BERJAYA LAND BERHAD

Company No: 201765-A

26 August 2019

UNAUDITED 5TH INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2019

Table of contents	Page

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Note	Group As at 30/06/2019 RM'000	Group As at 30/04/2018 RM'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment			1,558,100	1,584,508
Investment properties			725,247	760,737
Inventories - land held for development			808,771	793,759
Associated companies			527,842	533,094
Joint ventures			56,177	55,590
Investments			174,740	106,399
Intangible assets			3,594,454	4,071,572
Receivables			1,358,185	1,504,788
Deferred tax assets			76,494	33,607
			8,880,010	9,444,054
Current assets				
Inventories - property development costs			349,602	316,287
Inventories - completed properties and others			610,957	554,481
Receivables			1,137,096	1,461,416
Contract assets			53,952	-
Short term investments			9,691	9,206
Tax recoverable			8,099	15,675
Deposits, cash and bank balances			757,243	868,169
Assets of disposal group/ non-current assets classified as assets held for sale			236,750	222,880
			3,163,390	3,448,114
TOTAL ASSETS			12,043,400	12,892,168
EQUITY AND LIABILITIES				
Share capital		A4	2,500,168	2,500,168
Reserves:	Exchange reserves		179,825	152,707
	Capital reserve		116,528	116,528
	Fair value reserve		1,055,817	1,199,412
	Available-For-Sale ("AFS") reserve		-	4,450
	Fair value through other comprehensive income ("FVTOCI") reserve		(41,419)	-
	Consolidation reserve		80,064	81,719
	Retained earnings		300,441	246,328
			1,691,256	1,801,144
Equity funds			4,191,424	4,301,312
Less: Treasury shares		A4	(20,699)	(20,699)
Net equity funds			4,170,725	4,280,613
Non-controlling interests			2,086,941	2,270,645
Total equity			6,257,666	6,551,258

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group	
	Note	As at 30/06/2019 RM'000	As at 30/04/2018 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations and provisions		8,470	26,759
Long term borrowings	B8	1,648,145	1,888,367
Other long term liabilities		47,158	113,858
Deferred taxation		962,024	1,071,116
Contract liabilities		227,330	-
		2,893,127	3,100,100
Current liabilities			
Payables		1,452,928	1,672,557
Short term borrowings	B8	1,333,347	1,531,096
Retirement benefit obligations and provisions		2,849	2,746
Tax payable		18,096	31,452
Contract liabilities		73,294	-
Liabilities directly associated to disposal group		12,093	2,959
		2,892,607	3,240,810
Total Liabilities		5,785,734	6,340,910
TOTAL EQUITY AND LIABILITIES		12,043,400	12,892,168
Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)		0.84	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 annexed notes form an integral part of this interim financial report.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT PERIOD 2-MONTH 1/05/2019 to 30/06/2019 RM'000	CURRENT PERIOD 2-MONTH 1/05/2018 to 30/06/2018 RM'000	FINANCIAL PERIOD 14-MONTH 1/05/2018 to 30/06/2019 RM'000	FINANCIAL PERIOD 14-MONTH 1/05/2017 to 30/06/2018 RM'000
REVENUE		1,080,119	N/A	7,320,769	N/A
OPERATING EXPENSES, NET		(1,016,789)	N/A	(6,819,968)	N/A
PROFIT FROM OPERATIONS		63,330	N/A	500,801	N/A
Investment related income, net	A3	8,127	N/A	292,222	N/A
Share of results from associated companies		(27,808)	N/A	(25,159)	N/A
Share of results from joint ventures		(145)	N/A	(2,644)	N/A
Finance costs		(41,325)	N/A	(218,958)	N/A
PROFIT BEFORE TAX	B5	2,179	N/A	546,262	N/A
TAXATION	B6	(7,110)	N/A	(195,220)	N/A
(LOSS)/PROFIT NET OF TAX		(4,931)	N/A	351,042	N/A
ATTRIBUTABLE TO:					
- Owners of the parent		(34,500)	N/A	148,028	N/A
- Non-controlling interests		29,569	N/A	203,014	N/A
		(4,931)	N/A	351,042	N/A
(LOSS)/EARNINGS PER SHARE (SEN)	B11				
- Basic		(0.69)	N/A	2.97	N/A
- Fully diluted		(0.69)	N/A	2.97	N/A

N/A denotes Not Applicable
There are no comparative figures disclosed following the change in the financial year end from 30 April to 30 June.

