

Berjaya Corporation Berhad

Company No: 554790-X

Date: 28 August 2019

Subject: **UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 30 JUNE 2019**

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BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2 months ended		14 months ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	1,419,353	N/A	9,782,153	N/A
PROFIT FROM OPERATIONS	83,551	N/A	544,221	N/A
Investment related income	48,333	N/A	430,843	N/A
Investment related expenses	(106,053)	N/A	(119,793)	N/A
Finance costs	(70,390)	N/A	(433,407)	N/A
Share of results of associates	(5,819)	N/A	2,928	N/A
Share of results of joint ventures	2,432	N/A	4,283	N/A
(LOSS)/PROFIT BEFORE TAX	(47,946)	N/A	429,075	N/A
INCOME TAX EXPENSE	(23,954)	N/A	(303,357)	N/A
(LOSS)/PROFIT AFTER TAX	(71,900)	N/A	125,718	N/A
ATTRIBUTABLE TO:				
- Equity holders of the parent	(110,405)	N/A	(112,183)	N/A
- Non-controlling interests	38,505	N/A	237,901	N/A
	(71,900)	N/A	125,718	N/A
LOSS PER SHARE (SEN)				
- Basic, for the period	(1.85)	N/A	(1.81)	N/A
- Diluted, for the period	(1.85)	N/A	(1.81)	N/A

Notes:

N/A denotes Not Applicable

There are no comparative figures disclosed for the period due to the change of financial year end as stated in Note A1.

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

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2 months ended		14 months ended	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAX	(71,900)	N/A	125,718	N/A
OTHER COMPREHENSIVE ITEMS				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	(3,478)	N/A	14,784	N/A
Foreign currency translation reserve transferred to profit or loss due to disposal of subsidiaries	(21,505)	N/A	(21,505)	N/A
Share of other comprehensive items of associates	213	N/A	(5,070)	N/A
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Impairment in value of gaming rights	(417,308)	N/A	(417,308)	N/A
Reversal of deferred tax effects relating to impairment of gaming rights	100,178	N/A	100,178	N/A
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(6,350)	N/A	(13,258)	N/A
Share of an associated company's changes in fair value of financial assets - other investments	(140)	N/A	(5,530)	N/A
Revaluation of land and buildings	6,568	N/A	6,568	N/A
Actuarial gain recognised in defined benefit pension scheme	(386)	N/A	(386)	N/A
Tax effects relating to revaluation of building	20	N/A	6,186	N/A
Tax effects relating to FVTOCI investments	700	N/A	5,090	N/A
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(413,388)	N/A	(204,533)	N/A
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the parent	(235,391)	N/A	(235,664)	N/A
- Non-controlling interests	(177,997)	N/A	31,131	N/A
	(413,388)	N/A	(204,533)	N/A

Notes:

N/A denotes Not Applicable

There are no comparative figures disclosed for the period due to the change of financial year end as stated in Note A1.

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

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30/06/2019 RM'000	Group As at 30/04/2018 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,459,212	3,461,128
Biological assets	3,608	3,923
Investment properties	858,934	877,871
Inventories - Land held for development	1,882,353	1,867,476
Investment in associated companies	1,165,967	1,189,135
Investment in joint ventures	98,590	105,586
Other investments	141,083	148,954
Other long term receivables	1,406,124	1,552,280
Intangible assets	5,255,884	5,695,064
Deferred tax assets	113,643	67,465
	<u>14,385,398</u>	<u>14,968,882</u>
Current Assets		
Inventories - Development properties	344,019	310,629
Inventories - Completed properties and others	1,744,775	1,764,324
Trade and other receivables	1,416,310	1,545,685
Contract assets	54,149	-
Short term investments	33,040	44,362
Tax recoverable	57,983	72,473
Deposits with financial institutions	685,467	710,830
Cash and bank balances	880,138	920,816
	<u>5,215,881</u>	<u>5,369,119</u>
Assets of disposal group/Non-current assets classified as held for sale	240,002	489,488
	<u>5,455,883</u>	<u>5,858,607</u>
TOTAL ASSETS	<u>19,841,281</u>	<u>20,827,489</u>
EQUITY AND LIABILITIES		
Share capital	5,017,956	4,930,556
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	306,739	306,739
Reserves	1,407,012	1,607,189
	<u>6,731,707</u>	<u>6,844,484</u>
Less: Treasury shares	(34,253)	(33,669)
	<u>6,697,454</u>	<u>6,810,815</u>
Non-controlling interests	3,050,261	3,514,472
Equity funds	<u>9,747,715</u>	<u>10,325,287</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks	101,591	128,193
Long term borrowings	3,324,392	3,587,054
Provisions and other long term liabilities	242,674	250,606
Deferred tax liabilities	1,250,450	1,355,570
Contract liabilities	227,330	-
	<u>5,146,437</u>	<u>5,321,423</u>
Current Liabilities		
Trade and other payables	2,346,840	2,441,453
Provisions	9,500	7,071
Short term borrowings	2,470,021	2,633,185
Taxation	35,381	52,690
Contract liabilities	73,294	-
	<u>4,935,036</u>	<u>5,134,399</u>
Liabilities directly associated with disposal groups classified as held for sale	12,093	46,380
	<u>4,947,129</u>	<u>5,180,779</u>
Total Liabilities	<u>10,093,566</u>	<u>10,502,202</u>
TOTAL EQUITY AND LIABILITIES	<u>19,841,281</u>	<u>20,827,489</u>
Basic net assets per share (sen)	123.73	133.40
Dilutive net assets per share (sen)	112.12	118.73

