

BERJAYA LAND BERHAD

Company No: 201765-A

20 March 2019

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	As at	As at
Note	31/01/2019	30/04/2018
	RM'000	RM'000
		(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,571,857	1,584,508
Investment properties	762,726	760,737
Inventories - land held for development	810,361	793,759
Associated companies	526,339	533,094
Joint ventures	56,562	55,590
Investments	141,594	106,399
Intangible assets	4,053,233	4,071,572
Receivables	1,313,776	1,504,788
Deferred tax assets	29,682	33,607
	<u>9,266,130</u>	<u>9,444,054</u>
Current assets		
Inventories - property development costs	348,990	316,287
Inventories - completed properties and others	600,765	554,481
Receivables	1,358,823	1,461,416
Contract assets	9,465	-
Short term investments	9,355	9,206
Tax recoverable	9,774	15,675
Deposits, cash and bank balances	699,450	868,169
Non current assets classified as held for sale	224,797	222,880
	<u>3,261,419</u>	<u>3,448,114</u>
TOTAL ASSETS	<u>12,527,548</u>	<u>12,892,168</u>
EQUITY AND LIABILITIES		
Share capital	A4 2,500,168	2,500,168
Reserves:		
Exchange reserves	175,040	152,707
Capital reserve	116,528	116,528
Fair value reserve	1,191,889	1,199,412
Available-For-Sale ("AFS") reserve	-	4,450
Fair value through other comprehensive income ("FVTOCI") reserve	(40,325)	-
Consolidation reserve	81,507	81,719
Retained earnings	78,784	246,328
	<u>1,603,423</u>	<u>1,801,144</u>
Equity funds	4,103,591	4,301,312
Less: Treasury shares	A4 (20,699)	(20,699)
Net equity funds	<u>4,082,892</u>	<u>4,280,613</u>
Non-controlling interests	2,321,928	2,270,645
Total equity	<u>6,404,820</u>	<u>6,551,258</u>

BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/01/2019 RM'000	As at 30/04/2018 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations and provisions		31,986	26,759
Long term borrowings	B8	1,183,210	1,888,367
Other long term liabilities		341,865	113,858
Deferred taxation		1,067,241	1,071,116
		<u>2,624,302</u>	<u>3,100,100</u>
Current liabilities			
Payables		1,561,838	1,672,557
Short term borrowings	B8	1,910,483	1,531,096
Retirement benefit obligations and provisions		2,101	2,746
Tax payable		20,958	31,452
Liabilities directly associated to assets of disposal group classified as held for sale		3,046	2,959
		<u>3,498,426</u>	<u>3,240,810</u>
Total Liabilities		<u>6,122,728</u>	<u>6,340,910</u>
TOTAL EQUITY AND LIABILITIES		<u>12,527,548</u>	<u>12,892,168</u>
<i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>		<u>0.82</u>	<u>0.86</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 2018.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/01/2019 RM'000	31/01/2018 RM'000	31/01/2019 RM'000	31/01/2018 RM'000
REVENUE		1,471,199	1,564,428	4,601,631	4,780,248
OPERATING EXPENSES, NET		<u>(1,392,225)</u>	<u>(1,480,132)</u>	<u>(4,263,826)</u>	<u>(4,439,928)</u>
PROFIT FROM OPERATIONS	A3	78,974	84,296	337,805	340,320
Investment related income, net	A3	25,897	31,384	75,253	(118,634)
Share of results from associated companies		5,410	17,830	(12,451)	12,471
Share of results from joint ventures		(78)	515	(1,031)	240
Finance costs		<u>(42,860)</u>	<u>(47,184)</u>	<u>(134,129)</u>	<u>(143,891)</u>
PROFIT BEFORE TAX	B5	67,343	86,841	265,447	90,506
TAXATION	B6	<u>(41,880)</u>	<u>(51,011)</u>	<u>(128,013)</u>	<u>(137,646)</u>
PROFIT/(LOSS) NET OF TAX		<u>25,463</u>	<u>35,830</u>	<u>137,434</u>	<u>(47,140)</u>
ATTRIBUTABLE TO:					
- Owners of the parent		(13,754)	(8,984)	1,053	(97,377)
- Non-controlling interests		<u>39,217</u>	<u>44,814</u>	<u>136,381</u>	<u>50,237</u>
		<u>25,463</u>	<u>35,830</u>	<u>137,434</u>	<u>(47,140)</u>
(LOSS)/EARNINGS PER SHARE (SEN)	B11				
- Basic		<u>(0.28)</u>	<u>(0.18)</u>	<u>0.02</u>	<u>(1.95)</u>
- Fully diluted		<u>(0.28)</u>	<u>(0.18)</u>	<u>0.02</u>	<u>(1.95)</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 2018.