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT PERIOD 2-MONTH		FINANCIAL PERIOD 14-MONTH	
	1/05/2019 to 30/06/2019 RM'000	1/05/2018 to 30/06/2018 RM'000	1/05/2018 to 30/06/2019 RM'000	1/05/2017 to 30/06/2018 RM'000
(LOSS)/PROFIT NET OF TAX	(4,931)	N/A	351,042	N/A
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently reclassified to profit or loss				
Share of an associated company's changes in fair value of other investments and exchange reserve	3,969	N/A	6,503	N/A
Currency translation differences				
- Movement during the interim/financial period	4,192	N/A	25,678	N/A
- Transfer to profit or loss upon loss of control over subsidiaries	1,935	N/A	1,935	N/A
Items that will not be subsequently reclassified to profit or loss				
Change in fair value reserve:				
- Impairment on gaming rights	(433,037)	N/A	(433,037)	N/A
- Reversal of deferred tax liabilities of impairment on gaming rights	100,177	N/A	100,177	N/A
Actuarial gain recognised in defined benefit pension scheme	(357)	N/A	(357)	N/A
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(7,295)	N/A	(2,417)	N/A
Share of an associated company's changes in fair value of other investments	(895)	N/A	(2,194)	N/A
TOTAL COMPREHENSIVE INCOME FOR THE INTERIM/FINANCIAL PERIOD	(336,242)	N/A	47,330	N/A
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	(160,541)	N/A	41,418	N/A
- Non-controlling interests	(175,701)	N/A	5,912	N/A
	(336,242)	N/A	47,330	N/A

N/A denotes Not Applicable
There are no comparative figures disclosed following the change in the financial year end from 30 April to 30 June.

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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)	(41,333)	-	45,783	-	-	-	-
Effects of adoption of MFRS 15	-	1,127	-	-	-	-	-	(143,368)	-	(142,241)	9,802	(132,439)
At 1 May 2018 (as restated)	2,500,168	153,834	116,528	1,199,412	-	(41,333)	81,719	148,743	(20,699)	4,138,372	2,280,447	6,418,819
Profit for the financial period	-	-	-	-	-	-	-	148,028	-	148,028	203,014	351,042
Other comprehensive income	-	25,991	-	(131,892)	-	(580)	-	(129)	-	(106,610)	(197,102)	(303,712)
Total comprehensive income	-	25,991	-	(131,892)	-	(580)	-	147,899	-	41,418	5,912	47,330
Effects arising from disposal of investments at FVTOCI	-	-	-	-	-	494	-	(494)	-	-	-	-
Effect of amortisation of gaming rights	-	-	-	(11,703)	-	-	-	11,703	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from												
- acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	-	19	19
- increase of equity interest in a subsidiary company	-	-	-	-	-	-	(1,655)	(7,410)	-	(9,065)	(33,328)	(42,393)
- disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(5,451)	(5,451)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	(160,658)	(160,658)
	-	-	-	-	-	-	(1,655)	(7,410)	-	(9,065)	(199,418)	(208,483)
At 30 June 2019	2,500,168	179,825	116,528	1,055,817	-	(41,419)	80,064	300,441	(20,699)	4,170,725	2,086,941	6,257,666

There are no comparative figures disclosed following the change in the financial year end from 30 April to 30 June.

