

BERJAYA LAND BERHAD

Company No: 201765-A

22 March 2017

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

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| 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 - 12 |
| Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR") | 13 - 21 |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

| | Note | Group | |
|---|------|-------------------------------|--|
| | | As at 31/01/2017 RM'000 | As at 30/04/2016 RM'000 (Audited) |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 1,664,732 | 1,732,398 |
| Investment properties | | 621,914 | 621,903 |
| Land held for development | | 1,523,391 | 1,499,753 |
| Associated companies | | 544,430 | 484,462 |
| Joint ventures | | 62,711 | 45,310 |
| Investments | | 89,541 | 93,618 |
| Intangible assets | | 4,687,336 | 4,700,949 |
| Receivables | | 687,147 | 612,198 |
| Deferred tax assets | | 37,125 | 45,348 |
| | | <u>9,918,327</u> | <u>9,835,939</u> |
| Current Assets | | | |
| Property development costs | | 349,187 | 245,383 |
| Inventories | | 507,774 | 585,356 |
| Receivables | | 2,096,722 | 1,097,204 |
| Short term investments | | 6,642 | 9,302 |
| Tax recoverable | | 19,866 | 12,348 |
| Deposits, cash and bank balances | | 748,852 | 1,653,718 |
| Assets of disposal group/Assets classified as held for sale | | 47,487 | 979,782 |
| | | <u>3,776,530</u> | <u>4,583,093</u> |
| TOTAL ASSETS | | <u><u>13,694,857</u></u> | <u><u>14,419,032</u></u> |
| EQUITY AND LIABILITIES | | | |
| Share capital | A4 | 2,500,168 | 2,500,168 |
| Reserves: | | | |
| Exchange reserves | | 257,447 | 122,525 |
| Capital reserve | | 116,528 | 10,804 |
| Fair value reserve | | 1,892,606 | 1,900,160 |
| Available-For-Sale ("AFS") reserve | | (1,928) | 4,891 |
| Consolidation reserve | | (10,135) | 21,220 |
| Retained earnings | | 315,573 | 226,737 |
| | | <u>2,570,091</u> | <u>2,286,337</u> |
| Equity funds | | 5,070,259 | 4,786,505 |
| Less: Treasury shares | A4 | (20,699) | (20,699) |
| Net equity funds | | <u>5,049,560</u> | <u>4,765,806</u> |
| Non-controlling interests | | 3,310,628 | 3,252,188 |
| Total equity | | <u><u>8,360,188</u></u> | <u><u>8,017,994</u></u> |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

| | Note | Group | |
|---|------|-------------------------------|--|
| | | As at 31/01/2017 RM'000 | As at 30/04/2016 RM'000 (Audited) |
| Non-current liabilities | | | |
| Retirement benefit obligations | | 6,103 | 9,675 |
| Long term borrowings | B8 | 1,996,075 | 2,859,025 |
| Other long term liabilities | | 140,732 | 129,100 |
| Deferred taxation | | 145,468 | 150,869 |
| | | <u>2,288,378</u> | <u>3,148,669</u> |
| Current Liabilities | | | |
| Payables | | 1,497,108 | 2,299,005 |
| Short term borrowings | B8 | 1,455,994 | 933,385 |
| Retirement benefit obligations and provisions | | 2,597 | 1,433 |
| Tax payable | | 87,184 | 18,546 |
| Liabilities directly associated with disposal groups classified as held for sale | | 3,408 | - |
| | | <u>3,046,291</u> | <u>3,252,369</u> |
| Total Liabilities | | <u>5,334,669</u> | <u>6,401,038</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>13,694,857</u> | <u>14,419,032</u> |
| <i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i> | | <u>1.01</u> | <u>0.95</u> |

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

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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2016.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

