

# **Berjaya Corporation Berhad**

Registration Number: 200101019033 (554790-X)

Date: 28 February 2022

Subject: **UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 DECEMBER 2021**

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**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	2,055,700	1,940,643	3,441,855	3,884,266
PROFIT FROM OPERATIONS	133,722	73,535	98,296	99,420
Investment related income	176,835	58,571	189,206	139,371
Investment related expenses	(4,100)	(829)	(6,059)	(7,990)
Finance costs	(91,326)	(84,441)	(178,437)	(173,245)
Share of results of associates	10,849	(14,066)	34,177	(14,394)
Share of results of joint ventures	5,678	3,105	11,305	3,596
PROFIT BEFORE TAX	231,658	35,875	148,488	46,758
INCOME TAX EXPENSE	(76,183)	(54,825)	(89,698)	(99,666)
PROFIT/(LOSS) AFTER TAX	155,475	(18,950)	58,790	(52,908)
ATTRIBUTABLE TO:				
- Equity holders of the parent	101,011	(49,707)	41,700	(108,659)
- Non-controlling interests	54,464	30,757	17,090	55,751
	155,475	(18,950)	58,790	(52,908)
EARNINGS/(LOSS) PER SHARE (SEN)				
- Basic, for the period	1.77	(0.85)	0.74	(1.88)
- Diluted, for the period	1.77	(0.85)	0.74	(1.88)

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

**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
PROFIT/(LOSS) AFTER TAX	155,475	(18,950)	58,790	(52,908)
<b>OTHER COMPREHENSIVE ITEMS</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	7,882	(24,225)	11,369	(922)
Foreign currency reserve transfer to profit or loss upon disposal of subsidiary company	-	-	-	(65,608)
Share of associated companies' currency translation differences	(553)	(2,920)	(742)	(2,960)
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(2,272)	(717)	3,404	(318)
Share of associated companies' changes in fair values of FVTOCI investments	(3,619)	5,015	(5,342)	4,870
Share of other comprehensive income items of associated companies	81	6	85	(268)
Tax effects relating to FVTOCI investments	-	(181)	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>156,994</b>	<b>(41,972)</b>	<b>67,564</b>	<b>(118,114)</b>
<b>ATTRIBUTABLE TO:</b>				
- Equity holders of the parent	99,882	(70,084)	57,786	(159,496)
- Non-controlling interests	57,112	28,112	9,778	41,382
	<b>156,994</b>	<b>(41,972)</b>	<b>67,564</b>	<b>(118,114)</b>

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021  
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/12/2021 RM'000	Group As at 30/06/2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,179,127	3,139,768
Right-of-use assets	1,786,779	1,858,016
Investment properties	980,208	1,000,714
Inventories - Land held for property development	2,310,351	2,238,064
Investment in associated companies	982,640	1,065,165
Investment in joint ventures	147,211	134,777
Other investments	273,527	242,804
Other long term receivables	357,243	359,025
Retirement benefit assets	9,665	9,927
Intangible assets	4,879,190	4,879,130
Deferred tax assets	103,171	94,357
	<u>15,009,112</u>	<u>15,021,747</u>
<b>Current Assets</b>		
Inventories - Property development costs	104,346	107,556
Inventories - Completed properties and others	1,519,072	1,482,677
Contract cost assets	15,681	13,127
Derivative assets	269	195
Trade and other receivables	1,876,824	1,862,808
Contract assets	163,936	129,026
Short term investments	123,304	64,345
Tax recoverable	49,944	50,071
Deposits with financial institutions	596,796	556,767
Cash and bank balances	632,522	646,417
	<u>5,082,694</u>	<u>4,912,989</u>
Non-current assets classified as held for sale	227,111	187,768
	<u>5,309,805</u>	<u>5,100,757</u>
<b>TOTAL ASSETS</b>	<u>20,318,917</u>	<u>20,122,504</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	5,119,959	5,092,989
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	218,256	242,657
Reserves	876,295	807,627
	<u>6,214,510</u>	<u>6,143,273</u>
Less: Treasury shares	(59,987)	(59,987)
	<u>6,154,523</u>	<u>6,083,286</u>
Non-controlling interests	2,841,628	2,824,227
<b>Equity funds</b>	<u>8,996,151</u>	<u>8,907,513</u>
<b>Non-current liabilities</b>		
ICULS	5,859	11,464
Long term borrowings	3,062,579	2,675,926
Other long term liabilities	116,974	157,987
Lease liabilities	1,802,262	1,838,083
Contract liabilities	200,600	205,673
Provisions	33,837	24,521
Deferred tax liabilities	1,240,016	1,243,762
	<u>6,462,127</u>	<u>6,157,416</u>
<b>Current Liabilities</b>		
ICULS	11,979	25,714
Trade and other payables	2,131,237	2,081,346
Contract liabilities	364,726	316,262
Derivative liabilities	8,039	6,751
Provisions	11,860	7,904
Short term borrowings	2,000,193	2,349,735
Lease liabilities	194,816	228,154
Taxation	58,202	41,709
	<u>4,860,639</u>	<u>5,057,575</u>
<b>Total Liabilities</b>	<u>11,322,766</u>	<u>11,214,991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>20,318,917</u>	<u>20,122,504</u>
Basic net assets per share (sen)	115.46	114.22
Dilutive net assets per share (sen)	106.96	105.71

