

BERJAYA LAND BERHAD

Registration Number: 199001010193 (201765-A)

24 May 2022

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2022**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	As at 31/03/2022 RM'000	As at 30/06/2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,947,246	1,938,953
Right-of-use assets	1,115,601	1,172,983
Investment properties	680,688	704,115
Inventories - land held for property development	1,239,063	1,179,891
Associated companies	328,099	324,601
Joint ventures	38,894	43,689
Investments	176,322	208,020
Intangible assets	3,602,369	3,609,310
Receivables	319,510	314,837
Retirement benefit assets	9,529	9,927
Deferred tax assets	81,532	77,241
	<u>9,538,853</u>	<u>9,583,567</u>
Current assets		
Inventories - property development costs	97,114	106,879
Inventories - others	615,968	528,916
Contract cost assets	14,321	12,830
Receivables	1,898,647	1,781,298
Contract assets	74,528	52,702
Short term investments	8,853	11,207
Tax recoverable	13,504	18,243
Derivative asset	-	80
Deposits, cash and bank balances	861,628	648,383
	<u>3,584,563</u>	<u>3,160,538</u>
Non-current assets classified as assets held for sale	<u>191,339</u>	<u>187,768</u>
	<u>3,775,902</u>	<u>3,348,306</u>
TOTAL ASSETS	<u><u>13,314,755</u></u>	<u><u>12,931,873</u></u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/03/2022 RM'000	As at 30/06/2021 RM'000 (Audited)
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		147,627	129,661
Capital reserve		116,528	116,528
Fair value reserve		1,054,940	1,054,940
Fair value through other comprehensive income ("FVTOCI") reserve		(45,587)	(47,681)
Consolidation reserve		88,731	85,664
(Accumulated loss)/Retained earnings		(66,319)	37,229
		<u>1,295,920</u>	<u>1,376,341</u>
Equity funds		3,796,088	3,876,509
Less: Treasury shares	A4	(33,643)	(33,643)
Net equity funds		<u>3,762,445</u>	<u>3,842,866</u>
Non-controlling interests		<u>2,098,596</u>	<u>2,062,916</u>
Total equity		<u><u>5,861,041</u></u>	<u><u>5,905,782</u></u>
Non-current liabilities			
Retirement benefit obligations and provisions		5,664	5,713
Long term borrowings	B8	2,175,433	1,721,389
Other long term liabilities		61,700	96,754
Lease liabilities		888,261	942,930
Deferred tax liabilities		989,640	993,958
Contract liabilities		197,309	205,375
		<u>4,318,007</u>	<u>3,966,119</u>
Current liabilities			
Payables		1,533,596	1,374,198
Short term borrowings	B8	1,194,512	1,367,394
Retirement benefit obligations and provisions		1,569	2,323
Tax payable		22,636	16,010
Contract liabilities		305,419	221,485
Lease liabilities		76,870	77,922
Derivative liabilities		1,105	640
		<u>3,135,707</u>	<u>3,059,972</u>
Total Liabilities		<u><u>7,453,714</u></u>	<u><u>7,026,091</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u><u>13,314,755</u></u></u>	<u><u><u>12,931,873</u></u></u>
Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)		<u><u>0.76</u></u>	<u><u>0.78</u></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
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
REVENUE		1,912,603	1,239,264	4,304,059	4,168,932
OPERATING EXPENSES, NET		<u>(1,805,868)</u>	<u>(1,232,681)</u>	<u>(4,155,021)</u>	<u>(4,058,630)</u>
PROFIT FROM OPERATIONS		106,735	6,583	149,038	110,302
Investment related items, net	A3	30,948	20,137	48,952	112,559
Share of results from associated companies		59	6,792	3,198	(35,101)
Share of results from joint ventures		(2,166)	(3,335)	(6,951)	(8,372)
Finance costs		<u>(47,397)</u>	<u>(47,383)</u>	<u>(147,656)</u>	<u>(149,112)</u>
PROFIT/(LOSS) BEFORE TAX	B5	88,179	(17,206)	46,581	30,276
TAXATION	B6	<u>(45,170)</u>	<u>(21,156)</u>	<u>(77,313)</u>	<u>(64,973)</u>
PROFIT/(LOSS) FOR THE QUARTER/PERIOD		<u>43,009</u>	<u>(38,362)</u>	<u>(30,732)</u>	<u>(34,697)</u>
ATTRIBUTABLE TO:					
- Owners of the parent		(7,444)	(50,780)	(105,673)	(124,293)
- Non-controlling interests		50,453	12,418	74,941	89,596
		<u>43,009</u>	<u>(38,362)</u>	<u>(30,732)</u>	<u>(34,697)</u>
LOSS PER SHARE (SEN)	B11				
- Basic		<u>(0.15)</u>	<u>(1.03)</u>	<u>(2.15)</u>	<u>(2.53)</u>
- Fully diluted		<u>(0.15)</u>	<u>(1.03)</u>	<u>(2.15)</u>	<u>(2.53)</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
PROFIT/(LOSS) FOR THE QUARTER/PERIOD	43,009	(38,362)	(30,732)	(34,697)
OTHER COMPREHENSIVE INCOME				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Currency translation differences:				
- Movement during the financial quarter/period	(3,341)	49,503	118	24,938
- Share of associated companies' currency translation differences	831	(11,434)	76	(12,049)
- Transfer to profit or loss upon disposal of a subsidiary company	-	-	-	(65,608)
<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")	(149)	10,337	10,815	25,788
Share of an associated company's changes in fair values of investments at FVTOCI	(773)	11,676	(1,483)	12,311
Share of other comprehensive income items of associated companies	-	(5)	-	(273)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER/PERIOD	<u>39,577</u>	<u>21,715</u>	<u>(21,206)</u>	<u>(49,590)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	(8,418)	(14,354)	(83,488)	(162,901)
- Non-controlling interests	47,995	36,069	62,282	113,311
	<u>39,577</u>	<u>21,715</u>	<u>(21,206)</u>	<u>(49,590)</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
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	FVTOCI reserve RM'000	Consolidation reserve RM'000	Retained earnings/ (Accumulated loss) RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2021	2,500,168	129,661	116,528	1,054,940	(47,681)	85,664	37,229	(33,643)	3,842,866	2,062,916	5,905,782
Loss for the financial period	-	-	-	-	-	-	(105,673)	-	(105,673)	74,941	(30,732)
Other comprehensive income	-	17,966	-	-	4,219	-	-	-	22,185	(12,659)	9,526
Total comprehensive income	-	17,966	-	-	4,219	-	(105,673)	-	(83,488)	62,282	(21,206)
Effect arising from the disposal of: - FVTOCI investments	-	-	-	-	(2,125)	-	2,125	-	-	-	-
Transaction with owners:											
Non-controlling interests arising from											
- partial disposal of a subsidiary company	-	-	-	-	-	4,392	-	-	4,392	(3,392)	1,000
- change of equity interest in subsidiary companies	-	-	-	-	-	(1,325)	-	-	(1,325)	(7,282)	(8,607)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(15,928)	(15,928)
	-	-	-	-	-	3,067	-	-	3,067	(26,602)	(23,535)
At 31 March 2022	2,500,168	147,627	116,528	1,054,940	(45,587)	88,731	(66,319)	(33,643)	3,762,445	2,098,596	5,861,041