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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	-	(81,312)	-	29,935	(765)	-	-	(189,308)	-	(241,450)	62,387	(179,063)
Effect of amortisation of gaming rights	-	-	-	(10,032)	-	-	-	10,032	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from increase of equity interest in a subsidiary company	-	-	-	-	-	-	(123)	-	-	(123)	(9,537)	(9,660)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	(121,024)	(121,024)
	-	-	-	-	-	-	(123)	-	-	(123)	(130,561)	(130,684)
At 30 April 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

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 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	14 months ended	
	30/06/2019	30/06/2018
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	7,699,977	N/A
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(7,208,032)	N/A
Tax paid	(199,122)	N/A
Other receipts (inclusive of tax refunds)	13,138	N/A
Net cash generated from operating activities	305,961	N/A
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	12,901	N/A
Sale of other investments and short term investments	3,371	N/A
Balance of sale proceeds arising from disposal of a joint venture	63,360	N/A
Acquisition of property, plant and equipment, non-current assets and properties	(124,367)	N/A
Acquisition of additional equity interest in a subsidiary company	(59,401)	N/A
Acquisition of other investments and short term investments	(66,164)	N/A
Acquisition of investments in associated companies and joint ventures	(13,482)	N/A
Interest received	39,000	N/A
Dividend received	5,186	N/A
Repayment to related companies	(44,682)	N/A
Repayment from joint ventures and associated companies	463,318	N/A
Other receipts	102,040	N/A
Net cash generated from investing activities	381,080	N/A
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	1,018,024	N/A
Repayment of bank and other borrowings	(1,435,177)	N/A
Movements of vehicle stocking loans	(18,026)	N/A
Dividends paid to non-controlling interests of a subsidiary company	(156,995)	N/A
Interest paid	(199,784)	N/A
Placement of securities pledged for borrowings with banks	(18,700)	N/A
Other payments	(8,965)	N/A
Net cash used in financing activities	(819,623)	N/A
NET CHANGE IN CASH AND CASH EQUIVALENTS	(132,582)	N/A
EFFECTS OF EXCHANGE RATE CHANGES	13,048	N/A
OPENING CASH AND CASH EQUIVALENTS	787,540	N/A
CLOSING CASH AND CASH EQUIVALENTS	668,006	N/A
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	757,243	N/A
Bank overdraft (included under short term borrowings)	(10,015)	N/A
Less: cash and cash equivalents restricted in use	(89,223)	N/A
Add: cash and cash equivalents classified as held for sale	10,001	N/A
	668,006	N/A

N/A denotes Not Applicable
There are no comparative figures disclosed following the change in the financial year end from 30 April to 30 June.

The annexed notes form an integral part of this 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.

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.

Change of Financial Year End

On 2 May 2019, the Company announced the change of financial year end of the Company from 30 April to 30 June so as to coincide with the new financial year end of its holding company, Berjaya Corporation Berhad. As such, this 5th interim period financial report are prepared for:
(i) the current period of 2 months from 1 May 2019 to 30 June 2019; and
(ii) the financial period of 14 months from 1 May 2018 to 30 June 2019.

Thereafter, the financial year end of the Company shall end on 30 June for each subsequent financial year. The following periods shall be the period to be covered in the Group's subsequent quarterly financial reporting:

<u>Quarters for financial year ending 30 June 2020</u>
1st Quarter - 1 July 2019 to 30 September 2019
2nd Quarter - 1 October 2019 to 31 December 2019
3rd Quarter - 1 January 2020 to 31 March 2020
4th Quarter - 1 April 2020 to 30 June 2020

Changes in Accounting Policies

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) <u>MFRS 9: Financial Instruments</u>

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.

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

(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.

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 RM45,783,000 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.

A1 **(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.

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

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

The key effects of adopting this standard on the business segments of the Group are as follows (cont'd):

(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.

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:

Increase/(decrease):	As previously reported RM'000	Effects of adoption MFRS 9 RM'000	Effects of adoption MFRS 15 RM'000	As restated RM'000
Available-for-sale reserve	4,450	(4,450)	-	-
FVTOCI reserve	-	(41,333)	-	(41,333)
Retained earnings	246,328	45,783	(143,368)	148,743
Exchange reserves	152,707	-	1,127	153,834
Inventories - property development costs	316,287	-	(116,579)	199,708
Inventories - land held for development	793,759	-	(12,321)	781,438
Receivables - non current	1,504,788	-	40,544	1,545,332
Receivables - current	1,461,416	-	(45,471)	1,415,945
Contract cost assets	-	-	109,817	109,817
Contract assets	-	-	14,731	14,731
Associated companies	533,094	-	1,127	534,221
Payables	1,672,557	-	(114,368)	1,558,189
Contract liabilities - non current	-	-	312,205	312,205
Contract liabilities - current	-	-	109,004	109,004
Retirement benefit obligations and provisions - non current	26,759	-	(21,209)	5,550
Other long term liabilities	113,858	-	(113,858)	-
Non-controlling interests	2,270,645	-	9,802	2,280,447
Deferred tax assets	33,607	-	47,487	81,094

