

Berjaya Corporation Berhad

Registration Number: 200101019033 (554790-X)

Date: 29 November 2023

Subject: **UNAUDITED QUARTERLY (Q1) FINANCIAL REPORT FOR
THE PERIOD ENDED 30 SEPTEMBER 2023**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended	
	30/09/2023	30/09/2022
	RM'000	RM'000
GROUP REVENUE	2,567,320	2,243,190
PROFIT FROM OPERATIONS	176,981	153,514
Investment related income	47,227	33,065
Investment related expenses	(15,288)	(6,001)
Finance costs	(138,490)	(90,015)
Share of results of associates	24,199	11,011
Share of results of joint ventures	7,360	6,013
PROFIT BEFORE TAX	101,989	107,587
INCOME TAX EXPENSE	(60,871)	(69,590)
PROFIT AFTER TAX	41,118	37,997
ATTRIBUTABLE TO:		
- Equity holders of the parent	15,767	(16,415)
- Non-controlling interests	25,351	54,412
	41,118	37,997
EARNINGS/(LOSS) PER SHARE (SEN)		
- Basic, for the period	0.28	(0.29)

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

BERJAYA CORPORATION BERHAD**Registration Number: 200101019033 (554790-X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended	
	30/09/2023	30/09/2022
	RM'000	RM'000
PROFIT AFTER TAX	41,118	37,997
OTHER COMPREHENSIVE ITEMS		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	(726)	(595)
Share of associated companies' currency translation differences	326	(122)
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	10,848	33,713
Share of associated companies' changes in fair values of FVTOCI investments	(2,948)	1,774
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>48,618</u>	<u>72,767</u>
ATTRIBUTABLE TO:		
- Equity holders of the parent	33,272	18,384
- Non-controlling interests	<u>15,346</u>	<u>54,383</u>
	<u>48,618</u>	<u>72,767</u>

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

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/09/2023 RM'000	As at 30/06/2023 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,438,027	3,529,433
Right-of-use assets	2,331,668	2,327,962
Investment properties	868,755	869,363
Inventories - land held for property development	2,165,533	2,173,933
Associated Companies	1,057,956	1,055,772
Joint ventures	187,278	176,316
Other investments	582,257	538,047
Receivables	430,763	419,215
Retirement benefit assets	37,127	38,082
Intangible assets	4,685,831	4,710,773
Deferred tax assets	112,360	107,100
	<u>15,897,555</u>	<u>15,945,996</u>
Current Assets		
Inventories - property development costs	179,099	175,455
Inventories - others	1,653,219	1,748,343
Contract cost assets	5,357	9,600
Trade and other receivables	1,817,946	1,712,179
Contract assets	171,434	135,285
Short term investments	179,427	84,424
Tax recoverable	99,304	86,732
Deposits with financial institutions	921,983	642,103
Cash and bank balances	793,245	1,040,734
	<u>5,821,014</u>	<u>5,634,855</u>
Disposal Group/Non-current assets classified as held for sale	629,432	609,885
	<u>6,450,446</u>	<u>6,244,740</u>
TOTAL ASSETS	<u>22,348,001</u>	<u>22,190,736</u>
EQUITY AND LIABILITIES		
Share capital	5,347,774	5,347,774
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	110	110
Reserves	662,232	897,423
	<u>6,010,116</u>	<u>6,245,307</u>
Less: Treasury shares	(91,677)	(91,677)
	<u>5,918,439</u>	<u>6,153,630</u>
Non-controlling interests	2,964,618	2,693,561
Equity funds	<u>8,883,057</u>	<u>8,847,191</u>
Non-current liabilities		
Liability component of ICULS	6	6
Long term borrowings	3,057,031	2,856,436
Payables	284,058	272,676
Lease liabilities	2,293,146	2,308,553
Contract liabilities	170,451	171,908
Provisions	41,054	40,298
Deferred tax liabilities	1,207,122	1,205,323
Derivative liabilities	-	12,160
	<u>7,052,868</u>	<u>6,867,360</u>
Current Liabilities		
Liability component of ICULS	4	4
Payables	2,297,272	2,275,926
Contract liabilities	536,449	581,680
Derivative liabilities	67,216	54,703
Provisions	61,483	66,596
Short term borrowings	2,913,666	2,964,159
Lease liabilities	241,526	260,000
Taxation	56,634	46,826
	<u>6,174,250</u>	<u>6,249,894</u>
Liabilities directly associated with disposal group classified as held for sale	237,826	226,291
	<u>6,412,076</u>	<u>6,476,185</u>
Total Liabilities	<u>13,464,944</u>	<u>13,343,545</u>
TOTAL EQUITY AND LIABILITIES	<u>22,348,001</u>	<u>22,190,736</u>
Basic net assets per share (sen)	106.00	110.21
Dilutive net assets per share (sen)	105.32	109.06