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	<-----Attributable to the owners of the Parent----->											
	<-----Non Distributable----->						Distributable					
	Share capital	Exchange reserves	Capital reserve	Fair value reserve	Foreign currency translation reserve of disposal group classified as held for sale	FVTOCI reserve	Consolidation reserve	Retained earnings	Treasury shares	Total net equity funds	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	2,500,168	119,816	116,528	1,054,940	66,953	(62,049)	85,664	271,185	(33,643)	4,119,562	2,134,130	6,253,692
Loss for the financial period	-	-	-	-	-	-	-	(124,293)	-	(124,293)	89,596	(34,697)
Other comprehensive income	-	(5,864)	-	-	(66,953)	34,307	-	(98)	-	(38,608)	23,715	(14,893)
Total comprehensive income	-	(5,864)	-	-	(66,953)	34,307	-	(124,391)	-	(162,901)	113,311	(49,590)
Effects arising from the disposals of FVTOCI investments	-	-	-	-	-	1,886	-	(1,886)	-	-	-	-
Transactions with owners:												
Non-controlling interests arising from												
- acquisition of a new subsidiary company	-	-	-	-	-	-	-	-	-	-	2,459	2,459
- change of equity interest in a subsidiary company	-	-	-	-	-	-	6,041	-	-	6,041	(21,046)	(15,005)
- disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(128,583)	(128,583)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(51,888)	(51,888)
	-	-	-	-	-	-	6,041	-	-	6,041	(199,058)	(193,017)
At 31 March 2021	<u>2,500,168</u>	<u>113,952</u>	<u>116,528</u>	<u>1,054,940</u>	<u>-</u>	<u>(25,856)</u>	<u>91,705</u>	<u>144,908</u>	<u>(33,643)</u>	<u>3,962,702</u>	<u>2,048,383</u>	<u>6,011,085</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	4,515,156	4,244,981
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(4,283,163)	(3,888,885)
Tax paid	(74,557)	(47,350)
Other receipts (inclusive of tax refunds)	19,113	66,802
Net cash generated from operating activities	<u>176,549</u>	<u>375,548</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment, non-current assets and properties	53,875	670
Sale of an associated company	-	202
Sale of other investments and short term investments	29,602	21,255
Disposal of investment in a subsidiary company	-	394,025
Acquisition of property, plant and equipment, non-current assets and properties	(175,308)	(114,535)
Acquisition of additional equity interest in subsidiary companies	(18,251)	-
Subscription of shares in a joint venture	(550)	-
Net cash inflow from the acquisition of subsidiary companies	-	436
Acquisition of other investments and short term investments	(3,573)	(51,929)
Acquisition of additional equity interest in associated companies and joint ventures	(5,578)	(3,595)
Acquisition of treasury shares by a subsidiary company	-	(15,006)
Interest received	3,850	13,218
Dividend received	35,306	160,864
(Repayment to)/Advances from related companies	(51,775)	8,991
Net repayment from joint ventures and associated companies	1,555	14,743
Other receipts/(payments)	91,914	(6,587)
Net cash (used in)/generated from investing activities	<u>(38,933)</u>	<u>422,752</u>
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	681,966	261,220
Issuance of medium term notes	228,850	156,380
Redemption of medium term notes	(286,380)	(175,000)
Repayment of bank and other borrowings	(313,920)	(733,725)
Dividends paid to non-controlling interests of a subsidiary company	(19,933)	(53,745)
Interest paid	(118,219)	(130,468)
Payment of lease liabilities	(78,439)	(42,952)
Withdrawal of securities pledged for borrowings with banks	18,836	40,007
Other payments	(6,140)	(9,398)
Net cash generated from/(used in) financing activities	<u>106,621</u>	<u>(687,681)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	244,237	110,619
EFFECTS OF EXCHANGE RATE CHANGES	(6,761)	2,481
OPENING CASH AND CASH EQUIVALENTS	<u>581,129</u>	<u>555,111</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>818,605</u>	<u>668,211</u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	861,628	718,908
Bank overdraft (included under short term borrowings)	(9,184)	(10,863)
Less: cash and cash equivalents restricted in use	(33,839)	(39,834)
	<u>818,605</u>	<u>668,211</u>