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
NOTES TO THE INTERIM FINANCIAL REPORT

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 period; 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 current and financial period ended 30 June 2019 other than as disclosed below:

Statement of Profit or Loss

Included under investment related income/(expenses), net:

	2-month ended 30/6/2019 RM'000	14-month ended 30/6/2019 RM'000
Additional provision for impairment on the balance of GMOC Project sales proceeds *	-	(7,975)
Gain on disposal of a joint venture #	3,753	195,743
Impairment of property, plant and equipment	(2,000)	(5,000)
Impairment of gaming rights	(5,605)	(5,605)
Impairment of goodwill	(9,830)	(9,830)
Impairment of assets of disposal group	(2,482)	(2,482)
Gain on disposal of a subsidiary company	18,377	18,377
Fair value changes of investment properties	(15,042)	(15,042)
	(12,829)	168,186

* GMOC made a further provision for impairment to account for the time value of money for the 3-month delay in GMOC Arbitration Proceedings. The provision for impairment that was attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM4.07 million.

\# As disclosed in Note A8(xi), the Group completed the disposal of its entire 75% equity interest in a joint venture, T.P.C. Nghi Tam Village Ltd. Consequently, T.P.C. Nghi Tam Village Ltd had fully settled the entire amount owing to the Group of USD71.63 million (or about RM298.20 million).

(b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the current period ended 30 June 2019.

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 30 June 2019.

The number of treasury shares held in hand as at 30 June 2019 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2018 and at 30 June 2019	1.89	10,943,104	20,699

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019
NOTES TO THE INTERIM FINANCIAL REPORT

A4 As at 30 June 2019, the number of ordinary shares in issue with voting rights was 4,989,394,000 ordinary shares (30 June 2018 : N/A).

A5 The Company did not pay any dividend during the current period ended 30 June 2019.

A6 Segmental information for the financial period ended 30 June 2019:

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	3,828,521	-	3,828,521
Motor retailer	2,849,499	-	2,849,499
Property development and investment	194,060	10,825	204,885
Hotels and resorts	352,654	2,724	355,378
Clubs and others	96,035	21,249	117,284
Sub-total	7,320,769	34,798	7,355,567
Less: Inter-segment revenue	-	(34,798)	(34,798)
Total revenue	7,320,769	-	7,320,769

RESULTS	RM'000
Toto betting operations and leasing of lottery equipment	513,321
Motor retailer	57,199
Property development and investment	(35,058)
Hotels and resorts	22,425
Clubs and others	(20,598)
	537,289
Unallocated corporate items	(36,488)
	500,801
Investment related income, net:	
- Interest income	118,150
- Impairment of property, plant and equipment	(5,000)
- Additional provision for impairment on the balance of GMOC Project sales proceeds	(7,975)
- Gain on disposal of a joint venture	195,743
- Impairment of gaming rights	(5,605)
- Impairment of assets of disposal group	(2,482)
- Gain on disposal of a subsidiary company	18,377
- Fair value changes of investment properties	(15,042)
- Impairment of goodwill	(9,830)
- Dividend income	5,999
- Others	(113)
	292,222
Share of results from associated companies	(25,159)
Share of results from joint ventures	(2,644)
Finance costs	(218,958)
Profit before tax	546,262
Taxation	(195,220)
Profit for the period	351,042

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 current period under review.