| | Note | CURRENT QUARTER ENDED | | FINANCIAL PERIOD ENDED | |
|--|------|--------------------------|----------------------|---------------------------|----------------------|
| | | 31/01/2017 RM'000 | 31/01/2016 RM'000 | 31/01/2017 RM'000 | 31/01/2016 RM'000 |
| REVENUE | | 1,532,883 | 1,476,395 | 4,703,222 | 4,584,132 |
| OPERATING EXPENSES, NET | | <u>(1,428,012)</u> | <u>(1,401,347)</u> | <u>(4,348,680)</u> | <u>(4,207,207)</u> |
| PROFIT FROM OPERATIONS | A3 | 104,871 | 75,048 | 354,542 | 376,925 |
| Investment related income, net | A3 | 9,175 | 9,572 | 192,129 | 227,084 |
| Share of results from associated companies | | 22,869 | 788 | 41,144 | (1) |
| Share of results from joint ventures | | (613) | (2,999) | (2,562) | (6,696) |
| Finance costs | | <u>(45,550)</u> | <u>(50,086)</u> | <u>(142,266)</u> | <u>(152,780)</u> |
| PROFIT BEFORE TAX | B5 | 90,752 | 32,323 | 442,987 | 444,532 |
| TAXATION | B6 | <u>(45,046)</u> | <u>(23,687)</u> | <u>(121,046)</u> | <u>(126,908)</u> |
| PROFIT NET OF TAX | | <u>45,706</u> | <u>8,636</u> | <u>321,941</u> | <u>317,624</u> |
| ATTRIBUTABLE TO: | | | | | |
| - Owners of the parent | | 33,773 | (21,017) | 187,006 | 197,194 |
| - Non-controlling interests | | <u>11,933</u> | <u>29,653</u> | <u>134,935</u> | <u>120,430</u> |
| | | <u>45,706</u> | <u>8,636</u> | <u>321,941</u> | <u>317,624</u> |
| EARNINGS/(LOSS) PER SHARE (SEN) | B11 | | | | |
| - Basic | | <u>0.68</u> | <u>(0.42)</u> | <u>3.75</u> | <u>3.95</u> |
| - Fully diluted | | <u>0.68</u> | <u>(0.42)</u> | <u>3.75</u> | <u>3.95</u> |

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 April 2016.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

| | CURRENT QUARTER ENDED | | FINANCIAL PERIOD ENDED | |
|---|----------------------------------|------------------------------|-----------------------------------|------------------------------|
| | 31/01/2017 RM'000 | 31/01/2016 RM'000 | 31/01/2017 RM'000 | 31/01/2016 RM'000 |
| PROFIT NET OF TAX | 45,706 | 8,636 | 321,941 | 317,624 |
| 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 | (1,267) | (6,412) | (18,242) | (31,669) |
| - Transfer to profit or loss upon disposal | (163) | - | (163) | 1,069 |
| Amortisation of gaming rights | (2,161) | - | (7,554) | - |
| Share of an associated company's changes in fair value of available-for-sale investments and exchange reserve | 164 | 1,408 | (1,083) | (792) |
| Share of an associated company's effect arising from acquisition of additional interest of its subsidiary company | - | 19,168 | - | 19,168 |
| Currency translation differences | 85,777 | (146,371) | 189,218 | 216,435 |
| TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD | 128,056 | (123,571) | 484,117 | 521,835 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| - Owners of the parent | 82,143 | (143,657) | 307,555 | 371,199 |
| - Non-controlling interests | 45,913 | 20,086 | 176,562 | 150,636 |
| | 128,056 | (123,571) | 484,117 | 521,835 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2016.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

Attributable to the owners of the Parent

Non Distributable

| | Share capital RM'000 | Exchange reserves RM'000 | Capital reserve RM'000 | Fair value reserve RM'000 | AFS reserve RM'000 | Consolidation reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Total net equity funds RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|--|----------------------------|--------------------------------|------------------------------|---------------------------------|--------------------------|------------------------------------|--------------------------------|------------------------------|--|--|---------------------------|
| At 1 May 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 | - | 134,922 | - | (7,554) | (6,819) | - | 187,006 | - | 307,555 | 176,562 | 484,117 |
| Transactions with owners: | | | | | | | | | | | |
| Non-controlling interest arising from decrease of equity interest in a subsidiary company | - | - | - | - | - | (8,197) | - | - | (8,197) | 49,040 | 40,843 |
| Non-controlling interest arising from increase of equity interest in a subsidiary company | - | - | - | - | - | (23,158) | - | - | (23,158) | (62,110) | (85,268) |
| Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares | - | - | 105,724 | - | - | - | (105,724) | - | - | - | - |
| Effects of amortisation of gaming rights | - | - | - | - | - | - | 7,554 | - | 7,554 | - | 7,554 |
| Non-controlling interests share of dividend | - | - | - | - | - | - | - | - | - | (105,052) | (105,052) |
| | - | - | 105,724 | - | - | (31,355) | (98,170) | - | (23,801) | (118,122) | (141,923) |
| At 31 January 2017 | 2,500,168 | 257,447 | 116,528 | 1,892,606 | (1,928) | (10,135) | 315,573 | (20,699) | 5,049,560 | 3,310,628 | 8,360,188 |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