BERJAYA LAND BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER		FINANCIAL PERIOD	
	ENDED		ENDED	
	31/01/2019	31/01/2018	31/01/2019	31/01/2018
	RM'000	RM'000	RM'000	RM'000
PROFIT/(LOSS) NET OF TAX	25,463	35,830	137,434	(47,140)
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/period	-	(630)	-	(5,990)
- Transfer to profit or loss upon disposal	-	4,260	-	5,256
Share of an associated company's changes in fair value of financial assets				
- other investments and exchange reserve	311	(827)	2,508	(12,413)
Currency translation differences				
- Movement during the quarter/period	4,819	(129,185)	27,296	(174,150)
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	276	-	(4,226)	-
Share of an associated company's changes in fair value of financial assets - other investments	10,458	-	(773)	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	41,327	(90,552)	162,239	(234,437)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	(6,176)	(95,356)	22,680	(224,131)
- Non-controlling interests	47,503	4,804	139,559	(10,306)
	41,327	(90,552)	162,239	(234,437)

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
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)	(40,846)	-	45,296	-	-	-	-
Effects of adoption of MFRS 15	-	1,155	-	-	-	-	-	(221,330)	-	(220,175)	9,656	(210,519)
At 1 May 2018 (as restated)	2,500,168	153,862	116,528	1,199,412	-	(40,846)	81,719	70,294	(20,699)	4,060,438	2,280,301	6,340,739
Profit for the period	-	-	-	-	-	-	-	1,053	-	1,053	136,381	137,434
Other comprehensive income	-	21,178	-	-	-	449	-	-	-	21,627	3,178	24,805
Total comprehensive income	-	21,178	-	-	-	449	-	1,053	-	22,680	139,559	162,239
Effects arising from												
disposal of investments at FVTOCI	-	-	-	-	-	72	-	(72)	-	-	-	-
Effect of amortisation of gaming rights	-	-	-	(7,523)	-	-	-	7,523	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from												
- acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	-	19	19
- increase of equity interest in a subsidiary company	-	-	-	-	-	-	(212)	(14)	-	(226)	(1,339)	(1,565)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	(96,612)	(96,612)
	-	-	-	-	-	-	(212)	(14)	-	(226)	(97,932)	(98,158)
At 31 January 2019	2,500,168	175,040	116,528	1,191,889	-	(40,325)	81,507	78,784	(20,699)	4,082,892	2,321,928	6,404,820

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
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	-	(123,486)	-	-	(3,268)	-	-	(97,377)	-	(224,131)	(10,306)	(234,437)
Effect of amortisation of gaming rights	-	-	-	(7,524)	-	-	-	7,524	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from dilution of equity interest 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	-	-	-	-	-	-	-	-	-	-	(56,383)	(56,383)
	-	-	-	-	-	-	(7,120)	-	-	(7,120)	(56,741)	(63,861)
At 31 January 2018	<u>2,500,168</u>	<u>110,533</u>	<u>116,528</u>	<u>1,171,985</u>	<u>1,947</u>	<u>-</u>	<u>74,722</u>	<u>335,751</u>	<u>(20,699)</u>	<u>4,290,935</u>	<u>2,271,772</u>	<u>6,562,707</u>

