

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

9 June 2020

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2020**

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
Condensed Consolidated Statement of Cash Flows	6
Notes to the Unaudited Interim Financial Report	7 - 11
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	12 - 26

BERJAYA LAND BERHAD
Registration Number: 199001010193 (201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group	
	Note	As at 31/03/2020 RM'000	As at 30/06/2019 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		1,969,986	1,571,650
Investment properties		728,960	728,766
Inventories - land held for property development		939,441	861,321
Associated companies		764,582	522,351
Joint ventures		55,048	56,177
Investments		155,691	174,155
Intangible assets		3,609,548	3,592,282
Receivables		1,353,151	1,358,185
Deferred tax assets		66,178	70,963
		<u>9,642,585</u>	<u>8,935,850</u>
Current assets			
Inventories - property development costs		172,510	202,270
Inventories - others		674,802	618,021
Contract cost assets		83,151	97,951
Receivables		1,405,403	1,138,375
Contract assets		3,433	58,398
Short term investments		8,667	9,691
Tax recoverable		10,435	13,734
Deposits, cash and bank balances		736,981	760,778
Assets of disposal group/non-current assets classified as assets held for sale		181,999	230,084
		<u>3,277,381</u>	<u>3,129,302</u>
TOTAL ASSETS		<u>12,919,965</u>	<u>12,065,152</u>
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		219,660	181,101
Capital reserve		116,528	116,528
Fair value reserve		1,054,940	1,054,940
Fair value reserve of disposal group classified as held for sale		-	877
Fair value through other comprehensive income ("FVTOCI") reserve		(57,105)	(44,994)
Consolidation reserve		83,230	80,064
Retained earnings		383,526	309,429
		<u>1,800,779</u>	<u>1,697,945</u>
Equity funds		4,300,947	4,198,113
Less: Treasury shares	A4	(20,699)	(20,699)
Net equity funds		<u>4,280,248</u>	<u>4,177,414</u>
Non-controlling interests		2,138,591	2,080,907
Total equity		<u>6,418,839</u>	<u>6,258,321</u>

BERJAYA LAND BERHAD
Registration Number: 199001010193 (201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group	
	Note	As at 31/03/2020 RM'000	As at 30/06/2019 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations and provisions		5,445	5,124
Long term borrowings	B8	2,063,709	1,742,770
Other long term liabilities		33,207	29,799
Lease liabilities		312,046	-
Deferred taxation		979,252	959,611
Contract liabilities		235,334	239,895
		<u>3,628,993</u>	<u>2,977,199</u>
Current liabilities			
Payables		1,262,377	1,248,257
Short term borrowings	B8	1,272,289	1,238,626
Retirement benefit obligations and provisions		11,666	2,022
Tax payable		9,561	18,929
Contract liabilities		275,402	309,705
Lease liabilities		40,838	-
Liabilities directly associated to disposal group		-	12,093
		<u>2,872,133</u>	<u>2,829,632</u>
Total Liabilities		<u>6,501,126</u>	<u>5,806,831</u>
TOTAL EQUITY AND LIABILITIES		<u>12,919,965</u>	<u>12,065,152</u>
<i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>		<u>0.86</u>	<u>0.84</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 annexed notes form an integral part of this interim financial report.

BERJAYA LAND BERHAD
Registration Number: 199001010193 (201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
REVENUE		1,520,849	N/A	4,630,943	N/A
OPERATING EXPENSES, NET		(1,462,632)	N/A	(4,419,042)	N/A
PROFIT FROM OPERATIONS		58,217	N/A	211,901	N/A
Investment related income, net	A3	13,725	N/A	56,162	N/A
Share of results from associated companies		209,773	N/A	195,148	N/A
Share of results from joint ventures		(3,231)	N/A	(2,728)	N/A
Finance costs		(45,804)	N/A	(135,092)	N/A
PROFIT BEFORE TAX	B5	232,680	N/A	325,391	N/A
TAXATION	B6	(55,762)	N/A	(142,246)	N/A
PROFIT NET OF TAX		176,918	N/A	183,145	N/A
ATTRIBUTABLE TO:					
- Owners of the parent		144,180	N/A	74,463	N/A
- Non-controlling interests		32,738	N/A	108,682	N/A
		176,918	N/A	183,145	N/A
EARNINGS PER SHARE (SEN)	B11				
- Basic		2.89	N/A	1.49	N/A
- Fully diluted		2.89	N/A	1.49	N/A

N/A denotes Not Applicable

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

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

BERJAYA LAND BERHAD
Registration Number: 199001010193 (201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
PROFIT NET OF TAX	176,918	N/A	183,145	N/A
OTHER COMPREHENSIVE INCOME				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Currency translation differences:				
- Movement during the financial quarter/period	68,733	N/A	51,092	N/A
- Share of associated companies' translation differences	14,784	N/A	5,788	N/A
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(23,120)	N/A	(20,432)	N/A
Share of an associated company's changes in fair values of investments at FVTOCI	(2,178)	N/A	(3,308)	N/A
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER/PERIOD	235,137	N/A	216,285	N/A
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	188,436	N/A	99,668	N/A
- Non-controlling interests	46,701	N/A	116,617	N/A
	235,137	N/A	216,285	N/A

N/A denotes Not Applicable

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

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BERJAYA LAND BERHAD
Registration Number: 199001010193 (201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Attributable to the owners of the Parent

