

# **BERJAYA LAND BERHAD**

Company No: 201765-A

20 December 2017

## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**

Table of contents	Page
Condensed Consolidated Statement of Financial Position	1 - 2
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Unaudited Interim Financial Report	8 - 11
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	12 - 21

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Group	
		As at 31/10/2017 RM'000	As at 30/04/2017 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,636,826	1,709,547
Investment properties		741,249	740,057
Land held for development		1,390,699	1,566,756
Associated companies		486,248	593,567
Joint ventures		59,397	60,161
Investments		133,154	110,020
Intangible assets		4,000,591	4,020,046
Receivables		366,849	696,126
Deferred tax assets		42,914	38,653
		<u>8,857,927</u>	<u>9,534,933</u>
<b>Current Assets</b>			
Property development costs		343,771	347,379
Inventories		506,071	494,513
Receivables		1,859,726	1,913,106
Short term investments		8,599	9,006
Tax recoverable		18,530	32,029
Deposits, cash and bank balances		906,776	744,618
Non current assets classified as held for sale		589,573	42,916
		<u>4,233,046</u>	<u>3,583,567</u>
<b>TOTAL ASSETS</b>		<u><u>13,090,973</u></u>	<u><u>13,118,500</u></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		196,884	234,019
Capital reserve		116,528	116,528
Fair value reserve		1,174,493	1,179,509
Available-For-Sale ("AFS") reserve		1,968	5,215
Consolidation reserve		79,941	81,842
Retained earnings		337,008	425,604
		<u>1,906,822</u>	<u>2,042,717</u>
Equity funds		4,406,990	4,542,885
Less: Treasury shares	A4	(20,699)	(20,699)
Net equity funds		<u>4,386,291</u>	<u>4,522,186</u>
Non-controlling interests		2,266,968	2,338,819
<b>Total equity</b>		<u><u>6,653,259</u></u>	<u><u>6,861,005</u></u>

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Group	
		As at 31/10/2017 RM'000	As at 30/04/2017 RM'000 (Audited)
<b>Non-current liabilities</b>			
Retirement benefit obligations		7,158	10,034
Long term borrowings	B8	1,897,094	1,782,336
Other long term liabilities		102,582	111,282
Deferred taxation		1,056,295	1,061,021
		3,063,129	2,964,673
<b>Current Liabilities</b>			
Payables		1,595,654	1,343,899
Short term borrowings	B8	1,740,598	1,931,997
Retirement benefit obligations and provisions		2,979	2,485
Tax payable		10,780	11,666
Liabilities directly associated to assets of disposal group classified as held for sale		24,574	2,775
		3,374,585	3,292,822
<b>Total Liabilities</b>		6,437,714	6,257,495
<b>TOTAL EQUITY AND LIABILITIES</b>		13,090,973	13,118,500
<i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>		0.88	0.91

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

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

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

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/10/2017 RM'000	31/10/2016 RM'000	31/10/2017 RM'000	31/10/2016 RM'000
REVENUE		1,613,915	1,618,403	3,215,820	3,170,339
OPERATING EXPENSES, NET		<u>(1,481,048)</u>	<u>(1,484,322)</u>	<u>(2,959,796)</u>	<u>(2,920,668)</u>
PROFIT FROM OPERATIONS	A3	132,867	134,081	256,024	249,671
Investment related income, net	A3	(167,638)	169,827	(150,018)	182,954
Share of results from associated companies		(11,876)	37,557	(5,359)	18,228
Share of results from joint ventures		(13)	(942)	(275)	(1,902)
Finance costs		<u>(49,246)</u>	<u>(42,165)</u>	<u>(96,707)</u>	<u>(96,716)</u>
(LOSS)/PROFIT BEFORE TAX	B5	(95,906)	298,358	3,665	352,235
TAXATION	B6	<u>(38,512)</u>	<u>(27,514)</u>	<u>(86,635)</u>	<u>(76,000)</u>
(LOSS)/PROFIT NET OF TAX		<u>(134,418)</u>	<u>270,844</u>	<u>(82,970)</u>	<u>276,235</u>
ATTRIBUTABLE TO:					
- Owners of the parent		(99,923)	180,472	(88,393)	153,233
- Non-controlling interests		<u>(34,495)</u>	<u>90,372</u>	<u>5,423</u>	<u>123,002</u>
		<u>(134,418)</u>	<u>270,844</u>	<u>(82,970)</u>	<u>276,235</u>
(LOSS)/EARNINGS PER SHARE (SEN)	B11				
- Basic		<u>(2.00)</u>	<u>3.62</u>	<u>(1.77)</u>	<u>3.07</u>
- Fully diluted		<u>(2.00)</u>	<u>3.62</u>	<u>(1.77)</u>	<u>3.07</u>

