

# **Berjaya Corporation Berhad**

Company No: 554790-X

Date: 29 June 2017

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 APRIL 2017**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2017

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000	RM'000	RM'000	RM'000
				(Audited)
GROUP REVENUE	2,234,779	2,483,656	9,138,002	9,016,774
PROFIT FROM OPERATIONS	170,163	253,064	719,222	786,327
Investment related income	36,016	107,587	368,521	583,343
Investment related expenses	(53,153)	(744,745)	(93,440)	(768,724)
Finance costs	(126,682)	(102,109)	(423,981)	(423,383)
Share of results of associates	37,663	24,150	58,462	130,453
Share of results of joint ventures	(1,792)	(4,042)	(2,617)	(14,279)
PROFIT/(LOSS) BEFORE TAX	62,215	(466,095)	626,167	293,737
INCOME TAX EXPENSE	(56,389)	(146,241)	(326,482)	(410,826)
PROFIT/(LOSS) AFTER TAX	5,826	(612,336)	299,685	(117,089)
ATTRIBUTABLE TO:				
- Equity holders of the parent	3,238	(368,909)	139,952	(177,223)
- Non-controlling interests	2,588	(243,427)	159,733	60,134
	5,826	(612,336)	299,685	(117,089)
EARNINGS/(LOSS) PER SHARE (SEN)				
- Basic, for the period	0.10	(7.13)	2.76	(3.22)
- Diluted, for the period	0.10	(7.14)	2.76	(3.24)

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 APRIL 2017

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000	RM'000	RM'000	RM'000
				(Audited)
PROFIT/(LOSS) AFTER TAX	5,826	(612,336)	299,685	(117,089)
<b>OTHER COMPREHENSIVE ITEMS</b>				
<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	8,147	10,057	9,833	(7,873)
- Transferred to profit or loss due to:				
- Disposals of AFS investments	(1,376)	(24)	(1,320)	(6,778)
- Impairment of AFS investments	78	(1,626)	86	8,579
- Deemed disposal of an associated company	-	(9)	-	9
Foreign currency translation	(58,528)	(131,185)	178,834	137,641
Foreign currency translation reserve transferred to profit or loss due to disposal of subsidiaries	-	-	-	(10,969)
Foreign currency translation reserve transferred to profit or loss due to disposal of associate	30	-	(30,664)	-
Amortisation of gaming rights	(2,477)	-	(10,031)	-
Impairment in value of gaming rights	(657,301)	-	(657,301)	(50,040)
Changes in fair value reserve upon recognition of deferred tax liability on gaming rights with finite life	-	-	-	(15,429)
Share of other comprehensive items of associates	4,911	(49)	(2,956)	(6,841)
Taxation relating to components of other comprehensive income	145,551	(65)	148,289	1,758
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Revaluation of land and buildings	104	(2)	338	706
Actuarial loss recognised in defined benefit pension scheme	(441)	692	(441)	762
Tax effects relating to the defined benefit pension scheme	132	(132)	132	(159)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(555,344)</b>	<b>(734,679)</b>	<b>(65,516)</b>	<b>(65,723)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
- Equity holders of the parent	(205,508)	(465,715)	37,502	(168,564)
- Non-controlling interests	(349,836)	(268,964)	(103,018)	102,841
	<b>(555,344)</b>	<b>(734,679)</b>	<b>(65,516)</b>	<b>(65,723)</b>

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 APRIL 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30/04/2017 RM'000	Group As at 30/04/2016 RM'000 (Restated) (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,959,613	3,766,965
Biological assets	4,193	4,773
Other investments	140,788	92,444
Investment properties	837,634	768,438
Land held for development	2,556,842	2,607,092
Investment in associated companies	1,222,810	1,272,209
Investment in joint ventures	118,785	95,132
Deferred tax assets	85,032	85,643
Other long term receivables	711,215	627,550
Intangible assets	5,880,907	6,571,123
	<u>15,517,819</u>	<u>15,891,369</u>
<b>Current Assets</b>		
Development properties	1,070,523	847,393
Inventories	890,753	1,052,957
Trade and other receivables	2,121,509	1,487,298
Short term investments	6,068	12,152
Tax recoverable	146,970	65,071
Deposits with financial institutions	635,959	809,789
Cash and bank balances	1,073,640	1,788,664
	<u>5,945,422</u>	<u>6,063,324</u>
Assets of disposal group/Non-current assets classified as held for sale	43,544	1,392,624
	<u>5,988,966</u>	<u>7,455,948</u>
<b>TOTAL ASSETS</b>	<u>21,506,785</u>	<u>23,347,317</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	4,930,556	4,673,180
Share premium	-	6,965
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	306,848	253,608
Reserves	1,934,149	1,781,694
	<u>7,171,553</u>	<u>6,715,447</u>
Less: Treasury shares	(33,669)	(130,399)
	<u>7,137,884</u>	<u>6,585,048</u>
Non-controlling interests	3,664,338	4,459,600
<b>Equity funds</b>	<u>10,802,222</u>	<u>11,044,648</u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stocks	152,173	158,731
Long term borrowings	3,390,996	4,530,187
Provisions and other long term liabilities	276,316	259,149
Deferred tax liabilities	1,375,323	1,530,846
	<u>5,194,808</u>	<u>6,478,913</u>
<b>Current Liabilities</b>		
Trade and other payables	2,798,658	3,279,893
Provisions	12,554	11,562
Short term borrowings	2,597,162	2,321,987
Taxation	96,398	185,967
Derivative liability	2,208	2,080
	<u>5,506,980</u>	<u>5,801,489</u>
Liabilities directly associated with disposal groups classified as held for sale	2,775	22,267
	<u>5,509,755</u>	<u>5,823,756</u>
<b>Total Liabilities</b>	<u>10,704,563</u>	<u>12,302,669</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>21,506,785</u>	<u>23,347,317</u>
Basic net assets per share (sen)	140.11	140.97
Dilutive net assets per share (sen)	123.71	127.57