	Non Distributable											Total equity RM'000
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	Fair value reserve of disposal group classified as held for sale RM'000	FVTOCI reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	
At 1 July 2019	2,500,168	181,101	116,528	1,054,940	877	(44,994)	80,064	309,429	(20,699)	4,177,414	2,080,907	6,258,321
Profit for the financial period	-	-	-	-	-	-	-	74,463	-	74,463	108,682	183,145
Other comprehensive income	-	38,559	-	-	-	(13,354)	-	-	-	25,205	7,935	33,140
Total comprehensive income	-	38,559	-	-	-	(13,354)	-	74,463	-	99,668	116,617	216,285
Effects arising from the disposals of:												
- investments at FVTOCI	-	-	-	-	-	1,243	-	(1,243)	-	-	-	-
- disposal group held for sale	-	-	-	-	(877)	-	-	877	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from												
- acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	-	1,849	1,849
- decrease of equity interest in a subsidiary company	-	-	-	-	-	-	3,166	-	-	3,166	3,824	6,990
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	(64,606)	(64,606)
	-	-	-	-	-	-	3,166	-	-	3,166	(58,933)	(55,767)
At 31 March 2020	2,500,168	219,660	116,528	1,054,940	-	(57,105)	83,230	383,526	(20,699)	4,280,248	2,138,591	6,418,839

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

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

BERJAYA LAND BERHAD
Registration Number: 199001010193 (201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/03/2020 RM'000	31/03/2019 RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	4,944,470	N/A
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(4,743,243)	N/A
Tax paid	(124,992)	N/A
Other receipts (inclusive of tax refunds)	5,714	N/A
Net cash generated from operating activities	<u>81,949</u>	<u>N/A</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	30,746	N/A
Sale of other investments and short term investments	25,386	N/A
Partial disposal of investment in a subsidiary company	26,835	N/A
Acquisition of property, plant and equipment, non-current assets and properties	(125,506)	N/A
Acquisition of equity interest in subsidiary companies	(221)	N/A
Acquisition of other investments and short term investments	(21,833)	N/A
Acquisition of investments in associated companies and joint ventures	(3,628)	N/A
Acquisition of treasury shares by a subsidiary company	(19,845)	N/A
Interest received	20,997	N/A
Dividend received	2,131	N/A
Repayment to related companies	(8,307)	N/A
Net repayment from joint ventures and associated companies	75,694	N/A
Part payments for investments in foreign investees	(178,823)	N/A
Other payments	(62,056)	N/A
Net cash used in investing activities	<u>(238,430)</u>	<u>N/A</u>
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	1,435,959	N/A
Repayment of bank and other borrowings	(1,182,023)	N/A
Movements of vehicle stocking loans	92,206	N/A
Dividends paid to non-controlling interests of a subsidiary company	(68,163)	N/A
Interest paid	(131,648)	N/A
Withdrawal of securities pledged for borrowings with banks	12,407	N/A
Other payments	(35,665)	N/A
Net cash generated from financing activities	<u>123,073</u>	<u>N/A</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(33,408)	N/A
EFFECTS OF EXCHANGE RATE CHANGES	11,991	N/A
OPENING CASH AND CASH EQUIVALENTS	<u>680,734</u>	<u>N/A</u>
CLOSING CASH AND CASH EQUIVALENTS	<u><u>659,317</u></u>	<u><u>N/A</u></u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	736,981	N/A
Bank overdraft (included under short term borrowings)	(9,406)	N/A
Less: cash and cash equivalents restricted in use	(68,258)	N/A
	<u><u>659,317</u></u>	<u><u>N/A</u></u>

N/A denotes Not Applicable

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

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
NOTES TO THE INTERIM FINANCIAL REPORT

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the period ended 30 June 2019. 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 July 2019.

The initial application of the MFRSs, Amendments to MFRSs 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 except for the following:

(a) MFRS 16: Leases

MFRS 16 has replaced MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single, on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

The Group adopted MFRS 16 using the modified retrospective approach with the date of initial application as at 1 July 2019. Under this standard, the Group initially measured its right-of-use assets to be equal to the lease liability, which is the present value of the remaining total lease payments (adjusted for any prepaid or accrued lease payments) discounted at the date of initial application (i.e. 1 July 2019). The Group does not restate the comparative information, which continues to be reported under MFRS 117.

The effect of adoption of MFRS 16 to the Group as at 1 July 2019 is as follows:

<u>Statement of Financial Position</u>	Increase RM'000
<u>Assets</u>	
Property, plant and equipment - Right-of-use assets	<u>325,001</u>
<u>Liabilities</u>	
Lease liabilities	<u>325,001</u>
<u>Significant accounting policies</u>	

The standard requires the Group to recognise an asset representing the right to use the underlying asset and a liability to make lease payments during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at

BERJAYA LAND BERHAD**Registration Number: 199001010193 (201765-A)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
NOTES TO THE INTERIM FINANCIAL REPORT****A1 (a) MFRS 16: Leases (Cont'd)**

present value of the total lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. Subsequently, the lease liability is increased by the interest cost and reduced by the lease payments made accordingly. In addition, the carrying amount of lease liability is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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 second and third quarters of the financial period; and
- (iii) the toto betting operations may be positively impacted by the festive seasons.

A3 (a) The Covid-19 pandemic had resulted in unprecedented preventive measures of varying degrees of global population lockdown to curb the outbreak. The lockdown has caused the temporary closure of almost all businesses in many countries. As for Malaysia, the Malaysian Government had imposed Movement Control Order ("MCO") beginning from 18 March 2020. The MCO requires temporary closure of all businesses except for those involved in the provision of essential services and products and had resulted in a 14-day closure of the business operations of the Group in Malaysia during the current third quarter under review. Further details are disclosed in Notes B1 and B2 below.

