

BERJAYA LAND BERHAD

Company No: 201765-A

21 December 2015

**UNAUDITED INTERIM FINANCIAL REPORT FOR
THE QUARTER ENDED 31 OCTOBER 2015**

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/10/2015 RM'000	As at 30/04/2015 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		1,760,761	2,586,999
Investment properties		610,558	607,758
Land held for development		936,657	849,888
Prepaid land lease premiums		1,014	1,018
Associated companies		477,672	378,015
Joint ventures		41,424	44,812
Investments		105,713	165,350
Intangible assets		5,139,971	5,093,609
Receivables		674,971	564,539
Deferred tax assets		31,259	22,955
		<u>9,780,000</u>	<u>10,314,943</u>
Current Assets			
Property development costs		1,177,889	1,351,288
Inventories		585,312	479,542
Receivables		1,164,345	871,823
Short term investments		2,052	3,087
Tax recoverable		9,700	10,364
Deposits, cash and bank balances		994,724	1,082,074
Assets of disposal group/non current assets classified as held for sale		1,192,383	58,009
		<u>5,126,405</u>	<u>3,856,187</u>
TOTAL ASSETS		<u>14,906,405</u>	<u>14,171,130</u>
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		352,600	(3,354)
Capital reserve		10,804	10,804
Fair value reserve		1,935,385	1,935,385
Available-For-Sale ("AFS") reserve		211	13,114
Consolidation reserve		21,220	21,220
Retained earnings		639,787	467,982
		<u>2,960,007</u>	<u>2,445,151</u>
Equity funds		5,460,175	4,945,319
Less: Treasury shares	A4	(20,699)	(20,699)
Net equity funds		5,439,476	4,924,620
Non-controlling interests		3,348,140	3,292,065
Total equity		<u>8,787,616</u>	<u>8,216,685</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/10/2015 RM'000	As at 30/04/2015 RM'000 (Audited)
Non-current liabilities			
Medium term notes	B8	1,237,969	1,142,734
Retirement benefit obligations		7,628	9,511
Long term borrowings	B8	1,963,909	2,016,297
Other long term liabilities		252,573	235,958
Deferred taxation		120,779	117,054
		<u>3,582,858</u>	<u>3,521,554</u>
Current Liabilities			
Payables		1,564,786	1,392,313
Short term borrowings	B8	838,200	826,237
Medium term notes	B8	105,000	200,000
Retirement benefit obligations and provisions		3,645	1,107
Tax payable		24,300	13,234
		<u>2,535,931</u>	<u>2,432,891</u>
Total Liabilities		<u>6,118,789</u>	<u>5,954,445</u>
TOTAL EQUITY AND LIABILITIES		<u>14,906,405</u>	<u>14,171,130</u>
 <i>Net assets per RM0.50 share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>			
		<u>1.09</u>	<u>0.99</u>