A8 There were no material changes in the composition of the Group for the financial period ended 30 June 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 (or about 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 9.09% following the acquisition of 12.85 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 shares 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;

(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;

(vii) 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;

(viii) HR Owen has incorporated the following 100%-owned subsidiary companies in England and Wales:
(a) Hatfield 6939 Limited and the intended principal activity is to engage in letting and operating owned or leased real estates;
(b) Pangbourne 6939 Limited and the intended principal activity is to engage in letting and operating owned or leased real estates; and
(c) Shepperton 6939 Limited and the intended principal activities are property investment and investment holding.

(ix) the incorporation of Berjaya Reykjavik Investment Limited ("BRIL") by the Company. The intended principal activity of BRIL is investment holding;

(x) the incorporation of Berjaya IUT (Cayman) Limited ("Berjaya IUT Cayman") and Berjaya FC (Cayman) Limited ("Berjaya FC Cayman") by Berjaya Leisure (Cayman) Limited ("BLCL"), a wholly-owned subsidiary of the Company. The intended principal activities of Berjaya IUT Cayman and Berjaya FC Cayman are investment holding;

A8 There were no material changes in the composition of the Group for the financial period ended 30 June 2019 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for (cont'd):

(xi) the disposal by T.P.C Development Limited ("TPC Development"), a wholly-owned subsidiary of BLCL of its 75% equity interest in T.P.C Nghi Tam Village Ltd ("TPC Village") to Hanoi Hotel Tourism Development Limited Liability Company for a consideration of VND1,244.59 billion (equivalent to approximately RM222.18 million). Prior to the disposal, TPC Village was a joint venture of the Group;

(xii) the increase of the Group's equity interest in BToto from 40.23% to 40.83% following the acquisition of 8 million BToto shares, representing 0.6% equity interest in BToto by the Company;

(xiii) the acquisition of additional 25% equity interest in Berjaya-D2D Company Limited ("D2D") by BLCL, for a total cash consideration of USD5 million (equivalent to approximately RM20.6 million). D2D is now a wholly-owned subsidiary company of BLCL. BLCL in turn is a wholly-owned subsidiary of the Company;

(xiv) the incorporation of Seikou Okinawa Construction Co. Ltd ("SOKK") by Berjaya Fukuoka Development (S) Pte. Ltd, a wholly-owned subsidiary of the Company. The intended principal activities of SOKK are construction, interior design, electrical work, sales of building material and machinery, development and consultation of hotel business, food and beverage, tourism, retail and publicity;

(xv) the acquisition of 100% specified equity interest and 100% preferred equity interest in Opportunity 24 TMK for a total cash consideration of JPY93.79 million (about RM3.59 million) and JPY6.2 million (about RM0.24 million) by Berjaya Okinawa Investment (S) Pte Ltd ("BOIS") and Berjaya Okinawa Investment GK ("BOIGK") respectively. BOIGK is a wholly-owned subsidiary of BOIS which in turn is a wholly-owned subsidary of the Company, The principal activities of Opportunity 24 TMK are acquisition, management and disposition of asset. In addition, BOIGK has also acquired 1% of the membership interest in LAC ML2 GK ("LAC GK") for a cash consideration of JPY10,000 (about RM383). The principal activities of LAC GK are sale and purchase, leasing and management of real estate; and

(xvi) the completion of the disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company ("BLong Beach") by BLCL 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.

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 except for:

(i) the proposed subscription of the rights shares cum warrants issued by an associated company as well as the excess application of the rights shares cum warrants of up to SGD5.0 million (or about RM15.3 million); and

(ii) the proposed acquisition of the entire equity interest in a company incorporated in Iceland which owns a parcel of leasehold land in Iceland for USD1.39 million (or about RM5.75 million) and the settlement of its loan amounting to USD12.59 million (or about RM51.79 million).

UNAUDITED 5TH INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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.

Due to the change of financial year end as disclosed in note A1, the Group's performance of the current 2-month and the cumulative 14-month period results are not comparable against the comparative period.