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

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

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

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

BERJAYA CORPORATION BERHAD

Registration Number: 200101019033 (554790-X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent								Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable							Distributable					
	Share capital RM'000	ICULS - equity component RM'000	FVTOCI reserves RM'000	Warrants reserve ^ RM'000	Fair value reserves RM'000	Capital reserves RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000					
At 1 July 2023	5,347,774	110	(60,755)	113,039	(7,972)	210,922	(367,440)	92,233	917,396	(91,677)	6,153,630	2,693,561	8,847,191
Profit for the year	-	-	-	-	-	-	-	-	15,767	-	15,767	25,351	41,118
Other comprehensive income	-	-	3,706	-	-	-	-	13,799	-	-	17,505	(10,005)	7,500
Total comprehensive income	-	-	3,706	-	-	-	-	13,799	15,767	-	33,272	15,346	48,618
Transactions with owners:													
Transfer of reserves	-	-	(10,041)	-	(58,636)	(7,167)	(3,540)	(11,528)	90,912	-	-	-	-
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	(25,310)	-	-	-	(25,310)	(50,559)	(75,869)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	(2,802)	(240,351)	-	-	-	(243,153)	334,683	91,530
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,289	1,289
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	913	913
Share based payment	-	-	-	-	-	-	-	-	-	-	-	100	100
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(30,715)	(30,715)
	-	-	(10,041)	-	(58,636)	(9,969)	(269,201)	(11,528)	90,912	-	(268,463)	255,711	(12,752)
At 30 September 2023	5,347,774	110	(67,090)	113,039	(66,608)	200,953	(636,641)	94,504	1,024,075	(91,677)	5,918,439	2,964,618	8,883,057

Note:

^ This represents the fair values of warrants.

BERJAYA CORPORATION BERHAD
Registration Number: 200101019033 (554790-X)
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent								Distributable				
	Non-distributable												
	Share capital RM'000	ICULS - equity component RM'000	FVTOCI reserves RM'000	Warrants reserve ^ RM'000	Fair value reserves RM'000	Capital reserves RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2022	5,286,202	53,231	(89,592)	113,039	2,198	213,735	(475,267)	61,113	981,043	(74,982)	6,070,720	2,808,371	8,879,091
Profit for the year	-	-	-	-	-	-	-	-	(16,415)	-	(16,415)	54,412	37,997
Other comprehensive income	-	-	31,255	-	-	-	-	3,544	-	-	34,799	(29)	34,770
Total comprehensive income	-	-	31,255	-	-	-	-	3,544	(16,415)	-	18,384	54,383	72,767
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	1,740	-	-	-	1,740	-	1,740
Transactions with owners:													
Transfer of reserves	-	-	492	-	(10,862)	(3,780)	(4,512)	(13,855)	32,517	-	-	-	-
Adjustment due to increase in equity interest in subsidiary companies	-	-	-	-	-	-	33,542	-	-	-	33,542	(108,261)	(74,719)
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	(23,504)	-	-	-	(23,504)	33,828	10,324
Capital repayment by a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	(3,132)	(3,132)
Share based payment	-	-	-	-	-	-	-	-	-	-	-	560	560
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(42,795)	(42,795)
	-	-	492	-	(10,862)	(3,780)	5,526	(13,855)	32,517	-	10,038	(119,800)	(109,762)
At 30 September 2022	5,286,202	53,231	(57,845)	113,039	(8,664)	209,955	(468,001)	50,802	997,145	(74,982)	6,100,882	2,742,954	8,843,836

Note:

^ This represents the fair values of warrants .