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

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

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

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

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	(3,406)	-	-	-	262	(177)	19,407	41,700	-	57,786	9,778	67,564
<b>Transactions with owners:</b>														
Transfer of reserves	-	-	685	307	-	(1,036)	156	(2,088)	4,991	(3,015)	-	-	-	-
Reversal of deferred tax liability on conversion of BCorp ICULS	-	242	-	-	-	-	-	-	-	-	-	242	-	242
Arising from conversion of BCorp ICULS	26,970	(24,643)	-	-	-	-	-	-	-	-	-	2,327	-	2,327
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	(660)	-	2,912	-	2,252	(16,083)	(13,831)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	(793)	-	-	(1)	10,300	-	-	-	9,506	7,720	17,226
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	32,704	32,704
Share based payment	-	-	-	(876)	-	-	-	-	-	-	-	(876)	197	(679)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(16,915)	(16,915)
	26,970	(24,401)	685	(1,362)	-	(1,036)	155	7,552	4,991	(103)	-	13,451	7,623	21,074
At 31 December 2021	5,119,959	218,256	(72,507)	417	258,797	46,847	219,155	(399,428)	57,577	765,437	(59,987)	6,154,523	2,841,628	8,996,151

Note:

^ This represents the fair values of warrants.

**BERJAYA CORPORATION BERHAD**  
**Registration Number: 200101019033 (554790-X)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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)	464	-	-	-	-	(50)	244	(108,750)	-	(159,496)	41,382	(118,114)
Share of an associated company's effect arising from acquisition of subsidiaries under common control	-	-	-	-	-	-	-	-	(8,411)	-	(1,737)	-	(10,148)	-	(10,148)
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	954	45	-	(995)	75	(90)	1,194	(1,183)	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(20,494)	(20,494)	-	(20,494)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	8,803	8,803
Reversal of deferred tax liability on conversion of BCorp ICULS	-	345	-	-	-	-	-	-	-	-	-	-	345	-	345
Arising from conversion of BCorp ICULS	40,553	(17,357)	-	-	-	-	-	-	-	-	(19,343)	-	3,853	-	3,853
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,636)	(128,636)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	52,150	-	(47,077)	-	5,073	(33,768)	(28,695)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	318	-	-	-	4,065	-	-	-	4,383	(1,130)	3,253
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	2,147	2,147
Share based payment	-	-	-	-	(632)	-	-	-	-	-	-	-	(632)	319	(313)
Share dividend	-	-	-	-	-	-	-	-	-	-	(52,851)	52,851	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,104)	(33,104)
	40,553	(17,012)	-	954	(269)	-	(995)	75	56,125	1,194	(120,454)	32,357	(7,472)	(185,369)	(192,841)
At 31 December 2020	5,058,509	289,727	-	(164,561)	1,946	258,797	66,519	222,739	(435,848)	14,666	1,113,098	(59,987)	6,365,605	2,824,784	9,190,389

Note:

^ This represents the fair values of warrants .