The summarised results of the Group are as follows:

	2-Month Ended		
	30/06/2019	**30/06/2018**	**+/(-)**
	RM'000	**RM'000**	**%**
Revenue	1,080,119	N/A	N/A
Profit from operations	63,330	N/A	N/A
Profit before tax	2,179	N/A	N/A

Review of Results For the 2-Month Period Ended 30 June 2019

The Group registered a revenue of RM1.08 billion and pre-tax profit of RM2.18 million in the 2-month period ended 30 June 2019. The revenue was substantially contributed from the gaming business segment operated by Sports Toto Malaysia Sdn Bhd, motor retailing business operated by H,R. Owen and the property development and investment segment.

The Group reported a pre-tax profit of RM2.2 million in the current 2-month under review mainly due to the unfavourable fair value changes of investment properties, impairment of gaming rights, assets of disposal group and goodwill as disclosed in Note A3(a). These were mitigated by the gain recognised on disposal of a subsidiary company amounting to RM18.37 million.

Review of Results For the 14-Month Period Ended 30 June 2019 (cont'd.)

The summarised results of the Group are as follows:

	14-Month Ended		
	30/06/2019 RM'000	**30/06/2018 RM'000**	**+/(-) %**
Revenue	7,320,769	N/A	N/A
Profit from operations	500,801	N/A	N/A
Profit before tax	546,262	N/A	N/A

For the cumulative fourteen months ended 30 June 2019 under review, the Group reported a revenue of RM7.32 billion and pre-tax profit was RM546.26 million. The gaming and motor retailing business segments were the largest contributor to the group revenue and profit from operations.

The Group pre-tax profit for the 14-month period was higher than the profit from operations mainly due to the substantial gain realised on disposal of a joint venture amounting to RM195.74 million. This significant gain offset the unfavourable fair value changes of investment properties, impairment of assets of disposal group, goodwill and gaming rights as disclosed in Note A3(a).

B2 Review of Results of Fifth Period Vs Fourth Quarter

	2-Month Ended 30/06/2019 RM'000	**3-Month Ended 30/04/2019 RM'000**
Revenue	1,080,119	1,639,019
Profit from operations	63,330	99,666
Profit before tax	2,179	278,636

For the 2-month period ended 30 June 2019 under review, the Group reported revenue of RM1.08 billion and pre-tax profit of RM2.18 million as compared to revenue of RM1.64 billion and pre-tax profit of RM278.64 million in the preceding quarter (3-month period ended 30 April 2019). The pre-tax profit in the current 2-month period was mainly due to the unfavourable fair value changes of investment properties and impairment of gaming rights, goodwill and assets of disposal group. In addition, the Group had accounted for the gain on disposal of a joint venture amounted to about RM195.74 million in the preceding quarter.

B3 Future Prospects

The Directors expect the results of the number forecast operation ("NFO") business to be satisfactory and that it will continue to maintain its market share for the forthcoming financial year ending 30 June 2020. The performance of both hotels and resorts and property development business segments are expected to remain satisfactory.

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

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

	2-month ended 30/06/2019 RM'000	14-month ended 30/06/2019 RM'000
Interest income	(18,362)	(118,150)
Dividend income	(2,707)	(5,999)
Other income excluding dividend and interest income	(12,213)	(25,849)
Depreciation of property, plant and equipment	18,346	102,086
Gain on disposal of property, plant and equipment	(6,927)	(9,920)
Amortisation of intangible assets	4,548	30,886
Reversal of impairment loss on receivables (net)	111	41
Provision for and write off of inventories	605	2,564
Net foreign exchange gain	(15,587)	(29,849)
Gain or loss on derivatives	-	-
Impairment of property, plant and equipment	2,000	5,000
Additional provision for impairment on the balance of GMOC Project sales proceeds	-	7,975
Gain on disposal of a joint venture	(3,753)	(195,743)
Impairment of gaming rights	5,605	5,605
Impairment of goodwill	9,830	9,830
Gain on disposal of a subsidiary company	(18,377)	(18,377)
Fair value changes of investment properties	15,042	15,042
Impairment of assets of disposal group	2,482	2,482

B6 The taxation charges for the current and financial period ended 30 June 2019 were detailed as follows:

	2-month ended 30/06/2019 RM'000	14-month ended 30/06/2019 RM'000
Malaysian income tax	16,813	164,632
Foreign tax	646	30,340
(Over)/underprovision in prior years	(605)	4,563
Deferred taxation	(9,744)	(4,315)
	7,110	195,220

The disproportionate tax charge of the Group for the current and financial period ended 30 June 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

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

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.
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.