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	30/09/2023 RM'000	30/09/2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	2,682,837	2,418,827
Payments for operating expenses	(2,545,105)	(2,134,257)
Payment of taxes	(73,339)	(71,146)
Other (payments)/receipts (including tax refunds)	(13,010)	10,492
Net cash generated from operating activities	<u>51,383</u>	<u>223,916</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	318	15,494
Disposal of investments in subsidiary companies	97,599	35,126
Disposal of investments in associated companies and joint venture	7,345	22,630
Disposal of other investments and short term investments	68,359	54,918
Disposal of a foreign hotel business operations	64,423	-
Acquisition of property, plant and equipment and non-current assets	(62,774)	(132,740)
Acquisition of investments in subsidiary companies	(114,887)	(72,371)
Acquisition of investments in associated companies and joint venture	(6,544)	(45,282)
Acquisition of other investments and short term investments	(144,413)	(96,368)
Acquisition of treasury shares by subsidiary company	(23,551)	(39,891)
Interest received	7,611	12,780
Dividend received	10,964	40,869
Net repayment from joint ventures and associated companies	7,254	2,857
Other receipts/(payments)	47,855	(7,608)
Net cash used in investing activities	<u>(40,441)</u>	<u>(209,586)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests of subsidiary companies	1,289	14,898
Issuance of medium term notes by subsidiary companies	58,640	6,630
Redemption of medium term notes by subsidiary companies	(6,630)	(8,180)
Dividends paid to non-controlling interests of subsidiary companies	(17,268)	(17,862)
Interest paid	(101,360)	(88,800)
Drawdown of bank and other borrowings	504,947	573,030
Repayment of bank and other borrowings	(373,418)	(339,315)
Payment of lease liabilities	(61,600)	(79,216)
Net placement with banks as security pledges for borrowings	(11,184)	(40,132)
Net cash (used in)/generated from financing activities	<u>(6,584)</u>	<u>21,053</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,358	35,383
OPENING CASH AND CASH EQUIVALENTS	1,548,515	1,085,172
Effect of exchange rate changes	16,401	23,522
CLOSING CASH AND CASH EQUIVALENTS	<u>1,569,274</u>	<u>1,144,077</u>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	921,983	702,645
Cash and bank balances	793,245	751,932
Bank overdraft (included under short term borrowings)	(51,762)	(57,459)
	<u>1,663,466</u>	<u>1,397,118</u>
Less :		
Remisiers' deposit held in trust	(12,796)	(10,937)
Cash and cash equivalents restricted in use	(102,797)	(242,104)
	<u>1,547,873</u>	<u>1,144,077</u>
Including: Cash and cash equivalents classified as held for sale	21,401	-
	<u>1,569,274</u>	<u>1,144,077</u>

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The interim financial report is not audited and has been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting, requirements of the Companies Act 2016 ("CA 2016") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR").

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 30 June 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding the changes in the financial position and performance of the Company since the financial year ended 30 June 2023.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 July 2023.

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

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- (a) the property segment is affected by the prevailing cyclical economic conditions.
 - (b) the stock and futures broking businesses are influenced by the performance of the stock market.
 - (c) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the second and third quarters of the financial year, while the hotels in Iceland are affected by winter season during the second and third quarters of the financial year; and
 - (d) the gaming business may be positively impacted by the festive seasons.
- A3 (a) The following are the unusual items that occurred during the current quarter under review:

Recognised directly in statement of profit or loss

(i) Included under investment related income and (expenses):	Current Quarter RM'000
Gain on disposal of a foreign hotel business operations	12,442
Gain on disposal of subsidiary company	427
Gain on disposal of associated company	7,345
Reversal of impairment on amount owing by an associated company	9,502
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(4,715)
Impairment on investment in associated companies	<u>(9,164)</u>
	<u>15,837</u>

- (b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 30 September 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

- A4 There were no issuances and repayment of equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2023 except for the following:

Treasury shares

There was no share buyback during the financial period ended 30 September 2023.

The number of treasury shares held in hand as at 30 September 2023 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 30 September 2023	0.2419	379,059,527	91,677

As at 30 September 2023, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,583,491,000 ordinary shares (30 September 2022: 5,541,934,000).

Subsequent to financial period ended 30 September 2023, 14,798,000 units of ordinary shares were bought back and held as treasury shares. As at 28 November 2023, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 5,568,693,000 ordinary shares.

Subsequent to the financial period ended 30 September 2023 and up to the date of this announcement, there were no issuance of ordinary shares pursuant to the conversion of BCorp ICULS and exercise of warrants.