Attributable to the owners of the Parent

Non Distributable

| | Share capital RM'000 | Exchange reserves RM'000 | Capital reserve RM'000 | Fair value reserve RM'000 | AFS reserve RM'000 | Consolidation reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Total net equity funds RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|--|----------------------------|--------------------------------|------------------------------|---------------------------------|--------------------------|------------------------------------|--------------------------------|------------------------------|--|--|---------------------------|
| At 1 May 2015 | 2,500,168 | (3,354) | 10,804 | 1,935,385 | 13,114 | 21,220 | 467,982 | (20,699) | 4,924,620 | 3,292,065 | 8,216,685 |
| Total comprehensive income | - | 168,786 | - | - | (13,949) | - | 216,362 | - | 371,199 | 150,636 | 521,835 |
| Transactions with owners: | | | | | | | | | | | |
| Non-controlling interests arising from: | | | | | | | | | | | |
| - deemed disposal arising from dilution of equity interest in a subsidiary company | - | 37,171 | - | - | - | - | (37,171) | - | - | - | - |
| - accretion of equity interest in a subsidiary company | - | - | - | - | - | - | - | - | - | (18,253) | (18,253) |
| Non-controlling interests share of dividend | - | - | - | - | - | - | - | - | - | (59,445) | (59,445) |
| | - | 37,171 | - | - | - | - | (37,171) | - | - | (77,698) | (77,698) |
| At 31 January 2016 | <u>2,500,168</u> | <u>202,603</u> | <u>10,804</u> | <u>1,935,385</u> | <u>(835)</u> | <u>21,220</u> | <u>647,173</u> | <u>(20,699)</u> | <u>5,295,819</u> | <u>3,365,003</u> | <u>8,660,822</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 2016.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

| | 9 months ended | |
|---|-----------------------|-------------------|
| | 31/01/2017 | 31/01/2016 |
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| Receipts from customers/operating revenue | 4,877,319 | 4,842,480 |
| Payment to prize winners, suppliers, duties, taxes and other operating expenses | (4,930,099) | (4,878,995) |
| Tax paid | (125,925) | (146,409) |
| Deposit received in respect of sale of development properties | - | 113,642 |
| Other (payments)/receipts (inclusive of tax refunds) | (175) | 11,079 |
| Net cash used in operating activities | (178,880) | (58,203) |
| INVESTING ACTIVITIES | | |
| Sale of property, plant and equipment and non-current assets | 2,002 | 408,462 |
| Sale of other investments and short term investments | 16,555 | 45,599 |
| Repayment of advances from a former subsidiary company | - | 81,212 |
| Net cash outflow from deemed disposal arising from dilution of interest in a subsidiary company | - | (27,125) |
| Partial disposal of equity interest in a subsidiary company | 40,842 | - |
| Net cash inflow from settlement for surrendering certain assets and lease interests | 197,309 | - |
| Acquisition of property, plant and equipment, non-current assets and properties | (57,595) | (66,161) |
| Acquisition of other investments and short term investments | (28,907) | (1,942) |
| Acquisition of additional equity interests in subsidiary companies | (85,268) | (12,351) |
| Acquisition of treasury shares by a subsidiary company | - | (18,251) |
| Additional subscription of shares in an associated company/joint venture | - | (765) |
| Acquisition of investments in associated companies and joint ventures | (15,357) | - |
| Interest received | 26,386 | 30,103 |
| Dividend received | 916 | 2,021 |
| (Repayment to)/Advances from related companies | (65,513) | 66,954 |
| Advances to joint ventures and associated companies | (109,336) | (6,475) |
| Other payments | (21,191) | (60,882) |
| Net cash (used in)/generated from investing activities | (99,157) | 440,399 |
| FINANCING ACTIVITIES | | |
| Drawdown of bank and other borrowings | 463,374 | 838,086 |
| Repayment of bank and other borrowings | (849,390) | (1,255,407) |
| Dividends paid to non-controlling interests of a subsidiary company | (105,052) | (59,445) |
| Interest paid | (153,481) | (172,103) |
| Withdrawal of security pledged for borrowings from banks | 741,211 | 9,097 |
| Other payments | (5,882) | (5,580) |
| Net cash generated from/(used in) financing activities | 90,780 | (645,352) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (187,257) | (263,156) |
| EFFECTS OF EXCHANGE RATE CHANGES | 15,629 | 44,774 |
| OPENING CASH AND CASH EQUIVALENTS | 838,133 | 915,369 |
| CLOSING CASH AND CASH EQUIVALENTS | 666,505 | 696,987 |
| The closing cash and cash equivalents comprise the following: | | |
| Deposits, cash and bank balances | 748,852 | 841,751 |
| Bank overdraft (included under short term borrowings) | (17,559) | (9,735) |
| Less: cash and cash equivalents restricted in use | (64,788) | (135,029) |
| | 666,505 | 696,987 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2016.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 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 Companies Act 2016 in Malaysia (that became effective 31 January 2017) and applicable disclosure provision of the 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 2016. 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 2016. 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 2016.

