

Berjaya Corporation Berhad

Company No: 554790-X

Date: 28 December 2017

Subject: **UNAUDITED QUARTERLY (Q2) INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 OCTOBER 2017**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	2,185,831	2,457,510	4,384,513	4,681,918
PROFIT FROM OPERATIONS	90,624	311,851	229,285	483,955
Investment related income	38,735	192,617	64,813	215,218
Investment related expenses	(196,702)	(9,056)	(203,936)	(32,772)
Finance costs	(96,473)	(93,679)	(188,197)	(198,695)
Share of results of associates	9,189	7,144	4,446	13,429
Share of results of joint ventures	1,168	(388)	2,383	(1,038)
(LOSS)/PROFIT BEFORE TAX	(153,459)	408,489	(91,206)	480,097
INCOME TAX EXPENSE	(59,530)	(99,728)	(127,789)	(213,571)
(LOSS)/PROFIT AFTER TAX	(212,989)	308,761	(218,995)	266,526
ATTRIBUTABLE TO:				
- Equity holders of the parent	(145,985)	176,505	(189,381)	113,828
- Non-controlling interests	(67,004)	132,256	(29,614)	152,698
	(212,989)	308,761	(218,995)	266,526
(LOSS)/EARNINGS PER SHARE (SEN)				
- Basic, for the period	(2.54)	3.27	(3.26)	2.21
- Diluted, for the period	(2.54)	3.27	(3.27)	2.21

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 31 OCTOBER 2017
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000	RM'000	RM'000	RM'000
(LOSS)/PROFIT AFTER TAX	(212,989)	308,761	(218,995)	266,526
OTHER COMPREHENSIVE ITEMS				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net changes on available-for-sale ("AFS") financial assets				
- Changes in fair value of AFS investments	2,182	2,304	450	(1,853)
- Transferred to profit or loss due to:				
- Disposals of AFS investments	(1,014)	-	(3,154)	231
- Impairment of AFS investments	5	-	1,694	5
Foreign currency translation	(27,291)	52,097	(48,777)	131,016
Amortisation of gaming rights	(2,508)	(2,697)	(5,016)	(5,393)
Share of other comprehensive items of associates	3,498	(11,386)	(11,774)	(6,088)
Taxation relating to components of other comprehensive income	1,132	2,270	4,083	2,126
<u>Item that will not be reclassified subsequently to profit or loss</u>				
Revaluation of land and buildings	-	-	-	234
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(236,985)	351,349	(281,489)	386,804
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the parent	(162,720)	210,037	(233,995)	201,514
- Non-controlling interests	(74,265)	141,312	(47,494)	185,290
	(236,985)	351,349	(281,489)	386,804

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 31 OCTOBER 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/10/2017 RM'000	Group As at 30/04/2017 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,584,418	3,722,983
Biological assets	4,058	4,193
Investment properties	839,697	840,177
Land held for development	2,464,573	2,640,614
Investment in associated companies	1,127,062	1,215,343
Investment in joint ventures	119,223	119,707
Other investments	167,204	152,409
Other long term receivables	391,861	737,076
Intangible assets	5,492,059	5,853,796
Deferred tax assets	81,061	77,124
	<u>14,271,216</u>	<u>15,363,422</u>
Current Assets		
Development properties	966,655	978,374
Inventories	1,095,444	1,156,715
Trade and other receivables	2,061,506	2,153,619
Short term investments	24,066	11,927
Tax recoverable	83,161	90,732
Deposits with financial institutions	764,688	636,024
Cash and bank balances	1,035,518	1,098,273
	<u>6,031,038</u>	<u>6,125,664</u>
Assets of disposal group/Non-current assets classified as held for sale	1,053,562	43,462
	<u>7,084,600</u>	<u>6,169,126</u>
TOTAL ASSETS	<u>21,355,816</u>	<u>21,532,548</u>
EQUITY AND LIABILITIES		
Share capital	4,930,556	4,930,556
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	306,848	306,848
Reserves	1,726,026	1,951,570
	<u>6,963,430</u>	<u>7,188,974</u>
Less: Treasury shares	(33,669)	(33,669)
	<u>6,929,761</u>	<u>7,155,305</u>
Non-controlling interests	3,566,297	3,663,364
Equity funds	<u>10,496,058</u>	<u>10,818,669</u>
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks	140,963	152,278
Long term borrowings	3,140,497	3,304,466
Provisions and other long term liabilities	236,009	244,742
Deferred tax liabilities	1,338,168	1,361,446
	<u>4,855,637</u>	<u>5,062,932</u>
Current Liabilities		
Trade and other payables	2,842,927	2,283,177
Provisions	8,681	11,672
Short term borrowings	2,864,142	3,308,755
Taxation	55,658	42,360
Derivative liability	1,887	2,208
	<u>5,773,295</u>	<u>5,648,172</u>
Liabilities directly associated with disposal groups classified as held for sale	230,826	2,775
	<u>6,004,121</u>	<u>5,650,947</u>
Total Liabilities	<u>10,859,758</u>	<u>10,713,879</u>
TOTAL EQUITY AND LIABILITIES	<u>21,355,816</u>	<u>21,532,548</u>
Basic net assets per share (sen)	135.84	140.46
Dilutive net assets per share (sen)	120.60	123.98