- A5 The Company did not pay any dividend in the financial period ended 30 September 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segment information for the financial period ended 30 September 2023:-

REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Retail	1,191,536	826	1,192,362
Property	93,217	62,144	155,361
Hospitality	359,786	9,009	368,795
Services	922,781	50,340	973,121
Elimination: Inter-segment Revenue	-	(122,319)	(122,319)
Total revenue	<u>2,567,320</u>	<u>-</u>	<u>2,567,320</u>

RESULTS

Retail		RM'000	43,788
Property			25,287
Hospitality			58,726
Services			<u>90,844</u>
			218,645
Unallocated corporate items			<u>(41,664)</u>
Profit from operations			176,981
Investment related income			
-Interest income			15,969
-Gain on disposal of subsidiary company			427
-Gain on disposal of an associated company			7,345
-Fair value gain on FVTPL investments			1,359
-Gain on disposal of a foreign hotel business operations			12,442
-Reversal of impairment on investment in an associated company			50
-Reversal of impairment on amount owing by an associated company			9,502
-Dividend income			113
-Other investment income			20
			<u>47,227</u>
Investment related expenses			
-Fair value loss on FVTPL investments			(6,074)
-Impairment on investment in associated company			<u>(9,214)</u>
			(15,288)
Finance costs			(138,490)
Share of results of associates			24,199
Share of results of joint ventures			<u>7,360</u>
Profit before tax			101,989
Income tax expense			<u>(60,871)</u>
Profit after tax			<u>41,118</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no significant events since the end of this current period under review that have not been reflected in the financial statements for this current financial period under review.
- A8 There were no changes in the composition of the Group for the current financial period ended 30 September 2023, including business combinations, acquisition or disposal of subsidiary companies, restructuring and discontinuing operations except for the following:-
- (i) On 17 July 2023, Sports Toto Apparel Sdn Bhd and Sports Toto Products Sdn Bhd, both wholly-owned subsidiaries of the Group, have completed the voluntary winding-up and ceased as subsidiaries of the Group.
 - (ii) On 1 August 2023, Berjaya Food (International) Sdn Bhd ("BFI"), a wholly-owned subsidiary of the Group, entered into a joint venture cum shareholders agreement with Middle Trade Inc. in connection with the establishing and operating of business of producing, packaging and dealing with baked goods under the Paris Baguette brand and establishing and launching the Paris Baguette stores selling baked goods in the Philippines. The initial investment cost of BFI for the joint venture amounting to PHP89.70 million or about RM7.51 million in cash. As at 30 September 2023, BFI had subscribed for 25% of the initial paid-up capital for about RM1.90 million and is now a 60%-owned subsidiary company of the Group.
 - (iii) On 10 August 2023, The Tropical Veneer Company Berhad, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies, Companies Commission of Malaysia and dissolved accordingly.
 - (iv) On 18 August 2023, Natural Gain Investments Limited, a wholly-owned subsidiary of the Group, was struck off from the Registrar of Companies of Hong Kong and dissolved accordingly.
 - (v) On 18 August 2023, Noble Circle Management Sdn Bhd, a wholly-owned subsidiary of the Group, has completed the voluntary winding-up and ceased as a subsidiary of the Group.
 - (vi) On 25 August 2023, the Company disposed of 224,501 ordinary shares of Cepak Urus Sdn Bhd ("CUSB"), representing 11% equity interest in CUSB, for a consideration of RM224,501. Consequently, the Company's equity interest in CUSB was reduced from 51.00% to 40.00% and hence, it ceased to be a subsidiary and became an associated company of the Group.
 - (vii) On 29 August 2023, Berjaya Vacation Club Berhad, a wholly-owned subsidiary company of the Group, had incorporated a wholly-owned subsidiary, Kaite Property Management Sdn Bhd ("KPMSB") with a share capital of RM2. The intended principal activities of KPMSB are providing short-term or long-term accommodation services and real estate activities with own or leased property.
 - (viii) On 29 August 2023, Heathrow Limited, H.R. Owen Investments Limited and Malaya Dealerships Limited, all wholly-owned subsidiaries of the Group, were struck off from the Registrar of Companies of the United Kingdom and dissolved accordingly.
- A9 There were no material changes in contingent liabilities or contingent asset since the last annual reporting date.
- A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 June 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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:

Retail

Retail - non-food:

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

Retail - food:

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

Property

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

Hospitality

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

Services

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

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

The summarised results of the Group are as follows:

	3-Month Ended		
	30/09/2023	30/09/2022	+ / (-)
	RM'000	RM'000	%
Revenue	<u>2,567,320</u>	<u>2,243,190</u>	<u>14</u>
Profit from operations	<u>176,981</u>	<u>153,514</u>	<u>15</u>
Profit before tax	<u>101,989</u>	<u>107,587</u>	<u>(5)</u>

Review of results for the quarter

The Group registered a revenue of RM2.57 billion and pre-tax profit of RM101.99 million in the current quarter ended 30 September 2023 as compared to a revenue of RM2.24 billion and pre-tax profit of RM107.59 million reported in the previous year corresponding quarter.

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Commentary on revenue

The Group recorded a higher revenue in the current quarter mainly contributed by all the segments.

Retail

The higher revenue from the non-food retail business segment was mainly due to higher revenue from H.R. Owen Plc ("HR Owen"). HR Owen's revenue increased mainly due to the improved new car sales contribution from its new multi-purpose showrooms, service centres and headquarter at Hatfield, as well as the favourable foreign exchange effect during the current quarter under review.

The marginal drop in revenue reported by the food retail business segment was mainly due to lower sales recorded by the Kenny Roger Roasters operations in Malaysia in the current quarter.

Property

The property segment reported an increase in revenue in the current quarter under review mainly due to sales of overseas and local residences units.

Hospitality

The hospitality segment reported higher revenue mainly due to the higher overall average room rates as compared to the previous year corresponding quarter.

Services

The services segment reported an increase in revenue in the current quarter. The gaming operations, which was operated by STM Lottery Sdn Bhd ("STM Lottery") reported higher revenue in the current quarter as compared to the previous year corresponding quarter despite lesser number of draws conducted in the current quarter (42 draws versus 46 draws in the last year corresponding quarter). The higher revenue achieved was driven by improvement in average sales per draw as well as higher accumulated jackpot prizes in both digit jackpot and lotto games.

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Commentary on results

The Group reported a higher profit from operations in the current quarter, which was mainly contributed by the hospitality and property segments. However, the Group reported a lower pre-tax profit in the current quarter mainly due to higher finance cost.

Retail

The lower pre-tax profit from HR Owen in the current quarter was mainly due to higher operating expenses incurred coupled with higher finance costs arising from interest rate hike and higher stocking loans as compared to the previous year corresponding quarter.

The food retail business segment reported a lower pre-tax profit in the current quarter which was mainly due to the margin compression from inflationary cost pressure.

Property

The property business segment reported a pre-tax profit mainly due to the abovementioned reasons.

Hospitality

The hospitality segment reported a higher pre-tax profit mainly due to the abovementioned reasons.

Services

The drop in pre-tax profit reported by the services segment mainly due to higher prize payout from STM Lottery in the current quarter under review.

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B2 Review of results of current quarter vs preceding quarter

	3-Month Ended		+ / (-) %
	30/09/2023 RM'000	30/06/2023 RM'000	
Revenue	<u>2,567,320</u>	<u>2,557,363</u>	<u>0</u>
Profit from operations	<u>176,981</u>	<u>184,036</u>	<u>(4)</u>
Profit/(Loss) before tax	<u>101,989</u>	<u>(8,695)</u>	<u>N/A</u>

For the current quarter under review, the Group recorded a revenue of RM2.57 billion and pre-tax profit of RM101.99 million as compared to a revenue of RM2.56 billion and pre-tax loss of RM8.7 million reported in the preceding quarter.

Commentary on revenue

The Group recorded higher revenue in the current quarter mainly contributed by services, hospitality and food retail business segments.

Retail

The non-food retail business segment reported a lower revenue as HR Owen's revenue decrease in the current quarter as compared to the preceding quarter. This was mainly due to lower number units of car sold from both new and used car sectors as well as delay in supply of certain car models from manufacturers.

The food retail business segment reported higher revenue was primarily due to the additional new Starbucks cafés outlets opened in the current quarter.

Property

The property segment reported a drop in revenue mainly due to lower property progress billing reported in the current quarter under review.

Hospitality

The higher revenue registered from the hospitality segment was mainly due to higher overall occupancy rates and average room rates as compared to the preceding quarter.