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

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent										Distributable			Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	ICULS - equity component # RM'000	AFS reserves 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 May 2018 (as reported)	4,930,556	306,739	2,832	111,775	-	1,524	258,797	167,227	224,820	(626,840)	87,665	1,379,389	(33,669)	6,810,815	3,514,472	10,325,287
Effect of adoption of MFRS 9	-	-	(2,832)	-	(33,753)	-	-	-	-	-	-	36,585	-	-	-	-
Effect of adoption of MFRS 15	-	-	-	-	-	-	-	-	-	-	863	(102,028)	-	(101,165)	(31,328)	(132,493)
At 1 May 2018 (as restated)	4,930,556	306,739	-	111,775	(33,753)	1,524	258,797	167,227	224,820	(626,840)	88,528	1,313,946	(33,669)	6,709,650	3,483,144	10,192,794
Total comprehensive income	-	-	-	(26,947)	(9,571)	-	-	(90,835)	-	(2,287)	6,311	(112,335)	-	(235,664)	31,131	(204,533)
Share of an associated company's effect arising from disposal of FVTOCI investment	-	-	-	-	773	-	-	-	-	-	(773)	-	-	-	-	-
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	1,154	-	-	1,154	-	1,154
Transactions with owners:																
Increased in share capital	87,400	-	-	-	-	-	-	-	-	-	-	-	-	87,400	-	87,400
Transfer of reserves	-	-	-	(84,828)	15,807	(4)	(11,674)	(995)	(1,296)	(2,161)	85,151	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(584)	-	(584)	-	(584)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	(228)	-	-	(9,755)	-	-	-	-	(9,983)	(27,786)	(37,769)
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	150,384	-	(5,654)	-	-	144,730	(259,712)	(114,982)
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,780)	(41,780)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,571	17,571
Share based payment	-	-	-	-	-	751	-	-	-	-	-	-	-	751	862	1,613
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(153,169)	(153,169)
	87,400	-	-	(84,828)	15,807	519	(11,674)	(995)	139,333	(2,161)	79,497	(584)	-	222,314	(464,014)	(241,700)
At 30 June 2019	5,017,956	306,739	-	-	(26,744)	2,043	258,797	64,718	223,825	(489,794)	92,678	1,281,489	(34,253)	6,697,454	3,050,261	9,747,715

Notes:

This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS").

^ This comprises the fair values of warrants.

There are no comparative figures for the period due to the change in financial year end as stated in Note A1.

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

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent										Treasury shares RM'000	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	AFS reserves RM'000	Reserve of disposal group classified as held for sale 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				
At 1 May 2017	4,930,556	306,848	1,079	-	243	258,797	130,788	230,150	(660,083)	180,868	1,809,728	(33,669)	7,155,305	3,663,364	10,818,669
Total comprehensive income	-	-	1,797	-	-	-	38,372	-	(1,974)	(65,562)	(368,980)	-	(396,347)	(8,587)	(404,934)
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	17,192	-	17,192	-	17,192
Transactions with owners:															
Transfer of reserves	-	-	(44)	111,775	88	-	(297)	(5,330)	-	(27,641)	(78,551)	-	-	-	-
Reclassification from BCorp ICULS equity component to BCorp ICULS liability component	-	(100)	-	-	-	-	-	-	-	-	-	-	(100)	-	(100)
Deferred tax effects on liability component to BCorp ICULS	-	(9)	-	-	-	-	-	-	-	-	-	-	(9)	-	(9)
Adjustment in relation to part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	(1,636)	-	1,603	-	-	-	(33)	1,648	1,615
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	33,614	-	-	-	33,614	(57,938)	(24,324)
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	10,530	10,530
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	18,571	18,571
Share based payment - ESS options	-	-	-	-	1,484	-	-	-	-	-	-	-	1,484	1,905	3,389
Share based payment - ESS shares	-	-	-	-	(291)	-	-	-	-	-	-	-	(291)	(364)	(655)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,657)	(114,657)
	-	(109)	(44)	111,775	1,281	-	(1,933)	(5,330)	35,217	(27,641)	(78,551)	-	34,665	(140,305)	(105,640)
At 30 April 2018	4,930,556	306,739	2,832	111,775	1,524	258,797	167,227	224,820	(626,840)	87,665	1,379,389	(33,669)	6,810,815	3,514,472	10,325,287

Notes:

This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

^ This comprises the fair values of warrants

There are no comparative figures for the period due to the change in financial year end as stated in Note A1.

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

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	14 months ended	
	30/06/2019 RM'000	30/06/2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	10,332,683	N/A
Payments for operating expenses	(9,522,898)	N/A
Payment of taxes	(305,077)	N/A
Other receipts (including tax refunds)	39,897	N/A
Net cash generated from operating activities	<u>544,605</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	15,398	N/A
Disposal of investments in subsidiary company	221,549	N/A
Disposal of investments in joint venture/associated companies	63,360	N/A
Disposal of other investments	18,014	N/A
Acquisition of property, plant and equipment and non-current assets	(275,170)	N/A
Acquisition of investments in subsidiary companies	(68,322)	N/A
Acquisition of investments in associated companies and a joint venture	(57,457)	N/A
Acquisition of other investments and short term investments	(53,061)	N/A
Acquisition of treasury shares by a subsidiary company	(28,805)	N/A
Interest received	48,946	N/A
Dividend received	18,197	N/A
Net repayment from joint ventures and associated companies	291,977	N/A
Other receipts	74,643	N/A
Net cash generated from investing activities	<u>269,269</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests of subsidiary companies	331	N/A
Dividends paid to non-controlling interests of subsidiary companies	(147,147)	N/A
Interest paid	(429,296)	N/A
Drawdown of bank and other borrowings	3,187,011	N/A
Repayment of bank and other borrowings	(3,544,141)	N/A
Movement in vehicle stocking loans	(18,026)	N/A
Net withdrawal from banks as security pledges for borrowings	41,375	N/A
Net cash used in financing activities	<u>(909,893)</u>	<u>N/A</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(96,019)	N/A
OPENING CASH AND CASH EQUIVALENTS	1,443,596	N/A
Effect of exchange rate changes	11,526	N/A
CLOSING CASH AND CASH EQUIVALENTS	<u>1,359,103</u>	<u>N/A</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	685,467	N/A
Cash and bank balances	880,138	N/A
Bank overdraft (included under short term borrowings)	(58,425)	N/A
	<u>1,507,180</u>	<u>N/A</u>
Less :		
Remisiers' deposit held in trust	(11,740)	N/A
Cash and cash equivalents restricted in use	(146,338)	N/A
	<u>1,349,102</u>	<u>N/A</u>
Including: Cash and cash equivalents classified as held for sale	10,001	N/A
	<u>1,359,103</u>	<u>N/A</u>

