

# **Berjaya Corporation Berhad**

Registration Number: 200101019033 (554790-X)

Date: 28 February 2024

Subject: **UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 DECEMBER 2023**

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**BERJAYA CORPORATION BERHAD****Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	2,231,935	2,335,157	4,799,255	4,578,347
PROFIT FROM OPERATIONS	1,700	139,764	178,681	293,278
Investment related income	22,615	37,781	69,842	70,846
Investment related expenses	(10,804)	(594)	(26,092)	(6,595)
Finance costs	(150,246)	(102,999)	(288,736)	(193,014)
Share of results of associates	18,249	10,930	42,448	21,941
Share of results of joint ventures	3,642	7,199	11,002	13,212
(LOSS)/PROFIT BEFORE TAX	(114,844)	92,081	(12,855)	199,668
INCOME TAX EXPENSE	(45,782)	(49,804)	(106,653)	(119,394)
(LOSS)/PROFIT AFTER TAX	(160,626)	42,277	(119,508)	80,274
ATTRIBUTABLE TO:				
- Equity holders of the parent	(116,316)	(24,805)	(100,549)	(41,220)
- Non-controlling interests	(44,310)	67,082	(18,959)	121,494
	(160,626)	42,277	(119,508)	80,274
LOSS PER SHARE (SEN)				
- Basic, for the period	(2.09)	(0.44)	(1.80)	(0.73)

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 2023  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>3 months ended</u>		<u>Year to date ended</u>	
	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAX	(160,626)	42,277	(119,508)	80,274
<b>OTHER COMPREHENSIVE ITEMS</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	14,140	3,210	13,414	2,615
Share of associated companies' currency translation differences	1,346	1,738	1,672	1,616
<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")	11,135	13,724	21,983	47,437
Share of associated companies' changes in fair values of FVTOCI investments	(7,690)	6,913	(10,638)	8,687
Actuarial gain recognised in defined benefit pension schemes	-	162	-	162
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(141,695)</u>	<u>68,024</u>	<u>(93,077)</u>	<u>140,791</u>
<b>ATTRIBUTABLE TO:</b>				
- Equity holders of the parent	(100,532)	(14,332)	(67,260)	4,052
- Non-controlling interests	(41,163)	82,356	(25,817)	136,739
	<u>(141,695)</u>	<u>68,024</u>	<u>(93,077)</u>	<u>140,791</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 2023  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/12/2023 RM'000	As at 30/06/2023 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment	3,433,927	3,529,433
Right-of-use assets	2,335,442	2,327,962
Investment properties	869,121	869,363
Inventories - land held for property development	2,179,509	2,173,933
Associated companies	1,073,700	1,055,772
Joint ventures	189,757	176,316
Other investments	681,971	538,047
Receivables	438,753	419,215
Retirement benefit assets	37,682	38,082
Intangible assets	4,671,610	4,710,773
Deferred tax assets	93,389	107,100
	<u>16,004,861</u>	<u>15,945,996</u>
<b>Current Assets</b>		
Inventories - property development costs	176,327	175,455
Inventories - others	1,651,758	1,748,343
Contract cost assets	589	9,600
Trade and other receivables	1,924,476	1,712,179
Contract assets	203,076	135,285
Short term investments	143,712	84,424
Tax recoverable	109,762	86,732
Deposits with financial institutions	661,326	642,103
Cash and bank balances	698,592	1,040,734
	<u>5,569,618</u>	<u>5,634,855</u>
Disposal group/Non-current assets classified as held for sale	638,270	609,885
	<u>6,207,888</u>	<u>6,244,740</u>
<b>TOTAL ASSETS</b>	<u>22,212,749</u>	<u>22,190,736</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	5,347,774	5,347,774
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	110	110
Reserves	599,730	897,423
	<u>5,947,614</u>	<u>6,245,307</u>
Less: Treasury shares	(112,575)	(91,677)
	<u>5,835,039</u>	<u>6,153,630</u>
Non-controlling interests	2,905,263	2,693,561
<b>Equity funds</b>	<u>8,740,302</u>	<u>8,847,191</u>
<b>Non-Current liabilities</b>		
Liability component of ICULS	4	6
Long term borrowings	3,020,575	2,856,436
Payables	271,077	272,676
Lease liabilities	2,296,072	2,308,553
Contract liabilities	160,395	171,908
Provisions	41,989	40,298
Deferred tax liabilities	1,199,537	1,205,323
Derivative liabilities	-	12,160
	<u>6,989,649</u>	<u>6,867,360</u>
<b>Current Liabilities</b>		
Liability component of ICULS	4	4
Payables	2,376,329	2,275,926
Contract liabilities	518,552	581,680
Derivative liabilities	68,086	54,703
Provisions	54,540	66,596
Short term borrowings	2,890,851	2,964,159
Lease liabilities	254,272	260,000
Taxation	55,720	46,826
	<u>6,218,354</u>	<u>6,249,894</u>
Liabilities directly associated with disposal group classified as held for sale	264,444	226,291
	<u>6,482,798</u>	<u>6,476,185</u>
<b>Total Liabilities</b>	<u>13,472,447</u>	<u>13,343,545</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>22,212,749</u>	<u>22,190,736</u>
Basic net assets per share (sen)	105.87	110.21
Dilutive net assets per share (sen)	105.20	109.06