Services

The services segment reported a higher revenue mainly due to the strong sales growth of STM Lottery in the current quarter. The growth was driven by higher average sales per draw coupled with two (2) additional draws, resulting in 42 draws as compared to 40 draws in the preceding quarter. The higher sales achievement escalated the accumulated jackpot prizes in both digit jackpot and lotto games leading to continuous sales improvement.

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Commentary on results

The Group reported a pre-tax profit of RM101.99 million in the current quarter under review, as opposed to the pre-tax loss of RM8.7 million in the preceding quarter. The pre-tax loss in the preceding quarter was mainly attributed to the additional impairment of balance sale proceeds of Great Mall Project amounting to RM99.9 million.

Retail

HR Owen recorded a drop in pre-tax profit in the current quarter mainly due to the drop in revenue in the current quarter. Whilst, in the preceding quarter, it benefitted from higher profit resulted from reversal of restoration costs overprovision following termination of certain leases and one-off manufacturer support income received.

The pre-tax profit reported by the food retail business segment was comparable to the preceding quarter.

Property

The lower pre-tax profit reported by the property segment was in tandem with the lower revenue.

Hospitality

The higher pre-tax profit reported by the hospitality segment was in tandem with the higher revenue achieved.

Services

STM Lottery registered a higher pre-tax profit which was in line with the revenue growth, as well as benefitted from the lower prize payout in the current quarter under review.

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B3 Future prospects

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

The NFO business segment of the Group is cognisant of the concerns on the local political developments in the northern states of Peninsular Malaysia with closures of outlets in the state of Kedah and Perlis which could lead to the proliferation of illegal NFOs activities in the underserved areas. The management is continuing to take the necessary steps to address this issue.

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

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

B4 There is no profit forecast or profit guarantee for the financial period ended 30 September 2023.

B5 The taxation charge for the current quarter ended 30 September 2023 are detailed as follows:

	Current Quarter RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	60,334
- Outside Malaysia	4,156
Deferred tax	(3,266)
Over provision in prior years	(353)
	<u>60,871</u>

The disproportionate tax charge of the Group for the current quarter ended 30 September 2023 was mainly due to certain expenses or losses being disallowed for tax purposes, certain gains which are not taxable and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

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

	Current Quarter RM'000
Interest income	(15,969)
Dividend income	(113)
Gain on disposal of subsidiary company	(427)
Gain on disposal of associated company	(7,345)
Depreciation of property, plant and equipment	72,118
Depreciation of right-of-use assets	54,288
Amortisation of intangible assets	20,975
Gain on disposal of a foreign hotel business operations	(12,442)
Impairment on receivables (net)	1,395
Impairment on investment in associated companies (net)	9,164
Reversal of impairment on amount owing by an associated company	(9,502)
Provision for write down of inventories (net)	1,132
Bad debts recovered	(15)
Foreign exchange loss (net)	25,465
Fair value changes of FVTPL investments (net)	<u>4,715</u>

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

(i) Note 44(1) in relation to the proposed disposal of Berjaya Enviro Holdings Sdn Bhd

On 10 November 2023, the Company announced that there will be an Extraordinary General Meeting to be held on 30 November 2023 at 10.00am to approve the proposed disposal.

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B8 Group borrowings and debt securities as at 30 September 2023 were as follows:

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in	#	2,257,181
Ringgit Malaysia		44,791
USD	9,537 *	99,507
SGD	28,943 *	444,043
GBP	77,071 *	6,836
PHP	82,500 *	27,057
EUR	5,454 *	2,879,415
Unsecured		
Denominated in		34,251
Ringgit Malaysia		2,913,666
Long term borrowings		
Secured		
	'000	
Denominated in	#	2,411,951
Ringgit Malaysia		55,434
SGD	16,124 *	157,844
GBP	27,396 *	166,657
JPY	5,299,203 *	863
PHP	10,417 *	239,190
EUR	48,219 *	25,092
ISK	732,578 *	3,057,031
Total bank borrowings		
		5,970,697
* Converted at the respective exchange rates prevailing as at 30 September 2023		
# Includes medium term notes		
- short term (Conventional)		194,969
- short term (Islamic)		210,460
		405,429
- long term (Conventional)		754,112
- long term (Islamic)		60,000
		814,112
		1,219,541