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 31 OCTOBER 2017

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent												Distributable		
	Share capital RM'000	Share premium RM'000	ICULS - equity component # RM'000	AFS 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	Total net equity funds RM'000	Non- controlling interests RM'000	Total equity 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	-	-	-	(2,700)	-	-	(3,578)	-	(1,461)	(36,875)	(189,381)	-	(233,995)	(47,476)	(281,471)
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	562	-	562	-	562
Transactions with owners:															
Transfer of reserves	-	-	-	(23)	-	-	(80)	7,458	-	13	(7,368)	-	-	-	-
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	2,764	-	3,848	-	6,612	9,271	15,883
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	430	-	(3,701)	-	(3,271)	(6,499)	(9,770)
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	3,578	-	3,578	(821)	2,757
Share based payment	-	-	-	-	970	-	-	-	-	-	-	-	970	1,256	2,226
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,798)	(52,798)
	-	-	-	(23)	970	-	(80)	7,458	3,194	13	(3,643)	-	7,889	(49,591)	(41,702)
At 31 October 2017	4,930,556	-	306,848	(1,644)	1,213	258,797	127,130	237,608	(658,350)	144,006	1,617,266	(33,669)	6,929,761	3,566,297	10,496,058

Notes:

- # This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS").
 ^ This comprises the fair values of warrants .

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	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	Share premium 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	Treasury shares RM'000			
At 1 May 2016	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	723,259	31,312	(879,770)	111,321	1,996,003	(130,399)	6,929,012	5,171,636	12,100,648
Total comprehensive income	-	-	-	2,581	-	59	-	(3,728)	(106)	60	88,820	113,828	-	201,514	185,290	386,804
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	16,618	-	16,618	-	16,618
Transactions with owners:																
Transfer of reserves	-	-	-	(283)	-	(29)	58,286	260	7,505	33	297	(66,069)	-	-	-	-
Treasury share acquired	-	-	-	-	-	-	-	-	-	-	-	(2,850)	(2,850)	(2,850)	-	(2,850)
Issuance of BCorp ICULS	-	-	297,435	-	-	-	-	-	-	-	-	-	-	297,435	-	297,435
Arising from conversion of BCorp ICULS - by surrender option	250,411	-	(211,946)	-	-	-	-	-	-	-	-	(98)	-	38,367	-	38,367
Transfer upon disposal of a subsidiary company	-	-	-	-	(9,971)	-	-	-	-	-	-	9,971	-	-	-	-
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	-	(11,353)	-	-	-	(11,353)	116,035	104,682
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	-	239,131	-	-	-	239,131	(659,068)	(419,937)
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	13
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	-	-	-	-	99,073	-	-	(99,073)	-	-	-	-
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	-	3,850	-	3,850	-	3,850
Final dividend	-	-	-	-	-	-	-	-	-	-	-	(46,153)	-	(46,153)	-	(46,153)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,102)	(65,102)
	250,411	-	85,489	(283)	(9,971)	(29)	58,286	260	106,578	227,811	297	(197,572)	(2,850)	518,427	(608,122)	(89,695)
At 31 October 2016	4,923,591	6,965	339,097	(10,949)	-	1,081	204,044	719,791	137,784	(651,899)	200,438	1,928,877	(133,249)	7,665,571	4,748,804	12,414,375

Notes:

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

^ This comprises the fair values 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 31 OCTOBER 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/10/2017	31/10/2016
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	4,818,943	4,803,314
Payments for operating expenses	(4,422,797)	(4,599,664)
Payment of taxes	(118,256)	(174,965)
Other receipts (including tax refunds)	59,680	26,512
Net cash generated from operating activities	<u>337,570</u>	<u>55,197</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	5,247	5,685
Disposal of investments in subsidiary companies	-	126,121
Disposal of investments in associated companies	58,891	279,910
Disposal of other investments	30,473	45,109
Acquisition of property, plant and equipment and non-current assets	(92,158)	(155,604)
Acquisition of investments in subsidiary companies	(10,274)	(97,546)
Acquisition of investments in an associated company and a joint venture	(15,775)	(14,376)
Acquisition of other investments and short term investments	(51,723)	(5,691)
Acquisition of treasury shares by subsidiary companies	-	(4,666)
Interest received	36,535	52,262
Dividend received	7,452	11,271
Repayment from/(advances to) joint ventures	68,033	(118,048)
Net cash inflow from settlement for surrendering certain assets and lease interests	-	127,309
Other receipts	86,407	11,260
Net cash generated from investing activities	<u>123,108</u>	<u>262,996</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of treasury shares by the Company	-	(2,850)
Issuance of share capital to non-controlling interests of subsidiary companies	1,240	1,139
Dividends paid to non-controlling interests of subsidiary companies	(48,796)	(72,728)
Interest paid	(180,741)	(194,113)
Drawdown of bank and other borrowings	1,178,197	631,376
Repayment of bank and other borrowings	(1,270,273)	(1,298,555)
Net (placement)/withdrawal in banks as security pledges for borrowings	(39,979)	363,532
Net cash used in financing activities	<u>(360,352)</u>	<u>(572,199)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	100,326	(254,006)
OPENING CASH AND CASH EQUIVALENTS	1,408,191	1,607,875
Effect of exchange rate changes	(4,256)	58,128
CLOSING CASH AND CASH EQUIVALENTS	<u>1,504,261</u>	<u>1,411,997</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	764,688	640,529
Cash and bank balances	1,035,518	1,466,081
Bank overdraft (included under short term borrowings)	<u>(83,357)</u>	<u>(118,885)</u>
	1,716,849	1,987,725
Less :		
Remisiers' deposit held in trust	(13,399)	(15,717)
Clients' money held in trust	(188,899)	-
Cash and cash equivalents restricted in use	<u>(249,175)</u>	<u>(560,011)</u>
	1,454,275	1,411,997
Including: Cash and cash equivalents classified as held for sale	<u>49,986</u>	-
	<u>1,504,261</u>	<u>1,411,997</u>

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 31 OCTOBER 2017

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The interim financial report is not audited and has been prepared in compliance with Financial Reporting Standards ("FRS") 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 2017. 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 2017.

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 2017.

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

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- the property development segment is affected by the prevailing cyclical economic conditions.
 - the stock and futures broking businesses are influenced by the performance of the stock market.
 - the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the third quarter of the financial year.
 - 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 other investments	1,014	3,154
Gain on disposal of property	-	1,604
Loss arising from dilution of interest in an associated company	(16)	(1,544)
Impairment in value of investment in an associated company	(12)	(43)
Impairment in value of AFS investments	(5)	(1,694)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(2,373)	(2,241)
Loss on partial disposal of an associated company	(39,942)	(39,942)
Provision for impairment on a portion of the balance of GMOG Project sales proceeds *	(155,084)	(155,084)
Reversal of impairment in an associated company	590	590
	<u>(195,828)</u>	<u>(195,200)</u>

* The provision for impairment which is attributable to the Group, that holds about 37% effective equity interest in GMOG, amounted to about RM57.85 million. (Refer to Note A7)

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 sales in accordance to FRS 5: Non-current assets held for sale and discontinued operations. The Group expects the fair values less incidental expenses relating to the disposal of these assets will be higher than its aggregate carrying amount. As such, no impairment loss is recognised on the reclassification of these assets as held for sale for the period ended 31 October 2017.

- (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 October 2017.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

NOTES TO THE INTERIM FINANCIAL REPORT

- 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 31 October 2017.

Subsequent to the quarter ended 31 October 2017 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.

(d) Treasury shares

There was no share buyback during the financial period ended 31 October 2017.

The number of treasury shares held in hand as at 31 October 2017 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 October 2017	0.70	48,008,152	33,669

As at 31 October 2017, the number of outstanding shares in issue and fully paid up with voting rights (rounded to nearest thousand) was 4,875,583,000 (31 October 2016: 4,733,591,000) ordinary shares.

- A5 The Company did not pay any dividend in the financial period ended 31 October 2017.

- A6 Segment information for the financial period ended 31 October 2017:-

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Gaming operations	1,646,842	69,455	1,716,297
Financial services	24,115	953	25,068
Property investment and development	266,960	7,986	274,946
Hotels and resorts	277,106	478	277,584
Marketing of consumer products and services	1,753,351	28,214	1,781,565
Restaurants and cafes	351,750	157	351,907
Others	64,389	6,517	70,906
Elimination: Inter-segment Revenue	-	(113,760)	(113,760)
Total revenue	<u>4,384,513</u>	<u>-</u>	<u>4,384,513</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

NOTES TO THE INTERIM FINANCIAL REPORT

RESULTS

	RM'000
Gaming operations	212,259
Financial services	21,828
Property investment and development	40,711
Hotels and resorts	51,059
Marketing of consumer products and services	8,014
Restaurants and cafes	13,028
Others	(7,251)
	<u>339,648</u>
Unallocated corporate items	(110,363)
Profit from operations	<u>229,285</u>
Investment related income	
-Interest income	52,789
-Gain on disposal of other investments	3,154
-Gain on disposal of property	1,604
-Fair value changes of FVTPL investments	3,388
-Reversal of impairment in an associated company	590
-Dividend income and others	3,288
	<u>64,813</u>
Investment related expenses	
-Fair value changes of FVTPL investments	(5,629)
-Impairment in value of AFS investments	(1,694)
-Loss arising from dilution of interest in associated companies	(1,544)
-Impairment in value of investment in an associated company	(43)
-Loss on partial disposal of an associated company	(39,942)
-Provision for impairment on a portion of the balance of GMOC Project sales proceeds*	(155,084)
	<u>(203,936)</u>
Finance costs	(188,197)
Share of results of associates	4,446
Share of results of joint ventures	2,383
	<u>(91,206)</u>
Loss before tax	(127,789)
Income tax expense	(91,206)
Loss after tax	<u><u>(218,995)</u></u>

