

BERJAYA LAND BERHAD

Company No: 201765-A

27 June 2018

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 30/04/2018 RM'000	As at 30/04/2017 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		1,577,145	1,709,547
Investment properties		763,634	740,057
Land held for development		1,363,720	1,566,756
Associated companies		546,549	593,567
Joint ventures		55,721	60,161
Investments		106,345	110,020
Intangible assets		4,075,306	4,020,046
Receivables		776,667	696,126
Deferred tax assets		31,597	38,653
		<u>9,296,684</u>	<u>9,534,933</u>
Current assets			
Property development costs		318,702	347,379
Inventories		555,583	494,513
Receivables		1,521,575	1,913,106
Short term investments		9,206	9,006
Tax recoverable		14,898	32,029
Deposits, cash and bank balances		864,680	744,618
Non current assets classified as held for sale		316,310	42,916
		<u>3,600,954</u>	<u>3,583,567</u>
TOTAL ASSETS		<u><u>12,897,637</u></u>	<u><u>13,118,500</u></u>
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		147,920	234,019
Capital reserve		116,528	116,528
Fair value reserve		1,206,587	1,179,509
Available-For-Sale ("AFS") reserve		4,450	5,215
Consolidation reserve		75,899	81,842
Retained earnings		247,090	425,604
		<u>1,798,474</u>	<u>2,042,717</u>
Equity funds		4,298,642	4,542,885
Less: Treasury shares	A4	(20,699)	(20,699)
Net equity funds		<u>4,277,943</u>	<u>4,522,186</u>
Non-controlling interests		2,269,739	2,338,819
Total equity		<u><u>6,547,682</u></u>	<u><u>6,861,005</u></u>

BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 30/04/2018 RM'000	As at 30/04/2017 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations		10,720	10,034
Long term borrowings	B8	1,900,125	1,782,336
Other long term liabilities		111,554	111,282
Deferred taxation		1,077,385	1,061,021
		<u>3,099,784</u>	<u>2,964,673</u>
Current liabilities			
Payables		1,691,163	1,343,899
Short term borrowings	B8	1,520,670	1,931,997
Retirement benefit obligations and provisions		3,039	2,485
Tax payable		32,340	11,666
Liabilities directly associated to assets of disposal group classified as held for sale		2,959	2,775
		<u>3,250,171</u>	<u>3,292,822</u>
Total Liabilities		<u>6,349,955</u>	<u>6,257,495</u>
TOTAL EQUITY AND LIABILITIES		<u>12,897,637</u>	<u>13,118,500</u>
<i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>		<u>0.86</u>	<u>0.91</u>

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

Net equity funds divided by the number of outstanding shares in issue with voting rights.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
		30/04/2018 RM'000	30/04/2017 RM'000	30/04/2018 RM'000	30/04/2017 RM'000
REVENUE		1,585,027	1,676,859	6,365,275	6,371,366
OPERATING EXPENSES, NET		<u>(1,508,711)</u>	<u>(1,507,710)</u>	<u>(5,948,639)</u>	<u>(5,882,420)</u>
PROFIT FROM OPERATIONS	A3	76,316	169,149	416,636	488,946
Investment related (expenses)/income, net	A3	(44,218)	(13,267)	(162,852)	217,154
Share of results from associated companies		(4,982)	31,323	7,489	85,588
Share of results from joint ventures		(624)	(2,352)	(384)	(3,998)
Finance costs		<u>(45,886)</u>	<u>(73,732)</u>	<u>(189,777)</u>	<u>(211,369)</u>
(LOSS)/PROFIT BEFORE TAX	B5	(19,394)	111,121	71,112	576,321
TAXATION	B6	<u>(57,092)</u>	<u>(38,920)</u>	<u>(194,738)</u>	<u>(165,100)</u>
(LOSS)/PROFIT NET OF TAX		<u>(76,486)</u>	<u>72,201</u>	<u>(123,626)</u>	<u>411,221</u>
ATTRIBUTABLE TO:					
- Owners of the parent		(92,148)	88,573	(189,525)	294,738
- Non-controlling interests		<u>15,662</u>	<u>(16,372)</u>	<u>65,899</u>	<u>116,483</u>
		<u>(76,486)</u>	<u>72,201</u>	<u>(123,626)</u>	<u>411,221</u>
(LOSS)/EARNINGS PER SHARE (SEN)	B11				
- Basic		<u>(1.85)</u>	<u>1.78</u>	<u>(3.80)</u>	<u>5.91</u>
- Fully diluted		<u>(1.85)</u>	<u>1.78</u>	<u>(3.80)</u>	<u>5.91</u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL YEAR ENDED	
	30/04/2018 RM'000	30/04/2017 RM'000	30/04/2018 RM'000	30/04/2017 RM'000
(LOSS)/PROFIT NET OF TAX	(76,486)	72,201	(123,626)	411,221
OTHER COMPREHENSIVE INCOME				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net changes in fair value of available-for-sale investments				
- Changes in fair value during the quarter/year	(5,999)	17,439	(11,989)	(803)
- Transfer to profit or loss upon disposal and impairment	15,398	22	20,654	(141)
Impairment and amortisation of gaming rights	-	(667,352)	-	(642,991)
Reversal of impairment of gaming rights	98,934	-	98,934	-
Share of an associated company's changes in fair value of available-for-sale investments and exchange reserve	1,836	348	(10,577)	(782)
Change in fair value reserve upon (reversal of)/accounting for deferred tax liabilities on impairment of gaming rights	(23,744)	159,570	(23,744)	154,318
Currency translation differences				
- Movement during the year	4,422	(31,582)	(169,728)	152,174
- Transfer to profit or loss upon loss of control over subsidiaries	31,710	-	31,710	-
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Change in fair value of property, plant and equipment prior to transfer to investment properties	2,952	-	2,952	-
Actuarial gain/(loss) recognised in defined benefit pension scheme	3,378	(441)	3,378	(699)
Tax effect relating to components of other comprehensive income	(603)	132	(603)	180
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/YEAR	<u>51,798</u>	<u>(449,663)</u>	<u>(182,639)</u>	<u>72,477</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	(19,989)	(116,220)	(244,120)	210,664
- Non-controlling interests	<u>71,787</u>	<u>(333,443)</u>	<u>61,481</u>	<u>(138,187)</u>
	<u>51,798</u>	<u>(449,663)</u>	<u>(182,639)</u>	<u>72,477</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2017.

BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2017	2,500,168	234,019	116,528	1,179,509	5,215	81,842	425,604	(20,699)	4,522,186	2,338,819	6,861,005
Loss for the year	-	-	-	-	-	-	(189,525)	-	(189,525)	65,899	(123,626)
Other comprehensive income	-	(86,099)	-	31,290	(765)	-	979	-	(54,595)	(4,418)	(59,013)
Total comprehensive income	-	(86,099)	-	31,290	(765)	-	(188,546)	-	(244,120)	61,481	(182,639)
Effect of amortisation of gaming rights	-	-	-	(10,032)	-	-	10,032	-	-	-	-
Transactions with owners:											
Non-controlling interests arising from											
- change of equity interest in a subsidiary company	-	-	-	5,820	-	(1,684)	-	-	4,136	1,684	5,820
- increase of equity interest in a subsidiary company	-	-	-	-	-	(4,259)	-	-	(4,259)	(11,221)	(15,480)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(121,024)	(121,024)
	-	-	-	5,820	-	(5,943)	-	-	(123)	(130,561)	(130,684)
At 30 April 2018	2,500,168	147,920	116,528	1,206,587	4,450	75,899	247,090	(20,699)	4,277,943	2,269,739	6,547,682

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve 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	2,500,168	122,525	10,804	1,385,254	4,891	102,109	226,737	(20,699)	4,331,789	2,630,205	6,961,994
Total comprehensive income	-	111,494	-	(195,714)	324	-	294,560	-	210,664	(138,187)	72,477
Effect of amortisation of gaming rights	-	-	-	(10,031)	-	-	10,031	-	-	-	-
Transactions with owners:											
Non-controlling interests arising from decrease of equity interest in a subsidiary company	-	-	-	-	-	2,891	-	-	2,891	37,951	40,842
Non-controlling interests arising from increase of equity interest in a subsidiary company	-	-	-	-	-	(23,158)	-	-	(23,158)	(62,110)	(85,268)
Non-controlling interests arising from acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	256	256
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	105,724	-	-	-	(105,724)	-	-	-	-
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(129,296)	(129,296)
	-	-	105,724	-	-	(20,267)	(105,724)	-	(20,267)	(153,199)	(173,466)
At 30 April 2017	2,500,168	234,019	116,528	1,179,509	5,215	81,842	425,604	(20,699)	4,522,186	2,338,819	6,861,005

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/04/2018	30/04/2017
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	6,869,045	6,651,628
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(6,289,619)	(6,480,927)
Tax paid	(150,538)	(183,700)
Other receipts (inclusive of tax refunds)	6,289	15,442
Net cash generated from operating activities	<u>435,177</u>	<u>2,443</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	4,082	29,804
Sale of other investments and short term investments	32,880	17,003
Partial disposal of equity interest in a subsidiary company	-	40,842
Partial disposal of equity interest in an associated company	58,891	-
Net cash inflow from settlement for surrendering certain assets and lease interests	-	218,309
Net cash outflow from disposal of a subsidiary company	(768)	-
Acquisition of property, plant and equipment, non-current assets and properties	(88,054)	(261,853)
Acquisition of additional equity interest in a subsidiary company	(5,219)	(86,655)
Acquisition of other investments and short term investments	(59,771)	(26,832)
Acquisition of treasury shares by a subsidiary company	(2,259)	-
Acquisition of investments in associated companies and joint ventures	(27,954)	(40,641)
Interest received	28,669	23,320
Dividend received	3,151	1,424
Advance from/(Repayment to) related companies	1,312	(60,161)
Repayment from joint ventures and associated companies	133,038	16,317
Other receipts/(payments)	200,068	(44,353)
Net cash generated from/(used in) investing activities	<u>278,066</u>	<u>(173,476)</u>
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	1,057,237	591,248
Repayment of bank and other borrowings	(1,316,131)	(1,036,288)
Dividends paid to non-controlling interests of a subsidiary company	(88,586)	(129,296)
Interest paid	(199,952)	(187,329)
Withdrawal from banks as security pledged for borrowings	22,120	722,878
Other payments	(8,026)	(8,047)
Net cash used in financing activities	<u>(533,338)</u>	<u>(46,834)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	179,905	(217,867)
EFFECTS OF EXCHANGE RATE CHANGES	(41,103)	33,578
OPENING CASH AND CASH EQUIVALENTS	<u>653,844</u>	<u>838,133</u>
CLOSING CASH AND CASH EQUIVALENTS	<u><u>792,646</u></u>	<u><u>653,844</u></u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	864,680	744,618
Bank overdraft (included under short term borrowings)	(11,487)	(7,816)
Less: cash and cash equivalents restricted in use	(61,001)	(83,121)
Add: cash and cash equivalents classified as held for sale	454	163
	<u>792,646</u>	<u>653,844</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2017.

BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
NOTES TO THE INTERIM FINANCIAL REPORT

A1 The quarterly financial report is not audited and has been prepared in compliance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2017. The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2017.

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

- A2 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for:
- (i) the property development division which is affected by the prevailing cyclical economic conditions;
 - (ii) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the third quarter of the financial year; and
 - (iii) the toto betting operations may be positively impacted by the festive seasons.
- A3 (a) There were no unusual or material items affecting the Group in the financial quarter and year ended 30 April 2018 other than as disclosed below:

Statement of Profit or Loss

Included under investment related income/(expenses), net:	Quarter ended 30/04/2018 RM'000	Financial year ended 30/04/2018 RM'000
Fair value changes of fair value through profit or loss investments	(851)	(7,120)
Impairment of available-for-sale of quoted equity investments	(16,850)	(18,910)
Impairment in value of an associated company	(277)	(277)
Impairment loss on assets held for sale	(30,246)	(30,246)
Impairment of property, plant and equipment	(11,818)	(11,818)
Gain/(Loss) on partial disposal of interest in an associated company	27	(39,915)
Gain on disposal of interest in a subsidiary company	-	11,994
Gain/(Loss) on disposal of quoted investments	757	(3,161)
Provision for impairment on balance of GMOC Project sales proceeds *	-	(155,084)
Fair value changes of investment properties	(108)	(108)
Others	(979)	(203)
	<u>(60,345)</u>	<u>(254,848)</u>

* The provision for impairment which is attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM79.09 million.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
NOTES TO THE INTERIM FINANCIAL REPORT

- A3 (a) There were no unusual or material items affecting the Group in the financial quarter and year ended 30 April 2018 other than as disclosed below (Cont'd):

Statement of Profit or Loss (Cont'd)

As disclosed in Note B7(d), GMOC did not receive the balance sales proceeds amounting to RMB974.07 million (equivalent to approximately RM620.33 million) ("Final Instalment") from the disposal of GMOC Project by the appointed time. GMOC has strong legal grounds to recover the Final Instalment and, had on 19 January 2018, submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

Based on the legal advice obtained in respect of the legal proceedings and the eventual enforcement of the claim award, the Directors estimated that the reasonable time frame to recover the Final Instalment is approximately 3 years.

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

This provision will be reversed when GMOC eventually receives the payment of the Final Instalment from Beijing SkyOcean and the Guarantors.

Statement of Financial Position

The Group has reclassified certain of its assets and projects located in Vietnam as assets held for sale following the Proposed BVFC Disposal, Proposed BVIUT Disposal and Proposed Vietnamese Subsidiary Disposal as disclosed in Note B7(f).

- (b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the financial quarter and year ended 30 April 2018.
- A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial year ended 30 April 2018.

The number of treasury shares held in hand as at 30 April 2018 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2017 and at 30 April 2018	1.89	10,943,104	20,699

As at 30 April 2018, the number of ordinary shares in issue with voting rights was 4,989,394,000 ordinary shares (30 April 2017 : 4,989,394,000 ordinary shares).

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
NOTES TO THE INTERIM FINANCIAL REPORT

A5 The Company did not pay any dividend during the financial year ended 30 April 2018.

A6 Segmental information for the financial year ended 30 April 2018:

REVENUE

	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	3,300,242	-	3,300,242
Motor retailer	2,343,803	-	2,343,803
Property development and investment	331,352	9,397	340,749
Hotels and resorts	319,045	2,300	321,345
Clubs and others	70,833	19,297	90,130
Sub-total	6,365,275	30,994	6,396,269
Less: Inter-segment revenue	-	(30,994)	(30,994)
Total revenue	6,365,275	-	6,365,275

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	432,524
Motor retailer	45,755
Property development and investment	45,859
Hotels and resorts	39,446
Clubs and others	585
Unallocated corporate items	(147,533)
	416,636
Investment related income, net:	
- Interest income	89,315
- Dividend income	2,681
- Impairment of available-for-sale of quoted equity investments	(18,910)
- Fair value changes of fair value through profit or loss investments	(7,120)
- Loss on partial disposal of interest in an associated company	(39,915)
- Gain on disposal of interest in a subsidiary company	11,994
- Loss on disposal of quoted investments	(3,161)
- Impairment in value of an associated company	(277)
- Impairment loss on assets held for sale	(30,246)
- Impairment of property, plant and equipment	(11,818)
- Fair value changes of investment properties	(108)
- Provision for impairment on balance of GMOC Project sales proceeds *	(155,084)
- Others	(203)
	(162,852)
Share of results from associated companies	7,489
Share of results from joint ventures	(384)
Finance costs	(189,777)
Profit before tax	71,112
Taxation	(194,738)
Loss for the year	(123,626)

* The provision for impairment which is attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM79.09 million.

BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 APRIL 2018
NOTES TO THE INTERIM FINANCIAL REPORT

- A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for the quarter under review.
- A8 There were no material changes in the composition of the Group for the financial year ended 30 April 2018 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:
- (i) the dissolution of H.R. Owen Finance Ltd ("HROF"), an indirect subsidiary of Berjaya Philippines Inc. ("BPI"). BPI in turn is a 88.26% subsidiary of Berjaya Sports Toto Berhad ("BToto"). HROF was a dormant company.
 - (ii) the incorporation of EDOC Holdings Limited ("EDOC") by H.R. Owen Plc., an indirect subsidiary of BPI. The intended principal activity of EDOC is investment holding. Subsequently, EDOC acquired and subscribed a total of 2,743,161 ordinary shares representing 20.15% equity interest in in VIDEODOC Ltd ("VideoDoc") for a total cash consideration of GBP1.85 million (equivalent to RM10.3 million). The principal activities of VideoDoc are providing general and specialists medical practice services;
 - (iii) the acquisition of 1 ordinary share representing 100% equity interest in Berjaya Fukuoka Development (S) Pte Ltd. ("BFDS") by the Company for a cash consideration of SGD1.00 (or about RM3.10). The intended principal activity of BFDS is investment holding;
 - (iv) the decrease of the Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") to 8.59% following the disposal of 57.0 million BAssets shares by the Group and the conversion of 90.8 million BAssets warrants to 90.8 million BAssets ordinary shares by other BAssets warrant holders;
 - (v) the disposal by Berjaya Leisure (Cayman) Limited ("BLCL") of its 100% equity interest in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advance Medicine Holdings Pte Ltd ("SIAMH") for a consideration of SGD2.97 million (equivalent to approximately RM9.21 million) satisfied via an issuance of new SIAMH shares. SIAMH is an existing associated company of BLCL. Concurrently, BLCL novated the debt owing by BIH of SGD11.2 million (equivalent to approximately RM34.71 million) to SIAMH, satisfied via issuance of new SIAMH shares. In addition, BLCL subscribed for additional SIAMH shares for SGD3.82 million (equivalent to approximately RM11.84 million). Consequently, BLCL's equity interest in SIAMH had increased from 21.47% to 34.27%;
 - (vi) the incorporation of ILTS Vietnam Company Limited ("ILTS VN") in Vietnam by International Lottery & Totalizator Systems, Inc., a wholly owned subsidiary of BToto. The intended principal activity of ILTS VN is the provision of lottery technical support services in Vietnam;
 - (vii) the increase in BToto's equity interest in Bermaz Auto Philippines Inc. ("BAuto") from 25.48% to 28.28% from the acquisition of additional 2.8% equity interest in BAUTO for a total cash consideration of PHP25.56 million (equivalent to approximately RM1.9 million);
 - (viii) the incorporation of Ever Revenue Sdn Bhd ("ERSB") and Ever Perpetual Growth Sdn Bhd ("EPGSB") by Tioman Island Resort Berhad, a 86.25% owned subsidiary of the Company. The intended principal activities of ERSB and EPGSB are to provide recreational activities;

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NOTES TO THE INTERIM FINANCIAL REPORT