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 PERIOD ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL REPORT**

- A1 The condensed consolidated interim financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia, IAS 34, Interim Financial Reporting, requirement of the Companies Act 2016 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 June 2021. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021 except the adoption of the new or revised standards, IC Interpretations and amendments to standards.

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 2021.

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.

- 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 year;
 - (iii) the toto betting operations may be positively impacted by the festive seasons; and
 - (iv) the global impact of COVID-19 pandemic.
- A3 Many governments have imposed multiple phases of movement control or lockdowns as preventive or restrictive measures to curb the COVID-19 pandemic. The Group's major business operations, particularly the gaming, hotels and resorts, property investment and the clubs business segments are adversely impacted by the various phases of business closures, international border closures, travel restrictions and social distancing rules.
- (a) There were no unusual or material items affecting the Group in the current period ended 31 March 2022 other than as disclosed below:

Statement of Profit or Loss

Included under investment related items, net:

	3-month ended 31/03/2022 RM'000	9-month ended 31/03/2022 RM'000
Net fair value changes of investments at fair value through profit or loss ("FVTPL")	(1)	(975)
Fair value changes on derivatives	(476)	(546)
Gain on disposal of investment properties	22,428	22,428
Gain on deemed disposal of an associated company	162	162
	<u>22,113</u>	<u>21,069</u>

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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 2022.

A4 The number of treasury shares held in hand as at 31 March 2022 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 July 2021 and 31 March 2022	0.42	79,837,104	33,643

As at 31 March 2022, the number of ordinary shares in issue with voting rights was 4,920,500,000 ordinary shares (31 March 2021 : 4,920,500,000).

A5 The Company did not pay any dividend during the current financial period ended 31 March 2022.

A6 Segmental information for the financial period ended 31 March 2022:

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting and related activities	1,519,609	-	1,519,609
Motor vehicle dealership	2,241,498	-	2,241,498
Property development and investment	136,486	19,511	155,997
Hotels and resorts	332,828	1,031	333,859
Clubs and others	73,638	10,333	83,971
Sub-total	4,304,059	30,875	4,334,934
Less: Inter-segment revenue	-	(30,875)	(30,875)
Total revenue	4,304,059	-	4,304,059
RESULTS			RM'000
Toto betting and related activities			168,839
Motor vehicle dealership			83,866
Property development and investment			(8,740)
Hotels and resorts			(41,349)
Clubs and others			405
			203,021
Unallocated corporate items			(53,983)
			149,038
Investment related items, net:			
- Interest income			25,187
- Fair value changes of investments at FVTPL			(975)
- Fair value changes on derivatives			(546)
- Gain on disposal of investment properties			22,428
- Gain on deemed disposal of an associated company			162
- Dividend income			2,696
			48,952
Share of results from associated companies			3,198
Share of results from joint ventures			(6,951)
Finance costs			(147,656)
Profit before tax			46,581
Taxation			(77,313)
Loss for the financial period			(30,732)