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/12/2021 RM'000	31/12/2020 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	3,675,584	4,057,507
Payments for operating expenses	(3,388,312)	(3,597,102)
Payment of taxes	(85,177)	(91,494)
Other receipts (including tax refunds)	25,625	58,521
Net cash generated from operating activities	<u>227,720</u>	<u>427,432</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	43,012	41,698
Disposal of investments in subsidiary companies	19,630	399,000
Disposal of investments in associated companies	221,515	199
Disposal of other investments and short term investments	6,576	90,397
Acquisition of property, plant and equipment and non-current assets	(259,779)	(93,307)
Acquisition of investments in subsidiary companies	(29,012)	(13,452)
Acquisition of investments in associated companies and a joint venture	(1,037)	(101,867)
Acquisition of other investments and short term investments	(60,237)	(117,162)
Acquisition of treasury shares by subsidiary companies	-	(15,006)
Interest received	15,024	9,516
Dividend received	24,834	19,696
Net repayment from/(advance to) joint ventures and associated companies	1,454	(4,493)
Other receipts/(payments)	64,037	(24,742)
Net cash generated from investing activities	<u>46,017</u>	<u>190,477</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares by the Company	-	(20,494)
Issuance of share capital to non-controlling interests of subsidiary companies	32,704	5,615
Issuance of ICULS by subsidiary company	-	17,176
Issuance of medium term notes by subsidiary companies	192,220	148,380
Redemption of medium term notes by subsidiary companies	(262,420)	(175,000)
Dividends paid to non-controlling interests of subsidiary companies	(19,813)	(8,593)
Interest paid	(164,434)	(142,054)
Drawdown of bank and other borrowings	670,392	727,289
Repayment of bank and other borrowings	(553,268)	(1,024,155)
Payment of lease liabilities	(148,257)	(84,572)
Net (placement with)/withdrawal of banks as security pledges for borrowings	(11,795)	51,944
Net cash used in financing activities	<u>(264,671)</u>	<u>(504,464)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>9,066</b>	<b>113,445</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>948,321</b>	<b>1,188,661</b>
Effect of exchange rate changes	4,457	(22,113)
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>961,844</u></b>	<b><u>1,279,993</u></b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	596,796	815,735
Cash and bank balances	632,522	734,878
Bank overdraft (included under short term borrowings)	(57,940)	(66,512)
	<u>1,171,378</u>	<u>1,484,101</u>
Less :		
Remisiers' deposit held in trust	(33,398)	(11,806)
Cash and cash equivalents restricted in use	(179,413)	(192,302)
	<u>958,567</u>	<u>1,279,993</u>
Including: Cash and cash equivalents classified as held for sale	3,277	-
	<u>961,844</u>	<u>1,279,993</u>

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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:
- the property segment is affected by the prevailing cyclical economic conditions.
  - the stock and futures broking businesses are influenced by the performance of the stock market.
  - the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the second and third quarters of the financial year.
  - the gaming business may be positively impacted by the festive seasons.
  - the global impact of Coronavirus ("Covid-19") pandemic.
- A3 (a) The Covid-19 pandemic and multiple phases of 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, hospitality and property segments.

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

Recognised directly in statement of profit or loss

(i) Included under investment related income and (expenses):	Current Quarter RM'000	Financial Year to date RM'000
Gain on disposal of associated company	161,095	161,095
Fair value changes on derivative liabilities	(691)	(1,288)
Fair value changes on derivative assets	27	73
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(1,440)	(1,689)
Net fair value changes of investment properties	-	(10)
Impairment on associated company	(1,070)	(1,070)
Impairment on intangible assets	(984)	(984)
Gain on disposal of investment property	2,468	2,468
	<u>159,405</u>	<u>158,595</u>

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current period ended 31 December 2021.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2021 except for the following:

- (a) Share Capital  
57,577,500 ordinary shares were issued pursuant to conversion of 57,577,500 BCorp ICULS 2012/2022.
- (b) 5% 10-year ICULS of RM1.00 nominal value each  
57,577,500 BCorp ICULS 2012/2022 were tendered for the subscription of 57,577,500 ordinary shares.
- (c) Treasury shares

There was no share buyback during the financial period ended 31 December 2021.

The number of treasury shares held in hand as at 31 December 2021 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 December 2021	0.237	253,477,527	59,987

As at 31 December 2021, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,171,094,000 ordinary shares (31 December 2020: 5,002,000,000).