- A8 There were no material changes in the composition of the Group for the financial year ended 30 April 2018 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for (cont'd):
- (ix) the incorporation of Infinity Worth Creation Sdn Bhd ("IWCSB") by KDE Recreation Berhad, a wholly owned subsidiary of Berjaya Vacation Club Berhad, which in turn is wholly owned by the Company. The intended principal activity of IWCSB is to provide recreational activities;
 - (x) the acquisition by BPI of additional 230,516 ordinary shares of GBP0.50 each in its direct subsidiary, H.R. Owen Plc ("HR Owen"), representing additional 0.92% equity interest in HR Owen for a consideration of GBP394,000 (equivalent to approximately RM2.18 million). Consequently, BPI's equity interests in HR Owen increased from 98.38% to 99.3%;
 - (xi) the acquisition by BPI of 62,500,000 ordinary shares of Php1.00 each, representing 25% equity interest in Chailease Berjaya Finance Corporation ("CBFC") for a total cash consideration of Php62.5 million (equivalent to approximately RM4.7 million). CBFC is a private limited company registered in the Philippines with principal activities in providing hire purchase and loan financing services;
 - (xii) the dissolution of Berjaya Nhon Trach New City Center ("BNTC"), previously a wholly subsidiary of BLCL. BNTC was a dormant company;
 - (xiii) the dissolution of RC Hotels and Resorts JV Holdings (BVI) Company Limited ("RCJV"), a joint venture of the Group. RCJV was an investment holding company;
 - (xiv) the incorporation of Berjaya Myanmar Holdings Sdn Bhd ("BMH"), a wholly owned subsidiary of the Company. The intended principal activity of BMH is investment holding;
 - (xv) the dilution of BLCL's equity interest in Berjaya Vietnam Financial Center Limited ("BVFC") from 100% to 32.5% after the injection of fresh capital contribution amounting to VND2,008.69 billion (equivalent to approximately RM352 million) into BVFC by Vinhomes Joint Stock Company Limited ("Vinhomes") following the conditions imposed by the Vietnamese authorities, prior to the Proposed Disposal of BVFC. Subsequently, BLCL has entered into a capital transfer agreement to dispose its resultant 32.5% equity interest in BVFC to Vinhomes, as disclosed in Note B7(f). Consequently, BLCL has reclassified its investment in BVFC as assets held for sale; and
 - (xvi) the dilution of BLCL's equity interest in Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT") from 100% to 0.8% after the injection of fresh capital contribution amounting to VND11,904 billion (equivalent to approximately RM2.0 billion) into BVIUT by Vinhomes and its affiliates in order to meet the capital contribution requirement imposed by the Vietnamese authorities which requires BVIUT to increase its charter capital to VND12,000 billion (equivalent to approximately RM2.0 billion). This is also in conjunction with the Proposed Disposal of BVIUT by BLCL where Vinhomes and its affiliates are potential purchasers of BVIUT as disclosed in Note B7(f). Consequently, BLCL has reclassified its investment in BVIUT as assets held for sale.
- A9 There were no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2017.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2017 other than reduction in land lease payments commitments for foreign development project of RM328.4 million, following the dilution of the Group's interest in the foreign subsidiary, as disclosed in Note A8(xii).

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B1 The main operating businesses of the Group are number forecast operation ("NFO") which includes toto betting operations and related activities, motor retailing and provision of aftersales services, property development and investment and the operations of hotels and resorts. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Toto betting operations and related activities (gaming)

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

Motor retailing and provision of aftersales services

- the trend in prestige and specialist cars predominantly in the London area of United Kingdom and the ultimate impact of Brexit.

Property development and investment

- demographic 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.

Operations of 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.

The summarised results of the Group are as follows:

	3-Month Ended			12-Month Ended		
	30/04/2018 RM'000	30/04/2017 RM'000	+ /(-) %	30/04/2018 RM'000	30/04/2017 RM'000	+ /(-) %
Revenue	1,585,027	1,676,859	(5)	6,365,275	6,371,366	(0)
Profit from operations	76,316	169,149	(55)	416,636	488,946	(15)
(Loss)/Profit before tax	(19,394)	111,121	(117)	71,112	576,321	(88)

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.59 billion and pre-tax loss of RM19.39 million as compared to revenue of RM1.68 billion and pre-tax profit of RM111.12 million reported in the previous year corresponding quarter.

The lower Group revenue was mainly due to lower revenue from all its main business segments as follows:

- (i) lower new car sales volume reported by HR Owen;
- (ii) lower overall average room rates despite comparable overall occupancy rates reported by the hotels and resort business segment; and
- (iii) lower property progress billings reported by the property development business segment.

The above factors were partly mitigated by the higher revenue reported by Sports Toto Malaysia Sdn Bhd ("STMSB"), BToto's principal subsidiary operating the gaming business segment, in the current quarter from the seasonally higher sales during the Chinese New Year festive season in February 2018.

However, the Group incurred a pre-tax loss for the current quarter under review mainly due to impairment made on certain available-for-sale investments, assets held for sale and property, plant and equipment amounting to approximately RM61.1 million as detailed in Note A3(a). The Group also equity accounted share of losses from its associated companies, mainly Berjaya Assets Berhad which reported higher post-tax losses.

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Review of Results For the Quarter (Cont'd)

The operating profit in the current quarter under review was lower mainly due to:

- (i) the unfavourable foreign exchange translation effect due to the strengthening of Ringgit Malaysia. In the previous year corresponding quarter, the Group reported favourable foreign exchange translation effect; and
- (ii) the lower profit contribution from STMSB due to higher prize payout despite achieving higher revenue.

The above factors were partly mitigated by the higher profit contribution from:

- (i) the property development business segment from effective project cost reduction measures in spite of the lower progress billings;
- (ii) recognition of non-cash finance income resulting from the measurement of financial assets at fair value; and
- (iii) improved profit margin from used car sales reported by HR Owen.

Review of Results For the Financial Year

For the current financial year under review, the Group reported a revenue of RM6.37 billion which was comparable to that reported in the previous financial year. The Group pre-tax profit was RM71.11 million as compared to pre-tax profit of RM576.32 million reported in the previous financial year.

The property development and the hotel and resorts business segments have reported higher revenue from higher property progress billings and higher overall occupancy and average room rates respectively. These were offsetted by the lower revenue reported by BToto Group in the current financial year under review. The drop in BToto Group revenue was mainly due to higher project contract sales reported by International Lottery & Totalizator Systems Inc. in the previous financial year. STMSB's revenue was on par with the previous year despite having lower number of draws in the current financial year.