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NOTES TO THE INTERIM FINANCIAL REPORT**

- A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for the current financial period under review.
- A8 There were no material changes in the composition of the Group for the financial period ended 31 March 2021 including business combination, acquisition or disposal of subsidiaries and restructuring and discontinuing operations except for those disclosed below:
- (i) On 30 July 2021, H R Owen Plc, a wholly-owned subsidiary of Berjaya Philippines Inc. ("BPI") acquired a further 35% equity interest in its subsidiary company namely H R Owen Insurance Services Limited ("HR Owen Insurance") for a total consideration of £1.35 million (equivalent to approximately RM7.6 million), and its total equity interests in HR Owen Insurance increased from 60% to 95%. BPI in turn is a 88.26% subsidiary of Sports Toto Berhad (formerly known as Berjaya Sports Toto Berhad ("SPToto")).
 - (ii) Sports Toto Fitness Sdn Bhd, a wholly-owned subsidiary of SPToto had ceased operation on 31 July 2021 and became dormant.
 - (iii) Berjaya Okinawa Hospitality Asset TMK a wholly-owned subsidiary of the Group had voluntary wound up.
 - (iv) Informatics International Pte Ltd, a subsidiary of Informatics Education Limited had been struck off.
 - (v) The Company had acquired 100% equity interest in Rumah Mampu Berjaya Sdn Bhd ("RMB") for total cash consideration of RM2 and the intended principal activity of RMB is affordable housing property development.
 - (vi) The incorporation of Berjaya Okinawa FS Sdn Bhd ("BOFS") by Berjaya Hartanah Berhad ("BHartanah"), a wholly owned subsidiary of the Group. The intended principal activities of BOFS are property investment, development, trading and construction.
 - (vii) The Group, through BHartanah, has entered into a joint venture agreement with Landasan Lumayan Sdn Bhd ("LLSB"), a subsidiary of Menteri Besar Incorporation Selangor through a joint venture company namely Landasan Lumayan Berjaya Sdn Bhd ("LLBerjaya") to undertake river cleaning, river rehabilitation and river developments in the Klang Valley. BHartanah and LLSB hold 55% and 45% equity interest in LLBerjaya respectively.
 - (viii) Berjaya Hotels and Resorts (Seychelles) Limited, a subsidiary of the Company had been struck off.
 - (ix) Singapore Informatics Computer Institute (Pvt) Ltd, a subsidiary of Informatics Education Limited had been dissolved.
 - (x) The Group's equity interest in an associated company namely, Berjaya Asia Auto Inc. ("BAAI") was diluted from 30% to 19.98%. The Group invested in BAAI through its foreign subsidiary company namely BPI. The dilution of equity interest in BAAI arose when BPI renounced its rights to subscribe for additional new shares to be issued by BAAI.
 - (xi) Berjaya Vacation Club Berhad, a wholly-owned subsidiary of the Company has disposed of 10% equity interest in KDE Recreation Berhad ("KDE") to Arus Fantastik Sdn Bhd for a consideration of RM1 million. Prior to the disposal, KDE was a wholly owned subsidiary of the Group.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
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 June 2021.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 June 2021.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR**

B1 The main operating businesses of the Group are number forecast operations ("NFO") which includes toto betting operations and related activities, auto 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:

Number forecast operations (gaming)

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

Auto retailing and provision of aftersales services

- the trend in prestige and specialist cars in United Kingdom ("UK").

Property development and investment

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

Operations of hotels and resorts

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

The COVID-19 pandemic has resulted in various forms of movement controls including international travel restrictions in many of the countries in which the Group operates as preventive or restrictive measures to curb the COVID-19 pandemic. Full Movement Control Order ("FMCO") was imposed nationwide from 1 June 2021. Subsequently the Malaysian Government announced the implementation of the 4-phase National Recovery Plan ("NRP") whereby movement control measures were gradually eased in phases. The prolonged Covid-19 pandemic has adversely impacted the country's economy as well as the global economy till to-date. Malaysia, like many countries, have transitioned into the endemic phase of COVID-19 pandemic on 1 April 2022, with the opening of its borders. Further, the negative list which prohibited certain business and social activities was relaxed on 15 May 2022.

Review of Results For the Current Quarter Ended 31 March 2022

The summarised results of the Group are as follows:

	3-Month Ended		
	31/03/2022	31/03/2021	+/(-)
	RM'000	RM'000	%
Revenue	<u>1,912,603</u>	<u>1,239,264</u>	<u>54</u>
Profit from operations	<u>106,735</u>	<u>6,583</u>	<u>1,521</u>
Profit/(Loss) before tax	<u>88,179</u>	<u>(17,206)</u>	<u>N/A</u>

The Group registered a revenue of RM1.91 billion and pre-tax profit of RM88.18 million in the current quarter ended 31 March 2022 as compared to a revenue of RM1.24 billion and pre-tax loss of RM17.21 million in the previous year corresponding quarter.

