

# **Berjaya Corporation Berhad**

Company No: 554790-X

Date: 30 March 2017

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JANUARY 2017**

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**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2017  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended		Year to date ended	
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000	RM'000	RM'000	RM'000
GROUP REVENUE	2,221,305	2,168,229	6,903,223	6,535,044
PROFIT FROM OPERATIONS	65,104	126,806	549,059	507,272
Investment related income	117,287	173,062	332,505	402,416
Investment related expenses	(7,515)	(107,721)	(40,287)	(114,946)
Finance costs	(98,604)	(98,595)	(297,299)	(303,358)
Share of results of associates	7,370	28,326	20,799	106,734
Share of results of joint ventures	213	(3,455)	(825)	(6,923)
PROFIT BEFORE TAX	83,855	118,423	563,952	591,195
INCOME TAX EXPENSE	(56,522)	(86,524)	(270,093)	(266,909)
PROFIT AFTER TAX	27,333	31,899	293,859	324,286
ATTRIBUTABLE TO:				
- Equity holders of the parent	22,886	15,820	136,714	194,211
- Non-controlling interests	4,447	16,079	157,145	130,075
	27,333	31,899	293,859	324,286
EARNINGS PER SHARE (SEN)				
- Basic, for the period	0.47	0.37	2.67	4.03
- Diluted, for the period	0.47	0.36	2.66	4.01

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

**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2017  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000	RM'000	RM'000	RM'000
				(Audited) (Restated)
PROFIT AFTER TAX	27,333	31,899	293,859	324,286
<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	3,539	(2,593)	1,686	(8,536)
- Transferred to profit or loss due to:				
- Disposals of AFS investments	(175)	(6,473)	56	(6,473)
- Impairment of AFS investments	3	-	8	648
Foreign currency translation	106,346	(166,367)	237,362	275,632
Foreign currency translation reserve transferred to profit or loss due to disposal of associate	(30,694)	-	(30,694)	-
Amortisation of gaming rights	(2,161)	-	(7,554)	-
Share of other comprehensive items of associates	(1,779)	510	(7,867)	(5,833)
Taxation relating to components of other comprehensive income	612	(248)	2,738	1,911
<u>Item that will not be reclassified subsequently to profit or loss</u>				
Revaluation of land and buildings	-	-	234	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>103,024</b>	<b>(143,272)</b>	<b>489,828</b>	<b>581,635</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
- Equity holders of the parent	41,496	(99,958)	243,010	347,851
- Non-controlling interests	61,528	(43,314)	246,818	233,784
	<b>103,024</b>	<b>(143,272)</b>	<b>489,828</b>	<b>581,635</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 31 JANUARY 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/01/2017 RM'000	Group As at 30/04/2016 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,853,101	3,766,965
Biological assets	4,532	4,773
Other investments	131,626	92,444
Investment properties	778,057	768,438
Land held for development	2,630,824	2,607,092
Investment in associated companies	1,201,267	1,272,209
Investment in joint ventures	114,827	95,132
Deferred tax assets	81,846	85,643
Other long term receivables	702,827	627,550
Intangible assets	6,613,937	6,571,123
	<u>16,112,844</u>	<u>15,891,369</u>
<b>Current Assets</b>		
Development properties	999,170	847,393
Inventories	967,234	1,052,957
Trade and other receivables	2,549,142	1,487,298
Short term investments	9,492	12,152
Tax recoverable	80,391	65,071
Deposits with financial institutions	605,210	809,789
Cash and bank balances	1,276,961	1,788,664
	<u>6,487,600</u>	<u>6,063,324</u>
Assets of disposal group/Non-current assets classified as held for sale	47,487	1,392,624
	<u>6,535,087</u>	<u>7,455,948</u>
<b>TOTAL ASSETS</b>	<u><u>22,647,931</u></u>	<u><u>23,347,317</u></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	339,097	253,608
Reserves	2,499,795	2,125,658
	<u>7,769,448</u>	<u>7,059,411</u>
Less: Treasury shares	(33,669)	(130,399)
	<u>7,735,779</u>	<u>6,929,012</u>
Non-controlling interests	4,699,351	5,171,636
<b>Equity funds</b>	<u>12,435,130</u>	<u>12,100,648</u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stocks	164,714	158,731
Long term borrowings	3,363,753	4,530,187
Provisions and other long term liabilities	351,957	259,149
Deferred tax liabilities	470,398	474,846
	<u>4,350,822</u>	<u>5,422,913</u>
<b>Current Liabilities</b>		
Trade and other payables	2,888,236	3,279,893
Provisions	13,203	11,562
Short term borrowings	2,785,658	2,321,987
Taxation	167,131	185,967
Derivative liability	4,343	2,080
	<u>5,858,571</u>	<u>5,801,489</u>
Liabilities directly associated with disposal groups classified as held for sale	3,408	22,267
	<u>5,861,979</u>	<u>5,823,756</u>
<b>Total Liabilities</b>	<u>10,212,801</u>	<u>11,246,669</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>22,647,931</u></u>	<u><u>23,347,317</u></u>
Basic net assets per share (sen)	151.71	148.63
Dilutive net assets per share (sen)	132.42	133.47