In spite of the comparable revenue, the Group registered a significantly lower pre-tax profit for the current year under review mainly due to impairment made on certain available-for-sale investments, assets held for sale and property, plant and equipment amounting to approximately RM223.8 million as detailed in Note A3(a). In addition, the Group reported unfavourable foreign exchange translation effect due to the strengthening of Ringgit Malaysia and lower share of profits from its associated companies. Berjaya Kyoto Development (S) Pte Ltd, an associated company of the Group, had reported lower number of units sold at its Four Season Residences in the current year as compared to the previous year. Further in the previous financial year, the Group recognised a one-off gain on settlement for surrendering certain assets and lease interest by a subsidiary company to the relevant authorities which amounted to RM184.6 million.

This was partly mitigated by the improved profit contribution from the main business segments of the Group resulting from:

- (i) STMSB reported lower prize payout;
- (ii) higher revenue and effective project cost reduction measures of the property development business segment;
- (iii) higher overall average room and occupancy rates reported by the hotels and resorts business segment; and
- (iv) the recognition of non-cash finance income resulting from the measurement of financial assets at fair value.

B2 Review of Results of Fourth Quarter Vs Third Quarter

	3-Month Ended		+ / (-)
	30/04/2018	31/01/2018	
	RM'000	RM'000	%
Revenue	<u>1,585,027</u>	<u>1,564,428</u>	<u>1</u>
Profit from operations	<u>76,316</u>	<u>84,296</u>	<u>(9)</u>
(Loss)/Profit before tax	<u>(19,394)</u>	<u>86,841</u>	<u>N/A</u>

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B2 Review of Results of Fourth Quarter Vs Third Quarter (Cont'd)

For the current quarter under review, the Group reported a higher revenue of RM1.59 billion compared to RM1.56 billion reported in the preceding quarter. Pre-tax loss for the current quarter was RM19.4 million as compared to pre-tax profit of RM86.8 million in the third quarter ended 31 January 2018.

STMSB reported marginally higher revenue from the seasonally higher Chinese New Year sales despite having less number of draws. In addition, the property development business segment also reported higher progress billings in the current quarter under review. These have offsetted the lower overall occupancy and average room rates from the hotels and resorts business segment.

The pre-tax loss of the current quarter under review was mainly due to the factors mentioned in Note B1 above.

B3 Future Prospects

The impending abolishment of Goods and Services Tax ("GST") Act and the interim 3-month period whereby GST rate was revised from 6% to 0% effective 1 June 2018 are expected to increase discretionary income and boost consumer spending. This is expected to augur well for the Group, especially the hotels and resorts business for the financial year ending 30 April 2019. However, the property market outlook is expected to remain lukewarm.

The Group also expects to record a significant gain upon the successful disposal of the Proposed BVIUT Disposal and Proposed Vietnam Subsidiary Disposal accordingly in due course, going forward.

B4 There is no profit forecast for the financial year under review.

B5 (Loss)/Profit before tax is stated after charging/(crediting):

	Quarter ended 30/04/2018 RM'000	Financial year ended 30/04/2018 RM'000
Interest income	(15,512)	(89,315)
Dividend income	(615)	(2,681)
Other income excluding dividend and interest income	(9,666)	(23,029)
Depreciation of property, plant and equipment	24,182	92,766
Gain on disposal of property, plant and equipment	(529)	(3,306)
Gain on disposal of interest in a subsidiary company	-	(11,994)
Amortisation of intangible assets	6,121	27,400
Impairment loss on receivables	-	60
Provision for and write off of inventories	296	296
Net foreign exchange loss	28,915	63,754
Impairment of available-for-sale of quoted equity investments	16,850	18,910
Fair value changes of fair value through profit or loss investments	851	7,120
(Gain)/Loss on disposal of quoted investments	(757)	3,161
(Gain)/Loss on partial disposal of interest in an associated company	(27)	39,915
Impairment loss on assets held for sale	30,246	30,246
Impairment of property, plant and equipment	11,818	11,818
Provision for impairment on balance of GMOC Project sales proceeds *	-	155,084
Gain or loss on derivatives	-	-

* The provision for impairment which is attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM79.09 million.

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B6 The taxation charges for the financial quarter and year ended 30 April 2018 were detailed as follows:

	Quarter ended 30/04/2018 RM'000	Financial year ended 30/04/2018 RM'000
Malaysian income tax	20,367	133,349
Foreign tax	9,265	29,341
Underprovision in prior years	3,938	8,628
Deferred taxation	<u>23,522</u>	<u>23,420</u>
	<u><u>57,092</u></u>	<u><u>194,738</u></u>

The disproportionate tax charge of the Group for the financial quarter and year ended 30 April 2018 was mainly due to certain expenses being disallowed for tax purposes, the non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies and the resultant additional deferred tax arising from the reversal of impairment of gaming rights.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

- (a) On 19 July 2004, the Company announced that Selat Makmur Sdn Bhd now known as Berjaya Tagar Sdn Bhd ("BTSS"), a subsidiary company of Berjaya Land Development Sdn Bhd then, which in turn is a wholly owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("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 with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSS had proposed to acquire 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").

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders have been obtained for the STC Proposals.