The higher Group revenue was mainly due to:

- the gaming business segment operated by STM Lottery Sdn Bhd (formerly known as Sports Toto Malaysia Sdn Bhd) ("STM Lottery") which reported an increase in revenue of 70.3% mainly due to better sales from lotto games which resulted from higher accumulated jackpot prizes coupled with stronger sales attained during the festive period in the month of February 2022. Furthermore, the previous year corresponding quarter was also impacted by the Second Movement Control Order ("MCO 2.0"), imposed by the Malaysian Government from 13 January 2021 to 18 February 2021, in all states in Malaysia whereby all outlets were closed except for those operating in Sarawak;

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The higher Group revenue was mainly due to (cont'd):

- (ii) the higher overall occupancy and average room rates reported by the hotels and resorts business segment, in particular from the hotels in Iceland after the easing of travel and social restrictions during the current quarter under review; and
- (iii) higher sales recorded from both new and used car sectors reported by H.R. Owen upon the full resumption of its business operations for the quarter under review.

The above offset the lower revenue reported by the property development and investment business segment due to lower property billings.

The Group reported pre-tax profit in line with the higher revenue recorded in the current quarter under review. The pre-tax profit in the current quarter was mainly contributed by:

- (i) the higher profit contribution from its gaming business segment in line with its higher revenue achieved coupled with lower prize payout;
- (ii) all the other main business segments reported positive contribution to the Group's pre-tax profit in line with their higher revenue attained; and
- (iii) the Group also recorded a gain on disposal of investment properties amounting to RM22.4 million in the current quarter.

Review of Results For the 9-month Period

The summarised results of the Group are as follows:

	9-Month Ended		
	31/03/2022	31/03/2021	+ / (-)
	RM'000	RM'000	%
Revenue	<u>4,304,059</u>	<u>4,168,932</u>	<u>3</u>
Profit from operations	<u>149,038</u>	<u>110,302</u>	<u>35</u>
Profit before tax	<u>46,581</u>	<u>30,276</u>	<u>54</u>

For the cumulative nine months ended 31 March 2022 under review, the Group registered a revenue of RM4.30 billion and pre-tax profit of RM46.58 million as compared to a revenue of RM4.17 billion and pre-tax profit of RM30.28 million reported in the previous year corresponding period.

The higher Group revenue was mainly due to:

- (i) the hotel and resorts business segment reported higher overall average occupancy and room rates during the current period; and
- (ii) H.R. Owen reported an increase in revenue of 21.8% from the strong demand in the used car sector which resulted from the continued supply chain disruptions in the new car sector.

These were partly offset by lower overall property progress billings reported by the property development and investment business segment in the current period under review. In the previous year corresponding period, the Group recorded higher revenue after the handing over of a mixed development in Dong Nai, Vietnam. STM Lottery's revenue also decreased by 18.5% with the cancellation of 37 draws during the current corresponding period due to the nationwide lockdown from 1 June 2021 to 13 September 2021.

The Group's higher pre-tax profit in the current period under review was mainly due to its higher revenue reported by the hotel and resorts business segment and H.R. Owen as explained above. The property development business segment reported lower losses despite registering lower revenue mainly due to lower operating expenses incurred.

This offset the lower profit reported by STM Lottery arising from lower revenue and higher prize payout.

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B2 Review of Results of Third Quarter Vs Second Quarter

	3-Month Ended 31/03/2022 RM'000	3-Month Ended 31/12/2021 RM'000	+/(-) %
Revenue	<u>1,912,603</u>	<u>1,428,417</u>	<u>34</u>
Profit from operations	<u>106,735</u>	<u>73,823</u>	<u>45</u>
Profit before tax	<u>88,179</u>	<u>34,748</u>	<u>154</u>

For the current quarter ended 31 March 2022, the Group reported a revenue of RM1.91 billion and pre-tax profit of RM88.18 million as compared to a revenue of RM1.43 billion and pre-tax profit of RM34.75 million in the preceding quarter ended 31 December 2021.

The Group's higher revenue was mainly due to:

- (i) the gaming business segment operated by STM Lottery reported higher revenue by 38.2% in spite of having lower number of draws in the current quarter, driven mainly by the higher accumulated jackpot prizes and stronger sales during the festive period in the month of February 2022;
- (ii) higher property progress billings reported by property development and investment business segment from its project at The Tropika, Bukit Jalil; and
- (iii) H.R. Owen reported an increase in revenue of 40% as compared to the preceding quarter primarily due to higher sales from both new and used car sectors, while the preceding quarter performance was dampened by certain restrictions implemented by the UK Government due to concerns with rising COVID-19 cases.