* The provision for impairment which is attributable to the Group, that holds about 37% effective equity interest in GMOC, amounted to about RM57.85 million. (Refer to Note A7)

BERJAYA CORPORATION BERHAD

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017

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 except for the non-payment of the balance sales proceeds amounting to RMB974.07 million (equivalent to RM620.33 million) ("Final Instalment"), to be received by Berjaya (China) Great Mall Co Ltd ("GMOC"), a 51% owned subsidiary company of the Berjaya Land Berhad ("BLand") group, from the disposal of GMOC Project as disclosed in Note B7(A)(ii).

GMOC, after having sought legal advice, will commence legal proceedings against Beijing SkyOcean and the Guarantors as it has strong grounds to recover the outstanding Final Instalment due to GMOC. Based on the legal advice in respect of the legal proceedings and the eventual enforcement of the claim award, the BLand board of directors estimated that the reasonable time frame to recover the outstanding Final Instalment is approximately 3 years.

Hence, in accordance to FRS 139 : Financial Instruments: Recognition and Measurement, GMOC has made a provision for impairment of RMB243.51 million (equivalent to RM155.08 million) in the current quarter under review to account for the time value of money for the full recovery of the outstanding Final Instalment.

This provision will be reversed when GMOC eventually receives the payment of the balance sales proceeds from Beijing SkyOcean and the Guarantors.

- A8 There were no changes in the composition of the Group for the current period ended 31 October 2017, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 9 June 2017, BLand announced it has acquired one ordinary share, representing 100% equity interest, in Berjaya Fukuoka Development (S) Pte Ltd ("BFDS") from Madam Teow Gek Keo for a cash consideration of SGD1.00. BFDS was incorporated in Singapore on 12 December 2012 with an issued share capital of SGD1.00 comprising one ordinary share. It has an 100% owned subsidiary company called Hakata Waterfront Development Godo Kaisha ("HWDGK"), which was incorporated in Japan on 22 October 2012. The intended principal activities of BFDS and HWDGK are investment holding and hotel and resort operation respectively.
 - (b) On 28 June 2017, Berjaya Sports Toto Berhad ("BToto") announced that H. R. Owen Finance Limited ("HROF"), a private limited company registered in England and Wales and an indirect subsidiary company of BToto, has been dissolved on 27 June 2017. HROF was a dormant company.
 - (c) On 10 August 2017, BToto announced that HR Owen, a 98.38% owned subsidiary company of the BToto group, incorporated a wholly owned subsidiary company in England and Wales under the name of EDOC Holdings Limited ("EDOC"). EDOC has an issued and paid-up share capital of GBP1.00 comprising one ordinary share and its intended principal activity is investment holding.
 - (d) On 30 August 2017, EDOC acquired and subscribed for 2,743,161 ordinary shares, representing 20.15% equity interest, in VIDEODOC Ltd for a total cash consideration of GBP1.85 million (about RM10.3 million). VideoDoc is a private limited company registered in England and Wales and its principal activities are providing general and specialists medical practice services.
 - (e) The Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") decreased to 11.13% following the disposal of 57.0 million BAssets shares by the Group.
- A9 There were no material changes in contingent liabilities or contingent asset since the last annual balance sheet date other than the following:
- (a) With reference to Note 41(2) to the financial statements regarding the matter with Armen&anor, the case regarding Armen&anor's motion to set aside the jury verdict was heard on 6 July 2017 and the Court dismissed Armen&anor's motion. Armen&anor filed a Notice of Appeal on 8 August 2017 in the Court of Appeal, Fourth Appellate District Court, Division 3, California.
- A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2017.

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

Marketing of consumer products and services

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

Restaurants and cafes

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

Property investment and development

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

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.

Review of results for the quarter

The Group registered a revenue of RM2.19 billion and pre-tax loss of RM153.46 million in the current quarter ended 31 October 2017 as compared to revenue of RM2.46 billion and pre-tax profit of RM408.49 million reported in the previous year corresponding quarter.

Commentary on revenue

The Group recorded a lower revenue for the current quarter mainly due to lower revenue reported by the retail distribution and motor distribution businesses as well as property investment and development business segment as compared to the preceding year corresponding quarter.

Marketing of consumer products and services

The marketing of consumer products and services segment reported lower revenue as the retail distribution business was affected by the weak consumer sentiment coupled with the intense competition in the local and oversea markets.