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 APRIL 2017  
 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
	Non-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 (Restated)	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	323,064	31,312	(823,539)	111,321	1,996,003	(130,399)	6,585,048	4,459,600	11,044,648	
Total comprehensive income	-	-	-	10,845	-	(53)	-	(181,414)	-	1,326	66,946	139,852	-	37,502	(103,018)	(65,516)	
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	16,618	-	16,618	(5,376)	11,242	
<b>Transactions with owners:</b>																	
Transfer of reserves	-	-	-	(77)	-	472	-	(8,992)	102,170	529	(3,618)	(90,484)	-	-	-	-	
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(2,850)	-	(2,850)	-	(2,850)	
Issuance of BCorp ICULS and warrants	-	-	187,061	-	-	-	113,039	-	-	-	-	-	-	300,100	-	300,100	
Effects on deferred tax liability on liability component of BCorp ICULS	-	-	(4,210)	-	-	-	-	-	-	-	-	-	-	(4,210)	-	(4,210)	
Arising from conversion of BCorp ICULS - by surrender option	250,411	-	(129,611)	-	-	-	-	-	-	-	-	(101)	-	120,699	-	120,699	
Share option reserves forfeited	-	-	-	-	-	(1,054)	-	-	-	-	-	-	-	(1,054)	-	(1,054)	
Transfer upon disposal of a subsidiary company	-	-	-	-	(9,971)	-	-	-	-	-	-	9,971	-	-	-	-	
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	(370)	-	-	-	3,390	-	3	-	3,023	84,953	87,976	
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	-	147,655	-	(37)	-	147,618	(656,142)	(508,524)	
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	269	269	
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	-	-	-	-	99,073	-	-	(179,202)	-	(80,129)	-	(80,129)	
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	-	7,159	-	7,159	2,872	10,031	
Share based payment	-	-	-	-	-	797	-	-	-	-	-	-	-	797	3,493	4,290	
Final dividend *	-	-	-	-	-	-	-	-	-	-	-	(92,017)	99,580	7,563	-	7,563	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(122,313)	(122,313)	
	250,411	-	53,240	(77)	(9,971)	(155)	113,039	(8,992)	201,243	151,574	(3,618)	(344,708)	96,730	498,716	(686,868)	(188,152)	
Transfer pursuant to S618(2) of CA 2016-	4,923,591	6,965	306,848	(2,479)	-	843	258,797	132,658	232,555	(670,639)	174,649	1,807,765	(33,669)	7,137,884	3,664,338	10,802,222	
	6,965	(6,965)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
At 30 April 2017	4,930,556	-	306,848	(2,479)	-	843	258,797	132,658	232,555	(670,639)	174,649	1,807,765	(33,669)	7,137,884	3,664,338	10,802,222	

## Notes:

\* Final dividend distribution of 3 treasury shares for every 100 ordinary shares held in respect of the financial year ended 30 April 2016.

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

^ This comprises the fair values of warrants.

~ On 31 January 2017, in accordance with the new Companies Act 2016, the concepts of "par value" and "authorised capital" were abolished and effective on that date, the shares of the Company ceased to have a par value. Consequently, the share premium amount is now treated as part of the Company's share capital.

**BERJAYA CORPORATION BERHAD**

(Company No: 554790 - X)

 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 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 2015 (as reported)	4,330,614	6,965	409,972	(73,582)	-	4,921	145,758	842,879	28,377	(892,224)	73,995	2,255,460	(130,399)	7,002,736	5,015,290	12,018,026
Prior year adjustment (Note A3(a))	-	-	-	-	-	-	-	(400,195)	-	56,231	-	-	-	(343,964)	(712,036)	(1,056,000)
At 1 May 2016 (Restated)	4,330,614	6,965	409,972	(73,582)	-	4,921	145,758	442,684	28,377	(835,993)	73,995	2,255,460	(130,399)	6,658,772	(130,399)	6,528,373
Total comprehensive income	-	-	-	(8,273)	-	50	-	(23,542)	599	2	39,653	(177,053)	-	(168,564)	102,841	(65,723)
Share of an associated company's effect arising from acquisition of additional interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	14,521	-	14,521	7,790	22,311
Effects of amortisation and recognition of deferred tax and realignments on gaming rights	-	-	-	-	-	-	-	(9,635)	-	-	-	5,980	-	(3,655)	(23,448)	(27,103)
<b>Transactions with owners:</b>																
Transfer of reserves	-	-	-	68,608	-	(3,943)	-	(78,231)	2,768	(1,347)	(2,031)	14,176	-	-	-	-
Arising from conversion of BCorp ICULS - by surrender option	65,003	-	(36,060)	-	-	-	-	-	-	-	-	(15,120)	-	13,823	-	13,823
- by mandatory conversion upon maturity of BCorp ICULS 1 on 30 October 2015	277,563	-	(277,568)	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)
Re-issue of BCorp ICULS 1 previously held within the Group to third parties	-	-	155,744	-	-	-	-	-	-	-	-	(59,092)	-	96,652	(38,369)	58,283
Reversal of deferred tax liability on conversion of BCorp ICULS 2	-	-	1,520	-	-	-	-	-	-	-	-	-	-	1,520	-	1,520
Reversal attributable to non-current assets classified as held for sale	-	-	-	-	9,971	(1,031)	-	(8,212)	(432)	-	(296)	-	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	204,923	204,923
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	-	18,745	-	-	-	18,745	39,284	58,029
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	-	-	-	-	(4,946)	-	(866)	-	(5,812)	(18,822)	(24,634)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,516	4,516
Share based payment	-	-	-	-	-	1,054	-	-	-	-	-	-	-	1,054	-	1,054
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(122,369)	(122,369)
Final dividend *	-	-	-	-	-	-	-	-	-	-	-	(42,003)	-	(42,003)	-	(42,003)
	342,566	-	(156,364)	68,608	9,971	(3,920)	-	(86,443)	2,336	12,452	(2,327)	(102,905)	-	83,974	69,163	153,137
At 30 April 2016 (Restated)	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	323,064	31,312	(823,539)	111,321	1,996,003	(130,399)	6,585,048	4,459,600	11,044,648

## Notes:

- \* Final dividend of 1% single-tier exempt dividend per share in respect of the financial year ended 30 April 2015.
- # 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 30 APRIL 2017