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

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>CURRENT QUARTER</b>		<b>FINANCIAL PERIOD</b>	
	<b>ENDED</b>		<b>ENDED</b>	
	<b>31/10/2017</b>	<b>31/10/2016</b>	<b>31/10/2017</b>	<b>31/10/2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(LOSS)/PROFIT NET OF TAX	(134,418)	270,844	(82,970)	276,235
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	2,678	(2,985)	(5,360)	(16,975)
- Transfer to profit or loss upon disposal	996	-	996	-
Amortisation of gaming rights	-	(2,697)	-	(5,393)
Share of an associated company's changes in fair value of available-for-sale investments and exchange reserve	7,165	(223)	(11,586)	(1,247)
Currency translation differences	(33,833)	43,489	(44,965)	103,441
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD</b>	<u>(157,412)</u>	<u>308,428</u>	<u>(143,885)</u>	<u>356,061</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
- Owners of the parent	(110,770)	215,145	(128,775)	225,412
- Non-controlling interests	(46,642)	93,283	(15,110)	130,649
	<u>(157,412)</u>	<u>308,428</u>	<u>(143,885)</u>	<u>356,061</u>

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

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Attributable to the owners of the Parent</b>										
	<b>Non Distributable</b>										
	<b>Share capital</b>	<b>Exchange reserves</b>	<b>Capital reserve</b>	<b>Fair value reserve</b>	<b>AFS reserve</b>	<b>Consolidation reserve</b>	<b>Retained earnings</b>	<b>Treasury shares</b>	<b>Total net equity funds</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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	-	(37,135)	-	-	(3,247)	-	(88,393)	-	(128,775)	(15,110)	(143,885)
Effect of amortisation of gaming rights	-	-	-	(5,016)	-	-	5,016	-	-	-	-
<b>Transactions with owners:</b>											
Non-controlling interests arising from											
- dilution of equity interest in a subsidiary company	-	-	-	-	-	(1,901)	-	-	(1,901)	1,901	-
- 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)
	-	-	-	-	-	(1,901)	(5,219)	-	(7,120)	(56,741)	(63,861)
At 31 October 2017	<u>2,500,168</u>	<u>196,884</u>	<u>116,528</u>	<u>1,174,493</u>	<u>1,968</u>	<u>79,941</u>	<u>337,008</u>	<u>(20,699)</u>	<u>4,386,291</u>	<u>2,266,968</u>	<u>6,653,259</u>