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 2023  
 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	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 2023	5,347,774	110	(60,755)	113,039	(7,972)	210,922	(367,440)	92,233	917,396	(91,677)	6,153,630	2,693,561	8,847,191
Profit for the year	-	-	-	-	-	-	-	-	(100,549)	-	(100,549)	(18,959)	(119,508)
Other comprehensive income	-	-	7,197	-	-	-	-	26,092	-	-	33,289	(6,858)	26,431
Total comprehensive income	-	-	7,197	-	-	-	-	26,092	(100,549)	-	(67,260)	(25,817)	(93,077)
Effects arising from the disposals of FVTOCI investments	-	-	(7,295)	-	-	-	-	-	7,295	-	-	-	-
<b>Transactions with owners:</b>													
Transfer of reserves	-	-	(19,038)	-	(58,843)	(7,142)	(5,394)	(37,385)	127,802	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(20,898)	(20,898)	-	(20,898)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	(33,348)	-	-	-	(33,348)	(90,887)	(124,235)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	(2,838)	(194,247)	-	-	-	(197,085)	380,331	183,246
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,337	1,337
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	540	540
Share based payment	-	-	-	-	-	-	-	-	-	-	-	199	199
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(54,001)	(54,001)
	-	-	(19,038)	-	(58,843)	(9,980)	(232,989)	(37,385)	127,802	(20,898)	(251,331)	237,519	(13,812)
At 31 December 2023	5,347,774	110	(79,891)	113,039	(66,815)	200,942	(600,429)	80,940	951,944	(112,575)	5,835,039	2,905,263	8,740,302

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 2023  
 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	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 2022	5,286,202	53,231	(89,592)	113,039	2,198	213,735	(475,267)	61,113	981,043	(74,982)	6,070,720	2,808,371	8,879,091
Profit for the year	-	-	-	-	-	-	-	-	(41,220)	-	(41,220)	121,494	80,274
Other comprehensive income	-	-	39,659	-	-	-	-	5,484	129	-	45,272	15,245	60,517
Total comprehensive income	-	-	39,659	-	-	-	-	5,484	(41,091)	-	4,052	136,739	140,791
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	1,736	-	-	-	1,736	-	1,736
<b>Transactions with owners:</b>													
Transfer of reserves	-	-	(6,729)	-	(11,945)	(3,466)	(4,295)	18,346	8,089	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(16,695)	(16,695)	-	(16,695)
Reversal of deferred tax liability on conversion of BCorp ICULS	-	501	-	-	-	-	-	-	-	-	501	-	501
Arising from conversion of BCorp ICULS	61,572	(53,622)	-	-	-	-	-	-	-	-	7,950	-	7,950
Adjustment due to increase in equity interest in subsidiary companies	-	-	-	-	-	-	(12,034)	-	-	-	(12,034)	(358,491)	(370,525)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	167,828	-	-	-	167,828	61,666	229,494
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	403	403
Capital repayment by a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(3,132)	(3,132)
Share based payment	-	-	-	-	-	-	-	-	-	-	-	1,257	1,257
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(47,128)	(47,128)
	61,572	(53,121)	(6,729)	-	(11,945)	(3,466)	151,499	18,346	8,089	(16,695)	147,550	(345,425)	(197,875)
At 31 December 2022	5,347,774	110	(56,662)	113,039	(9,747)	210,269	(322,032)	84,943	948,041	(91,677)	6,224,058	2,599,685	8,823,743

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 31 DECEMBER 2023

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/12/2023	31/12/2022
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	4,980,115	4,836,549
Payments for operating expenses	(4,723,671)	(4,334,422)
Payment of taxes	(125,191)	(126,674)
Other (payments)/receipts (including tax refunds)	(10,755)	113,423
Net cash generated from operating activities	<u>120,498</u>	<u>488,876</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	4,110	19,020
Disposal of investments in subsidiary companies	191,359	49,767
Disposal of investments in associated companies and joint venture	7,345	22,630
Disposal of other investments and short term investments	89,318	61,924
Disposal of a foreign hotel business operations	65,160	-
Acquisition of property, plant and equipment and non-current assets	(148,131)	(307,553)
Acquisition of investments in subsidiary companies	(99,166)	(222,053)
Acquisition of investments in associated companies and joint venture	(7,244)	(60,724)
Acquisition of other investments and short term investments	(239,382)	(83,887)
Acquisition of treasury shares by subsidiary company	(30,691)	(41,866)
Interest received	24,018	24,812
Dividend received	16,417	42,082
Net advances to joint ventures and associated companies	(52,454)	(1,261)
Other receipts	44,685	15,162
Net cash used in investing activities	<u>(134,656)</u>	<u>(481,947)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares by the Company	(20,898)	(16,694)
Issuance of share capital to non-controlling interests of a subsidiary company	1,337	-
Issuance of Redeemable Convertible Loan by subsidiary company	-	20,159
Issuance of medium term notes by subsidiary companies	168,860	82,930
Redemption of medium term notes by subsidiary companies	(282,930)	(103,180)
Dividends paid to non-controlling interests of subsidiary companies	(44,468)	(48,729)
Interest paid	(235,688)	(172,656)
Drawdown of bank and other borrowings	760,719	987,717
Repayment of bank and other borrowings	(556,752)	(539,149)
Payment of lease liabilities	(120,128)	(127,487)
Net placement with banks as security pledged for borrowings	(12,599)	(39,105)
Net cash (used in)/generated from financing activities	<u>(342,547)</u>	<u>43,806</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(356,705)</b>	<b>50,735</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,548,515</b>	<b>1,085,172</b>
Effect of exchange rate changes	7,219	38,280
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>1,199,029</u></b>	<b><u>1,174,187</u></b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	661,326	720,841
Cash and bank balances	698,592	763,856
Bank overdraft (included under short term borrowings)	(67,723)	(58,496)
	<u>1,292,195</u>	<u>1,426,201</u>
Less :		
Remisiers' deposit held in trust	(13,749)	(12,754)
Cash and cash equivalents restricted in use	(103,259)	(239,260)
	<u>1,175,187</u>	<u>1,174,187</u>
Including: Cash and cash equivalents classified as held for sale	23,842	-
	<u>1,199,029</u>	<u>1,174,187</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 2023