A5 The Company did not pay any dividend in the financial period ended 31 December 2021.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

## NOTES TO THE INTERIM FINANCIAL REPORT

## A6 Segment information for the financial period ended 31 December 2021:-

## REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Retail	2,059,230	6,331	2,065,561
Property	111,137	10,928	122,065
Hospitality	333,389	4,339	337,728
Services	938,099	38,752	976,851
Elimination: Inter-segment Revenue	-	(60,350)	(60,350)
Total revenue	<u>3,441,855</u>	<u>-</u>	<u>3,441,855</u>

## RESULTS

Retail		RM'000	145,670
Property		(9,984)	
Hospitality		(34,392)	
Services		83,347	
		<u>184,641</u>	
Unallocated corporate items		<u>(86,345)</u>	
Profit from operations		98,296	
Investment related income			
-Interest income			19,143
-Gain on disposal of associated company			161,095
-Gain on disposal of investment property			2,468
-Investment income			3,137
-Fair value gain on FVTPL investments			1,018
-Fair value changes on derivative assets			73
-Dividend income			2,272
			<u>189,206</u>
Investment related expenses			
-Fair value loss on FVTPL investments			(2,707)
-Fair value loss on investment properties			(10)
-Fair value changes on derivative liabilities			(1,288)
-Impairment on associated company			(1,070)
-Impairment on intangible assets			(984)
			<u>(6,059)</u>
Finance costs			(178,437)
Share of results of associates			34,177
Share of results of joint ventures			11,305
Profit before tax			<u>148,488</u>
Income tax expense			<u>(89,698)</u>
Profit after tax			<u><u>58,790</u></u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current period under review that have not been reflected in the financial statements for this current financial period under review.
- A8 There were no changes in the composition of the Group for the current financial period ended 31 December 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%.
  - (xii) On 30 November 2021, Berjaya Hartanah Sdn Bhd ("BHartanah"), a wholly owned subsidiary of the Group, had entered into a joint venture agreement with Landasan Lumayan Sdn Bhd ("LLSB"), a subsidiary of Menteri Besar Incorporation Selangor through a joint venture company namely Landasan Lumayan Berjaya Sdn Bhd ("LLBerjaya") to undertake river cleaning, river rehabilitation and river developments in the Klang Valley. BHartanah and LLSB hold 55% and 45% equity interest in LLBerjaya respectively.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

- (xiii) On 2 December 2021, BHartanah had incorporated a wholly owned subsidiary company, Berjaya Okinawa FS Sdn Bhd ("BOFS") with a share capital of RM2. The intended principal activities of BOFS are property investment, development, trading and construction.
- (xiv) On 7 December 2021, the Group had acquired 100% equity interest in Rumah Mampu Berjaya Sdn Bhd ("RMB") for total cash consideration of RM2. The intended principal activity of RMB is affordable housing property development.
- (xv) On 15 December 2021, the Group had subscribed 60% equity interest in JannaFarm Sdn Bhd ("JF") for a total consideration of RM400,000. The intended principal activity of JF is involved in the trading and outsourcing management of the production of black ginger.

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 as disclosed in Note B7(B).

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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:

Retail

Retail - non-food:

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

Retail - food:

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

Property

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

Hospitality

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

Services

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

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			6-Month Ended		
	31/12/2021 RM'000	31/12/2020 RM'000	+ / (-) %	31/12/2021 RM'000	31/12/2020 RM'000	+ / (-) %
					<b>Restated</b>	
Revenue	2,055,700	1,940,643	6	3,441,855	3,884,266	(11)
Profit from operations	133,722	73,535	82	98,296	99,420	(1)
Profit before tax	231,658	35,875	546	148,488	46,758	218

**Review of results for the quarter**

The Group registered a revenue of RM2.06 billion and pre-tax profit of RM231.66 million in the current quarter ended 31 December 2021 as compared to a revenue of RM1.94 billion and pre-tax profit of RM35.88 million reported in the previous year corresponding quarter.

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Commentary on revenue

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

Retail

The higher revenue reported by the non-food retail businesses was mainly due to the 18% growth in revenue reported by H.R. Owen Plc ("HR Owen").

With the resumption of interstate and overseas travel starting from 11 October 2021, together with the calendar year end festive sales and Christmas season, the food retail businesses recorded a significant increase in revenue. The higher revenue was mainly due to higher same-store-sales growth particularly from Starbucks café outlets.