There were no unusual or material items affecting the Group in the current quarter and financial period ended 31 March 2020 other than as disclosed below:

Statement of Profit or Loss

Included under investment related income, net:

	3-month ended 31/03/2020 RM'000	9-month ended 31/03/2020 RM'000
Fair value changes of investments		
at fair value through profit or loss ("FVTPL")	(1,901)	(3,110)
Gain on disposal of subsidiary company and remeasurement		
loss on retained interest of former subsidiary company (net)	-	2,000
Remeasurement gain of a former associated company		
prior to its reclassification to investment in a subsidiary company	-	1,144
Impairment of property, plant and equipment	-	(3,163)
Property, plant and equipment written off	(7,063)	(7,063)
Additional provision for impairment on the balance of		
GMOC Project sales proceeds *	(467)	(12,508)
Gain on disposal of an investment property	-	8,578
	<u>(9,431)</u>	<u>(14,122)</u>

* GMOC made a further provision for impairment to account for the time value of money for a further 3-month delay in GMOC Arbitration Proceedings. The provision for impairment that was attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM6.38 million.

BERJAYA LAND BERHAD**Registration Number: 199001010193 (201765-A)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
NOTES TO THE INTERIM FINANCIAL REPORT**

- A3 (b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the current financial period ended 31 March 2020.
- A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 31 March 2020.

The number of treasury shares held in hand as at 31 March 2020 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 July 2019 and at 31 March 2020	1.89	10,943,104	20,699

As at 31 March 2020, the number of ordinary shares in issue with voting rights was 4,989,394,000 ordinary shares (31 March 2019 : N/A).

- A5 The Company did not pay any dividend during the current financial period ended 31 March 2020.
- A6 Segmental information for the financial period ended 31 March 2020:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	2,463,870	-	2,463,870
Motor retailer	1,699,332	-	1,699,332
Property development and investment	178,109	7,151	185,260
Hotels and resorts	216,939	1,208	218,147
Clubs and others	72,693	12,867	85,560
Sub-total	4,630,943	21,226	4,652,169
Less: Inter-segment revenue	-	(21,226)	(21,226)
Total revenue	4,630,943	-	4,630,943

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	307,868
Motor retailer	26,748
Property development and investment	(56,370)
Hotels and resorts	(1,724)
Clubs and others	(17,699)
	258,823
Unallocated corporate items	(46,922)
Balance carried forward	211,901

BERJAYA LAND BERHAD**Registration Number: 199001010193 (201765-A)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
NOTES TO THE INTERIM FINANCIAL REPORT**

A6 Segmental information for the financial period ended 31 March 2020 (Cont'd):

	Total RM'000
Balance brought forward	211,901
Investment related income, net:	
- Interest income	69,154
- Fair value changes of investments at fair value through profit or loss ("FVTPL")	(3,110)
- Gain on disposal of subsidiary company and remeasurement loss on retained interest of former subsidiary company (net)	2,000
- Fair value gain on remeasurement of a former associated company prior to its reclassification to investment in a subsidiary company	1,144
- Gain on disposal of an investment property	8,578
- Impairment of property, plant and equipment	(3,163)
- Property, plant and equipment written off	(7,063)
- Additional provision for impairment on the balance of GMOC Project sales proceeds	(12,508)
- Dividend income	1,130
	56,162
Share of results from associated companies	195,148
Share of results from joint ventures	(2,728)
Finance costs	(135,092)
Profit before tax	325,391
Taxation	(142,246)
Profit for the financial period	<u>183,145</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 the current financial period under review.

A8 There were no material changes in the composition of the Group for the financial period ended 31 March 2020 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for those disclosed below:

- (i) On 1 July 2019, Berjaya Philippines Inc. ("BPI") disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of Philippine Peso ("Php") 117.15 million (equivalent to approximately RM9.49 million). BPI in turn, is a subsidiary company of Berjaya Sports Toto Berhad ("BToto"). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of Php100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. BPI's equity interest in PGMC was thus further diluted to 39.99% from 79.99%, and PGMC ceased as a subsidiary and became an associated company of BPI.
- (ii) The Company acquired the entire equity interest in Berjaya Engineering Construction Sdn Bhd, comprising 5.0 million ordinary shares for RM4.82 million.
- (iii) On 22 August 2019, Berjaya Leisure Capital (Cayman) Ltd ("BLCC"), a wholly-owned subsidiary of the Company, subscribed for its entitlement and the excess of rights shares cum free warrants, totalling 100,000,000 new ordinary shares and 33,333,333 free warrants in Informatics Education Ltd ("Informatics") for a total cash consideration of SGD5.0 million (equivalent to approximately RM15.305 million). Consequently, BLCC's equity interest in Informatics increased from 27.09% to 67.42%, thus making Informatics a subsidiary company of BLCC.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
NOTES TO THE INTERIM FINANCIAL REPORT**

A8 There were no material changes in the composition of the Group for the financial period ended 31 March 2020 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for those disclosed below (Cont'd):