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.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2019	31/01/2018
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	4,878,765	5,131,564
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(4,619,349)	(4,733,184)
Tax paid	(127,492)	(120,358)
Other receipts (inclusive of tax refunds)	7,734	8,186
Net cash generated from operating activities	139,658	286,208
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	11,492	2,047
Sale of other investments and short term investments	909	29,341
Partial disposal of equity interest in an associated company	-	58,891
Net cash outflow from disposal of a subsidiary company	-	(768)
Acquisition of property, plant and equipment, non-current assets and properties	(74,599)	(59,700)
Acquisition of additional equity interest in a subsidiary company	(4,289)	(5,219)
Acquisition of other investments and short term investments	(37,426)	(54,252)
Acquisition of treasury shares by a subsidiary company	-	(2,259)
Acquisition of investments in associated companies and joint ventures	(4,496)	(18,036)
Interest received	26,851	27,624
Dividend received	3,295	2,516
Advances from/(Repayment to) related companies	12,747	(22,942)
Repayment from joint ventures and associated companies	258,691	50,084
Other receipts	62,216	207,053
Net cash generated from investing activities	255,391	214,380
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	635,484	952,765
Repayment of bank and other borrowings	(947,762)	(1,104,556)
Movements of vehicle stocking loans	(14,894)	28,699
Dividends paid to non-controlling interests of a subsidiary company	(96,608)	(56,383)
Interest paid	(139,707)	(144,986)
Withdrawal/(Placements) of securities pledged for borrowings with banks	9,749	(18,170)
Other payments	(6,542)	(6,106)
Net cash used in financing activities	(560,280)	(348,737)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(165,231)	151,851
EFFECTS OF EXCHANGE RATE CHANGES	6,972	(19,623)
OPENING CASH AND CASH EQUIVALENTS	787,540	653,844
CLOSING CASH AND CASH EQUIVALENTS	629,281	786,072
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	699,450	894,586
Bank overdraft (included under short term borrowings)	(9,437)	(7,677)
Less: cash and cash equivalents restricted in use	(60,777)	(101,291)
Add: cash and cash equivalents classified as held for sale	45	454
	629,281	786,072

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
NOTES TO THE INTERIM FINANCIAL REPORT

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 financial period 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
NOTES TO THE INTERIM FINANCIAL REPORT

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 RM45,296,000 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 has 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
NOTES TO THE INTERIM FINANCIAL REPORT

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

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 membership;
- (iii) it requires the identification of separate performance obligations arising from the wagering 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 the 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
NOTES TO THE INTERIM FINANCIAL REPORT

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)	-	-
FVTOCI reserve	-	(40,846)	-	(40,846)
Retained earnings	246,328	45,296	(221,330)	70,294
Exchange reserves	152,707	-	1,155	153,862
Inventories - property development costs	316,287	-	600	316,887
Receivables	1,461,416	-	4,227	1,465,643
Contract assets	-	-	13,178	13,178
Associated companies	533,094	-	(453)	532,641
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 and period ended 31 January 2019.

- (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 January 2019.

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 31 January 2019.

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NOTES TO THE INTERIM FINANCIAL REPORT

A4 The number of treasury shares held in hand as at 31 January 2019 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2018 and at 31 January 2019	1.89	10,943,104	20,699

As at 31 January 2019, the number of ordinary shares in issue with voting rights was 4,989,394,000 ordinary shares (31 January 2018 : 4,989,394,000 ordinary shares).

A5 The Company did not pay any dividend during the financial quarter ended 31 January 2019.