## 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 2023. 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 2023.

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 2023.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- (a) the property segment is affected by the prevailing cyclical economic conditions.
  - (b) the stock and futures broking businesses are influenced by the performance of the stock market.
  - (c) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the second and third quarters of the financial year, while the hotels in Iceland are affected by winter season during the second and third quarters of the financial year; and
  - (d) the gaming business may be positively impacted by the festive seasons.
- A3 (a) 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	Financial Year to date RM'000
Gain on disposal of a foreign hotel business operations	558	13,000
Gain on disposal of a subsidiary company	-	427
Gain on disposal of an associated company	-	7,345
Loss on disposal of a subsidiary company	(10,499)	(10,499)
Reversal of impairment on amount owing by an associated company	-	9,502
Net fair value changes of fair value through profit or loss ("FVTPL") investments	5,997	1,282
Net impairment on investment in associated companies	(1,699)	(10,863)
	<u>(5,643)</u>	<u>10,194</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 31 December 2023.



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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

## 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 2023 except for the following:

Treasury shares

72,228,000 units of ordinary share were bought back and held as treasury shares with none of these shares being cancelled or sold.

The details of the share buyback during the financial period ended 31 December 2023 were as follows:

Month	Lowest	Highest	Average price per share RM	Number of shares	Total consideration RM'000
November 2023	0.29	0.305	0.300	15,710,000	4,709
December 2023	0.28	0.300	0.286	56,518,000	16,189
			0.289	72,228,000	20,898

The number of treasury shares held in hand as at 31 December 2023 were as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 1 July 2023	0.242	379,059,527	91,677
Increase in treasury shares	0.289	72,228,000	20,898
Total treasury shares as at 31 December 2023	0.249	451,287,527	112,575

As at 31 December 2023, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,511,263,000 ordinary shares (31 December 2022: 5,583,491,000).

The number and carrying amounts of treasury shares subsequent to the current quarter end and up to the date of this announcement:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 December 2023	0.249	451,287,527	112,575
Increase in treasury shares	0.281	1,300,000	365
Distribution of treasury shares as share dividend (first interim dividend for the financial year ending 30 June 2024)	0.249	(330,646,993)	(82,496)
Total treasury shares as at 27 February 2024	0.250	121,940,534	30,444

As at 27 February 2024, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,840,610,000 ordinary shares.

Subsequent to the financial period ended 31 December 2023 and up to the date of this announcement, there were no issuance of ordinary shares pursuant to the conversion of BCorp ICULS and exercise of warrants.

- A5 There were no payment of dividend during the financial period ended 31 December 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

## NOTES TO THE INTERIM FINANCIAL REPORT

## A6 Segment information for the financial period ended 31 December 2023:-

## REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Retail	2,116,539	1,561	2,118,100
Property	191,781	78,053	269,834
Hospitality	662,327	23,602	685,929
Services	1,828,608	81,962	1,910,570
Elimination: Inter-segment Revenue	-	(185,178)	(185,178)
Total revenue	<u>4,799,255</u>	<u>-</u>	<u>4,799,255</u>

## RESULTS

Retail		RM'000	14,301
Property			42,174
Hospitality			45,445
Services			<u>151,620</u>
			253,540
Unallocated corporate items			<u>(74,859)</u>
Profit from operations			178,681
Investment related income			
-Interest income			33,120
-Gain on disposal of a subsidiary company			427
-Gain on disposal of an associated company			7,345
-Fair value gain on FVTPL investments			5,969
-Gain on disposal of a foreign hotel business operations			13,000
-Reversal of impairment on investment in an associated company			43
-Reversal of impairment on amount owing by an associated company			9,502
-Dividend income			416
-Other investment income			20
			69,842
Investment related expenses			
-Fair value loss on FVTPL investments			(4,687)
-Loss on disposal of a subsidiary company			(10,499)
-Impairment on investment in associated companies			<u>(10,906)</u>
			(26,092)
Finance costs			(288,736)
Share of results of associates			42,448
Share of results of joint ventures			<u>11,002</u>
Loss before tax			(12,855)
Income tax expense			<u>(106,653)</u>
Loss after tax			<u>(119,508)</u>