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

	<b>Attributable to the owners of the Parent</b>										
	<b>Non Distributable</b>										
	<b>Share capital RM'000</b>	<b>Exchange reserves RM'000</b>	<b>Capital reserve RM'000</b>	<b>Fair value reserve RM'000</b>	<b>AFS reserve RM'000</b>	<b>Consolidation reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Treasury shares RM'000</b>	<b>Total net equity funds RM'000</b>	<b>Non-controlling interests RM'000</b>	<b>Total equity RM'000</b>
At 1 May 2016	2,500,168	122,525	10,804	1,900,160	4,891	21,220	226,737	(20,699)	4,765,806	3,252,188	8,017,994
Total comprehensive income	-	84,938	-	(5,393)	(7,366)	-	153,233	-	225,412	130,649	356,061
Effect of amortisation of gaming rights	-	-	-	-	-	-	5,393	-	5,393	-	5,393
<b>Transactions with owners:</b>											
Non-controlling interests arising from dilution of equity interest in a subsidiary company	-	-	-	-	-	(8,197)	-	-	(8,197)	49,040	40,843
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	105,724	-	-	-	(105,724)	-	-	-	-
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(72,728)	(72,728)
	-	-	105,724	-	-	(8,197)	(105,724)	-	(8,197)	(23,688)	(31,885)
At 31 October 2016	<u>2,500,168</u>	<u>207,463</u>	<u>116,528</u>	<u>1,894,767</u>	<u>(2,475)</u>	<u>13,023</u>	<u>279,639</u>	<u>(20,699)</u>	<u>4,988,414</u>	<u>3,359,149</u>	<u>8,347,563</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 2017.

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended</b>	
	<b>31/10/2017</b>	<b>31/10/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers/operating revenue	3,465,332	3,290,718
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(3,167,443)	(3,422,219)
Tax paid	(79,909)	(75,640)
Other receipts/(payments) (inclusive of tax refunds)	13,427	(1,362)
Net cash generated from/(used in) operating activities	<u>231,407</u>	<u>(208,503)</u>
<b>INVESTING ACTIVITIES</b>		
Sale of property, plant and equipment and non-current assets	984	1,440
Sale of other investments and short term investments	18,737	3,407
Partial disposal of equity interest in a subsidiary company	-	40,842
Partial disposal of equity interest in an associated company	58,891	-
Net cash inflow from settlement for surrendering certain assets and lease interests	-	127,309
Acquisition of property, plant and equipment, non-current assets and properties	(37,015)	(31,452)
Acquisition of additional equity interest in a subsidiary company	(5,219)	-
Acquisition of other investments and short term investments	(49,419)	(3,015)
Acquisition of treasury shares by a subsidiary company	(2,259)	-
Acquisition of investments in associated companies and joint ventures	(16,220)	(15,315)
Interest received	22,451	20,300
Dividend received	2,130	833
(Repayment to)/Advances from related companies	(4,051)	30,457
Repayment from/(Advances to) joint ventures and associated companies	68,033	(118,048)
Other receipts/(payments)	89,312	(50)
Net cash generated from investing activities	<u>146,355</u>	<u>56,708</u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of bank and other borrowings	638,736	347,480
Repayment of bank and other borrowings	(704,414)	(532,802)
Dividends paid to non-controlling interests of a subsidiary company	(56,422)	(72,728)
Interest paid	(85,671)	(93,228)
(Placement in)/Withdrawal from banks as security pledged for borrowings	(57,556)	367,042
Other payments	(4,072)	(3,937)
Net cash (used in)/generated from financing activities	<u>(269,399)</u>	<u>11,827</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	108,363	(139,968)
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(2,827)	7,687
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>653,844</u>	<u>838,133</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>759,380</u>	<u>705,852</u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	906,776	1,153,814
Bank overdraft (included under short term borrowings)	(8,022)	(9,005)
Less: cash and cash equivalents restricted in use	(140,677)	(438,957)
Less: cash and cash equivalents classified as held for sale	1,303	-
	<u>759,380</u>	<u>705,852</u>

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

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

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

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

- A2 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for:
- (i) the property development division which is affected by the prevailing cyclical economic conditions;
  - (ii) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the third quarter of the financial year; and
  - (iii) the toto betting operations may be positively impacted by the festive seasons.
- A3 (a) There were no unusual or material items affecting the Group in the financial quarter and period ended 31 October 2017 other than as disclosed below:

Statement of Profit or Loss

Included under investment related income, net:

	Quarter ended 31/10/2017 RM'000	Financial period ended 31/10/2017 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted equity investments	(2,000)	736
Impairment of available-for-sale of quoted equity investments	(827)	(836)
Gain on disposal of quoted investments	996	996
Loss on partial disposal of interest in an associated company	(39,942)	(39,942)
Provision for impairment on balance of GMOC Project sales proceeds (Note A7) *	(155,084)	(155,084)
	<u>(196,857)</u>	<u>(194,130)</u>