A6 Segmental information for the financial period ended 31 January 2019:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	2,445,287	-	2,445,287
Motor retailer	1,755,740	-	1,755,740
Property development and investment	114,373	6,921	121,294
Hotels and resorts	234,755	1,551	236,306
Clubs and others	51,476	15,089	66,565
Sub-total	4,601,631	23,561	4,625,192
Less: Inter-segment revenue	-	(23,561)	(23,561)
Total revenue	4,601,631	-	4,601,631

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	338,894
Motor retailer	44,936
Property development and investment	(21,354)
Hotels and resorts	23,555
Clubs and others	(23,849)
	362,182
Unallocated corporate items	(24,377)
	337,805
Investment related income, net:	
- Interest income	75,549
- Impairment of property, plant and equipment	(3,000)
- Dividend income	2,704
	75,253
Share of results from associated companies	(12,451)
Share of results from joint ventures	(1,031)
Finance costs	(134,129)
Profit before tax	265,447
Taxation	(128,013)
Profit for the period	137,434

BERJAYA LAND BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019 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 January 2019 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 ("HR Owen"), representing 0.7% equity interest in H.R. Owen, for a total cash consideration of GBP297,681 (equivalent to approximately RM1.548 million). Consequently, HR 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;
 - (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 business relating to provision of consultation and technical services for property development projects;
 - (iv) the incorporation of Redang Development Sdn Bhd ("Redang Development") by Berjaya Vacation Club Berhad ("BVCB"), a wholly-owned subsidiary of the Company. The intended principal activities of Redang Development are airport development, property development, hotel and resort operation;
 - (v) the acquisition of 100 ordinary share representing 100% equity interest in Berjaya Property Ireland Limited ("BPIL") by the Company for a cash consideration of €100 (or about RM478). Currently BPIL is a dormant company and its intended principal activity is investment holding; and
 - (vi) the incorporation of Redang Infra Sdn Bhd ("Redang Infra") by Redang Development. The intended principal activities of Redang Infra is infrastructure development i.e. airport, road and other infrastructure development.

Subsequent to the financial period ended 31 January 2019:

- (a) FEAB Equities Sdn Bhd, a wholly-owned subsidiary of Berjaya Sports Toto Berhad has entered into a shareholders' agreement with PP Cylabs (M) Sdn Bhd on a 50:50 joint venture basis to set up a joint-venture company to explore business opportunities as well as undertake projects in Sri Lanka; and
- (b) HR Owen has incorporated the following 100%-owned subsidiary companies in England and Wales:
 - (i) Hatfield 6939 Limited and the intended principal activity is to engage in letting and operating owned or leased real estates;
 - (ii) Pangbourne 6939 Limited and the intended principal activity is to engage in letting and operating owned or leased real estates; and
 - (iii) Shepperton 6939 Limited and the intended principal activities are property investment and investment holding.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
NOTES TO THE INTERIM FINANCIAL REPORT

- A9 There were no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2018.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2018.

BERJAYA LAND BERHAD**(Company No: 201765 - A)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2019
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

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		+ / (-)
	31/01/2019	31/01/2018	
	RM'000	RM'000	
Revenue	<u>1,471,199</u>	<u>1,564,428</u>	<u>(6)</u>
Profit from operations	<u>78,974</u>	<u>84,296</u>	<u>(6)</u>
Profit before tax	<u>67,343</u>	<u>86,841</u>	<u>(22)</u>

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.47 billion and pre-tax profit of RM67.34 million as compared to revenue of RM1.56 billion and pre-tax profit of RM86.84 million reported in the previous year corresponding quarter.

The lower Group revenue was mainly due to:

- the marginal drop in gaming revenue reported by Sports Toto Malaysia Sdn Bhd ("STMSB") mainly due to lower number of draws as compared to previous year corresponding quarter;
- lower revenue from H.R. Owen Plc ("HR Owen") due to lower sales from the used car sector but mitigated by improved sales from the new car sector;
- lower progress billings from the property development segment; and
- lower revenue reported by the hotels and resorts segment from lower overall occupancy rates.

Profit from operations in the current quarter was correspondingly lower as compared to the previous year corresponding quarter. STMSB also reported higher prize payout in the current quarter under review along with its lower revenue. In addition, the Group equity accounted for a lower share of profit from associated companies, mainly from Berjaya Kyoto Development (S) Pte Ltd ("BKDS") in the current quarter as compared to previous year corresponding quarter mainly due to lower registered sales of residences.