Notes:

N/A denotes Not Applicable

There are no comparative figures for the period due to the change of financial year end as stated in Note A1.

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

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

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 year ended 30 April 2018. 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 year ended 30 April 2018.

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 May 2018.

Change of Financial Year End

On 30 April 2019, the Company announced the change of financial year end of the Company from 30 April to 30 June. This is to enhance administrative efficiency and to enable the quarterly results to be in line with the calendar quarters and the market practice of having a financial year end either at mid or end of the calendar year. The next set of financial statements with the new financial year end will be prepared for the period from 1 May 2018 to 30 June 2019 covering a period of fourteen (14) months. Thereafter, the financial year end of the Company shall end on 30 June for each subsequent year.

The following periods shall be the period to be covered in the Group's subsequent interim period or quarterly financial reporting:

Quarters for financial year ending 30 June 2020

1st Quarter - 1 July 2019 to 30 September 2019

2nd Quarter - 1 October 2019 to 31 December 2019

3rd Quarter - 1 January 2020 to 31 March 2020

4th Quarter - 1 April 2020 to 30 June 2020

Changes in Accounting Policies

The financial statements of the Group for the quarter ended 31 July 2018 are the first set of interim financial report prepared in accordance with the MFRS Framework, hence MFRS 1 First-time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group from 1 May 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 May 2017.

As provided in MFRS 1, first-time adopter of MFRS Framework can elect optional exemptions from full retrospective application of MFRSs. The Group has elected not to apply MFRS 3 Business Combinations and MFRS 10 Consolidated Financial Statements retrospectively, that is not to restate any of its business combinations that occurred before the date of transition to MFRS Framework.

The two newly effective standards which were adopted pursuant to the adoption of the MFRS Framework, namely MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments have resulted in the following key changes to the financial statements:

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

NOTES TO THE INTERIM FINANCIAL REPORT

MFRS 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

i. Classification and measurements

There is no significant impact on the statements of financial position on applying the classification and measurement requirements of MFRS 9. All financial assets will continue to be held at fair value, quoted equity shares classified as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income ("OCI"). The equity shares in non-quoted companies are intended to be held for the foreseeable future and the Group will apply the option to present its fair value changes in OCI.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group has analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

ii. Impairment

Under MFRS 9, the Group is required to record expected credit loss on its trade and other receivables either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected credit losses on its trade receivables.

The trade receivables mainly consist of creditworthy debtors with good payment records and debtors with no concerns on the credit worthiness. The Group minimizes credit risk by dealing with high credit rating counterparties, application of credit approval limits and continuous monitoring procedures. There is no significant impact to the Group's financial statements from the impairment based on the expected credit loss model on its trade receivables.

For other non-trade receivables, there is no significant impact to the Group's financial statements.

The Group has applied MFRS 9 retrospectively on the initial application date of 1 May 2018 and has elected not to restate its comparative.

MFRS 15: Revenue from Contracts with Customers

MFRS 15 established a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 superseded previous revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when control of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has adopted the new standard on the required effective date using the full retrospective method and has applied all the practical expedients available for full retrospective approach.

BERJAYA CORPORATION BERHAD**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

NOTES TO THE INTERIM FINANCIAL REPORT

The Group had reassessed the total financial impact on the Group's financial statements upon adoption of MFRS 9 and MFRS 15 on 1 May 2018 which have been summarised in the table below.

The Group evaluated and concluded that there is no element of financing present as the Group's sale of goods and services are either on cash terms or on credit terms of up to 60 days.

Financial impact

The financial impact from the initial adoption of MFRS 9 and MFRS 15 as at 1 May 2018 are as follows:

	As previously stated RM'000	Effects of adoption MFRS 9 RM'000	Effects of adoption MFRS 15 RM'000	As restated RM'000
Increase/(decrease):				
AFS reserves	2,832	(2,832)	-	-
FVTOCI reserves	-	(33,753)	-	(33,753)
Retained earnings	1,379,389	36,585	(102,028)	1,313,946
Exchange reserves	87,665	-	863	88,528
Inventories - Development properties	310,629	-	(116,579)	194,050
Inventories - Land held for development	1,867,476	-	(12,321)	1,855,155
Other Long Term Receivables	1,552,280	-	40,544	1,592,824
Trade and other receivables (current)	1,545,685	-	(45,471)	1,500,214
Contract cost assets	-	-	109,817	109,817
Contract assets	-	-	14,731	14,731
Investment in associated companies	1,189,135	-	1,073	1,190,208
Trade and other payables (current)	2,441,453	-	(114,368)	2,327,085
Contract liabilities (non current)	-	-	312,205	312,205
Contract liabilities (current)	-	-	109,004	109,004
Provisions - Retirement benefits	6,757	-	(21,209)	(14,452)
Other long term liabilities	205,273	-	(113,858)	91,415
Non-controlling interests	3,514,472	-	(31,328)	3,483,144
Deferred tax assets	67,465	-	47,487	114,952

A2 The following business operations of the Group are affected by seasonal or cyclical factors:

- the property development segment is affected by the prevailing cyclical economic conditions.
- the stock and futures broking businesses are influenced by the performance of the stock market.
- the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the third quarter of the financial year.
- the gaming business may be positively impacted by the festive seasons.