Property

The property segment reported lower revenue in the current quarter, mainly due to lower overall property progress billings. However, this was mitigated by higher sales recognised from the local high-end project of the Group. In the previous year corresponding quarter, the property segment recorded higher revenue after the handing over of a mixed development in Dong Nai, Vietnam.

Hospitality

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

Services

The services segment reported lower revenue in the current quarter, mainly due to the lower revenue reported by the gaming operations, which was operated by STM Lottery Sdn Bhd (formerly known as Sports Toto Malaysia Sdn Bhd) ("STM Lottery"). The lower revenue from the gaming operations was mainly due to softer recovery after it resumed business operations on 14 September 2021 after the national lockdown/NRP that was implemented from 1 June to 13 September 2021.

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Commentary on results

The higher pre-tax profit reported in the current quarter under review was mainly due to higher pre-tax profit reported by retail and hospitality segments and the gain on disposal of an associated company of about RM161 million (as disclosed in Note A3). In addition, the Group's pre-tax profit was further improved by the higher share of results of associates and joint ventures.

Retail

The non-food retail business segment reported higher pre-tax profit in the current quarter, was mainly due to better results achieved by the motor distribution business operated by HR Owen. The higher pre-tax profit was mainly due to higher sales, better profit margin generated from used car sector, resulted from positive market tailwinds due to continued supply shortage. In addition, the improvement of results also attributable to the favourable foreign exchange effect of converting Pound Sterling into Ringgit Malaysia in the current quarter under review.

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

Property

The property business segment reported lower pre-tax profit which was in tandem with lower revenue reported in the current quarter under review.

Hospitality

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

Services

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

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**Review of results for the financial period**

The Group registered a revenue of RM3.44 billion and pre-tax profit of RM148.49 million for the financial period ended 31 December 2021 as compared to a revenue of RM3.88 billion and pre-tax profit of RM46.76 million reported in the previous year corresponding period.

**Commentary on revenue**

The Group registered lower revenue in the current period mainly due to the lower revenue recorded from gaming operations and property segment. However, this was mitigated by higher sales performance achieved by both the retail and hospitality segments.

**Retail**

The non-food retail business reported higher revenue, which was mainly contributed by HR Owen from the motor distribution business. This was due to higher sales generated from the used car sector resulting from the implementation of marketing strategy and resources invested to capitalise resultant opportunities from the continued supply shortage in the used car market.

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

**Property**

The lower revenue reported by property segment was mainly due to the abovementioned reasons.

**Hospitality**

The hospitality reported higher revenue as explained in the review of results for the quarter.

**Services**

The services segment reported lower revenue mainly came from the gaming operations. The lower revenue from gaming operations was mainly due to the imposition of lockdown by the Malaysian Government from 1 June 2021 to 13 September 2021 with the cancellation of thirty seven (37) draws during the current period.



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Commentary on results

The higher pre-tax profit reported for the current period under review was mainly due to share of better results of associates and joint ventures, as well as higher investment related income, which included the significant gain on disposal of an associated company (as disclosed in Note A3).

Retail

The improved results was due to HR Owen's higher sales, better profit margin from the used car sector and the favourable foreign exchange effect of converting Pound Sterling into Ringgit Malaysia in the current period under review.

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

Property

The lower revenue reported by property segment was mainly due to the abovementioned reason in the review of results for the quarter.

Hospitality

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

Services

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

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

	3-Month Ended		+ / (-) %
	31/12/2021 RM'000	30/09/2021 RM'000	
Revenue	<u>2,055,700</u>	<u>1,386,155</u>	<u>48</u>
Profit/(Loss) from operations	<u>133,722</u>	<u>(35,426)</u>	<u>N/A</u>
Profit/(Loss) before tax	<u>231,658</u>	<u>(83,170)</u>	<u>N/A</u>

For the current quarter under review, the Group recorded a revenue of RM2.06 billion and pre-tax profit of RM231.66 million as compared to a revenue of RM1.39 billion and pre-tax loss of RM83.17 million reported in the preceding quarter.

**Commentary on revenue**

The Group recorded a higher revenue in the current quarter mainly due from the gaming operations.