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Review of Results For the 9-month Period

The summarised results of the Group are as follows:

	9-Month Ended		+ / (-) %
	31/01/2019 RM'000	31/01/2018 RM'000	
Revenue	4,601,631	4,780,248	(4)
Profit from operations	337,805	340,320	(1)
Profit before tax	265,447	90,506	193

For the current financial period under review, the Group reported a revenue of RM4.6 billion which was lower compared to that reported in the previous year corresponding period. The Group pre-tax profit was RM265.45 million as compared to pre-tax profit of RM90.51 million reported in the previous year corresponding period.

The lower Group revenue was mainly due to both property development and the hotels and resorts segments recording lower property progress billings and lower occupancy rates respectively. STMSB also reported a marginal drop in revenue in the current period under review as compared to previous year corresponding 9-month period. HR Owen (in its functional currency) reported growth in revenue from higher new car sales. Upon translating to Ringgit Malaysia (ie. the reporting currency), HR Owen registered a drop in revenue due to unfavourable foreign exchange effect.

The correspondingly lower profit from operations reported by the Group was mitigated by the higher profit contribution of HR Owen from lower operating expenses following the closure and disposal of certain of its loss making brands.

In spite of the above, the Group reported higher pre-tax profit in the current financial period, mainly due to the accounting of the impairment of balance sales proceeds of GMOC Project, loss on partial disposal of interest in an associated company and unfavourable fair value changes of quoted investments in the previous year corresponding period. In addition, the Group has accounted higher foreign exchange gain in the current period under review. Following the implementation of the new MFRS 9 as disclosed in Note A1, fair value changes of quoted investments are now accounted for in other comprehensive income.

B2 Review of Results of Third Quarter Vs Second Quarter

	3-Month Ended		+ / (-) %
	31/01/2019 RM'000	31/10/2018 RM'000	
Revenue	1,471,199	1,508,694	(2)
Profit from operations	78,974	116,156	(32)
Profit before tax	67,343	76,443	(12)

For the current quarter under review, the Group reported a lower revenue of RM1.47 billion compared to RM1.51 billion reported in the preceding quarter. Pre-tax profit for the current quarter was RM67.34 million as compared to pre-tax profit of RM76.44 million in the preceding quarter.

In the current quarter under review, the Group reported lower revenue mainly due to the lower revenue reported by both property development and hotels and resorts segments as mentioned in Note B1. These have offset the higher revenue reported by STMSB, despite having lower number of draws, and HR Owen, following the catch up on new vehicles delivery previously delayed by changes in emission regulations, in the current quarter under review.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR****B2 Review of Results of Third Quarter Vs Second Quarter (cont'd.)**

The lower Group pre-tax profit was mainly due to the lower profit contribution from hotels and resorts segment and the unfavourable effect of the foreign exchange translation during the current quarter under review. These have offset the higher profit contributions from STMSB and HR Owen due to lower prize payout and improved car sales respectively.

B3 Future Prospects

The Directors expect the number forecast operation ("NFO") business to be satisfactory and that it will continue to maintain its market share for the remaining quarter of the financial year ending 30 April 2019. The performance of both hotels and resorts and property development business segments are expected to remain satisfactory.

The Group also expects to record a significant gain upon the successful disposal of the Proposed BVIUT Disposal, Proposed Vietnam Subsidiary Disposal and Proposed TPC Village Disposal as disclosed in Note B7(f) and (g).