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

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

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

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

**BERJAYA CORPORATION BERHAD**

(Company No: 554790 - X)

 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2017  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent											Distributable				
	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	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2016	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	723,259	31,312	(879,770)	111,321	1,996,003	(130,399)	6,929,012	5,171,636	12,100,648
Total comprehensive income	-	-	-	4,369	-	(27)	-	(5,270)	-	954	106,270	136,714	-	243,010	246,818	489,828
Share of an associated company's effect arising from dilution on equity interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	16,725	-	16,725	(5,376)	11,349
<b>Transactions with owners:</b>																
Transfer of reserves	-	-	-	(2,506)	-	(29)	58,286	(18,448)	8,252	(92)	(1,916)	(43,547)	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(2,850)	-	(2,850)	-	(2,850)
Issuance of BCorp ICULS	-	-	297,435	-	-	-	-	-	-	-	-	-	-	297,435	-	297,435
Arising from conversion of BCorp ICULS - by surrender option	250,411	-	(211,946)	-	-	-	-	-	-	-	-	(98)	-	38,367	-	38,367
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	-	-	-	-	-	-	-	-	-	(13,764)	-	-	-	(13,764)	115,093	101,329
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	-	223,506	-	-	-	223,506	(732,252)	(508,746)
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13	13
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	-	-	-	-	99,073	-	-	(99,073)	-	-	-	-
Adjustments arising from amortisation of gaming rights	-	-	-	-	-	-	-	-	-	-	-	5,392	-	5,392	2,162	7,554
Final dividend *	-	-	-	-	-	-	-	-	-	-	-	(99,580)	99,580	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(98,743)	(98,743)
	250,411	-	85,489	(2,506)	(9,971)	(1,083)	58,286	(18,448)	107,325	209,650	(1,916)	(226,935)	96,730	547,032	(713,727)	(166,695)
Transfer pursuant to S618(2) of CA 2016-	4,923,591	6,965	339,097	(11,384)	-	(59)	204,044	699,541	138,637	(669,166)	215,675	1,922,507	(33,669)	7,735,779	4,699,351	12,435,130
	6,965	(6,965)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 January 2017	4,930,556	-	339,097	(11,384)	-	(59)	204,044	699,541	138,637	(669,166)	215,675	1,922,507	(33,669)	7,735,779	4,699,351	12,435,130

## 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 .
- ~ Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding share premium and capital redemption reserve accounts shall become part of Share Capital.

**BERJAYA CORPORATION BERHAD**

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 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	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	4,330,614	6,965	409,972	(73,582)	4,921	145,758	851,825	28,377	(892,224)	73,995	2,196,545	(130,399)	6,952,767	4,841,869	11,794,636
Total comprehensive income	-	-	-	(8,678)	26	-	845	597	-	160,850	194,211	-	347,851	233,784	581,635
Share of an associated company's effect arising from acquisition of additional interest of its subsidiary company	-	-	-	-	-	-	-	-	-	-	14,495	-	14,495	7,786	22,281
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	(172)	324	-	(19,334)	3,229	532	21,529	(6,108)	-	-	-	-
Arising from conversion of BCorp ICULS - by surrender option	342,566	-	(312,107)	-	-	-	-	-	-	-	(15,120)	-	15,339	-	15,339
Re-issue of BCorp ICULS pursuant to sale of BCorp ICULS previously held within the Group to third parties	-	-	155,743	-	-	-	-	-	-	-	(59,092)	-	96,651	(38,369)	58,282
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	(4,993)	-	-	-	(4,993)	11,817	6,824
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	(12,529)	-	-	-	(12,529)	(19,464)	(31,993)
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	92,812	92,812
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	3,921	3,921
Final dividend *	-	-	-	-	-	-	-	-	-	-	(42,003)	-	(42,003)	-	(42,003)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,053)	(51,053)
	342,566	-	(156,364)	(172)	324	-	(19,334)	3,229	(16,990)	21,529	(122,323)	-	52,465	(336)	52,129
At 31 January 2016	4,673,180	6,965	253,608	(82,432)	5,271	145,758	833,336	32,203	(909,214)	256,374	2,282,928	(130,399)	7,367,578	5,083,103	12,450,681