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 January 2017 other than as disclosed below:

Statement of Changes in Equity

A transfer of distributable retained earnings to capital reserve amounting to RM105.72 million, arising from a foreign subsidiary company's bonus issue of shares.

Statement of Profit or Loss

| (i) Included under investment related income, net: | Quarter ended 31/01/2017 RM'000 | Financial period ended 31/01/2017 RM'000 |
|--|--|--|
| Fair value changes of fair value through profit or loss ("FVTPL") quoted investments | 1,145 | (1,713) |
| Impairment of available-for-sale ("AFS") quoted investments | (520) | (520) |
| Gain on disposal of quoted and unquoted investments | 163 | 1,130 |
| Loss on disposal of a construction project | (6,036) | (6,036) |
| Loss on deemed partial disposal arising from dilution of equity interest in an associated company | - | (8,578) |
| Gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities | - | 163,639 |
| | <u>(5,248)</u> | <u>147,922</u> |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 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 January 2017 other than as disclosed below (cont'd):

Statement of Financial Position

The non-current assets held for sale in relation to the disposal of Great Mall Project was derecognised and the disposal has resulted in a loss of RM6,036,000 following the fulfilment of CP, as explained in Note B7(d). The balance of cash consideration has now been accounted for as a receivable balance from the buyer.

(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 January 2017.

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 31 January 2017.

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

| | Average price per share RM | Number of shares | Amount RM'000 |
|--|----------------------------|------------------|---------------|
| Total treasury shares at 1 May 2016 and at 31 January 2017 | 1.89 | 10,943,000 | 20,699 |

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

A5 The Company did not pay any dividend during the financial period ended 31 January 2017.

A6 Segmental information for the financial period ended 31 January 2017:

REVENUE

| | External RM'000 | Inter-segment RM'000 | Total RM'000 |
|--|-----------------|----------------------|--------------|
| Toto betting operations and leasing of lottery equipment | 2,531,032 | - | 2,531,032 |
| Motor retailer | 1,709,822 | - | 1,709,822 |
| Property development and investment | 177,073 | 7,096 | 184,169 |
| Hotels and resorts | 224,185 | 2,183 | 226,368 |
| Clubs and others | 61,110 | 18,207 | 79,317 |
| Sub-total | 4,703,222 | 27,486 | 4,730,708 |
| Less: Inter-segment revenue | - | (27,486) | (27,486) |
| Total revenue | 4,703,222 | - | 4,703,222 |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

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

RESULTS

| | RM'000 |
|--|-----------------------|
| Toto betting operations and leasing of lottery equipment | 315,510 |
| Motor retailer | 18,057 |
| Property development and investment | 27,919 |
| Hotels and resorts | 21,015 |
| Clubs and others | <u>(24,893)</u> |
| | 357,608 |
| Unallocated corporate items | <u>(3,066)</u> |
| | 354,542 |
| Investment related income, net: | |
| - Interest income | 43,291 |
| - Dividend income | 916 |
| - Fair value changes of FVTPL quoted investments | (1,713) |
| - Impairment of AFS quoted investments | (520) |
| - Gain on disposal of quoted and unquoted investments | 1,130 |
| - Loss on disposal of a construction project | (6,036) |
| - Loss on deemed partial disposal arising from dilution of equity interest in an associated company | (8,578) |
| - Gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities | <u>163,639</u> |
| | 192,129 |
| Share of results from associated companies | 41,144 |
| Share of results from joint ventures | (2,562) |
| Finance costs | <u>(142,266)</u> |
| Profit before tax | 442,987 |
| Taxation | <u>(121,046)</u> |
| Profit for the period | <u><u>321,941</u></u> |

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.