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

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

	Quarter ended 31/01/2019 RM'000	Financial period ended 31/01/2019 RM'000
Interest income	(25,750)	(75,549)
Dividend income	(188)	(2,704)
Other income excluding dividend and interest income	(4,020)	(13,596)
Depreciation of property, plant and equipment	21,199	62,904
Gain on disposal of property, plant and equipment	(1,008)	(2,743)
Amortisation of intangible assets	6,697	19,699
(Reversal of)/impairment loss on receivables	(1)	37
Provision for and write off of inventories	606	649
Net foreign exchange loss/(gain)	3,434	(14,925)
Gain or loss on derivatives	-	-

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B6 The taxation charges for the financial quarter and period ended 31 January 2019 were detailed as follows:

	Quarter ended 31/01/2019 RM'000	Period ended 31/01/2019 RM'000
Malaysian income tax	28,745	98,956
Foreign tax	7,548	27,481
Underprovision in prior years	1,554	1,626
Deferred taxation	4,033	(50)
	<u>41,880</u>	<u>128,013</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 January 2019 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.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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 2020 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):

The judgement rendered on 9 November 2017 was as follows:

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

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 above decision of the Shah Alam High Court. The Court of Appeal has fixed a case management date on 17 April 2019.

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 judgement in the judicial review proceedings ("Stay of Proceedings 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").

Subsequently, at a hearing on 15 March 2019, the Shah Alam High Court has set aside the Stay of Proceedings Application with costs.

The hearing date for the Extension of Time Application has been fixed on 19 June 2019.

The next case management date for the Assessment Proceedings has been fixed on 26 April 2019.

The STC Proposals proceedings are still ongoing.

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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):

(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 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 ("BLCL"), 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").

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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 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.

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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):

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").

- (g) On 28 December 2018, the Company announced that T.P.C Development Ltd ("TPC Development"), a wholly -owned subsidiary of BLCL had entered into a deposit agreement and a Capital Transfer Agreement respectively for the proposed disposal by TPC Development of the entire stake of 75% of the capital contribution in T.P.C Nghi Tam Village Ltd ("TPC Village") to Hanoi Hotel Tourism Development Limited Liability Company for a cash consideration of VND1,244.59 billion (or about RM222.18 million) ("Sale Consideration") ("Proposed TPC Village Disposal"). In conjunction with the Proposed TPC Village Disposal, all amounts owing by TPC Village to TPC Development totalling USD71.63 million (or about RM298.20 million) will also be fully settled by TPC Village (Inter-Co Loan").

Subsequently, on 1 March 2019, the Company announced that all the conditions precedent under the Proposed TPC Village Disposal have been fulfilled and is now unconditional. Accordingly, the Proposed TPC Village Disposal has now been completed. A total of VND2,619.57 billion (about RM467.64 million or about USD112.33 million) in cash amounting to about 90% of the Sale Consideration and Inter-Co Loan, totaling VND2,915 billion (about RM520.38 million or about USD125 million) ("Total Payment Receivables") has been received by TPC Development. Another VND233.20 billion (about RM41.63 million or about USD10.00 million) of the Total Payment Receivables (currently in escrow), will be received on or before 3 May 2019, while the balance of the VND62.23 billion (about RM11.11 million or about USD2.67 million) (which is also in escrow), will be received upon the receipt of the amended Investment Certificate to be issued by the Vietnamese authority.

- (h) On 18 February 2019, the Company announced the incorporation of Berjaya Reykjavik Investment Limited ("BRIL") in the Republic of Ireland for a cash subscription of €1.00 (about RM4.69) comprising 1 ordinary share of €1.00 each. The intended principal activity of BRIL is investment holding. BRIL has entered into an agreement with Fiskitangi EHF ("FEHF") and Utgerðarfélag Reykjavíkur HF ("URHF") to undertake the following:
- (i) BRIL to acquire 100% of the shares of Geirsgata 11 EHF ("GE11") for a cash consideration of USD1,399,000 (about RM5.75 million) from FEHF ("Proposed Acquisition"); and
 - (ii) BRIL to repay the outstanding loan of USD12,591,000 (about RM51.79 million) obtained by GE11 from URHF to purchase a piece of leasehold land in Iceland ("Proposed Settlement").