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

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.

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.

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

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 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").

The Court of Appeal has granted a stay of execution of the High Court judgment and the Assessment Proceedings pending the disposal of the main appeal at the Court of Appeal.

The hearing of the Selangor State Government's appeal at the Court of Appeal has been fixed for 24 October 2019.

The STC Proposals proceedings are still ongoing.

(b) 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").

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.

Further to the last quarterly report, the arbitral tribunal has since been constituted and the procedural timetable has been determined by the tribunal for pre-trial preparations, including closing of pleadings, discovery of documents and exchange of witness statements, etc. The tribunal has directed that the arbitration hearing will take place on 14 to 18 October 2019.

The GMOC Project Arbitration Proceedings are still ongoing.

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

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

In conjunction with the Proposed BVFC Disposal, Vinhomes and its affiliates are also being considered as potential purchasers of Berjaya Vietnam International University Town One Member Limited Liability Company (“BVIUT”) and have in December 2017 also injected a cash sum of VND11,904 billion as fresh capital contribution into BVIUT in order to meet certain similar conditions imposed by the Vietnamese authorities which require BVIUT to increase its charter capital to VND12,000 billion.

Accordingly, BLCL's initial stake in BVIUT has also been diluted from 100% to 0.8%. It is the intention of BLCL to dispose its 0.8% stake in BVIUT in the near future (“Proposed BVIUT Disposal”).

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

(d) 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 Utgerdarfelag Reykjavikur HF (ÜRHF") 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 pending completion.

(e) On 14 March 2019, Informatics Education Ltd. ("Informatics"), a 27.09% associated company of Berjaya Leisure Capital (Cayman) Limited ("BLCC") had announced on the Singapore Stock Exchange of its proposed renounceable non-underwritten rights issue of up to 216,646,401 new ordinary shares ("Right Shares") in the capital of Informatics with up to 72,215,467 free detachable and transferable warrants ("Warrants") at an issue price of S$0.05 per Rights Share ("Rights cum Warrants Issue"). BLCC, in turn, is a wholly owned subsidiary of the Company.

   BLCC subscribed its entitlement of the Rights cum Warrants Issue and applied for the excess Right Shares with Warrants, amounting to 100,000,000 Rights Shares with 33,333,333 Warrants, for a total consideration of SGD5.0 million (or about RM15.3 million). As such, BLCC's equity interest in Informatics increased to 67.42%, and Informatics became a subsidiary company of BLCC.

(f) On 8 July 2019, BToto announced that BPI, had on 1 July 2019, disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of Philippine Peso ("Php") 117.15 million (or about RM9.49 million). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of Php100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. Upon completion of PGMC's Share Subscription, BPI's equity interest was further diluted to 39.99% from 79.99% and PGMC ceased as a subsidiary and became an associated company of BPI.

(g) On 15 July 2019, the Company announced that its wholly-owned Irish incorporated subsidiary, Berjaya Property Ireland Limited ("BPIL") has on 13 July 2019 in Reykjavik, Iceland entered into a Share Purchase Agreement (“SPA”) with Icelandair Group hf. (“Seller”) for the proposed acquisition of 75% stake in Icelandair Hotels ehf, which will acquire 100% of Hljomalindarreitur ehf and certain hotels and real estate assets in Iceland ("New Icelandair Hotels Group") for a total cash consideration of approximately USD53.63 million (or about RM222.03 million). Besides the SPA, BPIL also entered into a Shareholders Agreement and a Put and Call Option Agreement with the Seller. The remaining 25% stake in the New Icelandair Hotels Group which will continue to be owned by the Seller will be subject to the Put and Call Option Agreement, whereby upon the exercise of the put or call option, BPIL will eventually own 100% stake in the New Icelandair Hotels Group.