The motor distribution business under H.R. Owen PLC ("HR Owen") also reported lower revenue due to softening demand in United Kingdom car market as well as the product life cycle of the car models available for sale.

Restaurants and cafes

The restaurants and cafes business reported a higher revenue mainly due to additional cafes operating in the current quarter.

Property investment and development

The property investment and development business registered lower revenue in the current quarter. This was because of a much reduced contribution from the Group's foreign projects in the current quarter.

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Hotels and resorts

The hotels and resorts business reported a higher revenue mainly due to higher overall occupancy and average room rates.

Gaming operations

The gaming operations reported higher revenue mainly due to higher contribution from Sports Toto Malaysia Sdn Bhd ("STMSB") resulting from the strong sales from high jackpot in the Grand Toto 6/63 game which recorded its highest jackpot ever in September 2017, and also higher revenue contribution from Vietnam operations.

Commentary on pre-tax loss

The Group reported a pre-tax loss in the current quarter under review mainly due to provision for impairment of a portion of the balance sales proceed from the sale of GMOC Project and the loss arising from partial disposal of an associated company as disclosed in Note A3.

Marketing of consumer products and services

The retail distribution business recorded higher pre-tax losses mainly due to lower sales recorded in the current quarter and lower gross profit margin as a result of more aggressive promotional sales for clearance of slow moving products.

The motor distribution business also recorded a pre-tax loss in the current quarter as a result of decrease in revenue and also lower profit margins earned from certain new car sales during the current quarter under review.

Restaurants and cafes

The higher pre-tax profit of restaurants and cafes business in the current quarter under review was mainly due to higher pre-tax profit recorded by Starbucks operations in Malaysia and also lower losses incurred by certain restaurant businesses.

Property investment and development

The property investment and development business contributed lower pre-tax profit mainly due to lower revenue in the current quarter.

Hotels and resorts

The hotels and resorts business reported higher pre-tax profit mainly due to higher revenue in the current quarter as compared to the previous year corresponding quarter.

Gaming operations

The gaming business contributed higher pre-tax profit mainly due to lower prize payout in the current quarter under review as compared to the previous year corresponding quarter.

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Review of results for the financial period

The Group registered a revenue of RM4.38 billion and pre-tax loss of RM91.21 million for the financial period ended 31 October 2017 as compared to a revenue of RM4.68 billion and pre-tax profit of RM480.1 million reported in the previous year corresponding period.

Commentary on revenue

The Group registered a lower revenue for the financial period under review mainly due to lower contribution from the marketing of consumer products and services segment and property investment and development segment.

Marketing of consumer products and services

The marketing of consumer products and services segment reported a lower revenue in the current financial period as compared to the previous year corresponding period. The lower revenue reported by the retail distribution business was affected by weak consumer spending sentiment as a result of unfavourable economic conditions in China, Malaysia and Hong Kong. In addition, the intense competition in Mainland China also contributed to the decrease in revenue in the current financial period.

The revenue reported by motor distribution business remained comparable to the previous year corresponding financial period. The impact of the softening demand on sales was partially mitigated by improved performance attained from certain new models available for sale during the current period.

Restaurants and cafes

The restaurants and cafes business reported a higher revenue mainly due to additional cafes operating in the current financial period.

Property investment and development

The property investment and development business registered lower revenue in the current quarter. This was because the remaining units of a property project in China has been disposed of in the previous financial year.

Hotels and resorts

The hotels and resorts business reported a higher profit mainly due to higher occupancy rates and room rates in the current financial period.

Gaming operations

The gaming operations reported higher revenue mainly due to full period revenue contribution from the Vietnam operations which started its operations in second quarter of previous financial year as well as higher revenue contributed by STMSB.

Commentary on pre-tax loss

The Group's reported a pre-tax loss in the current period under review, which was mainly due to the exceptional items as disclosed in Note A3.

Marketing of consumer products and services

The higher pre-tax loss reported by retail distribution business in the current period under review was mainly due to decrease in revenue as well as lower gross profit margin as a result of more aggressive promotional sales as mentioned above.

The motor distribution business reported a lower pre-tax profit as a result of lower sales arising from the reasons mentioned above.

Restaurants and cafes

The higher pre-tax profit of restaurants and cafes business in the current period under review was mainly due to higher pre-tax profit recorded by Starbucks operations in Malaysia and also lower losses incurred by certain restaurant businesses.

Property investment and development

The property investment and development business contributed lower pre-tax profit mainly due to lower revenue in the current period.

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Hotels and resorts

The hotels and resorts business reported higher pre-tax profit mainly due to higher revenue in the current period as compared to the previous year corresponding period.

Gaming operations

The higher pre-tax profit in the current period was contributed by STMSB due to the reasons mentioned above.

