BERJAYA LAND BERHAD

Company No: 201765-A

25 September 2018

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2018

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

			Group	
		Note	As at 31/07/2018 RM'000	As at 30/04/2018 RM'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment			1,576,124	1,584,508
Investment properties			760,171	760,737
Inventories - land held for development			797,856	793,759
Associated companies			488,869	533,094
Joint ventures			56,308	55,590
Investments			127,243	106,399
Intangible assets			4,063,749	4,071,572
Receivables			1,489,393	1,504,788
Deferred tax assets			29,565	33,607
			9,389,278	9,444,054
Current assets				
Inventories - property development costs			327,414	316,287
Inventories - completed properties and others			575,707	554,481
Receivables			1,433,736	1,461,416
Contract assets			13,090	-
Short term investments			9,586	9,206
Tax recoverable			10,003	15,675
Deposits, cash and bank balances			895,677	868,169
Non current assets classified as held for sale			224,003	222,880
			3,489,216	3,448,114
TOTAL ASSETS			12,878,493	12,892,168
EQUITY AND LIABILITIES				
Share capital		A4	2,500,168	2,500,168
Reserves:	Exchange reserves		112,679	152,707
	Capital reserve		116,528	116,528
	Fair value reserve		1,196,904	1,199,412
	Available-For-Sale ("AFS") reserve		-	4,450
	Fair value through other comprehensive income ("FVTOCI") reserve		(22,523)	-
	Consolidation reserve		81,719	81,719
	Retained earnings		80,794	246,328
			1,566,101	1,801,144
Equity funds			4,066,269	4,301,312
Less: Treasury shares		A4	(20,699)	(20,699)
Net equity funds			4,045,570	4,280,613
Non-controlling interests			2,295,348	2,270,645
Total equity			6,340,918	6,551,258

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31/07/2018 RM'000	Group As at 30/04/2018 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations and provisions		31,855	26,759
Long term borrowings	B8	1,498,187	1,888,367
Other long term liabilities		346,590	113,858
Deferred taxation		1,070,496	1,071,116
		2,947,128	3,100,100
Current liabilities			
Payables		1,720,374	1,672,557
Short term borrowings	B8	1,824,154	1,531,096
Retirement benefit obligations and provisions		2,029	2,746
Tax payable		40,879	31,452
Liabilities directly associated to assets of disposal group classified as held for sale		3,011	2,959
		3,590,447	3,240,810
Total Liabilities		6,537,575	6,340,910
TOTAL EQUITY AND LIABILITIES		12,878,493	12,892,168
Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)		0.81	0.86

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 2018.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED 31/07/2018 RM'000	CURRENT QUARTER ENDED 31/07/2017 RM'000
REVENUE		1,621,738	1,601,905
OPERATING EXPENSES, NET		(1,479,063)	(1,478,748)
PROFIT FROM OPERATIONS	A3	142,675	123,157
Investment related income, net	A3	26,432	17,620
Share of results from associated companies		(1,349)	6,517
Share of results from joint ventures		(810)	(262)
Finance costs		(45,287)	(47,461)
PROFIT BEFORE TAX	B5	121,661	99,571
TAXATION	B6	(49,670)	(48,123)
PROFIT NET OF TAX		71,991	51,448
ATTRIBUTABLE TO:			
- Owners of the parent		16,581	11,530
- Non-controlling interests		55,410	39,918
		71,991	51,448
EARNINGS PER SHARE (SEN)	B11		
- Basic		0.33	0.23
- Fully diluted		0.33	0.23

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 April 2018.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED	
	31/07/2018	**31/07/2017**
	RM'000	**RM'000**
PROFIT NET OF TAX	71,991	51,448
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Net changes in fair value of available-for-sale investments		
- Changes in fair value during the quarter	-	(8,038)
Share of an associated company's changes in fair value of financial assets - other investments and exchange reserve	(40,255)	(18,751)
Currency translation differences		
- Movement during the quarter	(8,619)	(11,132)
Items that will not be subsequently reclassified to profit or loss		
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	8,985	-
Share of an associated company's changes in fair value of financial assets - other investments	(176)	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	31,926	13,527
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	(15,307)	(18,005)
- Non-controlling interests	47,233	31,532
	31,926	13,527