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## NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current period under review that have not been reflected in the financial statements for this current financial period under review.
- A8 There were no changes in the composition of the Group for the current financial period ended 31 December 2023, including business combinations, acquisition or disposal of subsidiary companies, restructuring and discontinuing operations except for the following:-
- (i) On 17 July 2023, Sports Toto Apparel Sdn Bhd and Sports Toto Products Sdn Bhd, both wholly-owned subsidiaries of the Group, have completed the voluntary winding-up and ceased as subsidiaries of the Group.
  - (ii) On 1 August 2023, Berjaya Food (International) Sdn Bhd ("BFI"), a wholly-owned subsidiary of the Group, entered into a joint venture cum shareholders agreement with Middle Trade Inc. to incorporate a 60%-owned subsidiary company namely Berjaya Paris Baguette Philippines Inc. ("BPBPI"). The subscribed capital in BPBPI is PHP150,000,000 comprising 1,500,000 shares and the initial paid-up capital is PHP37,875,000. BFI had paid for the 60% paid-up capital amounting to about PHP22.42 million (equivalent to RM1.94 million) during the first quarter of the current financial year. The principal activities of BPBPI are producing, packaging and dealing with baked goods under the Paris Baguette brand and establishing and launching the Paris Baguette stores selling baked goods in the Philippines.
  - (iii) On 10 August 2023, The Tropical Veneer Company Berhad, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
  - (iv) On 18 August 2023, Natural Gain Investments Limited, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies of Hong Kong and dissolved accordingly.
  - (v) On 18 August 2023, Noble Circle Management Sdn Bhd, a wholly-owned subsidiary of the Group, has completed the voluntary winding-up and ceased as a subsidiary of the Group.
  - (vi) On 25 August 2023, the Company disposed of 224,501 ordinary shares of Cepak Urus Sdn Bhd ("CUSB"), representing 11% equity interest in CUSB, for a consideration of RM224,501. Consequently, the Company's equity interest in CUSB was reduced from 51.00% to 40.00% and hence, it ceased to be a subsidiary and became an associated company of the Group.
  - (vii) On 29 August 2023, Berjaya Vacation Club Berhad, a wholly-owned subsidiary company of the Group, had incorporated a wholly-owned subsidiary, Kaite Property Management Sdn Bhd ("KPMSB") with a share capital of RM2. The intended principal activities of KPMSB are providing short-term or long-term accommodation services and real estate activities with own or leased property.
  - (viii) On 29 August 2023, Heathrow Limited, H.R. Owen Investments Limited and Malaya Dealerships Limited, all wholly-owned subsidiaries of the Group, were struck off from the Registrar of Companies of the United Kingdom and dissolved accordingly.
  - (ix) On 18 October 2023, Berjaya Enamelware Sdn Bhd, a wholly-owned subsidiary of the Group, had completed the voluntary liquidation and ceased as a subsidiary of the Group.
  - (x) On 31 October 2023, Berjaya Vacation Club Berhad, a wholly-owned subsidiary company of the Group, had incorporated a 51%-owned subsidiary, Greendot Lotus Sdn Bhd ("GLSB") with a share capital of RM100. The intended principal activities of GLSB are providing food and beverage services activities.
  - (xi) On 1 November 2023, BFI had completed the disposal of its 65%-owned subsidiary, Jollibean Foods Pte. Ltd., for a total consideration of SGD637,000 (equivalent to approximately RM2,210,000).
- 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 2023.

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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 and preference.

Property

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

Hospitality

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

Services

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

The performance of the Group's operating businesses may be affected should the imposition of restrictive measures be introduced in response to any future pandemic.

The summarised results of the Group are as follows:

	3-Month Ended			6-Month Ended		
	31/12/2023 RM'000	31/12/2022 RM'000	+/(-) %	31/12/2023 RM'000	31/12/2022 RM'000	+/(-) %
Revenue	<u>2,231,935</u>	<u>2,335,157</u>	<u>(4)</u>	<u>4,799,255</u>	<u>4,578,347</u>	<u>5</u>
Profit from operations	<u>1,700</u>	<u>139,764</u>	<u>(99)</u>	<u>178,681</u>	<u>293,278</u>	<u>(39)</u>
(Loss)/Profit before tax	<u>(114,844)</u>	<u>92,081</u>	<u>N/A</u>	<u>(12,855)</u>	<u>199,668</u>	<u>N/A</u>

**Review of results for the quarter**

The Group registered a revenue of RM2.23 billion and pre-tax loss of RM114.84 million in the current quarter ended 31 December 2023 as compared to a revenue of RM2.34 billion and pre-tax profit of RM92.08 million reported in the previous year corresponding quarter.

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Commentary on revenue

The lower Group revenue in the current quarter was mainly due to lower contributions from the food retail, property and services segments.

Retail

The lower revenue within the retail segment was mainly due to the drop in revenue in the food retail business, primarily stemming from the boycott of Starbucks' cafes arising from the Middle East conflict.

The non-food retail business reported an increase in revenue in the current quarter under review. Despite a revenue decline in its reporting currency, Sterling Pound, H.R. Owen Plc ("HR Owen") reported an increase in revenue due to the favourable foreign exchange impact when converted into Ringgit Malaysia.

Property

The property segment reported lower revenue in the current quarter, mainly due to lower sales of overseas residence units comparing to the previous year corresponding quarter.

Hospitality

The hospitality segment reported higher revenue mainly due to the higher overall average room rates and the full three months' revenue from the Iceland Parliament Hotel, which commenced its operations in December 2022, when compared to the corresponding quarter of last year.