## 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.

- \* Final dividend of 1% single-tier dividend per share in respect of the financial year ended 30 April 2014

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2017

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2017 RM'000	31/01/2016 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	7,390,909	7,005,263
Payments for operating expenses	(6,927,821)	(7,341,571)
Payment of taxes	(251,926)	(243,505)
Deposit received in respect of sale of development properties	-	113,642
Other receipts (including tax refunds)	47,714	3,363
<b>Net cash generated from/(used in) operating activities</b>	<b>258,876</b>	<b>(462,808)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	7,761	1,075,957
Disposal of investment in subsidiary companies	124,700	101,537
Disposal of investment in an associated company	279,910	115,133
Disposal of other investments	60,789	21,262
Acquisition of property, plant and equipment and non-current assets	(272,443)	(206,265)
Acquisition of investments in subsidiary companies	(182,814)	(94,230)
Acquisition of investments in an associated company and a joint venture	(14,418)	(12,812)
Acquisition of other investments and short term investments	(29,569)	(2,410)
Acquisition of treasury shares by subsidiary companies	(8,356)	(18,668)
Interest received	49,058	50,772
Dividend received	11,366	63,169
Net advances to joint ventures and associated companies	(109,336)	(6,475)
Net cash inflow from settlement for surrendering certain assets and lease interests	197,309	-
Other payments	(55,737)	(94,517)
<b>Net cash generated from investing activities</b>	<b>58,220</b>	<b>992,453</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	2,586	11,149
Reissuance of BCorp ICULS 1	-	58,282
Dividend paid to shareholders of the Company	-	(41,857)
Dividends paid to non-controlling interests of subsidiary companies	(105,306)	(58,427)
Interest paid	(300,981)	(365,615)
Drawdown of bank and other borrowings	1,036,216	2,078,841
Repayment of bank and other borrowings	(1,816,932)	(1,990,076)
Net withdrawal/(placements) in banks as security pledges for borrowings	738,639	(201,344)
<b>Net cash used in financing activities</b>	<b>(448,628)</b>	<b>(509,047)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(131,532)</b>	<b>20,598</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,607,875</b>	<b>1,348,931</b>
Effect of exchange rate changes	84,575	81,496
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>1,560,918</b>	<b>1,451,025</b>
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	605,210	835,678
Cash and bank balances	1,276,961	1,115,528
Bank overdraft (included under short term borrowings)	(119,148)	(89,349)
	1,763,023	1,861,857
Less :		
Remisiers' deposit held in trust	(15,717)	(13,355)
Cash and cash equivalents restricted in use	(186,388)	(397,477)
	1,560,918	1,451,025

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 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.

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

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- the property development segment is affected by the prevailing cyclical economic conditions.
  - the stock and futures broking businesses are influenced by the performance of the stock market.
  - the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the third quarter of the financial year.
  - the gaming business may be positively impacted by the festive seasons.

- A3 (a) The following are the unusual items that occurred during the current quarter under review:

Recognised directly in statement of profit or loss

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

	Current Quarter RM'000	Financial Year to date RM'000
Gain on disposal of other investments	200	1,170
Gain on disposal of an associated company	68,147	68,147
Loss on disposal of other investment	(6,401)	(6,482)
Gain on disposal of a subsidiary company	1	6,369
Loss arising from dilution of interest in an associated company	-	(8,578)
Impairment loss on amount owing from an associated company	(2,059)	(2,059)
Foreign currency translation reserve transferred to profit or loss due to disposal of an associated company	30,694	30,694
Loss on disposal of an associated companies	-	(13,022)
Net impairment in value of investment in associated companies	(110)	(337)
Impairment in value of AFS investment	(3)	(8)
Fair value loss on from AFS financial assets	-	(505)
Net fair value changes of investment properties	(195)	6
Net fair value changes of fair value through profit or loss ("FVTPL") investments	1,772	(8,442)
Gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities	-	163,639
	<u>92,046</u>	<u>230,592</u>



**BERJAYA CORPORATION BERHAD**

**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2017

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 31 January 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 period ended 31 January 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 period ended 31 January 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 period ended 31 January 2017, no shares have been issued pursuant to the exercise of Warrants 3.