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2018.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 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	FVTOCI 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 2018	2,500,168	152,707	116,528	1,199,412	4,450	-	81,719	246,328	(20,699)	4,280,613	2,270,645	6,551,258
Effects of adoption of MFRS 9	-	-	-	-	(4,450)	(30,663)	-	35,113	-	-	-	-
Effects of adoption of MFRS 15	-	-	-	-	-	-	-	(219,722)	-	(219,722)	9,656	(210,066)
At 1 May 2018 (as restated)	2,500,168	152,707	116,528	1,199,412	-	(30,663)	81,719	61,719	(20,699)	4,060,891	2,280,301	6,341,192
Loss for the year	-	-	-	-	-	-	-	16,581	-	16,581	55,410	71,991
Other comprehensive income	-	(40,028)	-	-	-	8,140	-	-	-	(31,888)	(8,177)	(40,065)
Total comprehensive income	-	(40,028)	-	-	-	8,140	-	16,581	-	(15,307)	47,233	31,926
Effect of amortisation of gaming rights	-	-	-	(2,508)	-	-	-	2,508	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from												
- acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	-	19	19
- increase of equity interest in a subsidiary company	-	-	-	-	-	-	-	(14)	-	(14)	(3)	(17)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	(32,202)	(32,202)
	-	-	-	-	-	-	-	(14)	-	(14)	(32,186)	(32,200)
At 31 July 2018	2,500,168	112,679	116,528	1,196,904	-	(22,523)	81,719	80,794	(20,699)	4,045,570	2,295,348	6,340,918

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 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	FVTOCI 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
Total comprehensive income	-	(22,618)	-	-	(6,917)	-	-	11,530	-	(18,005)	31,532	13,527
Effect of amortisation of gaming rights	-	-	-	(2,508)	-	-	-	2,508	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from dilution of equity interrest in a subsidiary company	-	-	-	-	-	-	(1,901)	-	-	(1,901)	1,901	-
Non-controlling interests arising from increase of equity interest in a subsidiary company	-	-	-	-	-	-	-	(5,219)	-	(5,219)	(2,259)	(7,478)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	(24,181)	(24,181)
	-	-	-	-	-	-	(1,901)	(5,219)	-	(7,120)	(24,539)	(31,659)
At 31 July 2017	2,500,168	211,401	116,528	1,177,001	(1,702)	-	79,941	434,423	(20,699)	4,497,061	2,345,812	6,842,873

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 2018.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/07/2018	**31/07/2017**
	RM'000	**RM'000**
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	1,618,651	1,702,148
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(1,478,082)	(1,581,434)
Tax paid	(33,724)	(38,587)
Other (payment)/receipts (inclusive of tax refunds)	(8,666)	1,378
Net cash generated from operating activities	98,179	83,505
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	10,718	462
Sale of other investments and short term investments	-	3,304
Acquisition of property, plant and equipment, non-current assets and properties	(22,100)	(19,097)
Acquisition of additional equity interest in a subsidiary company	-	(5,219)
Acquisition of other investments and short term investments	(11,132)	(27,042)
Acquisition of treasury shares by a subsidiary company	-	(2,259)
Acquisition of investments in an associated company	(2,142)	(445)
Subscription of shares in a joint venture	-	(132)
Interest received	10,017	10,216
Dividend received	2,068	1,395
Advance from/(Repayment to) related companies	51,523	(11,248)
Repayment from/(advances to) joint ventures	13,804	(2,131)
Other receipts	61,533	26,246
Net cash generated from/(used in) investing activities	114,289	(25,950)
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	299,131	436,349
Repayment of bank and other borrowings	(392,740)	(402,598)
Dividends paid to non-controlling interests of a subsidiary company	(32,202)	-
Interest paid	(57,427)	(56,555)
Withdrawal from banks as security pledged for borrowings	(42,004)	(7,568)
Other payments	(2,209)	(2,115)
Net cash used in financing activities	(227,451)	(32,487)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,983)	25,068
EFFECTS OF EXCHANGE RATE CHANGES	1,248	(353)
OPENING CASH AND CASH EQUIVALENTS	787,540	653,844
CLOSING CASH AND CASH EQUIVALENTS	773,805	678,559
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	895,677	778,385
Bank overdraft (included under short term borrowings)	(9,387)	(9,137)
Less: cash and cash equivalents restricted in use	(112,530)	(90,689)
Add: cash and cash equivalents classified as held for sale	45	-
	773,805	678,559

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2018.