Subsequently, on 28 June 2010, the Company announced the status of the CP as follows:

- 1 Approval of the FIC for the STC Proposals was obtained on 12 October 2004.
- 2 Approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004.
- 3 Approvals of the shareholders of BTSS, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004.
- 4 Approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSS was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled.
- 5 The agreement between STC and BTSS on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below.
- 6a. The approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and SMSB is awaiting the decision from the Selangor State government.
- 6b. The approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a above is fulfilled.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

Subsequently, on 28 June 2010, the Company announced the status of the CP as follows (cont'd):

6c. The approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the conditions precedent ("CP") in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 22 December 2011, the Company announced that STC granted BTSB request for a further extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remains outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by SMSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such date as mutually extended.

Pursuant to the aforesaid Supplemental Agreement, the period is extended for another year to 18 January 2019 to fulfil the conditions precedent below:

- 1 renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of 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 resides 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 include 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, the Company announced that further to the legal proceedings instituted by the Company, 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 Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

Pending receipt of the official grounds of judgment and fair order of the High Court, the judgment is summarised as follows based on the notes of proceedings dated 9 November 2017:

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

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other defendants have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017.

- (b) On 12 December 2007, the Company announced that its holding company, Berjaya Corporation Berhad had on behalf of the Company, entered into an agreement of cooperation ("Agreement") with Hanoi Electronics Corporation, Vietnam ("Hanel") to record their agreement in principle for the Company and Hanel to collaborate on the proposed development of a parcel of land measuring approximately 405 hectares (or about 1,000 acres) in Sai Dong A, Long Bien District, Hanoi City, Vietnam into a mixed residential, commercial and industrial township development ("Project"). Subject to the approvals from the relevant authorities in Vietnam, the Company and Hanel proposed to undertake the development of the Project via a joint venture and will establish a limited liability company in Vietnam to be known as "Berjaya-Hanel Company Limited" ("JVC"). A conditional joint venture agreement will be entered into within 6 months from the date of the execution of the Agreement or such extended time to be mutually agreed between the parties. The estimated total investment charter capital for the JVC shall be between USD2.0 billion (or about RM6.7 billion) to USD3.0 billion (or about RM10.1 billion) and the estimated charter capital of the JVC shall be between USD300 million (or about RM1.0 billion) to USD450 million (or about RM1.5 billion). The Company's portion of the charter capital is estimated to be between USD210 million (or about RM703.5 million) to USD315 million (or about RM1.1 billion) representing 70% stake in the JVC. The formation of the JVC and the development of the Project is subject to the relevant authorities approvals in Vietnam.

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

- (c) On 28 January 2008, the Company announced that it had on even date entered into an agreement in principle ("Agreement") with Tin Nghia Co. Ltd, Vietnam ("TNC"), Development Investment Construction Corporation, Vietnam ("DIC") and Vietnam Infrastructure Hexagon Limited ("VIHL") to record their agreement in principle to collaborate on the proposed construction of a bridge across the Dong Nai River linking Nhon Trach District, Dong Nai Province to Ho Chi Minh City ("Bridge Project").

In general, the abovementioned parties have agreed that the Company and TNC shall contribute up to 50% of the charter/equity capital of the joint venture company whilst DIC and VIHL shall contribute the remaining 50%. The Bridge Project will be jointly managed by the Company and VIHL. The Bridge Project is subject to the approvals of the People's Committees of Dong Nai Province and Ho Chi Minh City.

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

Beijing SkyOcean has paid:

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

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

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

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

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

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

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B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (Cont'd):

- (e) On 15 February 2017, the Company announced that BLCL had entered into a capital contribution transfer for the proposed disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company ("BLong Beach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (or about RM65.32 million) and to waive all amounts owing by BLong Beach to BLCL which was about VND87.50 billion (or about RM17.15 million) as at 31 January 2017.

The proposed disposal of BLong Beach is pending completion.

- (f) On 4 June 2018, the Company announced that BLCL had entered into a Capital Transfer Agreement for the proposed disposal by BLCL of the entire resultant 32.5% of the capital contribution in Berjaya Vietnam Financial Center Limited ("BVFC") to Vinhomes Joint Stock Company ("Vinhomes") and Can Gio Tourist City Corporation for a cash consideration of VND884.93 billion (equivalent to approximately RM154.86 million) ("Proposed BVFC Disposal"). The Proposed BVFC Disposal is pending completion.

Initially, BLCL's capital contribution of VND967.31 billion comprised and represented 100% of the charter capital of BVFC. However, following the conditions imposed by the Vietnamese authorities, BVFC was required to increase its charter capital and Vinhomes had in March 2018 injected fresh capital contribution amounting to VND2,008.69 billion (equivalent to approximately RM352 million) into BVFC to fulfill the above requirement which accordingly resulted in a dilution of BLCL's holding in the charter capital of BVFC to 32.5%.

In conjunction with the Proposed BVFC Disposal, Vinhomes and its affiliates are also being considered as potential purchasers of Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT") and have in December 2017 also injected a cash sum of VND11,904 billion as fresh capital contribution into BVIUT in order to meet certain similar conditions imposed by the Vietnamese authorities which require BVIUT to increase its charter capital to VND12,000 billion. Accordingly, BLCL's initial stake in BVIUT has also been diluted from 100% to 0.8%. It is the intention of BLCL to dispose its 0.8% stake in BVIUT in the near future ("Proposed BVIUT Disposal").