Note:

- ~ Pursuant to Section 618(2) of the CA 2016, the credit balance of share premium account of RM6,965,000 are included as part of the paid up share capital.

Subsequent to the quarter ended 31 January 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.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2017

## NOTES TO THE INTERIM FINANCIAL REPORT

(d) Treasury shares

The details of the share buyback during the financial period ended 31 January 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 31 January 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 31 January 2017</b>	<b>0.70</b>	<b>48,008,152</b>	<b>33,669</b>

As at 31 January 2017, the number of outstanding shares in issue and fully paid up with voting rights (rounded to nearest thousand) was 4,875,583,000 (31 January 2016: 4,491,180,000) ordinary shares.

A5 During the financial period ended 31 January 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 31 January 2017:-

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Gaming operations	2,492,579	95,757	2,588,336
Financial services	30,229	1,156	31,385
Property investment and development	778,026	13,276	791,302
Hotels and resorts	289,211	1,198	290,409
Marketing of consumer products and services	2,746,681	25,414	2,772,095
Restaurants and cafes	515,071	255	515,326
Others	51,426	18,653	70,079
Elimination: Inter-segment Revenue	-	(155,709)	(155,709)
<b>Total revenue</b>	<b>6,903,223</b>	<b>-</b>	<b>6,903,223</b>

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

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## NOTES TO THE INTERIM FINANCIAL REPORT

## RESULTS

	RM'000
Gaming operations	247,622
Financial services	27,995
Property investment and development	394,057
Hotels and resorts	18,945
Marketing of consumer products and services	34,799
Restaurants and cafes	6,568
Others	<u>(18,156)</u>
	711,830
Unallocated corporate items	<u>(162,771)</u>
Profit from operations	549,059
Investment related income	
-Interest income	61,201
-Gain on disposal of other investments	1,170
-Gain on disposal of an associated company	68,147
-Fair value gain from investment properties	20
-Fair value changes of FVTPL investments	840
-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	30,694
-Dividend income and others	425
	332,505
Investment related expenses	
-Fair value changes of FVTPL investments	(9,282)
-Loss on disposal of other investment	(6,482)
-Impairment in value of AFS investment	(8)
-Loss on disposal of an associated company	(13,022)
-Fair value loss on financial instruments from AFS financial assets (transferred from equity on disposal of other investments)	(505)
-Fair value loss from investment properties	(14)
-Loss arising from dilution of interest in an associated company	(8,578)
-Impairment loss on amount owing from an associated company	(2,059)
-Impairment in value of investment in associated companies	(337)
	(40,287)
Finance costs	(297,299)
Share of results of associates	20,799
Share of results of joint ventures	(825)
Profit before tax	<u>563,952</u>
Income tax expense	<u>(270,093)</u>
Profit after tax	<u><u>293,859</u></u>

## **BERJAYA CORPORATION BERHAD**

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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 31 January 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 BAUTO is no longer 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.
  - (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.

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NOTES TO THE INTERIM FINANCIAL REPORT

- A8 (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 Satin Charm Sdn Bhd (now known as Berjaya Pharmacy Retail 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 Singapore Register of Companies.
- (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.
- 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 against CoswayUSA and several other parties, the trial date has been set on 29 August 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, and CoswayUSA and other defendants were awarded USD15,200 for their counter claim against Armen&anor and were also entitled to legal costs.

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NOTES TO THE INTERIM FINANCIAL REPORT

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 proposed acquisition is still pending completion.
- (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 current 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, effectiveness of curbing illegal gaming activities and the number of draws in the financial period.

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

The Group registered a revenue of RM2.22 billion and pre-tax profit of RM83.86 million in the current quarter ended 31 January 2017 as compared to a revenue of RM2.17 billion and pre-tax profit of RM118.42 million reported in the previous year corresponding quarter.