A1 The quarterly financial report is not audited and has been prepared in compliance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad before taking into consideration the effects of Addendum to Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 17 - Clarification on the use of FRSIC Consensus 17 Development of Affordable Housing issued on 7 March 2018 ("Addendum"). This Addendum has rendered the FRSIC Consensus 17 no longer applicable upon the adoption of MFRS 15 Revenue from Contracts with Customers in conjunction with the adoption of the MFRS Framework as explained below, hence the upfront recognition of provision for foreseeable losses on the development of affordable housing on an involuntary basis may no longer be required. As it is understood that post issuance of this Addendum, there would be further official clarification on the accounting for the development of affordable housing in the near future, the Group expects and intends to fully comply with the requirements of this Addendum when the clarification has been made.

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 2018. 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 2018.

The financial statements of the Group for the quarter ended 31 July 2018 are the first set of interim financial report prepared in accordance with the MFRS Framework, hence MFRS 1 First-time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group from 1 May 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 May 2017.

As provided in MFRS 1, first-time adopter of MFRS Framework can elect optional exemptions from full retrospective application of MFRSs. The Group has elected not to apply MFRS 3 Business Combinations and MFRS 10 Consolidated Financial Statements retrospectively, that is not to restate any of its business combinations that occurred before the date of transition to MFRS Framework.

The two newly effective standards which were adopted pursuant to the adoption of the MFRS Framework, namely MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments have resulted in the following key changes to the financial statements:

(a) MFRS 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

(i) Classification and measurement

There is no significant impact on the statements of financial position on applying the classification and measurement requirements of MFRS 9. All financial assets will continue to be held at fair value, quoted equity shares as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income ("OCI"). The equity shares in non-quoted companies are intended to be held for the foreseeable future and the Group will apply the option to present its fair value changes in OCI.

A1 **(a) MFRS 9: Financial Instruments (Cont'd)**

(i) Classification and measurement (Cont'd)

On the date of the Group's first adoption of MFRS 9 i.e. 1 May 2018, the Group had a total investment in quoted and non-quoted equity instruments at fair value of RM105,805,000 that were classified as available-for-sale investments. The total impairment losses and cumulative gains recognised through other comprehensive income (which is attributable to the owners of parent) to available-for-sale reserve that have been recognised for these investments amounted to RM35,113,000 and RM4,450,000 respectively. These amounts were transferred to fair value through other comprehensive income ("FVTOCI") reserve upon initial adoption of MFRS 9 on 1 May 2018.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(ii) Impairment

Under MFRS 9, the Group is required to record expected credit loss on its trade and other receivables either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected credit losses on its trade receivables.

The trade receivables mainly consist of creditworthy debtors with good payment records and debtors with no concerns on the credit worthiness. The Group minimises credit risk by dealing with high credit rating counterparties, application of credit approval limits and continuous monitoring procedures. There is no significant impact to the Group's financial statements from the impairment based on the expected credit loss model on its trade receivables.

For other non-trade receivables, there is no significant impact to the Group's financial statements.

(iii) Hedge accounting

There is no impact on the Group's accounting for hedge accounting as the Group does not have any hedges.

(b) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supercede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A1 **(b) <u>MFRS 15: Revenue from Contracts with Customers (Cont'd)</u>**

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when"control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The key effects of adopting this standard on the business segments of the Group are as follows:

(i) in respect of sales of properties that do not come under the purview of FRSIC Consensus 23 Application of MFRS 15 “Revenue from Contracts with Customers” on Sale of Residential Properties issued by the Malaysian Institute of Accountants, the Group has to assess if the property has an alternative use to the Group and whether the sales and purchase arrangement provides the Group with an enforceable right to payment for work completed to date, in determining whether or not the sale of property units should be recognised at a point in time (completion method) or over time (percentage of completion method);

(ii) in respect of the revenue recognition on the sales of golf clubs, recreational clubs and vacation time-share memberships, the performance obligation is viewed to be satisfied over the tenure of each memberships;

(iii) it requires the identification of separate performance obligations arising from the lottery and voting systems business of which revenue is derived from long term contracts. Some of these contracts have multiple performance obligations and the Group allocates the contracts' transaction price to each performance obligation and recognise the revenue when the respective performance obligation is satisfied;

(iv) it requires that expenses attributable to securing contracts with customers such as commission expense be capitalised and expensed by reference to the progress towards complete satisfaction of the performance obligation;

(v) it views liquidated ascertained damages payable when the developer fails to deliver vacant possession within the stipulated period as consideration payable to customers and is presented as a reduction of the transaction price which would then be accounted for in the profit or loss over the tenure of the respective property development project instead of being accounted for as a direct charge to the profit or loss when the obligation arises;

(vi) upon withdrawal of FRS 201 “Property Development Activities”, land held for property development and property development costs are reclassified as inventories. These inventories are carried at the lower of cost or net realisable value; and

(vii) MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position. Contract assets identified are mainly the right to consideration for goods or services transferred to the customers. In the case of property development contracts, contract assets are the excess of cumulative revenue earned over cumulative billings to-date and contract liabilities are the obligations to transfer goods or services to the customers for which the Group has received the consideration or has billed the customers.