A8 There were no material changes in the composition of the Group for the financial period ended 31 January 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- (i) the decrease of the Group's equity interest in BToto from 41.40% to 40.05% following the disposal of 14.2 million BToto shares, representing 1.35% equity interest in BToto by the Company and Gateway Benefit Sdn Bhd, a wholly-owned subsidiary of the Company, for a total gross cash consideration of RM41.09 million;

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 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 January 2017 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for (cont'd):
- (ii) the subscription of 42,500 new ordinary shares in Neptune Properties Inc. ("Neptune") for a total consideration of Peso82.3 million (or about RM7.1 million), representing 41.5% equity interests in Neptune by Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of BToto listed on the Philippine Stock Exchange;
 - (iii) the acquisition of additional 6,589,934 shares in H.R. Owen Plc ("H.R. Owen") by BPI for a total consideration of GBP14.8 million (or about RM82.6 million), or at GBP2.25 per share, thereby increasing the equity interest of BPI in H.R. Owen from the existing 72.03% to 98.38%;
 - (iv) the deemed partial disposal arising from the dilution of the BPI's equity interest in an associated company, Bermaz Auto Philippines Inc. (formerly known as Berjaya Auto Philippines Inc. ("B.Auto Philippines")) from 35% to 33.25% in July 2016 following the enlarged issued and paid up share capital of B.Auto Philippine from Peso209.0 million to Peso220.0 million resulting from its new placement of shares. On 18 August 2016, BPI's equity interest in B. Auto Philippines was further diluted from 33.25% to 25.48% when B.Auto Philippines further enlarged its issued and paid up share capital from Peso220.0 million to Peso287.1 million through additional new placement of shares. Subsequently, on 15 September 2016, B.Auto Philippines issued a stock dividend amounting to Peso623.0 million to its existing shareholders via issuance of new shares in B.Auto Philippines, thereby increasing its issued and paid up share capital to Peso910.1 million with BPI's equity interest in B.Auto Philippines remaining unchanged, at 25.48%;
 - (v) the acquisition of 60 ordinary shares of GBP1.00 each, representing 60% equity interest in H R Owen Insurance Services Limited ("HRO Insurance Services") by H.R. Owen for a total consideration of GBP60 (equivalent to RM330). HRO Insurance Services is incorporated in the United Kingdom and its principal activities are providing services as insurance agents and brokers;
 - (vi) the subscription of 40,000 new ordinary shares by BPI in Berjaya Pizza Philippines Inc. ("B.Pizza Philippines") for a total consideration of Peso35.0 million (or about to RM3.0 million) and consequently BPI's interests in B. Pizza Philippines increased from 41.43% to 45.76%;
 - (vii) the acquisition of 2,750 ordinary shares of RM1.00 each, representing 11% in Pasdec Cempaka Sdn Bhd ("Pasdec Cempaka") for a total cash consideration of RM15.0 million. Consequently, the Group's interests in Pasdec Cempaka, which is regarded as a joint venture, has increased from 40% to 51%;
 - (viii) the acquisition of 2 ordinary shares, representing 100% equity interest in Berjaya Okinawa Hospitality Asset TMK ("BOHA") by Berjaya Okinawa Investment (S) Pte Ltd (formerly known as Berjaya Health Investment Pte Ltd) ("BOI") for a total cash consideration of JPY100,000 per BOHA share (or about RM3,920). The intended principal activities of BOHA are property investment and development;
 - (ix) the incorporation of Berjaya Okinawa Investment GK ("BOIGK"), a 100%-owned subsidiary in Japan by BOI. The intended principal activity of BOIGK is investment holding; and
 - (x) the incorporation of BHR Okinawa Management GK ("BHRM"), a 100%-owned subsidiary in Japan, by Berjaya Hotels & Resorts (Singapore) Pte Ltd which in turn is a wholly-owned subsidiary of Tioman Island Resort Berhad, an 86.25% owned subsidiary of BLand. The intended principal activity of BHRM is hotel management.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

- A9 There were no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2016.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2016, except as follows:

On 28 November 2016, Berjaya Okinawa Development Co. Ltd, an indirect wholly-owned subsidiary company of the Company had entered into a sales agreement with Shurei Tourism Development Co. Ltd to acquire several parcels of land and a hotel building erected thereon, known as Royal Garden Hotel, for a total cash consideration of JPY1.74 billion (or about RM69.8 million). This hotel is located at Uruma City, Okinawa, Japan and is currently not in operations. The proposed acquisition is still pending completion.