The above factors offset the lower revenue registered by the hotel and resorts business segment from lower occupancy and average room rates. In the preceding quarter, this business segment enjoyed the benefit of the year end festive and holiday season.

The Group reported a higher pre-tax profit in the current quarter under review as compared to preceding quarter mainly due to higher profit contribution from most business segments resulting from its higher revenue as mentioned in the preceding paragraphs. The Group also recorded a gain on disposal of investment properties amounting to RM22.4 million in the current quarter under review.

B3 Future Prospects

The global economy has started to recover as most countries in the world have transitioned into the endemic phase of the COVID-19 pandemic with the full resumption of business activities and the re-opening of international borders. However, the recent rise of global inflation rates caused by the reduction of commodities supplies and disruptions in supply chains, brought on by the ongoing Russia-Ukraine war and the COVID-19 lockdowns in China, have certainly impacted the economic recovery rate.

Taking into account of the aforesaid and barring any unforeseen circumstances, the Directors expect the performance of the business operations of the Group for the final quarter of the financial year ending 30 June 2022 to be satisfactory, despite having to bear the rising operating costs going forward.

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

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

	3-month ended 31/03/2022 RM'000	9-month ended 31/03/2022 RM'000
Interest income	(8,449)	(25,187)
Dividend income	(386)	(2,696)
Other income excluding dividend and interest income	(7,111)	(20,077)
Depreciation of property, plant and equipment	25,169	77,041
Depreciation of right-of-use assets	25,786	75,566
Loss/(Gain) on disposal of property, plant and equipment	86	(6,793)
Gain on disposal of investment properties	(22,428)	(22,428)
Gain on deemed disposal of an associated company	(162)	(162)
Amortisation of intangible assets	444	1,294
Reversal of impairment loss on receivables (net)	(1,283)	(1,326)
Provision for and write off of inventories	5,764	17,847
Net foreign exchange loss	1,256	24,336
Fair value changes of investments at FVTPL	1	975
Fair value changes on derivatives	<u>476</u>	<u>546</u>

B6 The taxation charges for the current quarter and financial period ended 31 March 2022 were detailed as follows:

	3-month ended 31/03/2022 RM'000	9-month ended 31/03/2022 RM'000
Malaysian income tax	32,943	64,537
Foreign tax	9,528	21,416
Deferred taxation	<u>2,374</u>	<u>(8,609)</u>
	<u>45,170</u>	<u>77,313</u>

The disproportionate tax charge of the Group for the current quarter and financial period ended 31 March 2022 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 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").

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

The 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 conditions precedent ("CP") as follows:

- 1 Approval of the FIC for the STC Proposals was obtained on 12 October 2004.
- 2 Approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004.
- 3 Approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004.
- 4 Approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled.
- 5 The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below.
- 6a. The approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and SMSB is awaiting the decision from the Selangor State government.
- 6b. The approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a above is fulfilled.
- 6c. The approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

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

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

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

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.

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

Pursuant to the aforesaid Supplemental Agreement, the period is extended for another year to 18 January 2022 to fulfil the conditions precedent below:

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

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, BSB 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.

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").

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

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

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

The hearing of the Selangor State Government's appeal at the Court of Appeal 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 Selangor State Government to adduce further evidence in this matter. The Court of Appeal has then fixed 22 November 2019 as case management date to fix the hearing date of the Main Appeal. On 22 November 2019, the Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

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 was fixed for hearing on the same day as the hearing of the Main Appeal, that was 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 to 6 July 2020 and 2 July 2020 respectively. A case management date for the main appeal was also fixed for 9 July 2020 by the Court of Appeal.

Subsequently, the State Government has withdrawn both the FC Leave Motion and the stay application at the Court of Appeal on 19 June 2020 and 2 July 2020 respectively. The hearing of the Main Appeal by the Court of Appeal was initially fixed on 14 December 2020. However, the Court of Appeal had postponed the hearing date of the Main Appeal to 29 June 2021. The implementation of FMCO beginning 1 June 2021 further postponed the hearing date to 27 September 2021. On 27 September 2021, the Court of Appeal postponed the hearing to 3 November 2021.

The Main Appeal was heard by the Court of Appeal on 3 November 2021.

The Court of Appeal allowed the appeal of the Appellants and set aside the decision of the Shah Alam High Court rendered on 9 November 2017.

The Applicants do not agree with the decision of the Court of Appeal and filed a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restore the decision of the Shah Alam High Court of 9 November 2017 ("Motion for Leave"). The hearing date to hear the Motion for Leave at the Federal Court is set on 2 August 2022.

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

With respect to the Assessment Proceedings and Extension of Time Application, the Shah Alam High Court has fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision of 3 November 2021.