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

(a) Note 38.2.1 regarding the STC Proposals Proceedings

With reference to the conditional sale and purchase agreement ("SPA") entered into by Berjaya Tagar Sdn Bhd ("BTSB") with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.79 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied by a transfer to STC of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club ("NewSTC") thereon ("STC Proposals"), for which BTSB had proposed to acquire the Sungai Tinggi Land from BerjayaCity Sdn Bhd, ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor of the new turf club ("BCity Project"), BTSB subsequently entered into supplemental agreement for an extension of time until 18 January 2024 to fulfil certain conditions precedent. The conditions precedent that have not been fulfilled are as follows:

- 1) renewal of the consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of the Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that is situated in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
- 2) the approvals, permits or consents of any other relevant authorities as may be required by applicable laws including inter-alia the following:
 - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
 - (ii) approval from the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
 - (iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2 (i) and (ii) above are obtained.

On 10 November 2017, BLand announced that further to the legal proceedings instituted by BLand, BTSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

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

The judgment rendered on 9 November 2017 was as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Note 38.2.2 regarding the GMOC Project Arbitration Proceedings

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

Beijing SkyOcean had paid:

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

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

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

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

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

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

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

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

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

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

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

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

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

The abovementioned enforcement proceedings are still ongoing.

(c) Note 38.3.1 regarding the Amat Muhibah Tax Dispute

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

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

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

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

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

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

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

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

The Court of Appeal had fixed a case management on 13 February 2023 in regards to AGC Appeal. On 13 February 2023, the Court of Appeal had fixed a further case management date on 27 March 2023 for the Applicants to update the Court of Appeal on the status of the Notes of Proceedings. At the case management on 27 March 2023, MOF requested for more time to file Notes of Proceedings. The Court of Appeal then fixed case management on 26 July 2023 for both parties to update the status. In regards to the MOF Judicial Review, the High Court had fixed a further case management on 27 July 2023 to update the High Court on the status of the AGC Appeal.

At 26 July 2023, the Court of Appeal allowed MOF's request to consolidate the AGC Appeal with 22 other appeals. The next case management at the Court of Appeal is fixed on 19 September 2023

At the case management before the Court of Appeal on 19 September 2023, AMSB informed the court that MOF has yet to forward the draft of the agreed issues to be tried. As such, the Court of Appeal instructed both parties to file agreed issues or separate issues to be tried on or by 4 October 2023 and fixed the next case management on 25 October 2023.

At the case management held on 25 October 2023 before the Court of Appeal, MOF informed that they needed more time to file the issues to be tried. As such, the Court of Appeal instructed both parties to attend case management on 13 December 2023 to update the status of filing.

Following this, at the case management held on 31 October 2023 at the High Court, MOF informed the High Court that they have filed their issues on 25 October 2023. The High Court then instructed both parties to attend the case management on 21 December 2023 to update the status of the appeal.

Based on the opinion obtained from its legal advisors, AMSB has an arguable case that the IRB has no legal and factual basis to raise the Tax in Dispute.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B10 The Board has declared a first interim share dividend distribution of 6 treasury shares for every 100 ordinary shares held in respect of the financial year ending 30 June 2024. The first interim share dividend is equivalent to 1.44 sen per share based on the Company's existing ordinary shares in issue with voting rights as at 28 November 2023. The total dividend declared for the financial period ended 30 September 2023 will amount to about RM81.53 million (previous year corresponding quarter ended 30 September 2022: Nil) based on 5.90 billion shares in issue with voting rights. The entitlement date has been fixed on 11 January 2024 and a shareholder shall qualify for the entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.30pm on the entitlement date in respect of the transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

The treasury shares to be distributed as share dividend will be credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 26 January 2024.

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

	Group (3-month period)			
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	sen	sen
Net profit/(loss) for the quarter	15,767	(16,415)		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2016/2026	-	104		
Adjusted net profit/(loss) for the quarter	<u>15,767</u>	<u>(16,311)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	5,583,491	5,541,934		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>209</u>	<u>102,837</u>		
Number of shares used in the calculation of basic earnings/(loss) per share ('000)	<u>5,583,700</u>	<u>5,644,771</u>		
Basic earnings/(loss) per share			<u>0.28</u>	<u>(0.29)</u>

There are no potential ordinary shares outstanding as at 30 September 2023. As such, the fully diluted earnings per share of the Group is equivalent to the basic earnings per share.

c.c. Securities Commission