pre-tax profit. The higher pre-tax profit reported by the motor distribution business under HR Owen was in tandem with the abovementioned higher revenue and the favourable foreign exchange effect of converting Pound Sterling into Ringgit Malaysia in the current quarter under review.

### Restaurants and cafes

The higher pre-tax profit of the restaurants and cafe segments was in tandem with the higher revenue recorded in the current financial quarter as mentioned above.

### Property investment and development

The lower pre-tax loss was mainly due to higher progress billings from a local project. In addition, the higher pre-tax loss in the previous year quarter was mainly due to the increase in quit rent as a result of the change in gazetted rates in the state of Pahang, Malaysia that was effected from 1 January 2020.

### Hotels and resorts

The lower pre-tax loss was mainly due to higher overall occupancy rate especially from the oversea hotels in Iceland as mentioned above.

### Gaming operations

The gaming operations reported loss during the current quarter as compared to profit in the previous year corresponding quarter mainly due to the loss of revenue from the cancelled draws due to the prolonged lockdown and fixed operating expenses incurred by STM during the current quarter under review.

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

	3-Month Ended		
	30/09/2021	30/06/2020	+ / (-)
	RM'000	RM'000	%
Revenue	<u>1,386,155</u>	<u>1,754,892</u>	<u>(21)</u>
(Loss)/Profit from operations	<u>(35,426)</u>	<u>24,306</u>	<u>N/A</u>
Loss before tax	<u>(83,170)</u>	<u>(208,104)</u>	<u>(60)</u>

For the current quarter under review, the Group recorded a revenue of RM1.39 billion and pre-tax loss of RM83.17 million as compared to a revenue of RM1.75 billion and pre-tax loss of RM208.1 million reported in the preceding quarter.

**Commentary on revenue**

The Group recorded lower revenue in the current quarter mainly due from the gaming operations. However, this was mitigated by higher sales achieved by the hotels and resorts segment.

**Marketing of consumer products and services**

The lower revenue reported by marketing of consumer products and services segment was mainly due to lower revenue contribution from both the telecommunication and retail distribution business and also the deconsolidation effect of Bermaz Auto Alliance Sdn Bhd, which was disposed of in the preceding quarter.

Nevertheless, the motor distribution business operated by HR Owen contributed higher revenue arising from the higher sales generated from new and used car sectors upon lifting of United Kingdom lockdown restrictions in July 2021.

**Restaurants and cafes**

The restaurant and café segment reported higher revenue in the current quarter under review due to the above mentioned reasons as stated in Note B1.

**Property investment and development**

The property investment and development segment registered lower revenue in the current quarter mainly due to lower number of units sold from the local high-end project.

**Hotels and resorts**

The hotels and resorts segment reported higher revenue due to higher overall occupancy rate reported by the overseas hotels and resorts business segment especially from the hotels in Iceland after the easing of travel and social restrictions during the current quarter under review as compared to the preceding quarter.

**Gaming operations**

STM reported lower revenue mainly due to the nationwide lockdown imposed by the Malaysian Government. It only conducted eight (8) draws in the current quarter under review after the resumption of business operations on 14 September 2021, whilst twenty eight (28) draws were conducted in the preceding quarter. There were cancellation of thirty seven (37) draws in the current quarter, as compared to cancellation of fifteen (15) draws in the preceding quarter.

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Commentary on results

The lower pre-tax loss in the current quarter was mainly due to lower losses reported by the hotel and resorts segments as well as share of better results from associates. The pre-tax loss reported in the preceding quarter included about RM127.52 million of non-cash impairment of certain tangible and intangible assets.

Marketing of consumer products and services

The marketing of consumer products and services segment reported lower pre-tax profit mainly from telecommunication and retail distribution business. However, this was mitigated by the improved results from motor distribution business operated by HR Owen resulted from higher revenue as explained above and coupled with higher support fee income received from franchises in the current quarter under review.

Restaurants and cafes

The restaurant and café segment reported lower pre-tax profit in the current quarter compared to the preceding quarter. This was mainly attributable to the one-off recognition income from the deferred revenue upon termination of old Starbucks rewards programme in the preceding quarter, as a result of early implementation of the new Starbucks reward programme in the fourth quarter of financial year ended 30 June 2021.

Property investment and development

The property investment and development segment reported a higher pre-tax loss in the current quarter as compared to the preceding quarter in tandem with lower revenue registered in the current quarter.

Hotels and resorts

The lower pre-tax losses was mainly due to higher overall occupancy rate as mentioned in Note B1.

Gaming operations

STM reported pre-tax loss as opposed to pre-tax profit in the preceding quarter, resulted from loss of revenue from the thirty seven (37) cancelled draws coupled with incurring fixed operating expenses.



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**B3** Future prospects

Q1 2022 saw BCorp face the brunt of the COVID-19 fallout with multiple lockdowns and other preventive measures which in turn affected both the local and global economy. In Malaysia, the Full Movement Control Order imposed beginning 1 June 2021 severely impacted the recovery rate of the Group's business operations. Almost the entire quarter was under lockdown with some business sectors only starting to open in the middle of September. From October, the Malaysian Government began the National Recovery Plan allowing for the opening of businesses in phases. Since then the economy is showing signs of a recovery.