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

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

- A3 (a) There were no unusual or material items affecting the Group in the financial quarter and period ended 31 October 2017 other than as disclosed below (Cont'd):

Statement of Financial Position

The Group intends to dispose of certain of its projects and assets located in Vietnam and is currently in negotiation with some potential buyers. The Group expects the fair values less incidental expenses relating to the disposal of these projects and assets will be higher than its aggregate carrying amounts. As such, no impairment loss is recognised on the reclassification of these projects and assets as held for sale for the period ended 31 October 2017.

- (b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the financial quarter and period ended 31 October 2017.
- A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 31 October 2017.

The number of treasury shares held in hand as at 31 October 2017 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2017 and at 31 October 2017	1.89	10,943,104	20,699

As at 31 October 2017, the number of ordinary shares in issue and fully paid with voting rights was 4,989,394,000 ordinary shares (31 October 2016 : 4,989,394,000 ordinary shares.)

- A5 The Company did not pay any dividend during the financial period ended 31 October 2017.
- A6 Segmental information for the financial period ended 31 October 2017:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	1,635,457	-	1,635,457
Motor retailer	1,211,751	-	1,211,751
Property development and investment	157,871	4,876	162,747
Hotels and resorts	175,472	891	176,363
Clubs and others	35,269	9,877	45,146
Sub-total	3,215,820	15,644	3,231,464
Less: Inter-segment revenue	-	(15,644)	(15,644)
Total revenue	3,215,820	-	3,215,820

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

A6 Segmental information for the financial period ended 31 October 2017 (cont'd):

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	233,280
Motor retailer	18,006
Property development and investment	20,759
Hotels and resorts	34,105
Clubs and others	<u>(6,725)</u>
	299,425
Unallocated corporate items	<u>(43,401)</u>
	256,024
Investment related income, net:	
- Interest income	42,452
- Dividend income	1,660
- Impairment of available-for-sale of quoted equity investments	(836)
- Fair value changes of FVTPL quoted equity investments	736
- Gain on disposal of quoted investments	996
- Loss on partial disposal of interest in an associated company	(39,942)
- Provision for impairment on balance of GMOC Project sales proceeds *	<u>(155,084)</u>
	(150,018)
Share of results from associated companies	(5,359)
Share of results from joint ventures	(275)
Finance costs	<u>(96,707)</u>
Profit before tax	3,665
Taxation	<u>(86,635)</u>
Loss for the period	<u><u>(82,970)</u></u>

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

A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review except for the non-payment of the balance sales proceeds amounting to RMB974.07 million (equivalent to RM620.33 million) ("Final Instalment"), to be received by Berjaya (China) Great Mall Co Ltd ("GMOC") from the disposal of GMOC Project as disclosed in Note B7(d).

GMOC, after having sought legal advice, will commence legal proceedings against Beijing SkyOcean and the Guarantors as it has strong grounds to recover the outstanding Final Instalment due to GMOC. Based on the legal advice in respect of the legal proceedings and the eventual enforcement of the claim award, the Directors estimated that the reasonable time frame to recover the outstanding Final Instalment is approximately 3 years.

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

This provision will be reversed when GMOC eventually receives the payment of the balance sales proceeds from Beijing SkyOcean and the Guarantors.