**Retail**

The non-food retail business segment reported a drop in revenue by HR Owen in the current quarter. This was due to the lower sales from the new and used car sectors in the current quarter, being negatively impacted by certain restrictions implemented by the UK government due to the rising Covid-19 cases as well as concerns about the new Omicron variant towards end of the current quarter ended 31 December 2021.

The food retail business segment reported a higher revenue mainly due to the reasons mentioned in Note B1.

**Property**

The property business segment reported an increase in revenue mainly due to sales of residences and office units by a local high end project and higher progress billings from the Tropika project, Bukit Jalil.

**Hospitality**

The increase in revenue from the hospitality business segment was due to higher occupancy rates in particular from the hotels in Iceland.

**Services**

The services segment reported higher revenue in the current quarter, mainly due to the higher revenue reported by the gaming operations. The higher revenue from the gaming operations operated by STM Lottery conducted 45 draws in the current quarter under review with full business resumption as compared to 8 draws in the preceding quarter.

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Commentary on results

The pre-tax profit reported in the current quarter was mainly due to higher pre-tax profit reported by all the segments except for the non-food retail business, as well as higher investment related income, which included the significant gain on disposal of an associated company (as disclosed in Note A3).

Retail

The lower pre-tax profit reported by the non-food retail business was in tandem with the lower revenue. However this was mitigated by better results from Cosway resulted from over-provision of certain expenses and favourable foreign exchange gain.

The food retail business segment reported a higher pre-tax profit mainly due to the reasons mentioned in Note B1.

Property

The property business segment registered improved profit contribution as compared to the preceding quarter as it was in line with the increase in revenue.

Hospitality

The improved results from the hospitality business segment was mainly due to higher occupancy rate.

Services

The gaming segment operated by STM Lottery reported a pre-tax profit in the current quarter under review as opposed to a loss before tax incurred in the preceding quarter. The significant profit improvement was in line with the revenue contribution from more draws conducted in the current quarter (in current quarter conducted 45 draws versus preceding quarter conducted 8 draws).

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**B3 Future prospects**

The COVID-19 pandemic which resulted in unprecedented preventive measures of varying degrees of global population lockdown had adversely impacted the global economy. Currently most states in Malaysia are placed under Phase 4 of NRP with the full resumption of business activities and certain social activities. The business environment is expected to move gradually into the recovery phase. In addition, the gradual easing of travel and social restrictions by the other countries is expected to strengthen the global business environment. With the emergence of COVID-19 omicron variant, the global population remains vigilant whilst adapting to the new norm of living towards the endemic stage going forward.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors expect the performance of the business operations of the Group for the remaining quarters of the financial year ending 30 June 2022 to improve gradually as more business sectors are gearing towards full operation moving forward.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 December 2021.

B5 The taxation charge for the current quarter and financial period ended 31 December 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	67,338	81,810
- Outside Malaysia	5,298	12,611
Deferred tax	3,892	(4,358)
Over provision in prior years	(345)	(365)
	<u>76,183</u>	<u>89,698</u>

The disproportionate tax charge of the Group for the current quarter/ financial period ended 31 December 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.

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

	Current Quarter RM'000	Financial Year to date RM'000
Interest income	(9,472)	(19,143)
Dividend income	(721)	(2,272)
Gain on disposal of property, plant and equipment	(3,137)	(3,137)
Gain on disposal of associated company	(161,095)	(161,095)
Gain on disposal of investment property	(2,468)	(2,468)
Fair value changes on derivative liabilities	691	1,288
Fair value changes on derivative assets	(27)	(73)
Depreciation of property, plant and equipment	49,294	101,789
Depreciation of right-of-use assets	52,729	118,585
Amortisation of intangible assets	12,142	24,167
(Reversal)/Impairment loss on receivables (net)	(581)	1,712
Provision for and write off of inventories	5,689	14,144
Foreign exchange (gain)/loss (net)	2,102	985
Fair value changes of investment properties (net)	-	10
Fair value changes of FVTPL investments (net)	<u>1,440</u>	<u>1,689</u>

B7 (A) There has been no further development for those corporate proposals disclosed in Notes 46 and 47 to the audited financial statements of the Company for the financial year ended 30 June 2021.