B2 Review of results of second quarter vs first quarter

For the quarter under review, the Group recorded a revenue of RM2.19 billion and pre-tax loss of RM153.46 million as compared to a revenue of RM2.20 billion and pre-tax profit of RM62.25 million reported in the preceding quarter.

Commentary on revenue

The Group recorded a marginal drop in revenue for the current quarter. The lower revenue was mainly due to lower revenue achieved by the marketing of consumer products and services segments. However, it was mitigated by higher revenue registered by the other segments

Marketing of consumer products and services

The lower revenue reported by retail distribution business was mainly due to reasons mentioned above.

The motor distribution business reported lower revenue mainly due to drop in new cars sales in the current quarter under review arising from the softening demand in United Kingdom.

Restaurants and cafes

The restaurants and cafes business reported a higher revenue in the current quarter as compared to the previous quarter mainly due to additional cafes operating in the current quarter.

Property investment and development

The property investment and development business reported a higher revenue due to higher progress billings in the current quarter.

Hotels and resorts

The hotels and resorts business reported a higher revenue mainly due to improved occupancy rate and average room rates for the current quarter.

Gaming operations

The higher revenue reported by gaming operations was mainly due to strong sales reported by STMSB as a result of the highest jackpot recorded in the Grand Toto 6/63 game and higher number of draws.

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Commentary on pre-tax profit

The Group incurred a pre-tax loss for the current quarter under review was mainly due to higher investment related expenses as disclosed in Note A3.

Marketing of consumer products and services

The marketing of consumer products and services reported a pre-tax loss in the current quarter, due to the reasons mentioned above.

Restaurants and cafes

The higher pre-tax profit of restaurants and cafes business in the current quarter under review was mainly due to higher pre-tax profit recorded by Starbucks operations in Malaysia and also lower losses incurred by certain restaurant businesses.

Property investment and development

The property investment and development business registered lower pre-tax profit due to substantially lower progress billings in the current quarter.

Hotels and resorts

The hotels and resorts business reported higher pre-tax profit as compared to the previous quarter mainly due to higher revenue in the current quarter.

Gaming operations

The gaming business contributed higher pre-tax profit mainly due to lower prize payout and higher sales.

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 going forward.

B4 There is no profit forecast or profit guarantee for the financial period ended 31 October 2017.

B5 The taxation charge for the current quarter and financial period ended 31 October 2017 are detailed as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Based on the results for the period:-		
Current period provision		
- In Malaysia	46,890	105,427
- Outside Malaysia	8,133	26,994
Deferred tax	(2,250)	(11,745)
Under provision in prior years	6,757	7,113
	<u>59,530</u>	<u>127,789</u>

The disproportionate tax charge of the Group for the current quarter/financial period ended 31 October 2017 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 Profit/(Loss) before tax is stated after charging/(crediting):

	Current Quarter RM'000	Financial Year to date RM'000
Interest income	(35,725)	(52,789)
Dividend income	(480)	(1,632)
Gain on disposal of property, plant and equipment	(172)	(466)
Gain on disposal of other investments	(1,014)	(3,154)
Gain on disposal of an associated company	-	-
Gain on disposal of a subsidiary company	-	-
Gain on disposal of other investments	(1,014)	(3,154)
Fair value loss on from AFS financial assets	-	-
Loss arising from dilution of interest in an associated company	16	1,544
Depreciation of property, plant and equipment	61,488	116,416
Amortisation of intangible assets	13,986	32,632
Impairment loss on receivables	4,021	16,669
Impairment loss on amount owing from an associated company	-	-
Impairment in value of investment in associated companies	12	43
Impairment in value of AFS investment	5	1,694
Provision for and write off of inventories	7,843	12,707
Provision for impairment on a portion of the balance of GMOC Project sales proceeds	155,084	155,084
Loss on partial disposal of an associated company	39,942	39,942
Foreign exchange loss (net)	21,480	17,538
Fair value changes of investment properties	-	-
Fair value changes of FVTPL investments (net)	<u>2,373</u>	<u>2,241</u>

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 2017 except for the following:

(i) Note 46(12) in relation to the proposed acquisition of leasehold land in Sungai Besi

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

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- 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.

The judgment is summarised as follows based on the notes of proceedings dated 9 November 2017:

- 1) The Applicants had a legitimate expectation that the site would be constructed and developed for the BCity Project.
- 2) The Selangor State Government and Selangor Town and Country Planning Department (1st and 5th Respondents) had failed to re-table the execution of the BCity Project.
- 3) The 1st and 5th Respondents had acted unreasonably when they failed to have regard to all relevant considerations and disregarded all improper considerations to re-table the execution of the BCity Project. In these circumstances, it has resulted in unfairness to the Applicants as it is tantamount to an abuse of power.
- 4) The cause of action of the substantive application of the judicial review does not involve the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents and is therefore dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.
- 5) The High Court made the following order:
 - (a) In respect of the BCity Project and construction of the equestrian centre, the Applicants are allowed to continue with its development and construction.
 - (b) The Applicants have to submit the comments by the technical departments to the relevant parties.
 - (c) The relevant technical departments shall revert with their response/ feedback within 3 months, failing which the relevant departments are deemed to have no objection to the said development.
 - (d) In respect of the NewSTC, the 1st and 5th Respondents shall re-table its relocation and construction to the National Physical Planning Council within 3 months upon receipt of the proposal from the Applicants. The Applicants shall submit the said proposal within 3 months upon receipt of the fair order, failing which the Applicants are deemed to be no longer interested in carrying out the said proposal.
- 6) The High Court also allows for compensation to be paid to the Applicants by the 1st and 5th Respondents. The amount of such compensation will be assessed in subsequent proceedings.

On 14 December 2017, BLand announced that the Selangor State Government and several other defendants have filed a Notice of Appeal to the Court of Appeal.

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B7 (A) (ii) Note 46(17) in relation to the disposal of the Berjaya (China) Great Mall Recreation Centre

On 8 December 2017, BLand announced that Beijing SkyOcean had not remitted the remaining adjusted proceeds ("Outstanding Payment") of RMB974.07 million (about RM601.78 million) by 28 November 2017 as agreed. Accordingly, GMOC had on 7 December 2017 issued a notice of demand to Beijing SkyOcean and the guarantors to pay the Outstanding Payment and late payment interest.

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

- (i) On 15 June 2017, BToto announced that Sports Toto Malaysia Sdn Bhd, its wholly owned subsidiary company, proposed to establish a Medium Term Notes ("MTN") Programme of up to RM800.00 million in nominal value. The MTN Programme shall have a tenure of up to 15 years and the first issuance of under the MTN Programme will be made within 60 business days from 15 June 2017. The MTN Programme has been accorded a preliminary rating of AA-/Stable by the Malaysian Rating Corporation Berhad.
- (ii) On 15 September 2017, the Company announced the proposed disposal of the entire 100% equity interest in Berjaya Green Resources Environmental Engineering (Foshan) Co Ltd ("BGREE"), incorporated in the People's Republic of China ("PRC"), to Foshan Water & Environmental Investment Co Ltd ("FWEI"), a company incorporated in the PRC, for a cash consideration of about RMB78.50 million (or about RM50.87 million). FWEI will undertake to repay the amount owing by BGREE to the Company of about RM24.80 million. The proposed disposal is subject to approvals from various authorities in PRC.
- (iii) On 16 November 2017, BLand announced Berjaya Leisure (Cayman) Limited ("BLCL"), its wholly owned subsidiary company, completed the disposal of 500,000 ordinary shares, representing 100% equity interest, in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH") for a consideration of SGD2.97 million satisfied by 1,487,468 new SIAMH shares issued at SGD2.00 per SIAMH share ("BIH Disposal"). As part of the terms of the BIH Disposal, BLCL novated the amount owing by BIH to BLCL of about SGD11.20 million to SIAMH and SIAMH settled the amount with the issuance of 5,598,221 new SIAMH shares at the issue price of SGD2.00 per share. BLCL also completed the subscription of 1,909,829 new SIAMH shares at SGD2.00 per SIAMH share for a total cash subscription of about SGD3.82 million. Upon the completion of the BIH Disposal, debt settlement and subscription, BLCL acquired 8,995,518 new SIAMH shares and increased its shareholdings to 11.99 million SIAMH shares representing an equity interest of about 34.27%.
- (iv) On 24 November 2017, BFood announced that Berjaya Food International Sdn Bhd ("BFI"), its wholly owned subsidiary company, completed the disposal of 13.82 million ordinary shares, representing 99.9% equity interest, in PT Boga Lestari Sentosa, Indonesia ("PT Boga") to Mr Rudy Wiguna and Ms Komelia Ersan for IDR1,000 (or about RM0.32). PT Boga also agreed to settle a portion of the debt owing by PT Boga to BFI for an amount of about IDR9.60 billion (or about RM3.10 million).

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B8 Group borrowings and debt securities as at 31 October 2017 were as follows:

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
Denominated in	'000		
Ringgit Malaysia		#	2,090,414
USD	44,800	*	190,020
SGD	36,306	*	112,943
GBP	51,825	*	288,925
PHP	596,829	*	48,932
KRW	2,350,000	*	8,930
JPY	1,938,213	*	72,594
VND	9,845,000	*	1,969
			2,814,727
Unsecured			
Denominated in			
Ringgit Malaysia			58,499
USD	55	*	233
			58,732
			2,873,459
Long term borrowings			
Secured			
	Foreign currency amount		
Denominated in	'000		
Ringgit Malaysia		#	2,384,018
USD	616	*	2,608
SGD	84	*	261
GBP	12,731	*	71,150
PHP	58,333	*	4,782
JPY	17,132,880	*	642,483
RMB	206,403	*	131,458
VND	189,015,000	*	37,803
			3,274,563
Unsecured			
Denominated in			
USD	1,269	*	5,373
			3,279,936
Total bank borrowings (inclusive of borrowings classified as liabilities of disposal group) @			6,153,395
* Converted at the respective exchange rates prevailing as at 31 October 2017			
# Includes medium term notes			
			854,717
			874,220
			1,728,937
@ Includes borrowings classified as liabilities of disposal group			
			9,317
			139,439
			148,756

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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) On 6 November 2015, BLand 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 ("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. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed a suit demanding that the said lands be returned to them. Under the circumstances, the on-going development works on the Jeju Project had been suspended pending the resolution of this matter by JDC with the affected landowners.