- (iv) The Group's equity interest in BToto has decreased to 40.05% following the disposal of 10.5 million BToto shares by the Group. Subsequently the Group's equity interest increased to 40.36% mainly due to the share buy-back by BToto.
- (v) the incorporation of BDS Smart City Co. Ltd ("BDS") by Berjaya Myanmar Holdings Sdn Bhd ("BMHSB"), a wholly-owned subsidiary of the Company. Subsequently, BDS became a 80%-owned subsidiary company of BMHSB.
- (vi) the incorporation of Berjaya Greenland Invest A/S ("BGI") by Berjaya Vacation Club Berhad, a wholly owned subsidiary of the Company. The intended principal activities of BGI is to carry out the investments and operations of real estate activities in Greenland.
- (vii) the incorporation of Berjaya Hotels & Resorts A/S ("BHRS") by Berjaya Vacation Club Berhad, a wholly owned subsidiary of the Company. The intended principal activities of BHRS is to carry out the investments and operations of real estate activities in Greenland.
- (viii) On 23 July 2019, BPI acquired 29,998 ordinary shares in Berjaya Auto Asia Inc. ("Berjaya Auto Asia"), a company incorporated in the Philippines for a total consideration of Php29,998 (equivalent to RM3,000), representing 30% equity interest in Berjaya Auto Asia. The principal activity of Berjaya Auto Asia is distribution of China brand vehicles through appointed dealers in the Philippines.
- (ix) Berjaya Reykjavik Investment Limited ("BRIL"), a wholly-owned subsidiary of the Company has completed the acquisition of the entire equity interest in Geirsgata 11 ehf ("GE11"), a company incorporated in Reykjavik, Iceland that owns a piece of leasehold land in Iceland for a cash consideration of USD1.399 million (equivalent to approximately RM5.75 million). BRIL has also settled the outstanding loan of USD12.591 million (equivalent to approximately RM51.79 million) obtained by GE11 to purchase the land.
- (x) Berjaya Engineering Construction Sdn Bhd, a wholly owned subsidiary of the Company had subscribed for 30 ordinary shares of RM1.00 each representing 30% equity interest in Aces Architects Sdn Bhd ("AA"). The intended principal activities of AA is to provide architectural services.

A9 There were no material changes in contingent liabilities since the last audited statement of financial position as at 30 June 2019.

Contingent Asset

A fire had occurred at the Group's beach resort, Berjaya Tioman Beach Resort in Pahang, resulting in loss of certain property, plant and equipment. A claim has been filed under the fire insurance policy and the amounts of claim are now being reviewed by the loss adjustors of the insurance company.

A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 June 2019 except for the reduction for the proposed investments in several foreign investees and approved capital expenditure amounting to RM67.48 million and RM238.64 million respectively in the current financial period.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B1 The main operating businesses of the Group are number forecast operation ("NFO") which includes toto betting operations and related activities, motor retailing and provision of aftersales services, property development and investment and the operations of hotels and resorts. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Toto betting operations and related activities (gaming)

- disposable income of the general public, Jackpot cycles, luck factor, illegal gaming and the number of draws in the financial period.

Motor retailing and provision of aftersales services

- the trend in prestige and specialist cars predominantly in the London area of United Kingdom and the ultimate impact of Brexit.

Property development and investment

- demographic of population, location of the properties, costs of building materials and related services lending guidelines and interest rates of the financial institutions, rental rates, age and condition of investment properties and the quality of property management services.

Operations of hotels and resorts

- room rates, seasonal festive periods and school holidays, location of the hotels and resorts, tourism and currency exchange trends, energy/other supplies costs, quality of rooms/amenities/service.

Due to the change of financial year end, the Group's performance of the current quarter and financial period is not comparable against the comparative periods.

The Covid-19 pandemic had resulted in unprecedented preventive measures of varying degrees of global population lockdown to curb the outbreak. By end of March 2020, the lockdown has caused the temporary closure of almost all businesses and imposition of travel and border restrictions in many countries. As for Malaysia, the Malaysian Government had the imposed Movement Control Order ("MCO") beginning from 18 March 2020. The MCO requires temporary closure of all businesses except for those involved in the provision of essential services and products and had resulted in a 14-day closure of the business operations of the Group in Malaysia during the current third quarter under review.

Review of Results For the Current Quarter Ended 31 March 2020

The summarised results of the Group are as follows:

	3-Month Ended		
	31/03/2020	31/03/2019	+ / (-)
	RM'000	RM'000	%
Revenue	<u>1,520,849</u>	<u>N/A</u>	<u>N/A</u>
Profit from operations	<u>58,217</u>	<u>N/A</u>	<u>N/A</u>
Profit before tax	<u>232,680</u>	<u>N/A</u>	<u>N/A</u>

The Group registered a revenue of RM1.52 billion and pre-tax profit of RM232.68 million in the current quarter ended 31 March 2020. The revenue was substantially contributed by the gaming business segment operated by Sports Toto Malaysia Sdn Bhd ("Sports Toto"), motor retailing business operated by H.R. Owen Ltd ("HR Owen") and the property development business segment from the completion of the development of Kensington Gardens in Penang.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**Review of Results For the Current Quarter Ended 31 March 2020 (Cont'd)

The implementation of MCO has resulted in the cancellation of 6 draws by Sports Toto in March 2020. In the United Kingdom ("UK"), HR Owen has shut down its operations since 23 March 2020, being the commencement date of the lockdown period in the UK. Prior to the imposition of the global lockdown, the Group's hotels, resorts, clubs and recreation business segments were already affected by lower sales, cancellation of events and room sales primarily due to the growing concerns and uncertainties created by the Covid-19 pandemic. In addition, the shopping malls and complexes of the Group had granted a 14-day rental relief to its eligible tenants who were also unable to operate during the MCO or lockdown period.