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/04/2017	30/04/2016
	RM'000	RM'000
		(Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	9,945,564	9,687,902
Payments for operating expenses	(9,524,280)	(8,319,056)
Payment of taxes	(498,130)	(362,599)
Receipts of part of the sales consideration from the disposal of development project	-	680,899
Development expenditure incurred	-	(658,970)
Other receipts (including tax refunds)	172,736	34,477
<b>Net cash generated from operating activities</b>	<b>95,890</b>	<b>1,062,653</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	68,353	1,075,414
Disposal of investments in subsidiary companies	124,699	155,745
Disposal of investments in associated companies	322,817	579,811
Disposal of other investments	246,075	35,109
Acquisition of property, plant and equipment and non-current assets	(433,312)	(1,005,901)
Acquisition of business operations	-	(168)
Acquisition of investments in subsidiary companies	(184,201)	(95,528)
Acquisition of investments in an associated company and a joint venture	(36,314)	(28,094)
Acquisition of other investments and short term investments	(29,797)	(15,571)
Acquisition of treasury shares by subsidiary companies	(8,356)	(21,458)
Interest received	79,040	53,251
Dividend received	18,338	68,608
Net advances (to)/from joint ventures and associated companies	(47,195)	10,962
Deposit placements with investment brokers	-	(53,154)
Net cash inflow from settlement for surrendering certain assets and lease interests	197,309	-
Other receipts/(payments)	32,548	(3,852)
<b>Net cash generated from investing activities</b>	<b>350,004</b>	<b>755,174</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares by the Company	(2,850)	-
Issuance of share capital to non-controlling interests of subsidiary companies	6,290	9,653
Reissuance of BCorp ICULS 1	-	58,283
Issuance of medium term notes by subsidiary company	-	305,000
Redemption of medium term notes	-	(280,000)
Dividend paid to shareholders of the Company	-	(42,003)
Dividends paid to non-controlling interests of subsidiary companies	(129,806)	(120,515)
Interest paid	(399,403)	(411,555)
Drawdown of bank and other borrowings	1,399,346	2,421,487
Repayment of bank and other borrowings	(2,317,630)	(2,732,444)
Net withdrawal in bank deposits	-	97
Net withdrawal/(placements) in banks as security pledges for borrowings	718,493	(611,122)
<b>Net cash used in financing activities</b>	<b>(725,560)</b>	<b>(1,403,119)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(279,666)</b>	<b>414,708</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,607,875</b>	<b>1,183,655</b>
Effect of exchange rate changes	57,242	9,512
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>1,385,451</b>	<b>1,607,875</b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	635,959	809,789
Cash and bank balances	1,073,640	1,788,664
Bank overdraft (included under short term borrowings)	(82,288)	(56,259)
	1,627,311	2,542,194
Less :		
Deposits with maturity more than 3 months	-	(89)
Remisiers' deposit held in trust	(15,717)	(13,320)
Clients' money held in trust	(175,903)	-
Cash and cash equivalents restricted in use	(226,143)	(922,256)
	1,385,451	1,606,529
Including: Cash and cash equivalents classified as held for sale	-	1,346
	<b>1,385,451</b>	<b>1,607,875</b>

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 APRIL 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") that became effective on 31 January 2017 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 2016. 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 2016.

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 2016 other than the IC Interpretation issued by IFRS in November 2016 which clarified the expected method recovery when measuring deferred tax of an intangible assets with indefinite useful life. Following the classification, the Group has effected a change in accounting policy which was applied retrospectively as detailed in Note A3(a)(i) below.

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:
- (a) the property development segment is affected by the prevailing cyclical economic conditions.
  - (b) the stock and futures broking businesses are influenced by the performance of the stock market.
  - (c) the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the third quarter of the financial year.
  - (d) the gaming business may be positively impacted by the festive seasons.
- A3 (a) The following are the unusual items that occurred during the current quarter under review:

- (i) Prior Year Adjustment

The Group has assessed the Gaming Rights - Licence relating to the toto betting operations in Malaysia with carrying amount of RM4.40 billion, to have indefinite useful life which is not amortised but tested for impairment annually or when indication of impairment arises. The deferred tax has not been provided for Gaming Rights - Licence as the Group has previously taken the view commonly applied that the carrying amount of an indefinite useful life intangible asset will be recovered through sale.

In November 2016, the IFRS Interpretation Committee ("IFRS IC") clarified that an indefinite useful life intangible asset is not a non-depreciable asset as it does not have infinite life, but rather it is not amortised because there is no foreseeable limit on the period during which an entity expects to consume future economic benefits embodied in that asset. Hence an entity cannot automatically avail itself to the requirements of paragraph 51B of the FRS 112: Income Taxes, i.e. to assume recovery through sale as in the case of a non-depreciable asset measured using the revaluation model in FRS 116: Property, Plant and Equipment.

Following the above clarification from IFRS IC, the Group changed its accounting policy on the expected method of recovering its carrying amount of Gaming Rights - Licence to recovery through use instead of recovery through sale. As such, deferred tax would now be measured and provided on this indefinite useful intangible asset. The change in accounting policy is applied retrospectively.



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## NOTES TO THE INTERIM FINANCIAL REPORT

As a result of the above, certain comparative amounts for the financial year ended 30 April 2016 have been adjusted and disclosed below.

	As previously reported RM'000	Prior year adjustment RM'000	As restated RM'000
As at 30 April 2016			
Statement of Financial Position			
Reserves: Fair value reserve	723,259	(400,195)	323,064
Reserves: Consolidation reserve	(879,770)	56,231	(823,539)
Non-controlling interests	5,171,636	(712,036)	4,459,600
Deferred tax liabilities	474,846	1,056,000	1,530,846

The aforesaid adjustments do not have any other effect on the Group's statement of cash flows and on the Company's separate financial statements for the financial year ended 30 April 2016.

- (ii) A transfer of distributable retained earnings to capital reserve amounting to RM99.07 million, arising from a foreign subsidiary company's bonus issue of shares was effected for the current financial year ended 30 April 2017.