### Commentary on revenue

The Group recorded a higher revenue for the current quarter mainly due to higher revenue reported by property investment and development business segment as well as marketing of consumer products and services 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 higher revenue in the current quarter as compared to the previous year corresponding quarter. The motor distribution business under HR Owen reported a higher revenue due to higher sales volume of certain new car models during the current quarter under review. This increase was dampened by the lower revenue reported by the retail distribution business.

The retail distribution business was affected by unfavourable economic conditions in the Greater China Markets and the closure of non performing stores.

#### Restaurants and cafes

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

#### Property investment and development

The property investment and development business registered higher revenue mainly due to sales of several units of residences in Japan.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

### 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 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"). STM had submitted a review application to the Director General in February 2017 for a review of RMCD's decision. The revenue of STM is presented net of gaming tax and Goods and Services Tax ("GST").

### Commentary on pre-tax profit

The Group's pre-tax profit for the current quarter was lower than previous year corresponding quarter. The lower current quarter profit was mainly due to lower contribution from gaming operations segment.

### Marketing of consumer products and services

This segment reported a lower pre-tax profit in the current quarter as compared to the previous year corresponding quarter. The retail distribution business reported a pre-tax loss in this current quarter under review mainly due to unfavourable economic conditions in China as compared to the preceding year corresponding quarter.

The motor distribution business reported a higher pre-tax profit in this quarter under review mainly due to higher sales volume of certain new car models.

### Restaurants and cafes

The lower pre-tax profit of restaurants and cafes business in the current quarter under review was mainly due to losses incurred by Kenny Rogers Roasters operations in Malaysia as a result of weak consumer sentiments in Malaysia as well as write down of fixed assets arising from the closures of certain non-performing franchised food operations as compared to previous year corresponding quarter.

### Property investment and development

The property investment and development business contributed higher pre-tax profit mainly due to sales of several units of residences in Japan in the current quarter.

### Hotels and resorts

The hotels and resorts business reported higher pre-tax profit mainly due to higher revenue and lower operating expenses 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 GST Adjustment and higher operating expenses but partly mitigated by lower prize payout in the current quarter under review.



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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

The Group registered a revenue of RM6.9 billion and pre-tax profit of RM563.95 million for the financial period ended 31 January 2017 as compared to a revenue of RM6.54 billion and pre-tax profit of RM591.2 million reported in the previous year corresponding period.

#### **Commentary on revenue**

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

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

The marketing of consumer products and services segment reported a higher revenue in the current financial period as compared to the previous year corresponding period. The higher revenue reported by motor distribution business was mainly due to higher revenue from HR Owen arising from higher sales volume of new cars coupled with certain new models available for sale. The increase was dampened by the lower revenue reported by the retail distribution business.

The retail distribution business was affected by unfavourable economic conditions in the Greater China Markets and the closure of non performing stores. The quantum of decrease was mitigated by higher revenue reported by the motor distribution business.

#### **Restaurants and cafes**

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

#### **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 period under review as well as the sales of several units of residences in Japan as mentioned above.

#### **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 business reported lower revenue mainly due to the GST Adjustment in the current period.

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

The Group's pre-tax profit for the current financial period was lower than the previous financial period. The lower pre-tax profit was mainly due to the lower share of associated companies results after the disposal of BAUTO and share of lower profits from associated companies. The profit from operations was higher than previous year corresponding period mainly due to contribution from property investment and development segment.

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

This segment reported a lower pre-tax profit in the current financial period as compared to the previous financial period. The marketing of consumer products and services business segment reported lower pre-tax profit mainly due to the reasons mentioned above.

The higher pre-tax profit reported by motor distribution business was mainly due to the reasons mentioned above. The improved performance of HR Owen was partly offset by the unfavourable foreign exchange effect in current financial period.

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Restaurants and cafes

The lower pre-tax profit of restaurants and cafes business was mainly due to losses incurred by Kenny Rogers Roasters operations in Malaysia as a result of weak consumer sentiments in Malaysia as well as higher write down of fixed assets arising from the closures of certain non-performing franchised food operations.

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.

Hotels and resorts

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

Gaming operations

The gaming business contributed lower pre-tax profit mainly due to lower profit from STM resulting from the GST Adjustment and higher operating expenses which were partly mitigated by the lower prize payout as compared to the previous financial period.

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

For the quarter under review, the Group recorded a revenue of RM2.22 billion and pre-tax profit of RM83.86 million as compared to a revenue of RM2.46 billion and pre-tax profit of RM408.49 million reported in the preceding 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 and 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 lower revenue as the retail distribution business was affected by poor consumer demand in Malaysia and the closure of non performing stores.