A1 **(b)** **MFRS 15: Revenue from Contracts with Customers (Cont'd)**

The Group had reassessed the total financial impact on the Group's financial statements upon adoption of MFRS 9 and MFRS 15 on 1 May 2018 which have been summarised in the table below.

The Group evaluated and concluded that there is no element of financing present as the Group's sale of goods and services are either on cash terms or on credit terms of up to 60 days.

Financial impact

The financial impact from the initial adoption of MFRS 9 and MFRS 15 as at 1 May 2018 are as follows:

	As previously reported RM'000	**Effects of adoption MFRS 9 RM'000**	**Effects of adoption MFRS 15 RM'000**	**As restated RM'000**
Increase/(decrease):				
Available-for-sale reserve	4,450	(4,450)	-	-
Revaluation reserve	-	(30,663)	-	(30,663)
Retained earnings	246,328	35,113	(219,722)	61,719
Inventories - property development costs	316,287	-	600	316,887
Receivables	1,461,416	-	4,227	1,465,643
Contract assets	-	-	13,178	13,178
Payables	1,672,557	-	(13,665)	1,658,892
Retirement benefit obligations and provisions	2,746	-	90	2,836
Other long term liabilities	113,858	-	241,646	355,504
Non-controlling interests	2,270,645	-	9,656	2,280,301

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 ended 31 July 2018.

(b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the financial quarter ended 31 July 2018.

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial quarter ended 31 July 2018.

A4 The number of treasury shares held in hand as at 31 July 2018 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2018 and at 31 July 2018	1.89	10,943,104	20,699

As at 31 July 2018, the number of ordinary shares in issue with voting rights was 4,989,394,000 ordinary shares (31 July 2017 : 4,989,394,000 ordinary shares).

A5 The Company did not pay any dividend during the financial quarter ended 31 July 2018.

A6 Segmental information for the financial quarter ended 31 July 2018:

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	795,105	-	795,105
Motor retailer	699,399	-	699,399
Property development and investment	24,464	1,900	26,364
Hotels and resorts	82,412	89	82,501
Clubs and others	20,358	3,337	23,695
Sub-total	1,621,738	5,326	1,627,064
Less: Inter-segment revenue	-	(5,326)	(5,326)
Total revenue	1,621,738	-	1,621,738

RESULTS	RM'000
Toto betting operations and leasing of lottery equipment	131,962
Motor retailer	22,560
Property development and investment	(15,422)
Hotels and resorts	10,682
Clubs and others	(7,270)
	142,512
Unallocated corporate items	163
	142,675
Investment related income, net:	
- Interest income	24,591
- Dividend income	1,841
	26,432
Share of results from associated companies	(1,349)
Share of results from joint ventures	(810)
Finance costs	(45,287)
Profit before tax	121,661
Taxation	(49,670)
Profit for the quarter	71,991

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 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 period ended 31 July 2018 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

(i) Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of Berjaya Sports Toto Berhad ("BToto") acquired additional 174,180 ordinary shares at GBP1.70 each in H.R. Owen Plc ("H.R. Owen"), representing 0.7% equity interest in H.R. Owen, for a total cash consideration of GBP296,106. Consequently, H.R. Owen became a wholly-owned subsidiary company of BPI;

(ii) the increase of the Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") from 8.59% to 8.73% following the acquisition of 3.50 million BAssets shares by the Group; and

(iii) the incorporation of Berjaya HT Eco Company Limited ("BHTEL") by Berjaya Myanmar Holdings Sdn Bhd ("BMHSB"), a wholly-owned subsidiary of the Company. Subsequently, BHTEL became a 90%-owned subsidiary company of BMHSB. The intended principal activities of BHTEL are to carry on the service business relating to provision of consultation and technical services for property development projects.

A9 There were no material changes in contingent liabilities since the last audited statement of financial position as at 31 July 2018.

A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2018.