Recognised directly in statement of profit or loss

- (iii) Included under investment related income and (expenses):

	Current Quarter RM'000	Financial Year to date RM'000
Gain on disposal of other investments	461	1,631
Gain on disposal of an associated company	(179)	67,968
Gain/(Loss) on disposal of other investment	2,006	(4,476)
Gain on disposal of a subsidiary company	-	6,369
Gain arising from remeasurement	1,912	1,912
Loss arising from dilution of interest in associated companies	(1,508)	(10,086)
Impairment loss on amount owing from an associated company	(4)	(2,063)
Impairment in value of goodwill and other intangibles	(42,601)	(42,601)
Foreign currency translation reserve transferred to profit or loss due to disposal of an associated company	(30)	30,664
Loss on disposal of an associated company	-	(13,022)
Net impairment in value of investment in associated companies	(10,746)	(11,083)
Impairment in value of AFS investment	(78)	(86)
Impairment in value of property, plant and equipment	(7,070)	(7,070)
Fair value loss on disposal of AFS financial assets	-	(505)
Net fair value changes of investment properties	21,426	21,432
Net fair value changes of fair value through profit or loss ("FVTPL") investments	9,785	1,343
Gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities	-	163,639
	<u>(26,626)</u>	<u>203,966</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT**

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 30 April 2017.

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 year ended 30 April 2017 except for the following (rounded to nearest thousand):

- (a) Share capital  
250,411,000 ordinary shares were issued pursuant to the conversion of 250,411,000 BCorp ICULS 4 of RM1.00 nominal value each.
- (b) 2% 10-year irredeemable convertible unsecured loan stocks of RM1.00 nominal value each ("BCorp ICULS 4")  
353,248,000 BCorp ICULS 4 have been issued during the year together with Warrants 3 pursuant to the acquisition of 598,726,000 shares in Berjaya Land Berhad ("BLand Acquisition"). During the financial year ended 30 April 2017, 250,411,000 BCorp ICULS 4 were converted into 250,411,000 ordinary shares.
- (c) 10-year warrants 2016/2026 ("Warrants 3")  
706,497,000 warrants were issued by the Company together with BCorp ICULS 4 pursuant to the BLand Acquisition. Each Warrant 3 entitles the holder to subscribe for one ordinary share at an exercise price of RM1.00 per share. During the financial year ended 30 April 2017, no shares have been issued pursuant to the exercise of Warrants 3.

Note:

- ~ On 31 January 2017, in accordance with the new Companies Act 2016, the concepts of "par value" and "authorised capital" were abolished and effective on that date, the shares of the Company ceased to have a par value. Consequently, the share premium amount is now treated as part of the Company's share capital.

Subsequent to the quarter ended 30 April 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.

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## NOTES TO THE INTERIM FINANCIAL REPORT

(d) Treasury shares

The details of the share buyback during the financial year ended 30 April 2017 are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
June 2016	0.35	0.36	0.36	8,000,000	2,850
			0.36	8,000,000	2,850

The number of treasury shares held in hand as at 30 April 2017 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 30 April 2016	0.72	182,000,000	130,399
Increase in treasury shares	0.36	8,000,000	2,850
Distribution as share dividend	0.70	(141,991,848)	(99,580)
<b>Total treasury shares as at 30 April 2017</b>	<b>0.70</b>	<b>48,008,152</b>	<b>33,669</b>

As at 30 April 2017, the number of outstanding shares in issue and fully paid up with voting rights (rounded to nearest thousand) was 4,875,583,000 (30 April 2016: 4,491,180,000) ordinary shares.

A5 During the financial year ended 30 April 2017, the Company paid the final dividend comprising a share dividend of 3 treasury shares for every 100 ordinary shares held in respect of the financial year ended 30 April 2016. The total number of treasury shares distributed was 141,991,848 shares or equivalent to RM99.58 million. This final dividend was credited into the entitled depositors' securities accounts of the shareholders maintained with Bursa Malaysia Depository Sdn Bhd on 30 December 2016.

A6 Segment information for the financial period ended 30 April 2017:-

## REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Gaming operations	3,334,217	238,050	3,572,267
Financial services	43,154	1,459	44,613
Property investment and development	954,863	65,106	1,019,969
Hotels and resorts	413,715	1,198	414,913
Marketing of consumer products and services	3,634,128	89,713	3,723,841
Restaurants and cafes	686,600	255	686,855
Others	71,325	21,976	93,301
Elimination: Inter-segment Revenue	-	(417,757)	(417,757)
<b>Total revenue</b>	<b>9,138,002</b>	<b>-</b>	<b>9,138,002</b>

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## NOTES TO THE INTERIM FINANCIAL REPORT

## RESULTS

	RM'000
Gaming operations	332,997
Financial services	39,630
Property investment and development	452,131
Hotels and resorts	49,134
Marketing of consumer products and services	60,412
Restaurants and cafes	4,311
Others	(8,985)
	<u>929,630</u>
Unallocated corporate items	(210,408)
Profit from operations	719,222
Investment related income	
-Interest income	70,227
-Gain on disposal of other investments	1,631
-Gain on disposal of an associated company	67,968
-Gain arising from remeasurement	1,912
-Fair value gain from investment properties	23,710
-Fair value changes of FVTPL investments	1,513
-Gain on disposal of a subsidiary company	6,369
-Gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities	163,639
-Foreign currency translation reserve transferred to profit or loss due to disposal of an associated company	30,664
-Dividend income and others	888
	<u>368,521</u>
Investment related expenses	
-Fair value changes of FVTPL investments	(170)
-Loss on disposal of other investment	(4,476)
-Impairment in value of AFS investment	(86)
-Loss on disposal of an associated company	(13,022)
-Fair value loss on disposal of AFS financial assets	(505)
-Fair value loss from investment properties	(2,278)
-Loss arising from dilution of interest in associated companies	(10,086)
-Impairment loss on amount owing from an associated company	(2,063)
-Impairment in value of goodwill and other intangibles	(42,601)
-Impairment in value of property, plant and equipment	(7,070)
-Impairment in value of investment in associated companies	(11,083)
	<u>(93,440)</u>
Finance costs	(423,981)
Share of results of associates	58,462
Share of results of joint ventures	(2,617)
Profit before tax	<u>626,167</u>
Income tax expense	(326,482)
Profit after tax	<u><u>299,685</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 up to the date of this announcement.
- A8 There were no changes in the composition of the Group for the current period ended 30 April 2017, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 6 May 2016, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary company of Berjaya Sports Toto Berhad ("BToto") completed the subscription of 42,500 new ordinary shares in Neptune Properties Inc. ("Neptune") for a total consideration of PHP82.3 million (equivalent to RM7.1 million), representing 41.5% equity interests in Neptune.
  - (b) On 16 May 2016, the Company announced the proposed member's voluntary winding up exercise of Eng Equities Sdn Bhd, an indirect subsidiary of the Company.
  - (c) On 27 June 2016, the Company announced that BGroup, its wholly owned subsidiary company, acquired 60% equity interest in a new subsidiary company, BLoyalty Pte Ltd, a company incorporated in Singapore, for a total consideration of SGD6,000.
  - (d) During the first quarter ended 31 July 2016, the Group disposed of its entire equity interests in Bermaz Auto Berhad (formerly known as Berjaya Auto Berhad) ("BAuto"), and consequently, BAUTO ceased as an associated company of the Group.
  - (e) On 5 July 2016, the Company announced that the disposals of the 9.09% equity stake comprising of 104.10 million shares in BAUTO to Dynamic Milestone Sdn Bhd ("DMSB"), in exchange for 33% equity interest in DMSB, had been completed and DMSB became an associated company of the Group.
  - (f) On 19 July 2016, the Company announced that Cosway Germany GmbH, a wholly-owned dormant subsidiary which had not commenced operations since incorporation, had been voluntarily liquidated pursuant to an application and its name has been struck off from the commercial register.
  - (g) During the current quarter under review, the Group acquired 2,750 ordinary shares of RM1.00 each, representing 11% equity interest in Pasdec Cempaka Sdn Bhd ("Pasdec Cempaka") for a total cash consideration of RM15.00 million. Consequently, the Group's equity interest in Pasdec Cempaka, which is regarded as a joint venture, has increased from 40% to 51%.
  - (h) On 4 August 2016, Redtone International Berhad ("Redtone") announced that it had on 3 August 2016 incorporated a new subsidiary company under the name of Ansar Mobile Sdn Bhd ("Ansar"). Ansar is wholly owned by Redtone. The intended principal activity of Ansar is the provision of telecommunications and telecommunications related services.