Services

The services segment reported a lower revenue in the current quarter. This was mainly due to the lower revenue reported by the gaming business, which is operated by STM Lottery Sdn Bhd ("STM Lottery"). The drop in revenue was mainly due to lesser number of draws conducted (42 draws versus 48 draws in last year corresponding quarter). However, this was mitigated by the higher revenue recorded by the managed telecommunication network service business, attributed to the higher project activities under the Universal Service Provision project.

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Commentary on results

The Group reported a pre-tax loss in the current quarter under review as opposed to a pre-tax profit in the previous year corresponding quarter. This was mainly due to lower results from food retail, property and services segments, as well as higher finance costs.

Retail

The retail segment reported a pre-tax loss as opposed to a pre-tax profit in the corresponding quarter of the previous year. This shift can be attributed primarily to the pre-tax loss reported by the food retail business, along with the higher pre-tax loss incurred by the non-food retail business.

The pre-tax loss for the food retail business was primarily due to the lower revenue registered, as mentioned earlier under commentary on revenue.

The higher pre-tax loss for the non-food retail business was mainly attributed to HR Owen's higher pre-tax loss. This was primarily due to lower revenue coupled with higher operating expenses resulting from inflationary pressures. Additionally, higher depreciation charge following the completion and full operation of the Hatfield Centre contributed to the loss. Furthermore, HR Owen's results were negatively impacted by higher finance costs arising from interest rate hike and higher stocking loans in the current quarter under review.

Property

The property segment reported a lower pre-tax profit mainly due to lower sales of overseas residence units.

Hospitality

The improved results reported by the hospitality segment was mainly due to the reasons mentioned above in the current quarter under review of the commentary on revenue.

Services

The services segment reported lower pre-tax profit in the current quarter was mainly due to lower sales achieved, higher prize payout coupled with higher operating expenses incurred in the current quarter under review.

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**Review of results for the financial period**

The Group registered a revenue of RM4.80 billion and pre-tax loss of RM12.86 million for the financial period ended 31 December 2023 as compared to a revenue of RM4.58 billion and pre-tax profit of RM199.67 million reported in the previous year corresponding period.

**Commentary on revenue**

The Group registered higher revenue in the current period mainly due to the higher revenue recorded from hospitality, services and non-food retail segments.

**Retail**

The higher revenue for the non-food retail business was primarily contributed by HR Owen. Although HR Owen's revenue in the current period was on par with the previous year's corresponding period, the favourable foreign exchange effect resulted in a revenue increase of 10.1% when converted to Ringgit Malaysia.

The lower revenue from food retail business was mainly due to the reason mentioned in the review of results for the current quarter.

**Property**

The property segment reported slightly lower revenue in the current quarter, primarily due to lower sales of overseas residence units. However, this decline was mitigated by the increased sales of local residence units.

**Hospitality**

The hospitality segment reported higher revenue mainly due to the higher overall average room rates and the revenue from the Iceland Parliament Hotel which operated for the whole six months in the current quarter under review.

**Services**

The higher revenue was mainly contributed by the higher project activities reported by the managed telecommunication network service business as mentioned in the review of results for current quarter. Additionally, STM Lottery reported a marginal increase in revenue despite conducting fewer draws during the current period under review. This growth was attributed to higher sales per draw, driven by the increased sales from the higher accumulated jackpot prizes.

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Commentary on results

The Group reported a pre-tax loss in the current period under review mainly due to lower results from retail, property and services segments, as well as high finance costs.

Retail

The lower results reported by the non-food retail business were mainly due to HR Owen. HR Owen reported a pre-tax loss of RM15.5 million, as opposed to a pre-tax profit of RM10.9 million in the same period of last year. This was mainly attributed to higher operating costs resulting from inflationary pressures, coupled with higher depreciation charge following the completion and full operation of the Hatfield Centre. Additionally, the impact of the UK interest rate hike on the higher stocking loans drawdown in the current period under review contributed to the pre-tax loss.

The lower pre-tax profit reported by the food retail business was mainly due to the reason mentioned above in the quarterly review section.

Property

The property segment reported a lower pre-tax profit mainly due to lower sales of overseas residence units in the current period under review.

Hospitality

The pre-tax profit from the hospitality segment was in tandem with the higher revenue reported in the current period under review.

Services

The lower pre-tax profit from the services segment was mainly due to the higher prize payout coupled with higher operating expenses incurred in the current period under review.



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

	3-Month Ended		+ / (-) %
	31/12/2023 RM'000	30/09/2023 RM'000	
Revenue	<u>2,231,935</u>	<u>2,567,320</u>	<u>(13)</u>
Profit from operations	<u>1,700</u>	<u>176,981</u>	<u>(99)</u>
(Loss)/Profit before tax	<u>(114,844)</u>	<u>101,989</u>	<u>N/A</u>

For the current quarter under review, the Group recorded a revenue of RM2.23 billion and pre-tax loss of RM114.84 million as compared to a revenue of RM2.57 billion and pre-tax profit of RM101.99 million reported in the preceding quarter.

**Commentary on revenue**

The Group registered a lower revenue in the current quarter mainly contributed by the retail, hospitality and services segments.

**Retail**

The non-food retail business reported lower revenue as HR Owen's sales soften in the current quarter as compared to the preceding quarter. HR Owen's revenue declined mainly due to lower number of units of car sold from both new and used car sectors, partly caused by reduced luxury spending against the backdrop of challenging economic conditions in the United Kingdom.