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NOTES TO THE INTERIM FINANCIAL REPORT

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 Period RM'000	Financial Period to date RM'000
Gain on disposal of subsidiary companies	17,967	94,611
Gain on disposal of a joint venture #	3,753	195,743
Gain arising from remeasurement	-	5
Additional provision for impairment on the balance of GMOC Project sales proceeds *	-	(7,975)
Loss on deemed disposal of a subsidiary company	-	(2,521)
Loss arising from accretion of interest in an associated company	-	(131)
Impairment of property, plant and equipment	(2,000)	(5,000)
Impairment of assets of disposal group	(2,482)	(2,482)
Impairment of goodwill in a subsidiary company	(9,830)	(9,830)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	23	(47)
Net fair value changes of investment properties	(14,089)	(12,516)
Net impairment in associated companies	(71,754)	(71,347)
	<u>(78,412)</u>	<u>178,510</u>

* GMOC made a further provision for impairment to account for the time value of money for the 3-month delay in GMOC Arbitration Proceedings. The provision for impairment that was attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM4.07 million.

As disclosed in Note A8(m), the Group completed the disposal of its entire 75% equity interest in a joint venture, T.P.C. Nghi Tam Village Ltd. Consequently, T.P.C. Nghi Tam Village Ltd had fully settled the entire amount owing to the Group of USD71.63 million (or about RM298.20 million).

Statement of financial position

The management had identified certain group of companies, which the management has intention to dispose of, and reclassified the assets and liabilities associated to these companies as held for sale in accordance to MFRS 5: Non-current assets held for sale and discontinued operations.

(b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current period ended 30 June 2019.

A4 There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 30 June 2019 except for the following:

(a) Share capital

291,333,333 ordinary shares were issued pursuant to the acquisition of 230.0 million ordinary shares in Berjaya Land Berhad ("BLand"), representing 4.61% equity interest in BLand, for a total purchase consideration of RM87.4 million.

(a) Treasury shares

1,991,848 units of ordinary shares were bought back and held as treasury shares with none of these shares being cancelled or sold.

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NOTES TO THE INTERIM FINANCIAL REPORT

The details of the share buyback during the financial period ended 30 June 2019 are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
July 2018	0.295	0.295	0.295	1,000,000	295
August 2018	0.290	0.290	0.290	991,848	289
			0.293	1,991,848	584

The number of treasury shares held in hand as at 30 June 2019 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 30 April 2018	0.701	48,008,152	33,669
Increase in treasury shares	0.293	1,991,848	584
Total treasury shares as at 30 June 2019	0.685	50,000,000	34,253

As at 30 June 2019, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,164,924,000 ordinary shares (30 June 2018: Not Applicable).

Subsequent to the period ended 30 June 2019 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 The Company did not pay any dividend in the financial period ended 30 June 2019.

A6 Segment information for the financial period ended 30 June 2019:-

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Gaming operations	3,858,251	97,541	3,955,792
Financial services	42,964	2,394	45,358
Property investment and development	321,948	22,932	344,880
Hotels and resorts	715,210	2,812	718,022
Marketing of consumer products and services	3,879,810	39,999	3,919,809
Restaurants and cafes	834,783	153	834,936
Others	129,187	32,195	161,382
Elimination: Inter-segment Revenue	-	(198,026)	(198,026)
Total revenue	9,782,153	-	9,782,153

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NOTES TO THE INTERIM FINANCIAL REPORT

RESULTS

	RM'000
Gaming operations	468,756
Financial services	5,212
Property investment and development	(5,660)
Hotels and resorts	87,615
Marketing of consumer products and services	69,139
Restaurants and cafes	11,516
Others	(23,388)
	<u>613,190</u>
Unallocated corporate items	(68,969)
Profit from operations	<u>544,221</u>
Investment related income	
-Interest income	126,131
-Gain on disposal of subsidiary companies	94,611
-Gain on disposal of a joint venture	195,743
-Gain arising from remeasurement	5
-Fair value gain on FVTPL investments	183
-Fair value gain on investment property	7,658
-Reversal of impairment in an associated company	103
-Dividend income and others	6,409
	<u>430,843</u>
Investment related expenses	
-Fair value loss on FVTPL investment	(230)
-Fair value loss on investment property	(20,174)
-Additional provision for impairment on the balance of GMOC Project sales proceeds	(7,975)
-Loss on deemed disposal of a subsidiary company	(2,521)
-Loss arising from accretion of interest in an associated company	(131)
-Impairment of property, plant and equipment	(5,000)
-Impairment of assets of disposal group	(2,482)
-Impairment of goodwill in a subsidiary company	(9,830)
-Impairment in associated companies	(71,450)
	<u>(119,793)</u>
Finance costs	(433,407)
Share of results of associates	2,928
Share of results of joint ventures	4,283
Profit before tax	<u>429,075</u>
Income tax expense	(303,357)
Profit after tax	<u><u>125,718</u></u>