The Group's profit from operations for the current quarter under review were mainly contributed by the gaming business segment. The property development business segment reported loss from operations despite having higher revenue mainly due to higher expenses incurred. Other than the impact of Covid-19, the hotels and resorts business segment has incurred a write off about RM7.06 million in respect of the certain property, plant and equipment which were destroyed in a fire at Berjaya Tioman Beach Resort, Pahang and the full quarter's operating expenses of the recently opened Ansa Okinawa Resort, Japan. The other business segments have also reported loss from operations mainly due to lower revenue and higher operating expenses.

The Group reported a pre-tax profit of RM232.68 million in the current quarter under review, mainly contributed by the higher share of profit from its associated company, namely Berjaya Kyoto Development (S) Pte Ltd group, ("BKyoto") amounting to approximately RM224 million. BKyoto reported a substantial gain arising from the disposal of the trust beneficial interest on the hotel component of the Four Seasons Hotel & Hotel Residences Kyoto, Japan.

Review of Results For the 9-month Period

The summarised results of the Group are as follows:

	9-Month Ended		+ / (-) %
	31/03/2020 RM'000	31/03/2019 RM'000	
Revenue	<u>4,630,943</u>	<u>N/A</u>	<u>N/A</u>
Profit from operations	<u>211,901</u>	<u>N/A</u>	<u>N/A</u>
Profit before tax	<u>325,391</u>	<u>N/A</u>	<u>N/A</u>

For the cumulative nine months ended 31 March 2020 under review, the Group reported a revenue of RM4.63 billion and pre-tax profit of RM325.39 million. The gaming, motor retailing and property development business segments were the main contributors to the group revenue.

As mentioned the paragraphs above, the Group's results were impacted by the implementation of the lockdown measures by the various countries which has resulted in the closure of operations of its subsidiaries. This included the cancellation of six (6) draws in the current period under review by Sports Toto in March 2020. Prior to the imposition of the global lockdown, the Group's hotels, resorts and recreation had registered lower occupancy rates mainly due to the lower demand from the leisure and corporate markets and lower revenue from events arising from the low influx of tourists as the tourism industry was severely affected by the Covid-19 pandemic since January 2020.

The adverse results were offset by the higher share of profit from BKyoto as explained in the third quarter commentary.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR****B2 Review of Results of Third Quarter Vs Second Quarter**

	3-Month Ended 31/03/2020 RM'000	3-Month Ended 31/12/2019 RM'000	+/(-) %
Revenue	<u>1,520,849</u>	<u>1,534,169</u>	<u>(1)</u>
Profit from operations	<u>58,217</u>	<u>49,341</u>	<u>18</u>
Profit before tax	<u>232,680</u>	<u>11,193</u>	<u>1,979</u>

For the current quarter ended 31 March 2020, the Group reported a revenue of RM1.52 billion and pre-tax profit of RM232.68 million as compared to revenue of RM1.53 billion and pre-tax profit of RM11.19 million in the preceding quarter ended 31 December 2019.

The lower Group revenue was mainly due to:

- (i) lower revenue registered by Sports Toto arising from the cancellation of 6 draws during the MCO period in March 2020. In spite of this, its revenue on per draw basis registered an increase of 2.9% as a result of the traditionally higher sales during the Chinese Lunar New Year festive season in the month of January 2020.
- (ii) lower revenue from the hotels and resorts business segments from cancellation of room and events bookings resulting from concerns on Covid-19 pandemic; and
- (iii) lower revenue from the property investment business segments mainly due to the 14-day rental relief granted to tenants.

The above was partly mitigated by the higher revenue reported by the property development business segment from the completion of the development of Kensington Gardens in Penang and the higher new car sales reported by HR Owen. Despite the lower revenue, the Group reported higher profit of operations mainly due to favourable foreign translation effect in the current quarter.

The higher pre-tax profit of the current quarter as compared to the preceding quarter was mainly due to the higher share of profit from an associated company, BKyoto as explained in Note B1 above.

B3 Future Prospects

The Covid 19 pandemic has resulted in unprecedented preventive global lockdown measures of varying degrees and these undoubtedly have adversely impacted the global economy. As of to date, many countries are also beginning to ease their respective lockdown measures in phases. In Malaysia, the MCO which began on 18 March 2020, had eased into a Conditional MCO ("CMCO") from 4 May 2020 to 9 June 2020. On 7 June 2020, the Malaysian Government announced that CMCO will end on 9 June 2020 and Malaysia will ease into Recovery MCO ("RMCO") from 10 June 2020 to 31 August 2020.

During the RMCO period, almost all business operations of the Group in Malaysia will resume fully or partially and will implement social distancing rules and other guidelines under the Standard Operating Procedures ("SOPs") issued by the National Security Council.

During the CMCO period, the gaming business operated by Sports Toto remains suspended. As at todate, the gaming business is still suspended. Based on the assumption that the NFO operators are allowed to resume operations on after 10 June 2020 but before 30 June 2020, Sports Toto will effectively have only 8 draws or lesser during the fourth quarter ending 30 June 2020. The introduction of the preventive SOPs and fear of the pandemic may affect customers' confidence in the immediate term. In spite of the above, the Directors are cautiously optimistic that the business will gradually recover given that the NFO industry was fairly resilient in the past economic crises.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B3 Future Prospects (Cont'd)

The property development business segment is expected to be impacted by slower property sales mainly due to the expected liquidity squeeze arising from the contraction of the economy. The lockdown measure has also affected the progress of construction of the Group's ongoing projects.