The food retail business reported a lower revenue in the current quarter under review. The lower revenue registered was mainly due to the boycott of Starbucks' cafes arising from the conflict in the Middle East.

**Property**

The property segment reported higher revenue in the current quarter as compared to the preceding quarter mainly due to higher progress billings.

**Hospitality**

The lower revenue registered from the hospitality segment due to the lower overall occupancy rates and average room rates in the current quarter under review. This was due to the onset of monsoon season in East Coast of Peninsular Malaysia and the winter season in Iceland.

**Services**

The services segment reported a lower revenue mainly due to lower revenue reported by STM Lottery. The higher sales in the preceding quarter benefitted from the higher accumulated jackpot prizes.

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Commentary on results

The Group reported a pre-tax loss of RM114.84 million in the current quarter under review, as opposed to the pre-tax profit of RM101.99 million in the preceding quarter. This was mainly due to the incurrence of losses from the retail and hospitality segments, lower results from services segment, as well as high finance cost incurred.

Retail

The non-food retail business reported a pre-tax loss as HR Owen's sales soften in the current quarter mainly due to lower number of units of car sold from both new and used car sectors, partly caused by reduced luxury spending against the backdrop of challenging economic conditions in the United Kingdom with higher financing cost and also the preceding quarter benefitted from the number plate change month.

The food retail business reported a pre-tax loss was mainly due to the reason mentioned under commentary on revenue.

Property

The lower pre-tax profit reported by the property segment was mainly due to higher sales of overseas residence units reported in the preceding quarter.

Hospitality

The pre-tax loss reported by the hospitality segment was mainly due to the lower overall occupancy rates and average room rates in the current quarter under review as mentioned in Note B1.

Services

The services segment reported a lower pre-tax profit in the current quarter as compared to the preceding quarter. This was mainly due to the drop in revenue coupled with higher prize payout and higher operating expenses incurred in the current quarter under review.

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**B3 Future prospects**

Malaysia's economic growth is expected to be driven by moderate domestic demand and the moderation of average inflation rate despite the uncertainties arising from geo-political tensions.

The management of NFO business segment of the Group is of the view that the NFO business in Malaysia will continue its upward trajectory of per draw sales growth driven by favourable consumer spending during the festive period and continued consumer interest in the jackpot games. With the complete closure of the Group's NFO outlets in Kedah and Perlis, the management of NFO business segment of the Group is disheartened by the encroachment of illegal operators in these underserved areas due to the absence of legal NFO operators.

The performance of the business segments of the Group is expected to improve on the back of moderate consumer spending, rebound of tourism activities and better-than-expected labour market conditions. The Group will monitor the prevailing global and local political development in the countries where the Group has business operations.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors are cautiously optimistic that the performance of the business operations of the Group for the remaining quarters of the financial year ending 30 June 2024 to be satisfactory.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 December 2023.

B5 The taxation charge for the current quarter ended 31 December 2023 are detailed as follows:

	Current Quarter RM'000	Financial Period to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	38,277	98,611
- Outside Malaysia	(1,327)	2,829
Deferred tax	10,469	7,203
Over provision in prior years	<u>(1,637)</u>	<u>(1,990)</u>
	<u>45,782</u>	<u>106,653</u>

The disproportionate tax charge of the Group for the current quarter ended 31 December 2023 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 Period to date RM'000
Interest income	(17,151)	(33,120)
Dividend income	(303)	(416)
Gain on disposal of a subsidiary company	-	(427)
Gain on disposal of an associated company	-	(7,345)
Depreciation of property, plant and equipment	63,909	136,027
Depreciation of right-of-use assets	58,770	113,058
Amortisation of intangible assets	21,206	42,181
Gain on disposal of a foreign hotel business operations	(558)	(13,000)
Loss on disposal of a subsidiary company	10,499	10,499
Impairment on receivables (net)	(204)	1,191
Impairment on investment in associated companies (net)	1,699	10,863
Impairment on amount owing by associated companies (net)	10,906	1,404
Provision for write down of inventories (net)	4,731	5,863
Bad debts recovered	(10)	(25)
Foreign exchange loss (net)	6,226	31,691
Fair value changes of FVTPL investments (net)	<u>(5,997)</u>	<u>(1,282)</u>

B7 (A) There has been no further development for those corporate proposals disclosed in Notes 43 and 44 to the audited financial statements of the Company for the financial year ended 30 June 2023.

- (i) Note 43(3) in relation to the proposed listing of Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH") on the Catalist Board of Singapore Stock Exchange Securities Trading Limited ("SGX-ST")

On 16 February 2024, the Company announced that the proposed listing has been completed following the admission of the entire issued share capital of SIAMH on the SGX-ST. As such, the Group now holds a total of 39.39% equity interest in SIAMH.

- (ii) Note 44(1) in relation to the proposed disposal of Berjaya Enviro Holdings Sdn Bhd ("BEnviro")

On 10 November 2023, the Company announced that there will be an Extraordinary General Meeting ("EGM") to be held on 30 November 2023 at 10.00am to approve the proposed disposal. On 30 November 2023, the proposed disposal was approved by the shareholders in the said EGM.

On 29 December 2023, the Company announced that it had sought an extension of time from Public Private Partnership Unit ("PPPU") and the Prime Minister's Department and Sustainable Energy Development Authority Malaysia ("SEDA") to complete the transfer of BEnviro shares, ie from 31 December 2023 (deadline imposed by both PPPU and SEDA) to a later date and/or after obtaining approval from the Energy Commission, Malaysia.