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### NOTES TO THE INTERIM FINANCIAL REPORT

- A8 (i) On 28 October 2016, Redtone announced that it had completed the disposal of its entire equity interest of 92.31% comprising 260,619,365 common shares of USD0.0001 each in REDtone Asia Inc ("REDtone Asia"), a company quoted on the Over-The-Counter Bulletin Board, United States of America, to Million Vision Development International Limited ("MillionVision") for a cash consideration of RMB38.31 million (about RM23.78 million) which was satisfied by MillionVision assuming a debt owing by Redtone group to the REDtone Asia group of about RMB38.31 million (about RM23.78 million). Accordingly, REDtone Asia and its subsidiary companies ceased as subsidiary companies of Redtone.
- (j) On 30 December 2016, Berjaya Group Portfolio (Cayman) Limited, a wholly owned subsidiary company, was struck off from the company register in the Cayman Islands.
- (k) On 18 November 2016, the Company announced that Berjaya Pharmacy Sdn Bhd (formerly known as Morning Charm Sdn Bhd) ("BPharmacy") had on even date acquired a new dormant company Berjaya Pharmacy Retail Sdn Bhd (formerly known as Satin Charm Sdn Bhd) ("BPRetail") for a cash consideration of RM2.00. The principal activities of BPRetail are those relating to the business as an operator of community pharmacy chain stores.
- (l) H. R. Owen Plc ("HR Owen"), a direct subsidiary company of BPI, acquired 60 ordinary shares of GBP1.00 each, representing 60% equity interest in H R Owen Insurance Services Limited ("HROIns") for a total consideration of GBP60 (about RM330) during the financial period ended 31 January 2017. The principal activities of HROIns are providing services as insurance agents and brokers.
- (m) On 3 January 2017, the Company announced that Country Farm Organics Mart Pte Ltd, a wholly owned dormant subsidiary company of the Group, had been struck off from the Register of Companies in Singapore.
- (n) On 31 January 2017, Berjaya Forest Products (Luxembourg) S.a.r.l, a wholly owned subsidiary company of the Group, completed the disposal of its entire equity interests in Taiga Building Products Limited, an associated company of the Group which is incorporated in Canada.
- (o) On 9 March 2017, BLand announced that Berjaya Okinawa Investment (S) Pte Ltd (formerly known as Berjaya Health Investment Pte Ltd) ("BOI") had on even date acquired 2 ordinary shares, representing 100% equity interest, in Berjaya Okinawa Hospitality Asset TMK ("BOHA") from Mr Tan Teng Yan for cash consideration of JPY100,000 or at JPY50,000 per BOHA share (about RM4,000).
- (p) On 17 March 2017, BLand announced the incorporation of two subsidiary companies in Japan, namely, Berjaya Okinawa Investment GK ("BOIGK") and BHR Okinawa Management GK ("BHRMGK"). BOIGK is held by BOI, a wholly owned subsidiary of BLand, and BHRMGK is held by Berjaya Hotels & Resorts (Singapore) Pte Ltd, which in turn is wholly owned by Tioman Island Resort Berhad, an 86.25%-owned subsidiary company of BLand.
- (q) On 11 April 2017, BToto announced that BPI, its 88.26% owned subsidiary company, had incorporated a wholly owned subsidiary company in the Philippines under the name of Berjaya Enviro Philippines Inc.
- (r) HR Owen incorporated Upbrook Mews Limited as a wholly owned subsidiary company. The intended principal activities are letting and operating of own or leased real estate.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