The motor distribution business reported lower revenue as compared to the preceding quarter mainly due to decrease in both new and used car sales volume in the current quarter.

Restaurants and cafes

The restaurants and cafes business reported higher revenue in the current quarter compared to the preceding quarter mainly due to higher contribution from Starbucks operations.

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 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 business reported lower revenue mainly due to the GST Adjustment in the current quarter.

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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 preceding quarter. This decrease in pre-tax profit was mainly due to lower profit contribution from property investment and development business segment. In the previous quarter, the Group's pre-tax profit included gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities amounting to RM163.6 million as disclosed in Note A3.

Marketing of consumer products and services

The marketing of consumer products and services segment reported higher pre-tax loss as the retail distribution business was affected by lower profit margin due to higher operating expenses incurred such as aggressive marketing and promotion expenses and provision for slow moving stocks particularly in China Market.

The motor distribution business reported lower revenue as compared to the preceding quarter mainly due to decrease in both new and used car sales volume. The improved performance of HR Owen was partly offset by the unfavourable foreign exchange effect in the current quarter.

Restaurants and cafes

The restaurants and cafes business reported a lower pre-tax profit in the current quarter mainly due to higher write down of fixed assets arising from the closures of certain non-performing franchised food operations.

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 lower pre-tax profit mainly due to STM reporting a lower profit contribution resulting from the GST Adjustment, higher prize payout as well as higher operating expenses incurred in the current quarter under review.

**B3 Future prospects**

Given the prevailing economic conditions and global financial outlook, the Directors are of the view that the Group's operating environment for the remaining quarter of the financial year ending 30 April 2017 will be very challenging.

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

B5 The taxation charge for the current quarter and period ended 31 January 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	45,261	128,240
- Outside Malaysia	9,310	143,546
Deferred tax	8,316	4,252
Over provision in prior years	(6,365)	(5,945)
	<u>56,522</u>	<u>270,093</u>

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The disproportionate tax charge of the Group for the current quarter/period ended 31 January 2017 was mainly due to certain expenses or losses being disallowed for tax purposes, certain gains which are non taxable and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

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

	Current Quarter RM'000	Financial Year to date RM'000
Interest income	(17,642)	(61,201)
Dividend income	(84)	(425)
Gain on disposal of property, plant and equipment	(52)	(406)
Gain on disposal of other investments	(200)	(1,170)
Gain on disposal of an associated company	(68,147)	(68,147)
Gain on disposal of a subsidiary company	(1)	(6,369)
Loss on disposal of other investment	6,482	6,482
Fair value loss on from AFS financial assets	-	505
Loss arising from dilution of interest in an associated company	-	8,578
Depreciation of property, plant and equipment	45,859	135,028
Amortisation of intangible assets	18,330	48,643
Impairment loss on receivables	2,956	5,877
Impairment loss on amount owing from an associated company	2,059	2,059
Impairment in value of investment in associated companies	110	337
Impairment in value of AFS investment	3	8
Provision for and write off of inventories	7,536	13,822
Loss on disposal of an associated company	-	13,022
Foreign exchange loss (net)	(30,497)	(52,345)
Fair value changes of investment properties	195	(6)
Fair value changes of FVTPL investments (net)	<u>(1,772)</u>	<u>8,442</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.

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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).
- (iv) 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).
- (v) On 17 March 2017, BLand announced the incorporation of two subsidiary companies, namely, Berjaya Okinawa Investment GK ("BOIGK") and BHR Okinawa Management GK ("BHROMGK"). BOIGK is held by BOI, a wholly owned subsidiary of BLand, and BHROMGK is held by Berjaya Hotels & Resorts (Singapore) Pte Ltd, which in turn is a wholly owned by Tioman Island Resort Berhad, an 86.25%- owned subsidiary company of BLand.
- (vi) On 23 March 2017, BLand announced that Berjaya Vacation Club Berhad, a wholly owned subsidiary company of BLand, had completed the acquisition of 140,000 shares, representing 70% equity interest, in Hotel Integrations Sdn Bhd ("HISB") for RM910,000 and subscription of 70,000 new shares in HISB, also representing 70% equity interest, for RM455,000.