On 10 January 2024, the Company announced that Berjaya Group Berhad, a wholly-owned subsidiary of the Company and Naza Corporation Holdings Sdn Bhd ("Naza") mutually agreed to extend the cut-off date to satisfy the conditions precedent of the share sale agreement in relation to the proposed disposal from 16 January 2024 to 16 March 2024.

On 18 January 2024, the Company announced that PPPU, the Prime Minister's Department had agreed to extend the deadline for the completion of the transfer of the shares in BEnviro to Naza to 30 June 2024.

On 2 February 2024, the Company announced that SEDA has granted Berjaya Energies Sdn Bhd, a wholly-owned subsidiary of BEnviro an extension of time until 31 March 2024 for the completion of the transfer of shares in BEnviro to Naza.

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B8 Group borrowings and debt securities as at 31 December 2023 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in	#	2,178,748
Ringgit Malaysia		76,397
USD	16,622 *	110,804
SGD	31,817 *	455,204
GBP	77,846 *	8,867
PHP	107,292 *	21,875
EUR	4,298 *	2,851,895
		38,956
Unsecured		
Denominated in		2,890,851
Ringgit Malaysia		
Long term borrowings		
Secured		
	'000	
Denominated in	#	2,355,141
Ringgit Malaysia		47,310
SGD	13,585 *	157,510
GBP	26,937 *	173,260
JPY	5,346,809 *	252,983
EUR	49,712 *	34,371
ISK	1,009,910 *	3,020,575
		5,911,426
Total bank borrowings		
* Converted at the respective exchange rates prevailing as at 31 December 2023		
# Includes medium term notes		
- short term (Conventional)		119,979
- short term (Islamic)		109,380
		229,359
- long term (Conventional)		679,164
- long term (Islamic)		145,000
		824,164
		1,053,523

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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 38.2.1 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 2025 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 38.2.1 regarding the STC Proposals Proceedings (continued)

The judgment rendered on 9 November 2017 was as follows:

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

On 14 December 2017, BLand announced that the Selangor State Government and several other respondents ("the Appellants") had filed a Notice of Appeal to the Court of Appeal to appeal against the above decision of the Shah Alam High Court ("Main Appeal"). The hearing at the Court of Appeal had been fixed on 8 October 2018. The 1st and 5th Respondents had also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgment in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants had applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the 1st and 5th Respondents ("Extension of Time Application"). In addition, the Applicants had also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgment ("Assessment Proceedings").

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

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

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 38.2.1 regarding the STC Proposals Proceedings (continued)

The hearing of the Appellants' motion to adduce further evidence in the matter was dismissed by the Court of Appeal on 24 October 2019. The Appellants subsequently filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal in dismissing the Appellants' motion to adduce further evidence (the "FC Leave Motion"). The Federal Court had fixed the hearing of the FC Leave Motion on 13 April 2020.

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

Due to the MCO coming into effect on 18 March 2020, the hearings of the FC Leave Motion and the application for stay as well as the main appeal were postponed to 6 July 2020 and 2 July 2020 respectively. A case management date for the main appeal was also fixed for 9 July 2020 by the Court of Appeal.

Subsequently, the State Government had withdrawn both FC Leave Motion and the stay application at the Court of Appeal on 19 June 2020 and 2 July 2020 respectively. The hearing of the Main Appeal by the Court of Appeal was initially fixed on 14 December 2020. However, the Court of Appeal had postponed the hearing date of the Main Appeal to 29 June 2021. The implementation of FMCO beginning 1 June 2021 further postponed the hearing date to 27 September 2021. On 27 September 2021, the Court of Appeal postponed the hearing date to 3 November 2021.

The Main Appeal was heard by the Court of Appeal on 3 November 2021. The Court of Appeal allowed the appeal of the Appellants and set aside the decision of the Shah Alam High Court rendered on 9 November 2017.

The Applicants did not agree with the decision of the Court of Appeal and filed a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restored the decision of the Shah Alam High Court of 9 November 2017 ("Motion for Leave"). With respect to the Assessment Proceedings and Extension of Time Application, the Shah Alam High Court had fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision on 3 November 2021.

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

Subsequently, the initial hearing date to hear the Motion for Leave at the Federal Court was fixed for 2 August 2022 which was postponed to a later date to be fixed by the Federal Court. At the case management on 3 October 2022, the Federal Court had fixed 12 January 2023 to hear the Motion for Leave. On 12 January 2023, the Federal Court postponed the hearing to 12 April 2023.

At the hearing on 12 April 2023, the Federal Court has granted the Applicants leave for appeal at the Federal Court. The e-hearing date to hear the Applicants' appeal before the Federal Court ("Federal Court Appeal") has been fixed on 30 October 2023.

On 30 October 2023, at the hearing of the Applicants leave for appeal at the Federal Court, the Federal Court decided the appeal in favour of the Company, BTSB and BCity (collectively referred to as the "FC Appellants").