The case management date at the Shah Alam High Court was subsequently rescheduled to 8 December 2021. At the case management on 8 December 2021, the Shah Alam High Court directed that in light of the Court of Appeal's decision on 3 November 2021, which allowed the Appellants' appeal against the Shah Alam High Court's decision, there are no further proceedings on both the Assessment Proceedings and the Extension of Time Application at the Shah Alam High Court. Hence, there is no basis for the applications to be kept in abeyance at the Shah Alam High Court. The Court then struck out both the Assessment Proceedings and the Extension of Time Application with no order as to costs.

- (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.

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

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 ("Respondents") to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

The arbitral tribunal was constituted and the procedural timetable was 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.

On 18 December 2020, Beijing Fourth Intermediate People's Court ordered the recognition and enforcement of GMOC's Final Award under the Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region ("HKSAR"), which was entered between the Chinese Supreme People's Court and HKSAR.

On 2 June 2021, the Hong Kong Court ordered a bankruptcy order against Zhou Zheng. Subsequently, GMOC appointed Grant Thornton Recovery & Reorganisation Limited as joint and several trustees of the property of Zhou Zheng, to investigate, identify, freeze and auction the identified properties as well as investments to recover the Final Award.

The courts in the People's Republic of China and Hong Kong have ordered that various assets of Beijing SkyOcean and its Guarantors to be frozen and will be appraised for auction to eventually recover the Final Award.

The abovementioned enforcement proceedings are still ongoing.

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

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

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

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

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

B8 Group borrowings and debt securities as at 31 March 2022:

		RM'000	RM'000
Short term borrowings			
Secured bank borrowings			
Denominated in RM		422,781	
Denominated in GBP (GBP341,000)	*	1,884	
Denominated in SGD(SGD1,977,000)	*	6,141	
Denominated in Euro (€3,566,000)	*	16,725	
Denominated in ISK (ISK400,000,000)	*	13,216	
Denominated in PHP (PHP177,083,000)	*	14,331	
Denominated in JPY (JPY166,030,000)	*	5,705	
			480,783
Secured Medium Term Notes (Denominated in RM)			387,578
Secured Sukuk Wakalah Medium Term Notes (Denominated in RM)			40,160
Unsecured other bank borrowings			
Denominated in GBP (GBP10,000)	*		56
Secured finance lease and hire purchase payables			
Denominated in RM		1,633	
Denominated in USD (USD2,000,000)	*	8,404	
			10,037
Secured vehicle stocking loans			
Denominated in GBP (GBP49,938,000)	*		275,898
Sub-total short term borrowings			1,194,512

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B8 Group borrowings and debt securities as at 31 March 2022 (cont'd):

	RM'000	RM'000
Long term borrowings		
Secured bank borrowings		
Denominated in RM	924,434	
Denominated in Euro (€52,258,000) *	245,092	
Denominated in GBP (GBP14,659,000) *	80,988	
Denominated in ISK (ISK1,856,088,000) *	61,325	
Denominated in PHP (PHP102,917,000) *	8,329	
Denominated in JPY (JPY3,489,891,000) *	119,913	
		1,440,081
Secured Medium Term Notes (Denominated in RM)		648,729
Secured Sukuk Wakalah Medium Term Notes (Denominated in RM)		50,000
Unsecured other bank borrowings		
Denominated in GBP (GBP33,000) *		180
Secured finance lease and hire purchase payables		
Denominated in RM	2,190	
Denominated in USD (USD8,153,000) *	34,253	
		36,443
Sub-total long term borrowings		2,175,433
Total borrowings		3,369,945

* Converted at the respective exchange rates prevailing as at 31 March 2022

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

(a) 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 was constituted and the procedural timetable was 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.

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

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

(a) GMOC Project Arbitration Proceedings (Cont'd)

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 (cont'd):-

- (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.

On 18 December 2020, Beijing Fourth Intermediate People's Court ordered the recognition and enforcement of GMOC's Final Award under the Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region ("HKSAR"), which was entered between the Chinese Supreme People's Court and HKSAR.

On 2 June 2021, the Hong Kong Court ordered a bankruptcy order against Zhou Zheng. Subsequently, GMOC appointed Grant Thornton Recovery & Reorganisation Limited as joint and several trustees of the property of Zhou Zheng, to investigate, identify, freeze and auction the identified properties as well as investments to recover the Final Award.

The courts in the People's Republic of China and Hong Kong have ordered that various assets of Beijing SkyOcean and its Guarantors to be frozen and will be appraised for auction to eventually recover the Final Award.

The abovementioned enforcement proceedings are still ongoing.

(b) BCity Project Legal Proceedings

Reference is made to Note B7(a).