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

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

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B8 Group borrowings and debt securities as at 31 December 2021 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
Denominated in	'000	
Ringgit Malaysia	#	1,544,066
USD	11,488 *	47,749
SGD	20,503 *	63,262
GBP	50,069 *	280,568
JPY	85,179 *	3,089
PHP	215,848 *	17,648
EUR	3,035 *	14,338
		<u>1,970,720</u>
Unsecured		
Denominated in		
Ringgit Malaysia		29,414
GBP	10 *	59
		<u>29,473</u>
		2,000,193
Long term borrowings		
Secured		
	'000	
Denominated in	#	
Ringgit Malaysia	#	2,428,941
SGD	31,802 *	98,126
GBP	14,318 *	80,231
JPY	3,769,184 *	140,762
PHP	119,167 *	9,743
EUR	53,892 *	254,853
ISK	1,553,512 *	49,728
		<u>3,062,384</u>
Unsecured		
Denominated in		
GBP	35 *	195
		<u>195</u>
		3,062,579
Total bank borrowings		
		<u><u>5,062,772</u></u>
* Converted at the respective exchange rates prevailing as at 31 December 2021		
# Includes medium term notes		
- short term (Conventional)		374,818
- short term (Islamic)		40,160
		<u>414,978</u>
- long term (Conventional)		648,673
- long term (Islamic)		50,000
		<u>698,673</u>
		<u><u>1,113,651</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 to the Assessment Proceedings and Extension of Time Application, the Shah Alam High Court has fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision of 3 November 2021. The 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 "Motion for Leave").

The Motion for Leave has been filed. A date is yet to be fixed by the Federal Court to hear the Motion for Leave.

The case management date at the Shah Alam High Court was subsequently rescheduled to 8 December 2021. At the case management on 8 December 2021, the Shah Alam High Court directed that in light of the Court of Appeal's decision on 3 November 2021, which allowed the Appellants' appeal against the Shah Alam High Court's decision, there are no further proceedings on both the Assessment Proceedings and the Extension of Time Application at the Shah Alam High Court. Hence, there is no basis for the applications to be kept in abeyance at the Shah Alam High Court. The Court then struck out both the Assessment Proceedings and the Extension of Time Application with no order as to costs.

The STC Proposals proceedings are still ongoing.

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

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

Beijing SkyOcean has paid:

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

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

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

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

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

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

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

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

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;
- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and

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- (b) Note 41(b)(2) regarding the GMOC Project Arbitration Proceedings (continued)
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

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

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

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

The above mentioned enforcement proceedings are still ongoing.

(c) 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.

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B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 December 2020: Nil).

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

	Group (3-month period)			
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000		sen	
Net profit/(loss) for the quarter	101,011	(49,707)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	197	757		
- BCorp ICULS 2016/2026	127	145		
Adjusted net profit/(loss) for the quarter	<u>101,335</u>	<u>(48,805)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,160,419	4,997,511		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>548,863</u>	<u>718,302</u>		
Number of shares used in the calculation of basic profit/(loss) per share ('000)	<u>5,709,282</u>	<u>5,715,813</u>		
Basic earnings/(loss) per share			<u>1.77</u>	<u>(0.85)</u>
Adjusted net profit/(loss) for the quarter	101,335	(48,805)		
Dilution effect on exercise of Berjaya Food Berhad share options	<u>-</u>	<u>(16)</u>		
	<u>101,335</u>	<u>(48,821)</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,709,282</u>	<u>5,715,813</u>		
Diluted earnings/(loss) per share			<u>1.77</u>	<u>(0.85)</u>

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B11	Group (6-month period)			
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000		sen	
Net profit/(loss) for the period	41,700	(108,659)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2012/2022	579	1,762		
- BCorp ICULS 2016/2026	253	294		
Adjusted net profit/(loss) for the period	<u>42,532</u>	<u>(106,603)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,146,126	4,935,918		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>563,157</u>	<u>733,068</u>		
Number of shares used in the calculation of basic profit/(loss) per share ('000)	<u>5,709,283</u>	<u>5,668,986</u>		
Basic earnings/(loss) per share			<u>0.74</u>	<u>(1.88)</u>
Adjusted net profit/(loss) for the period	42,532	(106,603)		
Dilution effect on exercise of Berjaya Food Berhad options	-	(32)		
	<u>42,532</u>	<u>(106,635)</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,709,283</u>	<u>5,668,986</u>		
Diluted earnings/(loss) per share			<u>0.74</u>	<u>(1.88)</u>

c.c. Securities Commission