B8 Group borrowings and debt securities as at 30 June 2019:

		RM'000	RM'000
Short term borrowings			
Secured bank borrowings			
Denominated in Ringgit Malaysia		385,794	
Denominated in USD (USD1,282,000)	*	5,311	
Denominated in GBP (GBP9,965,000)	*	52,342	
Denominated in SGD(SGD4,954,000)	*	15,165	
Denominated in Euro (€1,484,000)	*	6,993	
Denominated in PHP (PHP150,000,000)	*	12,148	
Denominated in JPY (JPY1,924,779,000)	*	74,027	
			551,780
Secured Revolving Promissory Note Line			
Denominated in PHP80,000,000	*		6,479
Secured Medium Term Notes (Denominated in RM)			467,866
			1,026,125
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		1,280	
Denominated in USD (USD4,721,000)	*	19,547	
			20,827
Secured vehicle stocking loans			
Denominated in GBP (GBP54,318,000)	*		286,395
Sub-total short term borrowings			1,333,347
Long term borrowings			
Secured bank borrowings			
Denominated in Ringgit Malaysia		716,647	
Denominated in USD (USD2,959,000)	*	12,262	
Denominated in GBP (GBP1,662,000)	*	8,764	
Denominated in Euro (€3,437,000)	*	16,191	
Denominated in PHP (PHP87,500,000)	*	7,086	
			760,950
Secured Medium Term Notes (Denominated in RM)			838,698
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		3,239	
Denominated in USD (USD10,932,000)	*	45,258	
			48,497
Sub-total long term borrowings			1,648,145
Total borrowings			2,981,492

* *Converted at the respective exchange rates prevailing as at 30 June 2019*

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 preparatory 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. On 1 February 2019, the Korean Supreme Court dismissed JDC and Seogwipo City's appeal.

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.

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

<u>JDC Lawsuit (cont'd)</u>

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 and a preparatory hearing was held on 20 June 2019. The presiding judge closed the preparatory proceedings for pleading and stated that the formal hearing will commence on 25 July 2019.

On 25 July 2019, the presiding judge requested BJR to submit evidentiary evidence with respect to the total claims by BJR. The next hearing date has been fixed on 19 September 2019.

<u>PGMC Arbitration Proceedings</u>

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.

In March 2019, PGMC submitted its proposal for its extension of ELA for a period of three (3) years commencing 23 August 2019. On 3 June 2019, PGMC expressed its intention to bid and took part in the bidding for the five (5) years lease of the PCSO lottery system. On 9 July 2019, during the opening of the submitted bids, only PGMC was declared eligible subject to evaluation. However, subsequently PGMC was informed by PCSO that it failed the qualifications set. PGMC filed a motion with PCSO for reconsideration asserting its claim that it did not fail the bid. The motion was denied. Subsequently, PGMC filed a protest which is still pending resolution.

<u>GMOC Project Arbitration Proceedings</u>

Reference is made to Note B7 (b).

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.

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

GMOC Project Arbitration Proceedings (Cont'd)

Further to the last quarterly report, the arbitral tribunal has since been constituted and the procedural timetable has been determined by the tribunal for pre-trial preparations, including closing of pleadings and exchange of witness statements, etc. The tribunal has directed that the arbitration hearing will take place on 14 to 18 October 2019.

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 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").

The Court of Appeal has granted a stay of execution of the Shah Alam High Court judgement and the Assessment Proceedings pending the disposal of the main appeal at the Court of Appeal.

The hearing of the Selangor State Government's appeal at the Court of Appeal has been fixed for 24 October 2019.

B10 The Board does not recommend any dividend for the current period (previous year corresponding period ended 30 June 2018 : N/A).

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

	Group (2-month period)			
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000		sen	
Net loss for the current period attributable to equity holders of the Parent	(34,500)	N/A		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,989,394	N/A		
Basic loss per share			(0.69)	N/A

	Group (14-month period)			
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000		sen	
Net profit for the financial period attributable to equity holders of the Parent	148,028	N/A		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,989,394	N/A		
Basic earnings per share			2.97	N/A

There are no potential ordinary shares outstanding as at 30 June 2019. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic earnings per share.