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

		At end of current quarter RM'000
Short term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in		
Ringgit Malaysia	-	# 2,183,184
USD	58,942	* 244,221
SGD	85,100	* 265,112
GBP	5,501	* 30,464
PHP	235,533	* 52,161
KRW	2,481,081	* 9,180
		<u>2,784,322</u>
Unsecured		
Denominated in		
Ringgit Malaysia		1,000
USD	76	* 336
		<u>1,336</u>
		2,785,658
Long term borrowings		
Secured		
	Foreign currency amount	
	'000	
Denominated in		
Ringgit Malaysia		# 2,157,192
USD	34,229	* 142,343
GBP	14,184	* 78,475
SGD	867	* 2,701
JPY	20,069,075	* 780,687
RMB	453,676	* 114,087
VND	198,110,000	* 39,622
		<u>3,315,107</u>
Unsecured		
Denominated in		
RMB	66,400	* 42,742
USD	1,334	* 5,904
		<u>48,646</u>
		3,363,753
Total bank borrowings		<u><u>6,149,411</u></u>
* Converted at the respective exchange rates prevailing as at 31 January 2017		
# Includes medium term notes		
- short term		530,000
- long term		863,577
		<u><u>1,393,577</u></u>

**BERJAYA CORPORATION BERHAD**

**(Company No: 554790 - X)**

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

- 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:-

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.

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

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

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

	Group (3-month period)			
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000		sen	
Net profit for the quarter	22,886	15,820		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	2,697	3,163		
- BCorp ICULS 4	215	-		
Adjusted net earnings for the quarter	<u>25,798</u>	<u>18,983</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,784,523	4,483,940		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>747,835</u>	<u>652,237</u>		
Number of shares used in the calculation of basic earnings per share ('000)	<u>5,532,358</u>	<u>5,136,177</u>		
Basic earnings per share			<u>0.47</u>	<u>0.37</u>
Adjusted net earnings for the quarter	25,798	18,983		
Dilution effect on conversion of Redtone International Berhad ICULS	(15)	(30)		
Dilution effect on exercise of Berjaya Media Berhad warrants	-	(387)		
Dilution effect on exercise of Berjaya Food Berhad warrants	(12)	(25)		
Dilution effect on exercise of Berjaya Food Berhad share options	-	(5)		
Dilution effect on exercise of BAuto share options	-	(160)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	-	-		
	<u>25,771</u>	<u>18,376</u>		
Number of shares used in the calculation of diluted earnings per share ('000)	<u>5,532,358</u>	<u>5,136,177</u>		
Diluted earnings per share			<u>0.47</u>	<u>0.36</u>



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B11	Group (9-month period)			
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000		sen	
Net profit for the year-to-date	136,714	194,211		
Impact on statement of profit or loss upon conversion of ICULS				
- BCorp ICULS 2	8,361	10,493		
- BCorp ICULS 4	837	-		
Adjusted net earnings for the year-to-date	<u>145,912</u>	<u>204,704</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,685,357	4,264,828		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>776,282</u>	<u>818,002</u>		
Number of shares used in the calculation of basic earnings per share ('000)	<u>5,461,639</u>	<u>5,082,830</u>		
Basic earnings per share			<u>2.67</u>	<u>4.03</u>
Adjusted net earnings for the year-to-date	145,912	204,704		
Dilution effect on exercise of Redtone International Berhad ICULS	(31)	(18)		
Dilution effect on exercise of Berjaya Media Berhad warrants	-	(419)		
Dilution effect on exercise of Berjaya Food Berhad warrants	(38)	(67)		
Dilution effect on exercise of Berjaya Food Berhad share options	-	(14)		
Dilution effect on exercise of BAuto share options	-	(571)		
Dilution effect on exercise of Berjaya Assets Berhad warrants	(297)	-		
	<u>145,546</u>	<u>203,615</u>		
Number of shares used in the calculation of diluted earnings per share ('000)	<u>5,461,639</u>	<u>5,082,830</u>		
Diluted earnings per share			<u>2.66</u>	<u>4.01</u>

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	As at 31/01/2017 RM'000	As at 30/04/2016 RM'000 (Audited)
Total retained earnings of the Company and its subsidiaries:		
- realised	1,303,462	1,222,837
- unrealised	<u>1,450,506</u>	<u>1,441,825</u>
	2,753,968	2,664,662
Share of results from associated companies	*	*
	421,073	400,274
Share of results from joint ventures	*	*
	<u>(157,264)</u>	<u>(156,439)</u>
	3,017,777	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>1,922,507</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