GE11 is a company incorporated in Reykjavik, Iceland and owns the leasehold real estate at Geirsgata 11, Reykjavik, Iceland, ("Land"). The lease of the Land expires on 31 October 2037, with remaining unexpired term of about 18 years subject to extension. The Land measures in area about 4,805 square meters (approximately 51,721 square feet or 1.19 acres).

The Proposed Acquisition and Proposed Settlement are expected to be completed in the first half of 2019.

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B8 Group borrowings and debt securities as at 31 January 2019:

		RM'000	RM'000
<u>Short term borrowings</u>			
Secured bank borrowings			
Denominated in Ringgit Malaysia		450,152	
Denominated in USD (USD1,282,000)	*	5,239	
Denominated in GBP (GBP1,215,000)	*	6,520	
Denominated in SGD(SGD5,829,000)	*	17,684	
Denominated in PHP (PHP150,000,000)	*	11,750	
Denominated in JPY (JPY1,835,000,000)	*	68,887	
			560,232
Secured Medium Term Notes (Denominated in RM)	#		1,044,613
			1,604,845
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		1,208	
Denominated in USD (USD2,200,000)	*	8,992	
			10,200
Secured Vehicle stocking loans			
Denominated in GBP (GBP54,967,000)	*		295,438
			1,910,483
<u>Long term borrowings</u>			
Secured bank borrowings			
Denominated in Ringgit Malaysia		757,936	
Denominated in USD (USD3,600,000)	*	14,716	
Denominated in GBP (GBP10,770,000)	*	57,788	
Denominated in Euro (€5,528,000)	*	25,964	
Denominated in PHP (PHP150,000,000)	*	11,750	
			868,154
Secured Medium Term Notes (Denominated in RM)			254,832
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		3,039	
Denominated in USD (USD13,990,000)	*	57,185	
			60,224
			1,183,210
			3,093,693

* *Converted at the respective exchange rates prevailing as at 31 January 2019*

A total of RM645 million Secured Medium Term Notes issued by BToto Group will be refinanced by the new issuance from the 15-year Medium Term Notes Programme that was established on 15 June 2017.

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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. 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 appellate 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.

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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)

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 second supplementary land price appraisal report has been completed. BJR is in the process of reviewing and verifying the second supplementary report before submitting a request to fix a hearing date 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 the 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 the parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines.

On 1 March 2018, Berjaya Philippines Inc. ("BPI"), the immediate holding company of PGMC, released an announcement to Philippine Stock Exchange ("PSE") 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 appeal process is still on-going. In spite of the above, on 28 September 2018, BPI announced the execution of a Supplemental Equipment Lease Agreement ("ELA") between PGMC and PCSO for an extension of the ELA for a period of one (1) year to August 2019.

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.

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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 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 next case management date at the Court of Appeal has been fixed on 17 April 2019.

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

Subsequently, at a hearing on 15 March 2019, the Shah Alam High Court has set aside the Stay of Proceedings Application with costs.

The hearing date for the Extension of Time Application has been fixed on 19 June 2019.

The next case management date for the Assessment Proceedings has been fixed on 26 April 2019.

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 January 2018 : Nil).

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

	Group (3-month period)			
	31/01/2019	31/01/2018	31/01/2019	31/01/2018
	RM'000		sen	
Net loss for the quarter attributable to equity holders of the Parent	<u>(13,754)</u>	<u>(8,984)</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 per share			<u>(0.28)</u>	<u>(0.18)</u>

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

	Group (9-month period)			
	31/01/2019	31/01/2018	31/01/2019	31/01/2018
	RM'000		sen	
Net profit/(loss) for the quarter attributable to equity holders of the Parent	<u>1,053</u>	<u>(97,377)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,989,394</u>		
Basic earnings/(loss) per share			<u>0.02</u>	<u>(1.95)</u>

There are no potential ordinary shares outstanding as at 31 January 2019. As such, the fully diluted earnings/(loss) per share of the Group is equivalent to the basic earnings/(loss) per share.