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

B1 The main operating businesses of the Group are the number forecast operation ("NFO") business (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 RM1.53 billion and pre-tax profit of RM90.75 million as compared to RM1.48 billion and RM32.32 million respectively reported in the previous year corresponding quarter.

The higher Group revenue attained in the current quarter was mainly due to:

- (i) the marginally higher revenue reported by Sports Toto Malaysia Sdn Bhd ("STMSB") as explained below;
- (ii) the higher progress billings reported by property development and investment business;
- (iii) higher revenue from H.R. Owens Plc ("HR Owen") arising from higher sales volume of certain car models;
- (iv) higher revenue from the hotels and resorts business arising from higher overall average room rates, in spite of a drop in overall occupancy rates.

The revenue of STMSB is presented net of gaming tax and Goods and Services Tax ("GST"). In the current quarter, STMSB made an additional GST adjustment of RM15.6 million against its revenue ("GST Adjustment") pursuant to a notification from the Royal Malaysian Customs Department ("RMCD") due to different interpretation on the value of gaming supply. STMSB has submitted a review application to the Director General in February 2017 for a review of RMCD's decision.

In spite of the GST Adjustment, STMSB reported marginally higher revenue from having the benefit of seasonally higher sales during the Chinese New Year festive period, strong sales from high jackpot in the 4D jackpot games as well as higher number of draws.

The Group's pre-tax profit was higher in the current quarter under review mainly due to the higher profit contribution from:

- (i) the property development and investment business from higher progress billings;
- (ii) HR Owen from higher sales volume of certain car models;
- (iii) the hotels and resorts business from higher revenue and lower operating expenses; and
- (iv) the higher share of profit from associated companies particularly from Berjaya Kyoto Development (S) Limited from sales of several units of residences located at the recently opened luxurious Four Seasons Hotel Kyoto.

In addition, the Group incurred lower finance cost in this quarter under review.

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

Review of Results For the Quarter (Cont'd)

STMSB has reported lower profit contribution resulting from the GST Adjustment and higher operating expenses which were partly mitigated by the lower prize payout.

Review of Results For the 9-month Period

For the current 9-month under review, the Group reported a revenue of RM4.7 billion and pre-tax profit of RM442.99 million as compared to RM4.58 billion and RM444.53 million respectively reported in the previous year corresponding period.

The higher Group revenue attained was mainly due to:

- (i) higher revenue from HR Owen arising from higher sales volume of new cars coupled with certain new models available for sale;
- (ii) the recognition of substantial project contract sales by International Lottery & Totalizator Systems, Inc. ("ILTS"), a subsidiary of BToto; and
- (iii) higher revenue from the hotels and resorts business.

The above factors have mitigated lower progress billings reported by the property development and investment business.

The Group's pre-tax profit was marginally lower in the current financial period mainly due to the lower profit:

- (i) from STMSB resulting from the GST Adjustment and higher operating expenses which were partly mitigated by the lower prize payout;
- (ii) from the property development and investment business arising from lower progress billings; and
- (iii) lower investment related income.

The above factors have been partly mitigated by correspondingly higher profit contribution reported by HR Owen, ILTS, the hotels and resorts business, higher share of profits from its associated companies as well as lower finance cost.

B2 Review of Results of Third Quarter Vs Second Quarter

For the current quarter under review, the Group reported lower revenue of RM1.53 billion in the third quarter as compared to RM1.62 billion reported in the preceding quarter. Pre-tax profit for the current quarter was lower at RM90.75 million as compared to RM298.36 million reported in the second quarter ended 31 October 2016.

The lower Group revenue was mainly due to:

- (i) lower new and used cars sales volume from HR Owen; and
- (ii) lower revenue from the hotels and resorts business arising from lower overall occupancy and average room rates with the onset of the monsoon season at the East Coast of Peninsular Malaysia.

These were partly mitigated by higher revenue reported by:

- (i) the property development and investment business from the higher progress billings; and
- (ii) STMSB from having the benefit of seasonally higher sales during the Chinese New Year festive period and higher number of draws.

Other than the correspondingly lower profit from HR Owen and the hotels and resorts business, the Group's pre-tax profit was lower in the third quarter as compared to the preceding quarter mainly due to:

- (i) STMSB has reported lower profit contribution resulting from the GST Adjustment, higher operating expenses and the higher prize payout;
- (ii) lower share of profits from associated companies; and
- (iii) lower investment related income.