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**NOTES TO THE INTERIM FINANCIAL REPORT**

- A8 There were no material changes in the composition of the Group for the financial period ended 31 October 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:
- (i) the dissolution of H.R. Owen Finance Ltd ("HROF"), an indirect subsidiary of Berjaya Philippine Inc. ("BPI"). BPI in turn is a 88.26% subsidiary of Berjaya Sports Toto Berhad ("BToto"). HROF was a dormant company.
  - (ii) the incorporation of EDOC Holdings Limited ("EDOC") by H.R. Owen Plc., an indirect subsidiary of BPI. The intended principal activity of EDOC is investment holding. Subsequently, EDOC acquired and subscribed a total of 2,743,161 ordinary shares representing 20.15% equity interest in in VIDEODOC Ltd ("VideoDoc") for a total cash consideration of GBP1.85 million (equivalent to RM10.3 million). The principal activities of VideoDoc are providing general and specialists medical practice services;
  - (iii) the acquisition of 1 ordinary share representing 100% equity interest in Berjaya Fukuoka Development (S) Pte Ltd. ("BFDS") by the Company for total cash consideration of SGD1.00 (or about RM3.10). The intended principal activity of BFDS is investment holding; and
  - (iv) the decrease of the Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") to 8.99% following the disposal of 57.0 million BAssets shares by the Group.
- A9 There are no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2017.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2017.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**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

- 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.

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.

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.

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.61 billion and pre-tax loss of RM95.91 million as compared to RM1.62 billion and pre tax-profit of RM298.36 million respectively reported in the previous year corresponding quarter.

The marginal drop in Group revenue was mainly due to lower revenue from H.R. Owen Plc mainly due to drop in sales from the new and used cars sector in the current quarter as a result of softening demand in the United Kingdom car market as well as the product life cycle of the car models available for sale. In addition, International Lottery & Totalizator Systems, Inc. ("ILTS") had recognised substantial project contract sales in the previous year corresponding quarter. These have offset the higher revenue from:

- the gaming business segment operated by Sports Toto Malaysia Sdn Bhd ("STMSB") resulting from strong sales from high jackpot in the Grand Toto 6/63 game which recorded its highest jackpot ever of RM69.6 million in September 2017.
- the hotels and resorts business arising from higher overall occupancy and average room rates; and
- the property development and investment business resulting from higher progress billings.

The Group reported a pre-tax loss in the current quarter under review mainly due to:

- lower profit margins of H.R Owen Plc earned from certain new car sales;
- the provision for impairment of balance sales proceed from the sale of GMOC Project (Note A3); and
- the loss arising from partial disposal of interest in an associated company (Note A3).

The Group had also accounted for its share of losses from associated companies in the current quarter as compared to share of profit, mainly from Berjaya Kyoto Development (S) Pte Ltd ("BKDS") in the previous year corresponding quarter. BKDS had then recognised the sales of several units of Four Season Hotel Residences. There was no sale of residences reported by BKDS in the current quarter under review.

In addition, in the previous year corresponding quarter, the Group recognised gain on settlement for surrendering certain assets and lease interests to relevant authorities, amounting to RM163.3 million.

The above pre-tax loss contributing factors were partly mitigated by the correspondingly higher operating profit contribution from the gaming, property development and investment and hotels and resorts business segments.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

Review of Results For the Quarter (Cont'd)

Excluding the provision for impairment of balance sales proceeds from the sale of GMOC Project amounting to RM155.08 million, the Group would have reported a pre-tax profit for the current quarter under review of RM59.18 million.

Review of Results For the 6-month Period

For the current 6-month under review, the Group reported a revenue of RM3.22 billion and pre-tax profit of RM3.67 million as compared to RM3.17 billion and pre-tax profit of RM352.24 million respectively reported in the previous year corresponding quarter.

The higher Group revenue was mainly due to:

- (i) higher revenue from the hotels and resorts business arising from higher overall occupancy and average room rates;
- (ii) higher progress billings from property development and investment business; and
- (iii) the marginally higher gaming revenue in spite having lower number of draws.

The car sales reported by H.R. Owen Plc remained comparable to the previous year corresponding 6-month period.

The Group reported lower pre-tax profit in the current 6-month period mainly due to the factors mentioned in Note B1 above.

Excluding the provision for impairment of balance sales proceeds from the sale of GMOC Project amounting to RM155.08 million, the Group would have reported a pre-tax profit for the current 6-month period under review of RM158.75 million.