The Group's shopping mall and complexes had granted rental relief (of which a 14-day relief period fell in the third quarter and the balance 14-day relief falls in the fourth quarter) to eligible tenants during this challenging time. Going forward, the Directors expect that the footfall to the shopping malls will continue to remain low due to the general public being still wary of Covid-19 infection despite the implementation of preventive SOPs. The low footfall may create a downward pressure on rental collections and revenue.

As for the hotels and resorts business segment, the Directors also expect that the occupancy rates and the revenue from events will remain low arising from low tourist arrivals coupled with new social distancing rules during the RMCO period.

In view of the above factors and the uncertainties as well as challenges amidst the highly fluid situation created by the pandemic, the Group is unable to provide a realistic forecast on the timing of its business operations returning to the level prior to the Covid-19 pandemic at this juncture. The recent incentives announced under the Short-term Economic Recovery Package in Malaysia, particularly for the hotels and resorts and property development business segments, may partly mitigate the adverse impact of Covid-19 pandemic. Taking into account of all the aforesaid, the Directors expect the results of the Group for the remaining quarter of the financial year ending 30 June 2020 to be adversely impacted.

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

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

	3-month ended 31/03/2020 RM'000	9-month ended 31/03/2020 RM'000
Interest income	(23,057)	(69,154)
Dividend income	(99)	(1,130)
Other income excluding dividend and interest income	(9,717)	(22,607)
Depreciation of property, plant and equipment	34,676	100,781
Gain on disposal of property, plant and equipment	(3,121)	(7,770)
Amortisation of intangible assets	228	879
Impairment loss on receivables (net)	50	669
Provision for and write off of inventories	793	2,242
Net foreign exchange gain	(10,534)	(8,884)
Gain or loss on derivatives	-	-
Fair value changes of investments at FVTPL	1,901	3,110
Gain on disposal of subsidiary company and remeasurement loss on retained interest of former subsidiary company (net)	-	(2,000)
Remeasurement gain of a former associated company prior to its reclassification to investment in a subsidiary company	-	(1,144)
Impairment of property, plant and equipment	-	3,163
Property, plant and equipment written off	7,063	7,063
Additional provision for impairment on the balance of GMOG Project sales proceeds	467	12,508
Gain on disposal of an investment property	-	(8,578)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B6 The taxation charges for the current quarter and financial period ended 31 March 2020 were detailed as follows:

	3-month ended 31/03/2020 RM'000	9-month ended 31/03/2020 RM'000
Malaysian income tax	33,545	103,743
Foreign tax	3,725	12,819
Underprovision in prior years	1,258	1,258
Deferred taxation	<u>17,234</u>	<u>24,426</u>
	<u><u>55,762</u></u>	<u><u>142,246</u></u>

The disproportionate tax charge of the Group for the current quarter and financial period ended 31 March 2020 was mainly due to certain expenses being disallowed for tax purposes, the non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies and the higher share of profit from an associated company during the current quarter.

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

- (a) On 19 July 2004, the Company announced that Selat Makmur Sdn Bhd now known as Berjaya Tagar Sdn Bhd ("BTSB"), a subsidiary company of Berjaya Land Development Sdn Bhd then, which in turn is a wholly owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSB had proposed to acquire Sungai Tinggi Land from BerjayaCity Sdn Bhd ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor of the new turf club ("BCity Project").

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders have been obtained for the STC Proposals.

Subsequently, on 28 June 2010, the Company announced the status of the CP as follows:

- 1 Approval of the FIC for the STC Proposals was obtained on 12 October 2004.
 - 2 Approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004.
 - 3 Approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004.
 - 4 Approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled.
 - 5 The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below.
- 6a. The approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and SMSB is awaiting the decision from the Selangor State government.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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):

- 6b. The approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a above is fulfilled.
- 6c. The approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the conditions precedent ("CP") in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 22 December 2011, the Company announced that STC granted BTSB request for a further extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remains outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by SMSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such date as mutually extended.

Pursuant to the aforesaid Supplemental Agreement, the period is extended for another year to 18 January 2020 to fulfil the conditions precedent below:

- 1 renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
- 2 the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
 - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
 - (ii) approval from the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
 - (iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2(i) and (ii) above are obtained.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, BTSSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

The judgement rendered on 9 November 2017 was as follows:

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

On 14 December 2017, the Company announced that the Selangor State Government and several other defendants ("the Appellants") have filed a Notice of Appeal to the Court of Appeal to appeal against the above decision of the Shah Alam High Court ("Main Appeal").

The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgement in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the the first and fifth respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

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

The hearing of the Main Appeal at the Court of Appeal which was previously fixed on 24 October 2019 has been vacated by the Court of Appeal. The Court of Appeal will instead hear a motion by the Appellants to adduce further evidence in this matter. The Court of Appeal has fixed 25 November 2019 as case management date to fix the hearing date of the Main Appeal. The Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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):

The hearing of the Appellants' motion to adduce further evidence in the matter was dismissed by the Court of Appeal on 24 October 2019. The Appellants subsequently filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal in dismissing the Appellants' motion to adduce further evidence (the "FC Leave Motion"). The Federal Court fixed the hearing of the FC Leave Motion on 13 April 2020.

The Appellants have also filed a stay application to stay the hearing of the Main Appeal pending disposal of the FC Leave Motion. This stay application is fixed for hearing on the same day as the hearing of the Main Appeal, that is on 27 March 2020. In the event that the stay is refused by the Court of Appeal, the hearing of the Main Appeal will proceed.

The hearing of the FC Leave Motion and the application for stay as well as the Main Appeal were postponed, due to the Movement Control Order ("MCO") which came into effect on 18 March 2020.