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NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review.
- A8 There were no changes in the composition of the Group for the current period ended 30 June 2019, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 25 June 2018, the Company announced the completion of the disposal of DSG Holdings Limited ("DSG") to Besino Environment Limited ("Besino"), a company incorporated in the People's Republic of China ("PRC"). Previously on 6 March 2018, the Company announced that the Company and other shareholders of DSG, namely Earthlodge Investments Limited and Elque Resources Sdn Bhd, have entered into an agreement with Besino for the proposed disposal of their entire equity interest comprising 10.00 million ordinary shares in DSG to Besino or its affiliate for a total cash consideration of RMB508 million (about RM312.93 million). The Company's portion of the sale proceeds is RMB431.80 million (about RM265.99 million).
 - (b) On 13 July 2018, the Company announced that Berjaya HR Cafe Limited, its wholly owned subsidiary company, subscribed for 19,600 common stocks representing a 98% equity interest in Just KPop Limited ("JKP") at par value of KRW5,000 each for a total consideration of KRW98 million (about RM354,000). The intended principal activities of JKP are to carry out food and beverages businesses and restaurants.
 - (c) Berjaya HT Eco Company Limited ("BHTEL") was incorporated by Berjaya Myanmar Holdings Sdn Bhd ("BMHSB"), a wholly owned subsidiary of Berjaya Land Berhad. Subsequently, BHTEL became a 90%-owned subsidiary company of BMHSB. The intended principal activities of BHTEL are to carry on the service business relating to provision of consultation and technical services for property development projects.
 - (d) On 16 August 2018, the Company announced that Berjaya Group Berhad, its wholly owned subsidiary company, acquired 2 ordinary shares, representing 100% equity interest, in Save the Sea Sdn Bhd ("STS"). The intended principal activity of STS is provision of environmental engineering and river cleaning services.
 - (e) On 8 November 2018, the Company announced that BLoyalty Pte Ltd, a 60% owned subsidiary company of the Group, had on even date acquired 1 ordinary share, representing 100% equity interest, in B Infinite Asia Pte Ltd, for a total cash consideration of SGD1.00. Its intended principal activity is provision of digital loyalty services.
 - (f) On 30 November 2018, BLand announced that Berjaya Vacation Club Berhad, had on even date incorporated a wholly owned subsidiary company, Redang Development Sdn Bhd, with a cash subscription of RM1.00. Its intended principal activities are airport development, property development, hotel and resort operation.
 - (g) On 7 December 2018, the Company announced that Berjaya Group Berhad, had on even date incorporated a wholly owned subsidiary company, Berjaya Pangkor Sdn Bhd, with a cash subscription of RM1.00. Its intended principal activity is providing infrastructure and land development, hotel and resorts.
 - (h) On 24 December 2018, BLand announced the acquisition of 100 ordinary shares of EUR1.00 each, representing 100% equity interest, in Berjaya Property Ireland Limited for a cash consideration of EUR100. Its intended principal activity is investment holding.
 - (i) On 31 January 2019, BLand announced that Redang Development Sdn Bhd, its wholly owned subsidiary company, had incorporated a wholly owned subsidiary company Redang Infra Sdn Bhd for a cash subscription of 1 ordinary share for RM1.00. Its intended principal activity is infrastructure development such as airport, road and others.

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NOTES TO THE INTERIM FINANCIAL REPORT

- A8 (j) On 11 February 2019, BToto announced that FEAB Equities Sdn Bhd, its wholly owned subsidiary company, had on even date entered into a shareholders' agreement with PP Cylabs (M) Sdn Bhd on a 50:50 joint venture basis to set up a joint venture company, namely FEAB Cylabs Sdn Bhd, to explore business opportunities as well as undertake projects in Sri Lanka.
- (k) On 18 February 2019, BLand announced that it has incorporated a wholly owned subsidiary company, Berjaya Reykjavik Investment Limited ("BRIL") in the Republic of Ireland for a cash subscription of 1 ordinary share for EUR1.00. The principal activity of BRIL is investment holding.
- (l) On 28 February 2019, BLand announced that Berjaya Leisure (Cayman) Limited, its wholly owned subsidiary company, had incorporated two wholly owned subsidiary companies, namely Berjaya IUT (Cayman) Limited and Berjaya FC (Cayman) Limited. The intended principal activity of both companies is investment holding.
- (m) On 1 March 2019, BLand announced that TPC Development Ltd ("TPCDev"), a wholly owned subsidiary company of Berjaya Leisure (Cayman) Limited which is a wholly owned subsidiary company of BLand, completed the disposal of its entire 75% stake in TPC Nghi Tam Village Ltd ("TPCVillage") to Hanoi Hotel Tourism Development Limited Liability Company for a cash consideration of VND1,244.59 billion (or about RM222.18 million). Prior to the disposal, TPCVillage was a joint venture of the Group.
- (n) On 15 March 2019, BToto announced that HR Owen PLC, a wholly owned subsidiary company of BPI, had incorporated the following companies:
- (i) Hatfield 6939 Limited for which its intended principal activity is to engage in letting and operating owned of leased real estate.
 - (ii) Pangbourne 6939 Limited for which its intended principal activity is to engage in letting and operating owned of leased real estate.
 - (iii) Shepperton 6939 Limited for which its intended principal activity is property investment and investment holding.
- (o) On 25 March 2019, the Company announced that a new 51% owned subsidiary company has been incorporated under the name of MG Berjaya Sdn Bhd to facilitate the proposed collaboration on the manufacture, assembly and sale of Morris Garages brand vehicles and other related services in Malaysia ("Proposed Cooperation"). [Refer Note B7(B)(a)]
- (p) On 23 April 2019, BLand announced that Berjaya Fukuoka Development (S) Pte Ltd, its wholly owned subsidiary company, has incorporated a wholly owned subsidiary company named Seikou Okinawa Construction Co Ltd ("SOKK") for a cash subscription of JPY100,000 (about RM3,696) comprising 2 ordinary shares at JPY50,000 each. The intended principal activities of SOKK are construction, interior design, electrical work, sales of building material and machinery, development and consultation of hotel business, food and beverage, tourism, retail and publicity.
- (q) Berjaya Okinawa Investment (S) Pte Ltd ("BOIS") acquired 100% specified equity interest and Berjaya Okinawa Investment GK ("BOIGK") acquired 100% preferred equity interest in Opportunity 24 TMK for a total cash consideration of JPY93.79 million (about RM3.59 million) and JPY6.2 million (about RM0.24 million) respectively. BOIGK is a wholly-owned subsidiary company of BOIS which in turn is a wholly-owned subsidiary company of BLand. The principal activities of Opportunity 24 TMK are acquisition, management and disposition of asset. In addition, BOIGK has also acquired 1% of the membership interest in LAC ML2 GK ("LAC GK") for a cash consideration of JPY10,000 (about RM383). The principal activities of LAC GK are sale and purchase, leasing and management of real estate.