**B2** Review of Results of Second Quarter Vs First Quarter

For the current quarter under review, the Group reported an increase of about 1% in revenue to RM1.61 billion from RM1.60 billion reported in the preceding quarter. Pre-tax loss for the current quarter was at RM95.91 million as compared to pre-tax profit of RM99.6 million reported in the first quarter ended 31 July 2017.

The higher Group revenue was mainly due to:

- (i) higher revenue from the hotels and resorts business arising from higher overall occupancy and average room rates;
- (ii) higher progress billings from property development and investment business; and
- (iii) the strong sales reported by STMSB from highest jackpot recorded in the Grand Toto 6/63 game and higher number of draws.

These have offset the lower revenue from H.R. Owen Plc due to lower sales resulted from drop in new cars sales in the current quarter under review.

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

**B3** Future Prospects

The Directors remain confident that BToto Group will continue to maintain its market share in the NFO segment. The performance of the hotels and resorts business is expected to remain satisfactory whilst the property market outlook is expected to remain lukewarm. Under the foregoing circumstances, the Directors are of the view that the operating performance of the Group will continue to remain challenging in the remaining quarters of the financial year ending 30 April 2018.

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

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

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

	Quarter ended 31/10/2017 RM'000	Financial period ended 31/10/2017 RM'000
Interest income	(28,484)	(42,452)
Dividend income	(735)	(1,660)
Other income excluding dividend and interest income	(5,439)	(10,387)
Depreciation of property, plant and equipment	25,368	46,443
Gain on disposal of property, plant and equipment	(922)	(2,471)
Amortisation of intangible assets	7,055	14,415
Reversal of impairment loss on receivables	-	58
Provision for and write off of inventories	-	-
Net foreign exchange gain	10,951	10,448
Impairment of available-for-sale of quoted equity investments	827	836
Fair value changes of FVTPL quoted investments	2,000	(736)
Loss on partial disposal of interest in an associated company	39,942	39,942
Provision for impairment on balance of GMOC Project sales proceeds *	155,084	155,084
Gain or loss on derivatives	-	-
	<u>-</u>	<u>-</u>

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

B6 The taxation charges for the financial quarter and period ended 31 October 2017 were detailed as follows:

	Quarter ended 31/10/2017 RM'000	Financial period ended 31/10/2017 RM'000
Malaysian income tax	32,791	80,210
Foreign tax	4,119	14,520
Underprovision in prior years	541	892
Deferred taxation	1,061	(8,987)
	<u>38,512</u>	<u>86,635</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 October 2017 was mainly due to certain expenses being disallowed for tax purposes and the non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**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):

- (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.

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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**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):

On 13 August 2012, the Company announced that BTTB 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, BTTB 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, BTTB 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 2018 to fulfil the conditions precedent below:

- 1 renewal of consent by Land and Mines Department (Federal) for the transfer to BTTB 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, BTTB 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.

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

- 1 The Applicants had a legitimate expectation that the site would be constructed and developed for for the BCity Project.
- 2 The Selangor State Government and the Selangor Town and Country Planning Department (1st and 5th Respondents) had failed to re-table the execution of the BCity Project.
- 3 The 1st and 5th Respondents had acted unreasonably when they failed to have regard to all relevant considerations and disregarded all improper considerations to re-table the execution of the BCity Project. In these circumstances, it has resulted in unfairness to the Applicants as it is tantamount to an abuse of power.
- 4 The cause of action of the substantive application of the judicial review does not involve the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents and is therefore dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**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):

- 5 The High Court made the following order:
  - (a) In respect of the BCity Project and construction of the equestrian centre, the Applicants are allowed to continue with its development and construction.
  - (b) The Applicants have to submit the comments by the technical departments to the relevant parties.
  - (c) The relevant technical departments shall revert with their response/ feedback within 3 months, failing which the relevant departments are deemed to have no objection to the said development.
  - (d) In respect of the STC Proposals, the 1st and 5th Respondents shall re-table its relocation and construction to the National Physical Planning Council within 3 months upon receipt of the proposal from the Applicants. The Applicants shall submit the said proposal within 3 months upon receipt of the fair order, failing which the Applicants are deemed to be no longer interested in carrying out the said proposal.
- 6 The High Court also allows for compensation to be paid to the Applicants by the 1st and 5th Respondents. The amount of such compensation will be assessed in subsequent proceedings.