Together with the Proposed BVIUT Disposal, the Group is also in negotiations on the potential sale of another of its Vietnamese subsidiary ("Proposed Vietnamese Subsidiary Disposal").

B8 Group borrowings and debt securities as at 30 April 2018:

		RM'000	RM'000
<u>Short term borrowings</u>			
Secured bank borrowings			
Denominated in Ringgit Malaysia		568,710	
Denominated in USD (USD5,844,000)	*	22,886	
Denominated in GBP (£1,315,000)	*	6,561	
Denominated in PHP (PHP150,000,000)	*	11,386	
Denominated in JPY (JPY1,740,000,000)	*	62,484	
			672,027
Secured Medium Term Notes (Denominated in RM)			524,701
			1,196,728
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		1,623	
Denominated in USD (USD2,200,000)	*	8,616	
			10,239
Secured Vehicle stocking loans			
Denominated in GBP (£57,738,000)	*		313,703
Sub-total short term borrowings			1,520,670

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B8 Group borrowings and debt securities as at 30 April 2018 (Cont'd):

	RM'000	RM'000
<u>Long term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	878,579	
Denominated in GBP (£11,680,000) *	63,079	
Denominated in PHP (PHP285,860,000) *	19,928	
		961,586
Secured Medium Term Notes (Denominated in RM)		874,520
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia	2,764	
Denominated in USD (USD15,640,000) *	61,255	
		64,019
Sub-total long term borrowings		1,900,125
Total borrowings		3,420,795

* *Converted at the respective exchange rates prevailing as at 30 April 2018*

B9 There was no pending material litigation as at the date of this announcement other than as disclosed below:

JDC Lawsuit

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

Pursuant to the Land SPA, JDC is obligated to transfer the lands acquired thereunder to BJR free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence JDC had breached the terms of the Land SPA as it failed to transfer good and unencumbered title to the said lands to BJR. 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 has 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 work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (or about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction cost due and owing to the main contractor.

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B9 There was no pending material litigation as at the date of this announcement other than as disclosed below (Cont'd):

JDC Lawsuit (Cont'd)

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project. 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 on-going.

PGMC Arbitration Proceedings

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

On 1 March 2018, BToto announced that its 88.26%-owned subsidiary, Berjaya Philippines Inc., the immediate holding company of PGMC, which is listed on the Philippine Stock Exchange ("PSE") has on even date released an announcement to PSE that PGMC had received the Final Award issued by the Arbitral Tribunal which ruled that PGMC "does not have an exclusive contractual right to supply an online lottery system for Luzon" because the 1995 Equipment Lease Agreement and the 2004 Amendments to the Equipment Lease Agreement do not grant such exclusivity in their terms. The Arbitral Tribunal also ordered PGMC to pay all of PCSO's reasonable costs and expenses in the arbitration, which amounted to Php53.4 million (equivalent to approximately RM4.1 million), and to reimburse PCSO the amount of USD200,000 (equivalent to approximately RM778,000), which PCSO paid as advance on costs.

PGMC will appeal all aspects of the Final Award and argue that more than 10 years of exclusivity as acknowledged by PCSO should prevail in determining the award, and that the compensation structure which accords PGMC with a share of all lottery revenue from Luzon does not permit any third party supplier of lottery equipment to reduce or share in the revenue arising from Luzon that is contractually provided for PGMC.

GMOC Project Arbitration Proceedings

Reference is made to Note B7 (d).

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

The arbitration proceedings have entered the constitution of the tribunal stage. HKIAC has confirmed the appointment of the co-arbitrator nominated by GMOC and has designated the Respondents' co-arbitrator. HKIAC has also recommended the candidate to be the presiding arbitrator in this case. The constitution of the arbitral tribunal will be completed within the coming weeks.

The GMOC Project Arbitration Proceedings is still on-going.

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B9 There was no pending material litigation as at the date of this announcement other than as disclosed below (Cont'd):

BCity Project Legal Proceedings

Reference is made to Note B7(a).

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, 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 Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other defendants have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017. The BCity Project Legal Proceedings is still ongoing.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 30 April 2017 : Nil).

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

	Group (3-month period)			
	30/04/2018	30/04/2017	30/04/2018	30/04/2017
	RM'000		sen	
Net (loss)/profit for the quarter attributable to equity holders of the Parent	<u>(92,148)</u>	<u>88,573</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,989,394</u>		
Basic (loss)/earnings per share			<u>(1.85)</u>	<u>1.78</u>
	Group (12-month period)			
	30/04/2018	30/04/2017	30/04/2018	30/04/2017
	RM'000		sen	
Net (loss)/profit for the year attributable to equity holders of the Parent	<u>(189,525)</u>	<u>294,738</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,989,394</u>		
Basic (loss)/earnings per share			<u>(3.80)</u>	<u>5.91</u>

There are no potential ordinary shares outstanding as at 30 April 2018. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic (loss)/earnings per share.