The Federal Court has now fixed the hearing of the FC Leave Motion on 6 July 2020.

The Court of Appeal has now fixed the hearing date for the stay application on 2 July 2020. A case management date for the Main Appeal has been fixed for 9 July 2020 by the Court of Appeal.

The STC Proposals proceedings are still ongoing.

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

Beijing SkyOcean has paid:

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

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

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.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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 8 December 2017, the Company announced Beijing SkyOcean had not remitted the Final Instalment to GMOC by the appointed time. Hence, GMOC after seeking legal advice, had on 7 December 2017, issued a notice of demand to Beijing SkyOcean and the Guarantors to pay to GMOC the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceeding in Hong Kong against Beijing SkyOcean and the Guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre ("HKIAC") against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

The arbitral tribunal had since been constituted and the procedural timetable had been determined by the tribunal for pre-trial preparations, including closing of pleadings, discovery of documents and exchange of witness statements, etc. The arbitration hearing which was originally scheduled to take place in the week of 14 October 2019 was subsequently held and concluded during the week of 16 December 2019.

On 27 May 2020, the Company announced that GMOC has on 21 May 2020 obtained a favourable arbitration award from the HKIAC ("Final Award"), details of which are as follows:-

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;
- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

GMOC will proceed to seek recognition and enforcement of the Final Award in all relevant jurisdictions after 20 June 2020, upon the expiry of the 30 days' voluntary settlement period stated in the Final Award.

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

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

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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):

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

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

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

On 24 December 2019, the Company announced that a total of USD15 million has been paid towards the purchase consideration. The final balance payment is to be determined pursuant to the terms of the SPA and the completion date of the proposed acquisition has been extended from 30 December 2019 to 28 February 2020.

On 28 February 2020, the Company announced that the balance of the final payment has been determined at USD40,311,544 pursuant to the SPA. A cash payment of USD20 million has been made whilst the payment for the remaining balance of USD20.31 million is to be made by the extended completion date of 31 May 2020.

On 3 April 2020, the Company announced that a total of USD35 million has already been paid to the Seller, leaving a balance of USD20.31 million. The Seller has granted a discount of USD10 million due to the temporary adverse economic effects of the COVID-19 outbreak and the amount of the discount has been netted off against the outstanding balance of USD20.31 million. The final net balance due amounting to USD10.31 million was paid on 3 April 2020 and the said Acquisition was completed on even date.

- (e) On 7 February 2020, the Company announced that its 80%-owned subsidiary namely BDS Smart City Co. Ltd ("BDS") has entered into a concession agreement ("CA") with the Government of Yangon Region ("YRG"), the Republic of the Union of Myanmar to formalize a collaboration in undertaking a housing and mixed development project on 12 parcels of land ("Land") in Myanmar.

Pursuant to the CA, BDS will own the exclusive rights over the Land for a period of 50 years from the date on which the conditions precedent of the CA are fulfilled (or waived) and further extendable for 2 consecutive terms of 10 years each ("Concession Period").

Based on the preliminary plan of the proposed development,

- (a) the estimated gross development value is USD746.08 million (or about RM3.05 billion);
(b) the gross development cost ("GDC") is estimated to be USD614.92 million (or about RM2.52 billion);
and

BERJAYA LAND BERHAD**Registration Number: 199001010193 (201765-A)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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):

- (c) the estimated profit before taxation is about USD131.16 million (or about RM536.44 million) to be recognized over the duration of the development up to completion.

The Land is expected to be developed over a period of 9 years and automatically extended for additional 1 year thereafter. The GDC is expected to be funded through bank borrowings and internally-generated funds of the Group.

In consideration of the rights granted by YRG to BDS under the CA, BDS shall pay and deliver to YRG a total consideration (in cash and in kind) comprising of:

- (i) cash of USD3.0 million (or about RM12.27 million); and
(ii) the affordable housing with an estimated net floor area of 242,800 square meters valued at USD182.76 million (or about RM747.49 million).

B8 Group borrowings and debt securities as at 31 March 2020:

	RM'000	RM'000
<u>Short term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	543,102	
Denominated in USD (USD1,282,000) *	5,548	
Denominated in GBP (GBP4,000,000) *	21,509	
Denominated in SGD(SGD7,793,000) *	23,692	
Denominated in Euro (€720,000) *	3,440	
Denominated in PHP (PHP455,000,000) *	38,695	
Denominated in VND (VND40,359,995,000) *	7,386	
		643,372
Secured Medium Term Notes (Denominated in RM)		<u>234,861</u>
		878,233
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia	1,214	
Denominated in USD (USD1,975,000) *	8,549	
		9,763
Secured vehicle stocking loans		
Denominated in GBP (GBP71,467,000) *		384,293
Sub-total short term borrowings		<u>1,272,289</u>
<u>Long term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	933,211	
Denominated in USD (USD1,998,000) *	8,649	
Denominated in Euro (€2,908,000) *	13,894	
Denominated in JPY (JPY2,257,712,000) *	90,510	
		1,046,264
Secured Medium Term Notes (Denominated in RM)		962,606
Sub-total long term borrowings carried forward		<u>2,008,870</u>

BERJAYA LAND BERHAD**Registration Number: 199001010193 (201765-A)****UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B8 Group borrowings and debt securities as at 31 March 2020 (Cont'd):

	RM'000	RM'000
Sub-total long term borrowings brought forward		2,008,870
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia	2,832	
Denominated in USD (USD12,015,000)	52,007	
		54,839
Sub-total long term borrowings		<u>2,063,709</u>
Total borrowings		<u>3,335,998</u>

* *Converted at the respective exchange rates prevailing as at 31 March 2020*

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

JDC Lawsuit

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

Pursuant to the Land SPA, JDC is obligated to transfer the lands acquired thereunder to BJR free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence JDC had breached the terms of the Land SPA as it failed to transfer good and unencumbered title to the said lands to BJR. Under the circumstances, the on-going development works on the Jeju Project were suspended pending the resolution of the lawsuits.