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

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**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):

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

Beijing SkyOcean has paid:

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

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

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

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

On 8 December 2017, the Company announced Beijing SkyOcean had not remitted the Final Instalment to GMOC. 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.

Based on the legal advice obtained, the Directors are confident that GMOC has strong grounds to fully recover the outstanding Final Instalment in due course.

- (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.

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B8 Group borrowings and debt securities as at 31 October 2017:

	RM'000	RM'000
<u>Short term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	365,509	
Denominated in USD (USD8,984,000) *	31,055	
Denominated in GBP (£51,623,000) *	287,798	
Denominated in SGD (SGD8,602,000) *	26,760	
Denominated in PHP (PHP350,000,000) *	28,692	
Denominated in JPY (JPY1,730,000,000) *	64,786	
		804,600
Secured Medium Term Notes (Denominated in RM)		854,717
		1,659,317
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia	1,753	
Denominated in USD (USD18,783,000)	79,528	
		81,281
		1,740,598
<u>Long term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	947,972	
Denominated in GBP (£12,150,000) *	67,900	
Denominated in PHP (PHP58,333,000) *	4,782	
		1,020,654
Secured Medium Term Notes (Denominated in RM)		874,220
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia		2,220
		1,897,094
Total borrowings		3,637,692

\* *Converted at the respective exchange rates prevailing as at 31 October 2017*

**BERJAYA LAND BERHAD**  
**(Company No: 201765 - A)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

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

JDC Lawsuit

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

Pursuant to the Land SPA, JDC is obligated to transfer the lands acquired thereunder to BJR free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence JDC had breached the terms of the Land SPA as it failed to transfer good and unencumbered title to the said lands to BJR. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed a suit demanding that the said lands be returned to them. Under the circumstances, the on-going development works on the Jeju Project has been suspended pending the resolution of this matter by JDC with the affected landowners.

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (or about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction cost due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. As at the date of this announcement, the land price appraisal report of the Jeju Project has been completed by the court appointed land appraisal company and the land price appraisal report has been submitted directly to the court. The JDC Lawsuit is still on-going.

Arbitration Proceedings

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim 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 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three years from 22 August 2015 until 21 August 2018, pending resolution of the issue on the exclusivity rights through arbitration proceedings. The arbitration proceedings is still on-going.

**BERJAYA LAND BERHAD**  
(Company No: 201765 - A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2017**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

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

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

	Group (3-month period)			
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000		sen	
Net (loss)/profit for the quarter attributable to equity holders of the Parent	<u>(99,923)</u>	<u>180,472</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,989,394</u>		
Basic (loss)/earnings per share			<u>(2.00)</u>	<u>3.62</u>

	Group (6-month period)			
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000		sen	
Net (loss)/profit for the period attributable to equity holders of the Parent	<u>(88,393)</u>	<u>153,233</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,989,394</u>		
Basic (loss)/earnings per share			<u>(1.77)</u>	<u>3.07</u>

There are no potential ordinary shares outstanding as at 31 October 2017. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic (loss)/earnings per share.

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

	As at 31/10/2017 RM'000	As at 30/04/2017 RM'000 (Audited)
Realised earnings	372,912	413,043
Unrealised earnings	<u>521,252</u>	<u>547,559</u>
	894,164	960,602
Share of results from associated companies	*	151,840
Share of results from joint ventures	*	<u>(213,682)</u>
	832,047	893,401
Less: Consolidation adjustments	<u>(495,039)</u>	<u>(467,797)</u>
	<u>337,008</u>	<u>425,604</u>

\* It is not practical to segregate the share of results from associated companies and joint ventures to realised and unrealised earnings.