- 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 42(2) to the financial statements regarding the claim brought by Evolv Health LLC ("Evolv") against CoswayUSA and several other parties, the trial date has been set on 29 August 2017. The lawyers of Evolv filed motions to withdraw themselves from representing Evolv. On 26 April 2017, the Court allowed the motion for withdrawal and ordered Evolv to appoint new counsels and show cause by 29 May 2017 why the case should not be dismissed if they fail to continue and fixed 31 May 2017 for the hearing. Evolv failed to appoint new lawyers and were unable to continue. The Court dismissed the case on 1 June 2017.
  - (b) With reference to Note 42(4) to the financial statements regarding the actions brought by Armen&anor, the trial has been postponed to 31 October 2016 at the request of Armen&anor. The trial proceeded for three days but there was a procedural error and a new trial has been re-scheduled to 27 February 2017. The trial commenced on 27 February 2017 as re-scheduled and it ended on 22 March 2017 with the verdict that 2 of the claims have been withdrawn while for the remaining 2 claims, Armen&anor were unsuccessful with their claims. On 18 May 2017, the Court issued written judgment in favour of CoswayUSA and others in their counter claim against Armen&anor and were awarded USD15,200 plus USD3,990 in pre-judgment interest. The Court further entered judgment in favour of CoswayUSA against Aditya AHT Inc, owned by Armen&anor and one of the parties that CoswayUSA counter claimed against, in the sum of USD56,327. On 26 May 2017, Armen&anor filed a motion to set aside the jury verdict. The case is fixed for hearing on 6 July 2017.
- A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2016, except as follows:
- (a) On 1 June 2016, Juara Sejati Sdn Bhd completed the acquisition of a total of 598.73 million BLand shares from Tan Sri Dato' Seri Vincent Tan Chee Yioun and Penta Investment Advisers Limited for a total purchase consideration of RM419.11 million which was satisfied by the issuance of RM353.25 million nominal value of BCorp ICULS 4 with 706.50 million free Warrants 3 in the Company and by cash of RM65.86 million.
  - (b) On 28 November 2016, Berjaya Okinawa Development Co. Ltd, an indirect wholly-owned subsidiary company of the Group had entered into a sales agreement with Shurei Tourism Development Co. Ltd to acquire several parcels of land and a hotel building constructed thereon, known as Royal Garden Hotel, for a total cash consideration of JPY1.74 billion (or about RM69.8 million). This hotel is located at Uruma City, Okinawa, Japan and is currently not in operation. The proposal has been completed.
  - (c) On 13 December 2016, BPI announced a proposal to acquire additional shares in H.R. Owen Plc for about GBP14.83 million (about RM82.60 million) and this proposal was completed in the third quarter ended 31 January 2017. Consequently, BPI's equity interest in HR Owen had increased from 72.03% to 98.38%.

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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.

### **Review of results for the quarter**

The Group registered a revenue of RM2.23 billion and pre-tax profit of RM62.22 million in the current quarter ended 30 April 2017 as compared to a revenue of RM2.48 billion and pre-tax loss of RM466.10 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 property investment and development business segment as compared to the preceding year corresponding quarter.

#### Marketing of consumer products and services

The marketing and consumer products and services segment reported a lower revenue in the current quarter as compared to the previous year corresponding quarter. This decrease was mainly due to weak consumer spending sentiment as a result of slowdown in the economy.

#### 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 is because the remaining units of a property project in China has been disposed of in the third quarter of this financial year. In the previous financial year, the sale of property units was high due to high demand after the Chinese government relaxed certain rules.



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### Hotels and resorts

The hotels and resorts business reported a higher revenue mainly due to revenue contribution from a new hotel which started its operations in the month of October 2016.

### Gaming operations

The gaming operations operated by Sports Toto Malaysia Sdn Bhd ("STM"), principal subsidiary of Berjaya Sports Toto Berhad ("BToto"), reported lower revenue in the current quarter mainly due to having lower number of draws.

### Commentary on pre-tax profit

The turn around in profitability in this current quarter as compared to the previous year corresponding quarter's pre-tax loss was mainly because last year same period there were non-cash losses such as impairment in value of goodwill of RM473.20 million and assets held for sale relating to Berjaya (China) Great Mall Co Ltd ("GMOCC") of RM131.81 million. The lower operating profit for the current quarter was also due to lower contribution from gaming operations segment and property investment and development business segment.

### Marketing of consumer products and services

The lower pre-tax loss of the retail distribution business in this current quarter under review as compared to the preceding year corresponding quarter was mainly due to aggressive promotional campaigns conducted coupled with lower operating expenses resulting from various cost cutting measures implemented.

The motor distribution business reported a higher pre-tax profit in this quarter under review mainly due to higher revenue as mentioned above.

### Restaurants and cafes

The lower pre-tax profit of restaurants and cafes business in the current quarter under review was mainly due to the slowdown of the economy. In view of the economic slowdown, management undertook measures to curtail further losses in future such as closure of non-performing restaurants and outlets.

### 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 reported lower pre-tax profit mainly due to the lower profit contribution from STM arising from its lower revenue and the exceptionally lower prize payout in the previous year corresponding quarter.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### **Review of results for the financial year**

The Group registered a revenue of RM9.14 billion and pre-tax profit of RM626.17 million for the financial year ended 30 April 2017 as compared to a revenue of RM9.02 billion and pre-tax profit of RM293.74 million reported in the previous year.

### **Commentary on revenue**

The Group registered a higher revenue for the financial year under review mainly due to higher contribution from the hotels and resorts 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 year as compared to the previous year. 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 year.

The motor distribution business under HR Owen reported a higher revenue contribution due to higher revenue boosted by higher sales volume of new cars, certain new models available for sale as well as contribution from additional outlets during the current financial year under review.

### **Restaurants and cafes**

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

### **Property investment and development**

The property investment and development business registered higher revenue mainly due to encouraging sales of apartments and higher progress billings from a property project in the Peoples' Republic of China in the year under review as well as the sales of several units of residences in Japan.

### **Hotels and resorts**

The hotels and resorts business reported a higher revenue mainly due to revenue contribution from a new hotel which started operations in the month of October 2016.

### **Gaming operations**

The gaming operations reported lower revenue in the current year mainly due to the additional GST adjustment of RM15.6 million that STM had made against its revenue pursuant to a notification from the Royal Malaysian Customs Department ("RMCD") due to different interpretation on the value of gaming supply ("GST Adjustment").

### **Commentary on pre-tax profit**

The Group's pre-tax profit for the current financial year was higher than the previous financial year. The property investment and development segment reported higher pre-tax profit but this was dampened by decreased profits from gaming operations.

### **Marketing of consumer products and services**

This segment reported a higher pre-tax profit in the current financial year as compared to the previous financial year. The motor distribution business under HR Owen reported a higher pre-tax profit due to higher revenue as mentioned above.

### **Restaurants and cafes**

The lower pre-tax profit of restaurants and cafes business was mainly due to the slowdown in the economy which adversely impacted the expansion plans of Kenny Rogers Roasters operations in Malaysia and Indonesia.

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Property investment and development

In line with the higher revenue achieved as mentioned above, the property investment and development business registered a higher pre-tax profit. The higher sales were mainly from property projects in China and Japan.