Further, the investment related income of the preceding quarter had included the gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities amounting to RM163.64 million.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

B3 Future Prospects

The intense competition from the illegal gaming activities coupled with rising costs which lead to weaker consumer sentiments continue to pose challenges to the businesses of the BToto Group. Hence, the Directors expect the NFO business to be challenging for the remaining quarter of the financial year ending 30 April 2017. In spite of the above, the Directors expect the Group to maintain its market share in the NFO business.

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 quarter of the financial year ending 30 April 2017.

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

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

| | Quarter ended 31/01/2017 RM'000 | Financial period ended 31/01/2017 RM'000 |
|---|--|---|
| Interest income | (14,339) | (43,291) |
| Dividend income | (84) | (916) |
| Other income excluding dividend and interest income | (4,775) | (12,423) |
| Depreciation of property, plant and equipment | 19,919 | 59,172 |
| Gain on disposal of property, plant and equipment | (2,154) | (2,481) |
| Amortisation of intangible assets | 7,768 | 22,453 |
| Reversal of impairment loss on receivables | - | 46 |
| Provision for and write off of inventories | 2,377 | 4,742 |
| Net foreign exchange gain | (10,341) | (43,796) |
| Gain on disposal of quoted and unquoted investments | (163) | (1,130) |
| Fair value changes of FVTPL quoted investments | (1,145) | 1,713 |
| Impairment of AFS quoted investments | (520) | (520) |
| Loss on disposal of a construction project | 6,036 | 6,036 |
| Loss on deemed partial disposal arising from dilution of equity interest in an associated company | - | 8,578 |
| Gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities | - | (163,639) |
| Gain or loss on derivatives | - | - |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

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

| | Quarter ended 31/01/2017 RM'000 | Financial period ended 31/01/2017 RM'000 |
|-------------------------------|--|---|
| Malaysian income tax | 33,516 | 97,252 |
| Foreign tax | 6,602 | 19,718 |
| Underprovision in prior years | 2,049 | 1,253 |
| Deferred taxation | 2,879 | 2,823 |
| | <u>45,046</u> | <u>121,046</u> |

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

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 ("SMSB"), 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"). SMSB 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.

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 SMSB, 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 SMSB 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 SMSB 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.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 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):

- 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 SMSB 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 SMSB request for a further extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that SMSB 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, SMSB 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, SMSB 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 SMSB 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 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 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):

- (b) On 12 December 2007, the Company announced that its holding company, Berjaya Corporation Berhad had on behalf of the Company, entered into an agreement of cooperation ("Agreement") with Hanoi Electronics Corporation, Vietnam ("Hanel") to record their agreement in principle for the Company and Hanel to collaborate on the proposed development of a parcel of land measuring approximately 405 hectares (or about 1,000 acres) in Sai Dong A, Long Bien District, Hanoi City, Vietnam into a mixed residential, commercial and industrial township development ("Project"). Subject to the approvals from the relevant authorities in Vietnam, the Company and Hanel proposed to undertake the development of the Project via a joint venture and will establish a limited liability company in Vietnam to be known as "Berjaya-Hanel Company Limited" ("JVC"). A conditional joint venture agreement will be entered into within 6 months from the date of the execution of the Agreement or such extended time to be mutually agreed between the parties. The estimated total investment charter capital for the JVC shall be between USD2.0 billion (or about RM6.7 billion) to USD3.0 billion (or about RM10.1 billion) and the estimated charter capital of the JVC shall be between USD300 million (or about RM1.0 billion) to USD450 million (or about RM1.5 billion). The Company's portion of the charter capital is estimated to be between USD210 million (or about RM703.5 million) to USD315 million (or about RM1.1 billion) representing 70% stake in the JVC. The formation of the JVC and the development of the Project is subject to the relevant authorities approvals in Vietnam.
- (c) On 28 January 2008, the Company announced that it had on even date entered into an agreement in principle ("Agreement") with Tin Nghia Co. Ltd, Vietnam ("TNC"), Development Investment Construction Corporation, Vietnam ("DIC") and Vietnam Infrastructure Hexagon Limited ("VIHL") to record their agreement in principle to collaborate on the proposed construction of a bridge across the Dong Nai River linking Nhon Trach District, Dong Nai Province to Ho Chi Minh City ("Bridge Project").