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

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

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

(b) BCity Project Legal Proceedings (Cont'd)

The hearing of the Selangor State Government's 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 Selangor State Government to adduce further evidence in this matter. The Court of Appeal has then fixed 22 November 2019 as case management date to fix the hearing date of the Main Appeal. On 22 November 2019, the Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

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 to 6 July 2020 and 2 July 2020 respectively. A case management date for the Main Appeal was also fixed for 9 July 2020 by the Court of Appeal.

Subsequently, the State Government has withdrawn both the FC Leave Motion and the stay application at the Court of Appeal on 19 June 2020 and 2 July 2020 respectively. The hearing of the Main Appeal by the Court of Appeal was initially fixed on 14 December 2020. However, the Court of Appeal had postponed the hearing date of the Main Appeal to 29 June 2021. The implementation of FMCO beginning 1 June 2021 further postponed the hearing date to 27 September 2021. On 27 September 2021, the Court of Appeal postponed the hearing to 3 November 2021.

The Main Appeal was heard by the Court of Appeal on 3 November 2021.

The Court of Appeal allowed the appeal of the Appellants and set aside the decision of the Shah Alam High Court rendered on 9 November 2017.

The Applicants do not agree with the decision of the Court of Appeal and filed a motion for leave to appeal to the Federal Court to set aside the decision of the Court of Appeal and restore the decision of the Shah Alam High Court of 9 November 2017 ("Motion for Leave"). The hearing date to hear the Motion for Leave at the Federal Court is set on 2 August 2022.

With respect to the Assessment Proceedings and Extension of Time Application, the Shah Alam High Court has fixed a further case management date on 25 November 2021 for the Applicants to update the Shah Alam High Court as to their next course of action following the Court of Appeal's decision of 3 November 2021.

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

(b) BCity Project Legal Proceedings (Cont'd)

The case management date at the Shah Alam High Court was subsequently rescheduled to 8 December 2021. At the case management on 8 December 2021, the Shah Alam High Court directed that in light of the Court of Appeal's decision on 3 November 2021, which allowed the Appellants' appeal against the Shah Alam High Court's decision, there are no further proceedings on both the Assessment Proceedings and the Extension of Time Application at the Shah Alam High Court. Hence, there is no basis for the applications to be kept in abeyance at the Shah Alam High Court. The Court then struck out both the Assessment Proceedings and the Extension of Time Application with no order as to costs.

The BCity Project Legal Proceedings is still ongoing.

(c) Amat Muhibah Tax Dispute

On 16 June 2021, the Inland Revenue Board of Malaysia ("IRB") issued Notice of Assessment ("Form J") in accordance with Sections 4(c) and 4(f) of the Income Tax Act 1967 ("ITA 1967") to Amat Muhibah Sdn Bhd ("AMSB"), a 52.6% subsidiary company of the Company, on gains from the surrender of certain assets to authorities for the Year of Assessment (YA) 2017. The amount of additional tax assessed, inclusive of tax penalties amounted to RM66.44 million ("Tax in Dispute"). Previously, the gains were brought to tax under Section 4(a) of the ITA 1967 by AMSB.

AMSB did not agree with the basis applied by the IRB and has filed an official appeal against the additional assessment for YA2017 through submission of the prescribed Form Q to the Special Commissioners of Income Tax ("SCIT"). SCIT has set 21 April 2022 as mention date of the appeal.

On 1 July 2021, AMSB wrote to the Ministry of Finance Malaysia ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
- (b) to grant an exemption under Section 127(3A) of the ITA 1967 with regards to Tax in Dispute, within the week.

As MOF did not respond to AMSB's request, AMSB has filed an application to the High Court of Kuala Lumpur ("High Court") for judicial review against MOF on 8 July 2021 ("MOF Judicial Review"). The High Court fixed 15 September 2021 for the first hearing of the MOF Judicial Review. AMSB has also been granted an interim stay on the payment of the Tax in Dispute until 15 September 2021. Subsequently, the hearing date has been rescheduled to 25 July 2022 and an interim stay has been granted till then.

Based on the opinion obtained from its legal advisors, AMSB has an arguable case that the IRB has no legal and factual basis to raise the Tax in Dispute.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 31 March 2021 : Nil).

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

	Group (3-month period)			
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	sen	sen
Net loss for the current quarter attributable to equity holders of the Parent	<u>(7,444)</u>	<u>(50,780)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,920,500</u>	<u>4,920,500</u>		
Basic loss per share			<u>(0.15)</u>	<u>(1.03)</u>
	Group (9-month period)			
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	sen	sen
Net loss for the financial period attributable to equity holders of the Parent	<u>(105,673)</u>	<u>(124,293)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,920,500</u>	<u>4,920,500</u>		
Basic loss per share			<u>(2.15)</u>	<u>(2.53)</u>

There are no potential ordinary shares outstanding as at 31 March 2022. As such, the fully diluted loss per share of the Group is equivalent to the basic loss per share.