Hotels and resorts

The hotels and resorts business reported higher pre-tax profit in tandem with the higher revenue achieved in this current financial year under review as compared to the previous financial year.

Gaming operations

The gaming business contributed lower pre-tax profit mainly due to aforesaid GST adjustment, higher prize payout as well as higher operating expenses incurred in the current financial year under review.

**B2** Review of results of fourth quarter vs third quarter

For the quarter under review, the Group recorded a revenue of RM2.23 billion and pre-tax profit of RM62.22 million as compared to a revenue of RM2.22 billion and pre-tax profit of RM83.86 million reported in the preceding quarter.

Commentary on revenue

The Group recorded a higher revenue for the current quarter mainly due to higher revenue reported by marketing of consumer products and services segment as compared to the preceding quarter.

Marketing of consumer products and services

The marketing of consumer products and services segment reported higher revenue as the motor distribution business under HR Owen reported a higher new and used cars sales volume in the current quarter as compared to the preceding quarter.

This increase was dampened by the lower revenue reported by the retail distribution business. The drop in revenue was mainly due to the continuous weak consumer spending sentiment as a result of the unfavourable economic conditions in China, Malaysia and Hong Kong.

Restaurants and cafes

The restaurants and cafes business reported a lower revenue in the current quarter as compared to the third quarter. The third quarter is traditionally the biggest quarter in terms of revenue in the financial year for our restaurants and cafes business.

Property investment and development

The property investment and development business reported a lower revenue due to lower sales of properties in the current quarter.

Hotels and resorts

The hotels and resorts business reported a lower revenue mainly due to lower revenue contribution from the current quarter.

Gaming operations

The gaming business reported a higher revenue mainly due to commencement of betting operations in Vietnam.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Commentary on pre-tax profit

The Group's pre-tax profit for the current quarter under review was lower than the preceding quarter. The drop in pre-tax profit in the current quarter was due to the items disclosed in Note A3. The increase in operating profits was mainly from the gaming operations segment.

Marketing of consumer products and services

The marketing of consumer products and services segment reported lower pre-tax loss as the retail distribution business undertook aggressive promotional campaigns conducted on its operation in Malaysia.

The motor distribution business reported higher pre-tax profit as compared to the preceding quarter mainly due to reasons as mentioned above.

Restaurants and cafes

The restaurants and cafes business reported a lower pre-tax profit in the current quarter mainly due to reasons as mentioned above.

Property investment and development

The property investment and development business registered lower pre-tax profit due to lower sales of properties and higher operating expenses incurred in the current quarter.

Hotels and resorts

The hotels and resorts business reported lower pre-tax profit as compared to the preceding quarter mainly due to higher operating expenses incurred in the current quarter.

Gaming operations

The gaming business contributed higher pre-tax profit mainly due to higher revenue contribution from operations in Vietnam as mentioned above.

**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 very challenging going forward.

**B4** There is no profit forecast or profit guarantee for the financial year ended 30 April 2017.

**B5** The taxation charge for the current quarter and financial year ended 30 April 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	55,409	183,649
- Outside Malaysia	(15,562)	127,984
Deferred tax	14,853	19,105
Under/(provision) provision in prior years	<u>1,689</u>	<u>(4,256)</u>
	<u>56,389</u>	<u>326,482</u>

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The disproportionate tax charge of the Group for the current quarter/financial year ended 30 April 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.

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

	Current Quarter RM'000	Financial Year to date RM'000
Interest income	(9,026)	(70,227)
Dividend income	(463)	(888)
Gain on disposal of property, plant and equipment	(21,801)	(22,207)
Gain on disposal of other investments	(461)	(1,631)
Gain on disposal of an associated company	179	(67,968)
Gain on disposal of a subsidiary company	-	(6,369)
(Gain)/Loss on disposal of other investment	(2,006)	4,476
Fair value loss on from AFS financial assets	-	505
Loss arising from dilution of interest in an associated company	1,508	10,086
Depreciation of property, plant and equipment	68,821	203,849
Amortisation of intangible assets	16,095	64,738
Impairment loss on receivables	13,887	19,764
Impairment loss on amount owing from an associated company	4	2,063
Impairment in value of investment in associated companies	10,746	11,083
Impairment in value of AFS investment	78	86
Provision for and write off of inventories	4,843	18,665
Loss on disposal of an associated company	-	13,022
Foreign exchange gain (net)	(57,397)	(109,742)
Fair value changes of investment properties	(21,426)	(21,432)
Fair value changes of FVTPL investments (net)	<u>(9,785)</u>	<u>(1,343)</u>

B7 (A) There has been no further developments for those corporate proposals disclosed in Notes 47 and 48 to the audited financial statements of the Company for the financial year ended 30 April 2016 except for the following:

(a) Note 47(6) in relation to the proposed disposal of the Berjaya (China) Great Mall Recreation Centre

On 16 December 2016, BLand announced that GMOC, a 51.00% owned subsidiary company of the BLand group, had completed the disposal of the Berjaya (China) Great Mall Recreation Centre located in Sanhe City, Hebei Province, the People's Republic of China for a cash consideration of RMB2.08 billion (or about RM1.39 billion) to Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean").

Upon signing of the construction project transfer agreement ("CPTA"), Beijing SkyOcean paid RMB50.00 million to GMOC. GMOC further received RMB1,015 million following the fulfilment of all the conditions precedent of the CPTA. The balance of the purchase consideration of RMB1,015 million will be received by November 2017 pursuant to the terms of the CPTA.