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		
	31/07/2018 RM'000	31/07/2017 RM'000	+/(-) %
Revenue	1,621,738	1,601,905	1
Profit from operations	142,675	123,157	16
Profit before tax	121,661	99,571	22

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.62 billion and pre-tax profit of RM121.66 million as compared to revenue of RM1.6 billion and pre-tax profit of RM99.57 million reported in the previous year corresponding quarter.

The marginally higher Group revenue was mainly due to:
(i) higher new vehicle sales volume reported by H.R. Owen; and
(ii) higher revenue from the gaming business segment operated by Sports Toto Malaysia Sdn Bhd ("STMSB").

The above factors were offset by lower revenue reported by both the hotel and resorts business segment arising mainly from lower occupancy rate and the lower progress billings from property development and investment business segment.

The Group's pre-tax profit was higher in the current quarter under review mainly due to:
(i) STMSB has reported higher profit contribution from lower prize payout and operating expenses; and
(ii) lower finance costs.

B2 Review of Results of First Quarter Vs Fourth Quarter of the Preceding Year

	3-Month Ended		
	31/07/2018 RM'000	30/04/2018 RM'000	+/(-) %
Revenue	1,621,738	1,585,027	2
Profit from operations	142,675	76,316	87
Profit/(Loss) before tax	121,661	(19,394)	N/A

For the current quarter under review, the Group reported a higher revenue of RM1.62 billion compared to RM1.59 billion reported in the preceding quarter. Pre-tax profit for the current quarter was RM121.7 million as compared to pre-tax loss of RM19.4 million in the fourth quarter of the previous financial year ended 30 April 2018.

The higher Group revenue was mainly due to:
(i) higher revenue from the hotels and resorts business arising from higher overall average room rates; and
(ii) higher new vehicle sales reported by H.R. Owen.

These have offsetted the lower revenue reported by:
(i) the property development and investment business segment from lower progress billings; and
(ii) STMSB from having lower number of draws coupled with the impact of the soccer World Cup season in the current quarter. In addition, in the preceding quarter, STMSB benefitted from the seasonally higher sales during the Chinese New Year festive season.

The Group reported a pre-tax profit in the current quarter under review mainly due to the correspondingly higher profit contribution of the hotels and recreation business and H.R. Owen from higher revenue cum higher profit. STMSB has also reported higher profit contribution due to lower prize payout and operating expenses in spite of lower revenue attained.

In addition, in the preceding quarter, the Group also incurred impairment loss made on certain available-for-sale investments and property, plant and equipment amounting to approximately RM61.1 million.

B3 Future Prospects

The Directors expect the number forecast operation ("NFO") business to be satisfactory and will continue to maintain its market share for the remaining quarters of the financial year ending 30 April 2019. The performance of the hotels and resorts business is also expected to remain satisfactory whilst 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 quarter under review.

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

	Quarter ended 31/07/2018 RM'000
Interest income	(24,591)
Dividend income	(1,841)
Other income excluding dividend and interest income	(4,337)
Depreciation of property, plant and equipment	22,346
Gain on disposal of property, plant and equipment	(663)
Gain on disposal of interest in a subsidiary company	-
Gain/(loss) on disposal of investments	-
Gain/(loss) on disposal of properties	-
Amortisation of intangible assets	6,449
Impairment loss on receivables	56
Provision for and write off of inventories	-
Net foreign exchange gain	(2,243)
Gain or loss on derivatives	-

B6 The taxation charges for the financial quarter ended 31 July 2018 were detailed as follows:

	Quarter ended 31/07/2018 RM'000
Malaysian income tax	33,656
Foreign tax	12,619
Overprovision in prior years	(27)
Deferred taxation	3,422
	49,670

The disproportionate tax charge of the Group for the financial quarter ended 31 July 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.

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

(a) On 19 July 2004, the Company announced that Selat Makmur Sdn Bhd now known as Berjaya Tagar Sdn Bhd ("BTSB"), 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"). BTSB 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 BTSB, 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 BTSB 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 BTSB 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.

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.

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 respondents 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 hearing at the Court of Appeal has been fixed on 8 October 2018. The 1st and 5th respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgment in the judicial review proceedings (“Stay Application”).

The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the the first and fifth respondents ("Extension of Time Application"). The hearing for the extension of time was fixed on 26 July 2018. However the matter was adjourned.

In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

The next case management date for the 1) Stay of Proceedings Application, 2) Extension of Time Application and 3) Assessment Proceedings has been fixed on 17 October 2018.

The STC Proposals proceedings are still ongoing.

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

(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.

(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 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").

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 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.