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- A8 (r) BLCL completed the disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company ("BLong Beach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (or about RM65.32 million) and waived all amounts owing by BLong Beach to BLCL which was about VND87.50 billion (or about RM17.15 million) as at 31 January 2017.
- 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 April 2018 except for:
- (a) the proposed subscription of the rights shares cum warrants issued by an associated company as well as the excess application of the rights shares cum warrants of up to SGD5.0 million (or about RM15.3 million); and
 - (b) the proposed acquisition of the entire equity interest in a company incorporated in Iceland which owns a parcel of leasehold land in Iceland for USD1.39 million (or about RM5.75 million) and the settlement of its loan amounting to USD12.59 million (or about RM51.79 million).

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

Marketing of consumer products and services

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

Restaurants and cafes

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

Property investment and development

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

Hotels and resorts

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

Gaming operations

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

The summarised results of the Group are as follows:

	2-month Ended			14-month Ended		
	30/06/2019	30/06/2018	+ /(-)	30/06/2019	30/06/2018	+ /(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	1,419,353	N/A	N/A	9,782,153	N/A	N/A
Profit from operations	83,551	N/A	N/A	544,221	N/A	N/A
(Loss)/Profit before tax	(47,946)	N/A	N/A	429,075	N/A	N/A

Review of results for the 2-month period ended 30 June 2019

The Group registered a revenue of RM1.42 billion and pre-tax loss of RM47.95 million in the 2-month period ended 30 June 2019. The revenue was substantially contributed from the gaming business segment operated by Sports Toto Malaysia Sdn Bhd, and motor distribution business segment operated by H.R. Owen.

The Group reported a pre-tax loss of RM47.95 million in the 2-month under review mainly due to the impairment in associated companies, unfavourable fair value changes of investment properties and impairment of goodwill in a subsidiary company as disclosed in Note A3(a)(i). These were mitigated by the gain recognised on disposal of a subsidiary company amounting to RM17.97 million.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Review of results for the 14-month period ended 30 June 2019

The Group registered a revenue of RM9.78 billion and pre-tax profit of RM429.07 million for the cumulative fourteen months ended 30 June 2019 under review. The gaming business segment and motor distribution business segment were the main contributors to the Group's revenue.

The Group pre-tax profit of RM429.07 million for the 14-month period includes the substantial gain realised on disposal of a joint venture of RM195.74 million, gain on disposal of subsidiary companies of RM94.61 million, the impairment in associated companies, unfavourable fair value changes of investment properties, impairment of goodwill in a subsidiary company and additional provision for impairment on the balance of GMOC Project sales proceeds as disclosed in Note A3(a)(i).

B2 Review of 2-month 5th period results vs 4th quarter's results

	2-Month 1/5/2019 to 30/06/2019 RM'000	3-Month 1/2/2019 to 30/04/2019 RM'000	+ / (-) %
Revenue	<u>1,419,353</u>	<u>2,219,569</u>	<u>(36)</u>
Profit from operations	<u>83,551</u>	<u>114,881</u>	<u>(27)</u>
(Loss)/Profit before tax	<u>(47,946)</u>	<u>244,521</u>	<u>N/A</u>

For the 2-month period ended 30 June 2019 under review, the Group recorded a revenue of RM1.42 billion and pre-tax loss of RM47.95million as compared to a revenue of RM2.22 billion and pre-tax profit of RM244.52 million reported in the preceding quarter (3-month period ended 30 April 2019). The pre-tax loss in the current period included non cash expenses, such as impairments, as mentioned in Note B1. In addition, the Group has accounted for the gain on disposal of a joint venture amounted to about RM192.0 million in the preceding quarter.

B3 Future prospects

Given the prevailing economic conditions and global financial outlook, the Directors are of the view that the Group's operating environment will be challenging for the forthcoming financial year ending 30 June 2020.

B4 There is no profit forecast or profit guarantee for the financial period ended 30 June 2019.