A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

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

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

At the preparatory court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project to quantify the amount of damages. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project had been completed by the court-appointed land appraisal company and the land price appraisal report has been submitted directly to the court.

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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 (cont'd):

JDC Lawsuit (cont'd)

On 13 September 2017, Jeju District Court rendered a judgement against JDC and Seogwipo City in the Administrative Lawsuit. The judgement rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgement. On 1 February 2019, the Korean Supreme Court dismissed JDC and Seogwipo City's appeal.

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report, to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court, and another judge was appointed as the new presiding judge in the JDC Lawsuit.

In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report, as BJR was dissatisfied with the first supplementary land appraisal report which was based on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct a second supplementary appraisal, to be undertaken by a different appraiser. The second supplementary land price appraisal report has been completed and a preparatory hearing was held on 20 June 2019. The presiding judge closed the preparatory proceedings for pleading and stated that the formal hearing will commence on 25 July 2019.

At the formal hearing held on 25 July 2019, the presiding judge requested BJR to submit evidentiary evidence with respect to the total claims by BJR and fixed 19 September 2019 as the next hearing date. On 19 September 2019, the presiding judge fixed 31 October 2019 as the final hearing before the court decides on the JDC Lawsuit. The final hearing was subsequently re-set to 25 November 2019. The court has fixed 9 January 2020 for delivery of the judgment. On 9 January 2020, the delivery of the court's judgement was postponed to 6 February 2020. On 6 February 2020, the court further postponed the delivery of its judgement to an unspecified date.

GMOC Project Arbitration Proceedings

Reference is made to Note B7 (b).

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre ("HKIAC") against Beijing SkyOcean and the Guarantors ("Respondents") to seek recovery of the Final Instalment and accrued late payment interests ("Outstanding Payment") as well as as other reliefs.

The arbitral tribunal had since been constituted and the procedural timetable had been determined by the tribunal for pre-trial preparations, including closing of pleadings and exchange of witness statements, etc. The arbitration hearing which was originally scheduled to take place in the week of 14 October 2019 was subsequently held and concluded during the week of 16 December 2019. The arbitral tribunal is currently in deliberations and a decision is expected during the second quarter of 2020.

On 27 May 2020, the Company announced that GMOC has on 21 May 2020 obtained a favourable arbitration award from the HKIAC ("Final Award"), details of which are as follows:-

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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 (cont'd):

- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

GMOC will proceed to seek recognition and enforcement of the Final Award in all relevant jurisdictions after 20 June 2020, upon the expiry of the 30 days' voluntary settlement period stated in the Final Award.

BCity Project Legal Proceedings

Reference is made to Note B7(a).

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, B7(a) and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other respondents ("the Appellants") 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 ("Main Appeal").

The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgement in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the first and fifth respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

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

The hearing of the Main Appeal at the Court of Appeal which was previously fixed on 24 October 2019 has been vacated by the Court of Appeal. The Court of Appeal will instead hear a motion by the Appellants to adduce further evidence in this matter. The Court of Appeal has fixed 25 November 2019 as case management date to fix the hearing date of the Main Appeal. The Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020
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 (cont'd):

BCity Project Legal Proceedings (cont'd)

The hearing of the Selangor State Government's motion to adduce further evidence in the matter was dismissed by the Court of Appeal on 24 October 2019. The Appellants subsequently filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal in dismissing the Appellants' motion to adduce further evidence (the "FC Leave Motion"). The Federal Court has fixed the hearing of the Appellants' application for leave to appeal on 13 April 2020.

The Appellants have also filed a stay application to stay the hearing of the Main Appeal pending disposal of the FC Leave Motion. This stay application is fixed for hearing on the same day as the hearing of the Main Appeal, that is on 27 March 2020. In the event that the stay is refused by the Court of Appeal, the hearing of the Main Appeal will proceed.

Due to the Movement Control Order (MCO) coming into effect on 18 March 2020, the hearings of the FC Leave Motion and the application for stay as well as the main appeal were postponed.

The Federal Court has now fixed the hearing of the FC Leave Motion on 6 July 2020.

The Court of Appeal has now fixed the hearing date for the stay application on 2 July 2020. A case management date for the main appeal has been fixed for 9 July 2020 by the Court of Appeal.

B10 The Board does not recommend any dividend for the current period (previous year corresponding period ended 31 March 2019 : N/A).

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

	Group (3-month period)			
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000		sen	
Net profit for the current period attributable to equity holders of the Parent	<u>144,180</u>	<u>N/A</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>N/A</u>		
Basic earnings per share			<u>2.89</u>	<u>N/A</u>
	Group (9-month period)			
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000		sen	
Net profit for the financial period attributable to equity holders of the Parent	<u>74,463</u>	<u>N/A</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>N/A</u>		
Basic earnings per share			<u>1.49</u>	<u>N/A</u>

There are no potential ordinary shares outstanding as at 31 March 2020. As such, the fully diluted earnings per share of the Group is equivalent to the basic earnings per share.