The arbitral tribunal was fully constituted at the end of June 2018 and the arbitration proceedings are ongoing.

(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.

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

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 and Proposed BVFC Disposal, the Group is also in negotiations on the potential sale of another of its Vietnamese venture (“Proposed Vietnamese Venture Disposal”).

B8 Group borrowings and debt securities as at 31 July 2018:

		RM'000	RM'000
Short term borrowings			
Secured bank borrowings			
Denominated in Ringgit Malaysia		534,526	
Denominated in USD (USD1,282,000)	*	5,201	
Denominated in GBP (£1,215,000)	*	6,478	
Denominated in SGD(SGD7,312,000)	*	21,797	
Denominated in PHP (PHP150,000,000)	*	11,462	
Denominated in JPY (JPY1,740,000,000)	*	63,644	
			643,108
Secured Medium Term Notes (Denominated in RM)	#		869,698
			1,512,806
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		1,384	
Denominated in USD (USD2,200,000)	*	8,926	
			10,310
Secured Vehicle stocking loans			
Denominated in GBP (£56,312,000)	*		301,038
Sub-total short term borrowings			1,824,154
Long term borrowings			
Secured bank borrowings			
Denominated in Ringgit Malaysia		834,771	
Denominated in USD (USD4,241,000)	*	17,209	
Denominated in GBP (£11,377,000)	*	60,659	
Denominated in Euro (€6,198,000)	*	29,441	
Denominated in PHP (PHP225,000,000)	*	17,193	
			959,273
Secured Medium Term Notes (Denominated in RM)			474,598
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		3,087	
Denominated in USD (USD15,090,000)	*	61,229	
			64,316
Sub-total long term borrowings			1,498,187
Total borrowings			3,322,341

* *Converted at the respective exchange rates prevailing as at 31 July 2018*

\# A total of RM300 million Secured Medium Term Notes issued by BToto will be refinanced by the new issuance from the 15-year Medium Term Notes Programme that was established on 15 June 2017.

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 Airest 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. Under the circumstances, the on-going development works on the Jeju Project were suspended pending the resolution of the lawsuits. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

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.

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.BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

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 to quantify the amount of damages. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project had been completed by the court-appointed land appraisal company and the land price appraisal report has been submitted directly to the court.

On 13 September 2017, Jeju District Court rendered a judgement against JDC and Seogwipo City in the Administrative Lawsuit. The judgement rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgement, and the appeallate proceedings are still pending.

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report, to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court, and another judge was appointed as the new presiding judge in the JDC Lawsuit. In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report, as BJR was dissatisfied with the first supplementary land appraisal report which was based on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct a second supplementary appraisal, to be undertaken by a different appraiser. The new presiding judge is expected to set the next hearing date upon completion of the second supplementary land price appraisal report.

The JDC Lawsuit is still on-going.

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

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, pending the resolution of the issue on the exclusivity rights through arbitration proceedings.

On 1 March 2018, Berjaya Philippines Inc., the immediate holding company of PGMC, released an announcement to Philippine Stock Exchange that the Arbitral Tribunal Court had ruled in favour of PCSO. PGMC has filed a petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award issued by the Arbitral Tribunal Court. The Petition is still pending as at the date of this announcement. At the moment, PGMC continues to lease the lottery equipment to PCSO and are currently in negotiation with PCSO to extend the equipment lease agreement.

The PGMC Arbitration Proceedings are still ongoing.

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 was completed at the end of June 2018.

The GMOC Project Arbitration Proceedings are still on-going.

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.

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 (Cont'd)

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other respondents 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 hearing at the Court of Appeal has been fixed on 8 October 2018. The 1st and 5th respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgment in the judicial review proceedings ("Stay Application").

The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the the first and fifth respondents ("Extension of Time Application"). The hearing for the extension of time was fixed on 26 July 2018. However the matter was adjourned.

In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

The next case management date for the 1) Stay of Proceedings Application, 2) Extension of Time Application and 3) Assessment Proceedings has been fixed on 17 October 2018.

The STC Proposals proceedings are still ongoing.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 31 July 2017 : Nil).

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

	Group (3-month period)			
	31/07/2018	31/07/2017	31/07/2018	31/07/2017
	RM'000		sen	
Net profit for the quarter attributable to equity holders of the Parent	16,581	11,530		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,989,394	4,989,394		
Basic earnings per share			0.33	0.23

There are no potential ordinary shares outstanding as at 31 July 2018. As such, the fully diluted earnings per share of the Group is equivalent to the basic earnings per share.