B5 The taxation charge for the current period and financial period ended 30 June 2019 are detailed as follows:

	Current Period RM'000	Financial Period to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	20,369	225,114
- Outside Malaysia	3,411	44,119
Deferred tax	(229)	27,278
Under provision in prior years	403	6,846
	<u>23,954</u>	<u>303,357</u>

The disproportionate tax charge of the Group for the current period/financial period ended 30 June 2019 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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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Current Period RM'000	Financial Period to date RM'000
Interest income	(17,233)	(126,131)
Dividend income	(3,491)	(6,409)
Gain on disposal of property, plant and equipment	(145)	(636)
Gain on disposal of subsidiary companies	(17,967)	(94,611)
Gain on disposal of a joint venture	(3,753)	(195,743)
Gain arising from remeasurement	-	(5)
Loss on deemed disposal of a subsidiary company	-	2,521
Loss arising from accretion of interest in an associated company	-	131
Depreciation of property, plant and equipment	50,479	260,387
Additional provision for impairment on the balance of GMOC Project sales proceeds	-	7,975
Amortisation of intangible assets	5,459	34,806
Impairment in associated companies	71,754	71,347
Impairment loss on receivables	9,236	12,734
Impairment of property, plant and equipment	2,000	5,000
Impairment of assets of disposal group	2,482	2,482
Impairment of goodwill in a subsidiary company	9,830	9,830
Provision for and write off of inventories	2,007	36,640
Foreign exchange loss/(gain) (net)	(31,518)	(67,152)
Fair value changes of investment properties (net)	14,089	12,516
Fair value changes of FVTPL investments (net)	(23)	47

B7 (A) There has been no further developments for those corporate proposals disclosed in Notes 46 and 47 to the audited financial statements of the Company for the financial year ended 30 April 2018.

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

- (a) On 18 January 2019, the Company announced that it had entered into a Memorandum of Understanding ("SAIC MOU") with SAIC Motor Passenger Vehicle Company for the proposed collaboration on the manufacture, assembly and sale of Morris Garages brand vehicles and other related services in Malaysia ("Proposed Cooperation"). On 25 March 2019, the Company announced that a new 51% owned subsidiary company has been incorporated under the name of MG Berjaya Sdn Bhd to facilitate the Proposed Cooperation. The SAIC MOU has since expired but the parties are still in discussion on the Proposed Cooperation.
- (b) On 18 February 2019, BLand announced that it has incorporated a wholly owned subsidiary company, Berjaya Reykjavik Investment Limited ("BRIL") in the Republic of Ireland for a cash subscription of 1 ordinary share for EUR1.00. The principal activity of BRIL is investment holding. Following the incorporation of BRIL, it has entered into an agreement with Fiskitangi EHF ("FEFH") and Utgerdafelag Reykjavikur HF ("URHF") to:
- acquire all the shares of Geirsgata 11 EHF ("GE11") for a cash consideration of about USD1.4 million (about RM5.75 million) from FEFH. The principal activities of GE11 are provision of real estate, lending activities and related operations.
 - repay on behalf of GE11 to URHF of about USD12.59 million, being a loan taken by GE11 to purchase a piece of leasehold land in Iceland.

The acquisition is pending completion.

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- (c) On 14 March 2019, Informatics Education Ltd. ("Informatics"), a 27.09% associated company of Berjaya Leisure Capital (Cayman) Limited ("BLCC") announced on the Singapore Stock Exchange of its proposed renounceable non-underwritten rights issue of up to 216,646,401 new ordinary shares ("Right Shares") in the capital of Informatics with up to 72,215,467 free detachable and transferable warrants ("Warrants") at an issue price of S\$0.05 per Rights Share ("Rights cum Warrants Issue"). BLCC, in turn, is a wholly owned subsidiary company of BLand. BLCC subscribed for its entitlement of the Rights cum Warrants Issue and applied for the excess Right Shares with Warrants, amounting to 100,000,000 Rights Shares with 33,333,333 Warrants, for a total consideration of SGD5.0 million (or about RM15.3 million). Upon completion of the Rights cum Warrants Issue, BLCC's equity interest in Informatics increased to 67.42%, and Informatics became a subsidiary company of BLCC.
- (d) On 8 July 2019, BToto announced that BPI, had on 1 July 2019, disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of PHP117.15 million (or about RM9.49 million). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of PHP100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. Upon completion of PGMC's Share Subscription, BPI's equity interest was further diluted to 39.99% from 79.99% and PGMC ceased as a subsidiary and became an associated company of BPI.
- (e) On 15 July 2019, BLand announced that Berjaya Property Ireland Limited, its wholly owned subsidiary company, had on 13 July 2019 entered into a share purchase agreement with Icelandair Group hf for the proposed acquisition of 75% stake in Icelandair Hotels ehf, which will acquire 100% of Hljomalindarreitur ehf and certain hotels and real estate assets in Iceland for a total cash consideration of approximately USD53.53 million (about RM222.03 million). The purchase consideration will be paid in tranches and the final payment will be paid on 30 December 2019. The transaction is pending completion.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B8 Group borrowings and debt securities as at 30 June 2019 were as follows:

		At end of current period RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in	#	
Ringgit Malaysia		1,814,109
USD	17,276 *	71,583
SGD	13,363 *	40,904
GBP	64,283 *	338,737
PHP	356,222 *	28,851
JPY	2,177,532 *	83,758
VND	44,980,000 *	8,996
EUR	1,484 *	6,993
		2,393,931
Unsecured		
Denominated in		
Ringgit Malaysia		76,090
		76,090
		2,470,021
Long term borrowings		
Secured		
	'000	
Denominated in	#	
Ringgit Malaysia		2,237,348
USD	2,959 *	12,262
GBP	1,662 *	8,764
PHP	87,500 *	7,086
JPY	24,894,364 *	958,433
RMB	140,023 *	84,308
EUR	3,437 *	16,191
		3,324,392
		5,794,413
Total bank borrowings		
* Converted at the respective exchange rates prevailing as at 30 June 2019		
# Includes medium term notes		
- short term		467,866
- long term		838,698
		1,306,564

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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(2) regarding the matter with Armen&anor

With reference to Note 41(2) to the financial statements regarding the matter with Armen&anor, CoswayUSA has been given an extension of time till 28 September 2018 to file its reply brief. CoswayUSA filed its reply brief and Armen&Anor filed further reply to CoswayUSA on 2 November 2018. The appeal is now deliberated by the Court. The parties are awaiting whether the Court will require further oral arguments.