On 28 April 2017, BLand announced that GMOC has entered into a supplementary agreement with Beijing SkyOcean to adjust the total cash consideration from RMB2.08 billion to about RMB2.04 billion ("Consideration Adjustment"). Accordingly, the Balance Proceeds is revised to RMB974.07 million. The Consideration Adjustment was due to part of the land was regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

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

- (i) On 13 December 2016, BToto announced that BPI had proposed to acquire 6,589,934 shares in HROwen, a 72.03% subsidiary company of BPI, from Bentley Motors Limited for a total purchase price of about GBP14.83 million (about RM82.60 million) or about GBP2.25 per share. This proposal was completed during the financial quarter ended 31 January 2017 and accordingly BPI increased its equity interest in HROwen from 72.03% to 98.38%.
- (ii) On 2 February 2017, the Company announced the completion of the disposals by Berjaya Forest Products (Luxembourg) S.a.r.l ("BForest"), a wholly owned subsidiary company of the Group, to UPP Holdings Limited ("UPP"), a Singapore incorporated company which is listed on the Main Board of the Singapore Exchange Securities Trading Limited, of the following:
  - i) the entire 12,669,808 common shares ("Taiga shares"), representing an equity interest of 39.09% , in Taiga Building Products Limited ("Taiga"), a company listed on the Toronto Stock Exchange, by BForest for a total cash consideration of about CAD12.67 million (or about RM39.87 million) or at CAD1.00 per Taiga share; and
  - ii) the entire CAD46,008,796.98 principal amount of 14% unsecured subordinated notes ("Taiga notes") in Taiga by BForest for a total cash consideration of about CAD52.91 million (or about RM166.50 million) or at CAD1.15 per Taiga note.
- (iii) On 15 February 2017, BLand announced that Berjaya Leisure (Cayman) Limited ("BLCL"), a wholly owned subsidiary company of BLand, entered into a capital contribution transfer agreement for the proposed disposal of its entire 70% stake in Berjaya Long Beach Limited Liability Company ("BLongBeach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (about RM65.32 million) and to waive all amounts owing by BLongBeach to BLCL of about VND87.50 billion (about RM17.15 million). The proposal is pending completion.
- (iv) 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.

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B8 Group borrowings and debt securities as at 30 April 2017 were as follows:

			At end of current quarter RM'000
<b>Short term borrowings</b>			
<b>Secured</b>			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia	-	#	1,831,164
USD	82,658	*	359,687
SGD	75,892	*	236,502
GBP	5,803	*	32,320
PHP	591,816	*	51,498
KRW	2,350,078	*	8,982
JPY	1,730,000	*	67,670
			<u>2,587,823</u>
<b>Unsecured</b>			
Denominated in Ringgit Malaysia			8,520
USD	74	*	322
KRW	130,037	*	497
			<u>9,339</u>
			2,597,162
<b>Long term borrowings</b>			
<b>Secured</b>			
	Foreign currency amount		
	'000		
Denominated in Ringgit Malaysia		#	2,348,556
USD	5,844	*	25,428
GBP	13,431	*	75,258
SGD	2,957	*	9,215
JPY	18,873,220	*	738,226
RMB	140,000	*	88,235
VND	193,055,000	*	38,611
PHP	233,333	*	20,307
			<u>3,343,836</u>
<b>Unsecured</b>			
Denominated in RMB	66,405	*	41,852
USD	1,220	*	5,308
			<u>47,160</u>
			3,390,996
<b>Total bank borrowings</b>			
			<u><u>5,988,158</u></u>
<b>* Converted at the respective exchange rates prevailing as at 30 April 2017</b>			
<b># Includes medium term notes</b>			
- short term			529,480
- long term			894,221
			<u><u>1,423,701</u></u>

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

- (a) 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.

B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 30 April 2016: share dividend distribution of 3 treasury shares for every 100 ordinary shares. This share dividend is equivalent to 2.16 sen per share).



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

	Group (3-month period)			
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000		sen	
Net profit/(loss) for the quarter	3,238	(368,909)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	2,410	2,683		
- BCorp ICULS 4	202	-		
Adjusted net earnings/(loss) for the quarter	<u>5,850</u>	<u>(366,226)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,875,583	4,491,180		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>644,998</u>		
Number of shares used in the calculation of basic earnings/(loss) per share ('000)	<u>5,623,418</u>	<u>5,136,178</u>		
Basic earnings/(loss) per share			<u>0.10</u>	<u>(7.13)</u>
Adjusted net earnings/(loss) for the quarter	5,850	(366,226)		
Dilution effect on conversion of Redtone International Berhad ICULS	-	(96)		
Dilution effect on exercise of Berjaya Media Berhad warrants	-	(118)		
Dilution effect on exercise of Berjaya Food Berhad warrants	-	(8)		
Dilution effect on exercise of BAUTO share options	-	(77)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	-	(5)		
	<u>5,850</u>	<u>(366,530)</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,623,418</u>	<u>5,136,178</u>		
Diluted earnings/(loss) per share			<u>0.10</u>	<u>(7.14)</u>

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B11	Group (12-month period)			
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
	RM'000		sen	
Net profit/(loss) for the year-to-date	139,952	(177,223)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	10,770	13,176		
- BCorp ICULS 4	1,039	-		
Adjusted net earnings/(loss) for the year-to-date	<u>151,761</u>	<u>(164,047)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,731,741	4,320,488		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>769,346</u>	<u>775,458</u>		
Number of shares used in the calculation of basic earnings/(loss) per share ('000)	<u>5,501,087</u>	<u>5,095,946</u>		
Basic earnings/(loss) per share			<u>2.76</u>	<u>(3.22)</u>
Adjusted net earnings/(loss) for the year-to-date	151,761	(164,047)		
Dilution effect on exercise of Redtone International Berhad ICULS	(21)	(121)		
Dilution effect on exercise of Berjaya Media Berhad warrants	-	(537)		
Dilution effect on exercise of Berjaya Food Berhad warrants	(25)	(55)		
Dilution effect on exercise of BAuto share options	-	(296)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	-	-		
	<u>151,715</u>	<u>(165,056)</u>		
Number of shares used in the calculation of diluted earnings/(loss) per share ('000)	<u>5,501,087</u>	<u>5,095,946</u>		
Diluted earnings/(loss) per share			<u>2.76</u>	<u>(3.24)</u>

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

	As at 30/04/2017 RM'000	As at 30/04/2016 RM'000 (Audited)
Total retained earnings of the Company and its subsidiaries:		
- realised	1,152,849	1,222,837
- unrealised	<u>1,450,506</u>	<u>1,441,825</u>
	2,603,355	2,664,662
Share of results from associated companies	*	*
	458,736	400,274
Share of results from joint ventures	*	*
	<u>(159,056)</u>	<u>(156,439)</u>
	2,903,035	2,908,497
Less: Consolidation adjustments	<u>(1,095,270)</u>	<u>(912,494)</u>
Total group retained earnings as per consolidated accounts	<u><u>1,807,765</u></u>	<u><u>1,996,003</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