Barring any unforeseen circumstances, the Directors are cautiously optimistic that with the easing of travel and social restrictions, the performance of the business operations of the Group for the remaining quarters of the financial year ending 30 June 2022 is expected to recover expeditiously as more business sectors have resumed full operations.

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B4 There is no profit forecast or profit guarantee for the financial period ended 30 September 2021.

B5 The taxation charge for the current quarter ended 30 September 2021 are detailed as follows:

	Current Quarter RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	14,472
- Outside Malaysia	7,313
Deferred tax	(8,250)
Over provision in prior years	(20)
	<u>13,515</u>

The disproportionate tax charge of the Group for the current quarter ended 30 September 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
Interest income	(9,671)
Dividend income	(1,551)
Fair value changes on derivative liabilities	597
Fair value changes on derivative assets	(46)
Depreciation of property, plant and equipment	52,495
Depreciation of right-of-use assets	65,856
Amortisation of intangible assets	12,025
Impairment loss on receivables (net)	2,293
Provision for and write off of inventories	8,455
Foreign exchange (gain)/loss (net)	(1,117)
Fair value changes of investment properties (net)	10
Fair value changes of FVTPL investments (net)	<u>249</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.

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

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
Denominated in	'000	
Ringgit Malaysia	#	1,836,686
USD	11,888 *	49,759
SGD	16,384 *	50,383
GBP	32,678 *	183,870
JPY	82,244 *	3,078
PHP	355,013 *	29,194
EUR	4,285 *	20,814
		<u>2,173,784</u>
Unsecured		
Denominated in		
Ringgit Malaysia		29,358
GBP	10 *	58
		<u>29,416</u>
		2,203,200
Long term borrowings		
Secured		
	'000	
Denominated in	#	
Ringgit Malaysia	#	2,410,489
SGD	31,631 *	97,265
GBP	11,345 *	63,837
JPY	3,764,471 *	140,879
EUR	52,726 *	256,088
ISK	1,207,428 *	38,897
		<u>3,007,455</u>
Unsecured		
Denominated in		
GBP	37 *	209
		<u>209</u>
		3,007,664
Total bank borrowings		
		<u><u>5,210,864</u></u>
* Converted at the respective exchange rates prevailing as at 30 September 2021		
# Includes medium term notes		
- short term (Conventional)		524,735
- short term (Islamic)		27,940
		<u>552,675</u>
- long term (Conventional)		573,618
- long term (Islamic)		50,000
		<u>623,618</u>
		<u><u>1,176,293</u></u>

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

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

With reference to the conditional sale and purchase agreement ("SPA") entered into by Berjaya Tagar Sdn Bhd ("BTSB") with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.79 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied by a transfer to STC of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club ("NewSTC") thereon ("STC Proposals"), for which BTSB had proposed to acquire the Sungai Tinggi Land from BerjayaCity Sdn Bhd, ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor of the new turf club ("BCity Project"), BTSB subsequently entered into supplemental agreement for an extension of time until 18 January 2022 to fulfil certain conditions precedent. The conditions precedent that have not been fulfilled are as follows:

- 1) renewal of the consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of the Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that is situated in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
- 2) the approvals, permits or consents of any other relevant authorities as may be required by applicable laws including inter-alia the following:
  - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
  - (ii) approval from the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
  - (iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2 (i) and (ii) above are obtained.

On 10 November 2017, BLand announced that further to the legal proceedings instituted by BLand, BTSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

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

The judgment rendered on 9 November 2017 was as follows:

- 1) The Applicants' applications against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents were dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.
- 2) The Applicants 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.

With respect of the Assessment Proceedings, the Shah Alam High Court has fixed a further case management date on 8 December 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 Applicants will inform the High Court that they will be filing a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal.

The STC Proposals proceedings are still ongoing.

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

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

Beijing SkyOcean 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").

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

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
- (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.

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

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) 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 4 April 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.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 2020: Nil).

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

	Group (3-month period)			
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000		sen	
Net loss for the quarter	(59,311)	(58,952)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	382	1,005		
- BCorp ICULS 2016/2026	127	148		
Adjusted net loss for the quarter	<u>(58,802)</u>	<u>(57,799)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,131,832	4,874,325		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>577,450</u>	<u>747,835</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,709,282</u>	<u>5,622,160</u>		
Basic loss per share			<u>(1.03)</u>	<u>(1.03)</u>
Adjusted net loss for the quarter	(58,802)	(57,799)		
Dilution effect on exercise of Berjaya Food Berhad share options	<u>(23)</u>	<u>-</u>		
	<u>(58,825)</u>	<u>(57,799)</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,709,282</u>	<u>5,622,160</u>		
Diluted loss per share			<u>(1.03)</u>	<u>(1.03)</u>

c.c. Securities Commission