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development 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 construction cost of Phase 1 that was due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR terminated the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At the sixth court hearings on 14 October 2016, the presiding judge had agreed to BJR's application to conduct land price appraisal of Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. As at the date of this announcement, the land price appraisal report of the Jeju Project has been completed by the court appointed land appraisal company and the land price appraisal report has been submitted directly to the court. The JDC Lawsuit is still ongoing.

- (b) Philippine Gaming Management Corporation ("PGMC"), an 88.26%-owned subsidiary company 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 agreement between PGMC and the PCSO whereby the 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. The arbitration proceedings is still on-going.

On 15 August 2017, BToto announced that the Regional Trial Court of Makati had on 10 August 2017 issued a Writ of Preliminary Injunction ("Writ") against PCSO, the lessee of PGMC. The Writ restrains PCSO from conducting or continuing with the public bidding process or performing any act that will violate PGMC's right as exclusive supplier of lottery equipment to PCSO in the Luzon territory.

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B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 October 2016: Nil).

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

	Group (3-month period)			
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000		sen	
Net (loss)/profit for the quarter	(145,985)	176,505		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	2,965	2,764		
- BCorp ICULS 4	206	228		
Adjusted net (loss)/earnings for the quarter	<u>(142,814)</u>	<u>179,497</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,875,583	4,731,226		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>750,200</u>		
Number of shares used in the calculation of basic (loss)/earnings per share ('000)	<u>5,623,418</u>	<u>5,481,426</u>		
Basic (loss)/earnings per share			<u>(2.54)</u>	<u>3.27</u>
Adjusted net (loss)/earnings for the quarter	(142,814)	179,497		
Dilution effect on conversion of Redtone International Berhad ICULS	(17)	(11)		
Dilution effect on exercise of Berjaya Media Berhad warrants	-	(14)		
Dilution effect on exercise of Berjaya Food Berhad warrants	-	(13)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	(70)	(179)		
	<u>(142,901)</u>	<u>179,280</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,623,418</u>	<u>5,481,426</u>		
Diluted (loss)/earnings per share			<u>(2.54)</u>	<u>3.27</u>

BERJAYA CORPORATION BERHAD

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B11	Group (6-month period)			
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000		sen	
Net (loss)/profit for the year-to-date	(189,381)	113,828		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	5,480	5,664		
- BCorp ICULS 4	418	621		
Adjusted net (loss)/earnings for the year-to-date	<u>(183,483)</u>	<u>120,113</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,875,583	4,635,775		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>790,509</u>		
Number of shares used in the calculation of basic (loss)/earnings per share ('000)	<u>5,623,418</u>	<u>5,426,284</u>		
Basic (loss)/earnings per share			<u>(3.26)</u>	<u>2.21</u>
Adjusted net (loss)/earnings for the year-to-date	(183,483)	120,113		
Dilution effect on exercise of Redtone International Berhad ICULS	-	(16)		
Dilution effect on exercise of Berjaya Media Berhad warrants	-	(17)		
Dilution effect on exercise of Berjaya Food Berhad warrants	-	(26)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	(562)	(306)		
	<u>(184,045)</u>	<u>119,748</u>		
Number of shares used in the calculation of diluted (loss)/earnings per share ('000)	<u>5,623,418</u>	<u>5,426,284</u>		
Diluted (loss)/earnings per share			<u>(3.27)</u>	<u>2.21</u>

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B12 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31/10/2017 RM'000	As at 30/04/2017 RM'000 (Audited)
Total retained earnings of the Company and its subsidiaries:		
- realised	1,422,116	1,654,555
- unrealised	<u>797,313</u>	<u>750,687</u>
	2,219,429	2,405,242
Share of results from associated companies	*	*
	465,633	461,187
Share of results from joint ventures	*	*
	<u>(155,756)</u>	<u>(158,139)</u>
	2,529,306	2,708,290
Less: Consolidation adjustments	<u>(912,040)</u>	<u>(898,562)</u>
Total group retained earnings as per consolidated accounts	<u><u>1,617,266</u></u>	<u><u>1,809,728</u></u>

Note:

- * It is not practical to segregate the share of results from associated companies and joint ventures to realised and unrealised earnings.

c.c. Securities Commission