In general, the abovementioned parties have agreed that the Company and TNC shall contribute up to 50% of the charter/equity capital of the joint venture company whilst DIC and VIHL shall contribute the remaining 50%. The Bridge Project will be jointly managed by the Company and VIHL.

The Bridge Project is subject to the approvals of the People's Committees of Dong Nai Province and Ho Chi Minh City.

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

Beijing SkyOcean has paid:

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 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 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 cash consideration of RMB1.015 billion (or about RM677.92 million) will be paid within 13 months after Completion Date.

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

- (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.

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

| | RM'000 | RM'000 |
|--|---------|-----------|
| <u>Short term borrowings</u> | | |
| Secured bank borrowings | | |
| Denominated in Ringgit Malaysia | 740,076 | |
| Denominated in USD (USD17,399,000) * | 72,355 | |
| Denominated in GBP (£5,400,000) * | 29,907 | |
| Denominated in SGD (SGD13,544,000) * | 42,194 | |
| Denominated in PhP (PhP350,000,000) * | 31,175 | |
| | | 915,707 |
| Secured Medium Term Notes (Denominated in RM) | | 530,000 |
| | | 1,445,707 |
| Secured finance lease and hire purchase payables | | |
| Denominated in Ringgit Malaysia | 2,129 | |
| Denominated in USD (USD1,962,000) * | 8,158 | |
| | | 10,287 |
| | | 1,455,994 |
| <u>Long term borrowings</u> | | |
| Secured bank borrowings | | |
| Denominated in Ringgit Malaysia | 802,807 | |
| Denominated in USD (USD34,229,000) * | 142,343 | |
| Denominated in GBP (£13,200,000) * | 73,029 | |
| Denominated in PhP (PhP320,833,000) * | 28,577 | |
| Denominated in SGD (SGD756,000) * | 2,355 | |
| | | 1,049,111 |
| Secured Medium Term Notes (Denominated in RM) | | 863,577 |
| Balance brought forward | | 1,912,688 |

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

B8 Group borrowings and debt securities as at 31 January 2017 (cont'd):

| | RM'000 | RM'000 |
|--|--------|-----------|
| Balance carried forward | | 1,912,688 |
| Secured finance lease and hire purchase payables | | |
| Denominated in Ringgit Malaysia | 2,318 | |
| Denominated in USD (USD19,495,000) * | 81,069 | |
| | | 83,387 |
| | | 1,996,075 |
| Total borrowings | | 3,452,069 |

* *Converted at the respective exchange rates prevailing as at 31 January 2017*

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

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 terminated 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 ongoing.

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

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

| | Group (3-month period) | | | |
|--|------------------------|------------------|-------------|---------------|
| | 31/01/2017 | 31/01/2016 | 31/01/2017 | 31/01/2016 |
| | RM'000 | | sen | |
| Net profit/(loss) for the quarter attributable to equity holders of the Parent | <u>33,773</u> | <u>(21,017)</u> | | |
| Weighted average number of ordinary shares in issue with voting rights ('000) | <u>4,989,394</u> | <u>4,989,394</u> | | |
| Basic earnings/(loss) per share | | | <u>0.68</u> | <u>(0.42)</u> |

| | Group (9-month period) | | | |
|---|------------------------|------------------|-------------|-------------|
| | 31/01/2017 | 31/01/2016 | 31/01/2017 | 31/01/2016 |
| | RM'000 | | sen | |
| Net profit for the period attributable to equity holders of the Parent | <u>187,006</u> | <u>197,194</u> | | |
| Weighted average number of ordinary shares in issue with voting rights ('000) | <u>4,989,394</u> | <u>4,989,394</u> | | |
| Basic earnings per share | | | <u>3.75</u> | <u>3.95</u> |

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

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

| | | As at 31/01/2017 RM'000 | As at 30/04/2016 RM'000 (Audited) |
|--|---|-------------------------------|--|
| Realised earnings | | 466,421 | 229,379 |
| Unrealised earnings | | <u>534,735</u> | <u>520,362</u> |
| | | 1,001,156 | 749,741 |
| Share of results from associated companies | * | 101,990 | 60,893 |
| Share of results from joint ventures | * | <u>(212,199)</u> | <u>(209,684)</u> |
| | | 890,947 | 600,950 |
| Less: Consolidation adjustments | | <u>(575,374)</u> | <u>(374,213)</u> |
| | | <u>315,573</u> | <u>226,737</u> |

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

c.c. Securities Commission