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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

(a) Note 38.2.1 regarding the STC Proposals Proceedings (continued)

In a unanimous decision, the Federal Court allowed the FC Appellants' appeal against Selangor State Government and Pengarah Jabatan Perancangan Bandar Dan Desa Negeri Selangor (collectively referred to as the "FC Respondents") with costs of RM80,000 and set aside the Court of Appeal order dated 3 November 2021 and reinstated certain orders made by the Shah Alam High Court in its decision of 9 November 2017, including the following:

- 1 an order of mandamus directing the FC Respondents to re-table before the National Physical Planning Council, within 3 months after the receipt of the proposal papers from the FC Appellants to relocate and construct the new Turf Club;
- 2 the FC Respondents to pay the FC Appellants compensation for any loss suffered by the FC Appellants in consequence of the FC Respondents' failure to perform their public duty from 2008 until the date of assessment;
- 3 an inquiry into such compensation as aforesaid to be conducted by the High Court Judge in Chambers;
- 4 the Appellants within 1 month of the date of the Federal Court's order to apply for the High Court's directions as to the assessment of such compensation; and the costs of RM80,000 payable by the FC
- 5 Respondents to the Appellants be reserved until after the hearing and determination of the quantum of compensation.

As such, BCity Project Legal Proceedings is deemed concluded, save for the assessment of compensation by the High Court Judge in Chambers to be awarded to the FC Appellants as mentioned above.

(b) Note 38.2.2 regarding the GMOC Project Arbitration Proceedings

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

Beijing SkyOcean had paid:

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

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

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

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

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(b) Note 38.2.2 regarding the GMOC Project Arbitration Proceedings (continued)

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

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

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

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

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;
- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

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

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

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

The abovementioned enforcement proceedings are still ongoing.

(c) Note 38.3.1 regarding the Amat Muhibah Tax Dispute

On 16 June 2021, the Inland Revenue Board of Malaysia ("IRB") issued Notice of Assessment ("Form J") (in accordance with Sections 4(c) and 4(f) of the Income Tax Act 1967 ("ITA 1967") to Amat Muhibah Sdn Bhd ("AMSB"), a 52.6% subsidiary company of the Group, on gains from the surrender of certain assets to authorities for the Year of Assessment (YA) 2017. The amount of additional tax assessed, inclusive of tax penalties amounted to RM66.44 million ("Tax in Dispute"). Previously, the gains were brought to tax under Section 4(a) of the ITA 1967 by AMSB.

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(c) Note 38.3.1 regarding the Amat Muhibah Tax Dispute (continued)

AMSB did not agree with the basis applied by the IRB and had filed an official appeal against the additional assessment for YA2017 through submission of the prescribed Form Q to the Special Commissioners of Income Tax ("SCIT"). SCIT had fixed the trial on 25 March 2024 and 26 March 2024.

On 1 July 2021, AMSB wrote to the Ministry of Finance Malaysia ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
- (b) to grant an exemption under Section 127(3A) of the ITA 1967 with regards to Tax in Dispute, within the week.

As MOF did not respond to AMSB's request, AMSB had filed an application to the High Court of Kuala Lumpur ("High Court") for judicial review against MOF on 8 July 2021 ("MOF Judicial Review"). The High Court fixed 15 September 2021 for the first hearing of the MOF Judicial Review. AMSB had also been granted an interim stay on the payment of the Tax in Dispute until 15 September 2021. Subsequently, the hearing date had been rescheduled to 25 July 2022 and an interim stay had been granted till then. At the hearing on 25 July 2022, the High Court granted leave for AMSB's application of judicial review and a stay until the full and final determination of the judicial review application.

On 8 August 2022, IRB informed the High Court that it had filed an application to intervene ("IRB Application to Intervene"). At the hearing on 2 February 2023, the High Court had allowed IRB Application to Intervene.

On 11 October 2022, the Attorney General Chambers informed the High Court that it had filed an appeal at the Court of Appeal against the High Court's decision to grant leave for the MOF Judicial Review ("AGC Appeal").

At 26 July 2023, the Court of Appeal allowed MOF's request to consolidate the AGC Leave Appeal with 22 other appeals.

At the most recent case management held on 5 February 2024, the Court of Appeal fixed the hearing for AGC Leave Appeal to be on 21 May 2024 and 23 May 2024.

As for the MOF Judicial Review, the High Court was informed of the hearing dates of the AGC Leave Appeal. The High Court then instructed both parties to attend case management on 27 May 2024 to update the High Court on the outcome of the AGC Leave Appeal.

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 2022: Nil).

B11 The basic loss per share are calculated as follows:

	Group (3-month period)			
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 sen	31/12/2022 sen
Net loss for the quarter	(116,316)	(24,805)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2016/2026	-	14		
Adjusted net loss for the quarter	<u>(116,316)</u>	<u>(24,791)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,565,340	5,615,514		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>209</u>	<u>13,595</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,565,549</u>	<u>5,629,109</u>		
Basic loss per share			<u>(2.09)</u>	<u>(0.44)</u>
			Group (6-month period)	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 sen	31/12/2022 sen
Net loss for the year	(100,549)	(41,220)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2016/2026	-	117		
Adjusted net loss for the year	<u>(100,549)</u>	<u>(41,103)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,574,415	5,578,724		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>209</u>	<u>58,216</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,574,624</u>	<u>5,636,940</u>		
Basic loss per share			<u>(1.80)</u>	<u>(0.73)</u>

There are no potential ordinary shares outstanding as at 31 December 2023. As such, the fully diluted earnings per share of the Group is equivalent to the basic earnings per share.