(b) Note 41(3) 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 2018 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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(b) Note 41(3) 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.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other respondents have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017. The hearing at the Court of Appeal has been fixed on 8 October 2018 ("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 Application").

The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the the first and fifth respondents ("Extension of Time Application"). The hearing for the extension of time was fixed on 26 July 2018. However, the matter was adjourned.

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 has been fixed on 24 October 2019. The STC Proposals proceedings are still ongoing.

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(c) Note 41(4) regarding the JDC Lawsuit

On 6 November 2015, the Company announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), had instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for the breach by JDC of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea ("Jeju Project") and to claim for losses and damages incurred as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the lands acquired thereunder to BJR free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence JDC had breached the terms of the Land SPA as it failed to transfer good and unencumbered title to the said lands to BJR. Under the circumstances, the on-going development works on the Jeju Project were suspended pending the resolution of the lawsuits. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (or about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction cost due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project to quantify the amount of damages. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project had been completed by the court-appointed land appraisal company and the land price appraisal report has been submitted directly to the court.

On 13 September 2017, Jeju District Court rendered a judgement against JDC and Seogwipo City in the Administrative Lawsuit. The judgement rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgement, and the appellate proceedings are still pending.

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report, to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court, and another judge was appointed as the new presiding judge in the JDC Lawsuit. In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report, as BJR was dissatisfied with the first supplementary land appraisal report which was based

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(c) Note 41(4) regarding the JDC Lawsuit (continued)

on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct a second supplementary appraisal, to be undertaken by a different appraiser. The second supplementary land price appraisal report has been completed and a preparatory hearing was held on 20 June 2019. The presiding judge closed the preparatory proceedings for pleading and stated that the formal hearing will commence on 25 July 2019. On 25 July 2019, the presiding judge requested BJR to submit evidentiary evidence with respect to the total claims by BJR. The next hearing date has been fixed on 19 September 2019.

(d) Note 41(5) regarding the GMOC Project Arbitration Proceedings

On 16 December 2015, the Company 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 the Company 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, the Company 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, the Company 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, the Company 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.

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(d) Note 41(5) regarding the GMOC Project Arbitration Proceedings (continued)

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre ("HKIAC") against Beijing SkyOcean and the Guarantors ("Respondents") to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs. Further to the last quarterly report, the arbitral tribunal has been constituted and the procedural timetable has been determined by the tribunal for pre-trial preparation, including closing of pleadings and exchange of witness statements etc. The tribunal has directed that the arbitration hearing will take place on 14 to 18 October 2019. The GMOC Project Arbitration Proceedings are still ongoing.

(e) Note 41(6) regarding the PGMC Arbitration Proceedings

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings.

On 1 March 2018, Berjaya Philippines Inc. ("BPI"), the immediate holding company of PGMC, released an announcement to Philippine Stock Exchange that the Arbitral Tribunal Court had ruled in favour of PCSO. PGMC has filed a petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award issued by the Arbitral Tribunal Court. The appeal process is still ongoing. In spite of the above, on 28 September 2018, BPI announced the execution of a Supplemental Equipment Lease Agreement ("ELA") between PGMC and PCSO for an extension of the ELA for a period of one year to August 2019.

In March 2019, PGMC submitted its proposal for its extension of ELA for a period of three (3) years commencing 23 August 2019. On 3 June 2019, PGMC expressed its intention to bid and took part in the bidding for the five (5) years lease of the PCSO lottery system. On 9 July 2019, during the opening of the submitted bids, only PGMC was declared eligible subject to evaluation. However, subsequently PGMC was informed by PCSO that it failed the qualifications set. PGMC filed a motion with PCSO for reconsideration asserting its claim that it did not fail the bid. The motion was denied. Subsequently, PGMC filed a protest which is still pending resolution.

The PGMC Arbitration Proceedings are still ongoing.

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B10 The Board does not recommend any dividend for the current period under review (previous year corresponding period ended 30 June 2018: N/A).

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

	Group (2-month period)			
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000		sen	
Net loss for the period	(110,405)	N/A		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	946	N/A		
- BCorp ICULS 4	118	N/A		
Adjusted net loss for the period	<u>(109,341)</u>	<u>N/A</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,164,925	N/A		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>N/A</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,912,760</u>	<u>N/A</u>		
Basic loss per share			<u>(1.85)</u>	<u>N/A</u>
Adjusted net loss for the period	<u>(109,341)</u>	<u>N/A</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,912,760</u>	<u>N/A</u>		
Diluted loss per share			<u>(1.85)</u>	<u>N/A</u>

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B11	Group (14-month period)			
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000		sen	
Net loss for the period	(112,183)	N/A		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	7,875	N/A		
- BCorp ICULS 4	858	N/A		
Adjusted net loss for the period	<u>(103,450)</u>	<u>N/A</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,954,714	N/A		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>N/A</u>		
Number of shares used in the calculation of basic loss per share ('000)	<u>5,702,549</u>	<u>N/A</u>		
Basic loss per share			<u>(1.81)</u>	<u>N/A</u>
Adjusted net loss for the period	(103,450)	N/A		
Dilution effect on exercise of Redtone International Berhad ICULS	(4)	N/A		
Dilution effect on exercise of Berjaya Food Berhad options	<u>(37)</u>	<u>N/A</u>		
	<u>(103,491)</u>	<u>N/A</u>		
Number of shares used in the calculation of diluted loss per share ('000)	<u>5,702,549</u>	<u>N/A</u>		
Diluted loss per share			<u>(1.81)</u>	<u>N/A</u>

c.c. Securities Commission