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

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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/10/2015 RM'000	31/10/2014 RM'000	31/10/2015 RM'000	31/10/2014 RM'000
REVENUE		1,622,647	1,408,904	3,133,871	2,819,730
OPERATING EXPENSES, NET		<u>(1,465,862)</u>	<u>(1,257,138)</u>	<u>(2,831,994)</u>	<u>(2,527,710)</u>
PROFIT FROM OPERATIONS	A3	156,785	151,766	301,877	292,020
Investment related income, net	A3	207,330	22,167	217,512	61,598
Share of results from associated companies		(354)	(937)	(1,018)	1,492
Share of results from joint ventures		(1,551)	(3,613)	(3,468)	(11,175)
Finance costs		<u>(52,122)</u>	<u>(46,964)</u>	<u>(102,694)</u>	<u>(89,140)</u>
PROFIT BEFORE TAX	B5	310,088	122,419	412,209	254,795
TAXATION	B6	<u>(59,911)</u>	<u>(54,267)</u>	<u>(103,221)</u>	<u>(100,291)</u>
PROFIT NET OF TAX		<u>250,177</u>	<u>68,152</u>	<u>308,988</u>	<u>154,504</u>
ATTRIBUTABLE TO:					
- Owners of the parent		208,299	8,972	218,211	46,635
- Non-controlling interests		<u>41,878</u>	<u>59,180</u>	<u>90,777</u>	<u>107,869</u>
		<u>250,177</u>	<u>68,152</u>	<u>308,988</u>	<u>154,504</u>
EARNINGS PER SHARE (SEN)	B11				
- Basic		<u>4.17</u>	<u>0.18</u>	<u>4.37</u>	<u>0.94</u>
- Fully diluted		<u>4.17</u>	<u>0.18</u>	<u>4.37</u>	<u>0.94</u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 April 2015.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/10/2015	31/10/2014	31/10/2015	31/10/2014
	RM'000	RM'000	RM'000	RM'000
PROFIT NET OF TAX	250,177	68,152	308,988	154,504
OTHER COMPREHENSIVE INCOME				
<u>Items that may be subsequently reclassified to profit or loss</u>				
Net changes in fair value of available-for-sale investments:				
- Changes in fair value during the quarter/period	(16,808)	(6,804)	(25,257)	6,370
- Transfer to profit or loss upon disposal	1,069	(536)	1,069	(18,776)
Share of an associated company's changes in fair value of available-for-sale investments	(289)	1,072	(2,200)	428
Currency translation differences	260,781	12,924	362,806	(17,985)
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Actuarial loss recognised in defined benefit pension scheme	-	(3,687)	-	(3,687)
Tax effect relating to components of other comprehensive income	-	737	-	737
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	<u>494,930</u>	<u>71,858</u>	<u>645,406</u>	<u>121,591</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	432,390	10,131	514,856	14,677
- Non-controlling interests	62,540	61,727	130,550	106,914
	<u>494,930</u>	<u>71,858</u>	<u>645,406</u>	<u>121,591</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2015.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2015	2,500,168	(3,354)	10,804	1,935,385	13,114	21,220	467,982	(20,699)	4,924,620	3,292,065	8,216,685
Total comprehensive income	-	309,548	-	-	(12,903)	-	218,211	-	514,856	130,550	645,406
Transactions with owners:											
Non-controlling interests arising from:											
- deemed disposal arising from dilution of equity interest in a subsidiary company	-	46,406	-	-	-	-	(46,406)	-	-	-	-
- accretion of equity interest in a subsidiary company	-	-	-	-	-	-	-	-	-	(15,030)	(15,030)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(59,445)	(59,445)
	-	46,406	-	-	-	-	(46,406)	-	-	(74,475)	(74,475)
At 31 October 2015	<u>2,500,168</u>	<u>352,600</u>	<u>10,804</u>	<u>1,935,385</u>	<u>211</u>	<u>21,220</u>	<u>639,787</u>	<u>(20,699)</u>	<u>5,439,476</u>	<u>3,348,140</u>	<u>8,787,616</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital	Exchange reserves	Capital reserve	Fair value reserve	AFS 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
At 1 May 2014	2,500,168	(81,883)	10,804	1,983,501	31,873	17,782	941,751	(45,466)	5,358,530	3,261,525	8,620,055
Total comprehensive income	-	(16,693)	-	-	(14,499)	-	45,869	-	14,677	106,914	121,591
Transactions with owners:											
Non-controlling interests arising from:											
- additional acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	(19,702)	-	(19,702)	(22,458)	(42,160)
- partial disposal of equity interest in a subsidiary company	-	-	-	-	-	3,438	-	-	3,438	27,090	30,528
- additional subscription of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	31,037	31,037
Resale of treasury shares	-	-	-	-	-	-	(13,707)	24,767	11,060	-	11,060
Dividend payable *	-	-	-	-	-	-	(49,763)	-	(49,763)	-	(49,763)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(100,502)	(100,502)
	-	-	-	-	-	3,438	(83,172)	24,767	(54,967)	(64,833)	(119,800)
At 31 October 2014	<u>2,500,168</u>	<u>(98,576)</u>	<u>10,804</u>	<u>1,983,501</u>	<u>17,374</u>	<u>21,220</u>	<u>904,448</u>	<u>(20,699)</u>	<u>5,318,240</u>	<u>3,303,606</u>	<u>8,621,846</u>

* In respect of financial year ended 30 April 2014

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/10/2015	31/10/2014
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	3,246,398	3,057,863
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(3,211,008)	(2,936,794)
Tax paid	(98,377)	(86,014)
Other receipts (inclusive of tax refunds)	7,965	1,283
Net cash (used in)/generated from operating activities	<u>(55,022)</u>	<u>36,338</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	746	45,176
Sale of short term investments	1,461	3,557
Sale of other investments	44,039	105,438
Repayment of advances from a former subsidiary company	103,370	-
Net cash outflow from deemed disposal arising from dilution of interest in a subsidiary company	(32,370)	-
Partial disposal of equity interest in a subsidiary company	-	30,528
Resale of treasury shares	-	11,060
Acquisition of property, plant and equipment, non-current assets and properties	(37,913)	(76,530)
Acquisition of other investments and short term investments	(2,154)	(19,478)
Acquisition of additional equity interest in a subsidiary company	-	(40,260)
Acquisition of treasury shares by a subsidiary company	(15,028)	-
Additional subscription of shares in an associated company	(765)	(3,029)
Interest received	16,054	15,747
Dividend received	810	893
Advances from related companies	27,334	23,941
Advances to joint ventures	(4,844)	(7,435)
Other payments	(51,612)	(20,661)
Net cash generated from investing activities	<u>49,128</u>	<u>68,947</u>
FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests	-	31,037
Drawdown of bank and other borrowings	631,675	923,436
Repayment of bank and other borrowings	(604,084)	(801,323)
Dividends paid to non-controlling interests of a subsidiary company	(59,445)	(100,502)
Interest paid	(101,834)	(82,526)
Placement in banks as security pledged for borrowings	(26,928)	-
Other payments	(3,821)	(37,283)
Net cash used in financing activities	<u>(164,437)</u>	<u>(67,161)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(170,331)	38,124
EFFECTS OF EXCHANGE RATE CHANGES	72,151	(5,948)
OPENING CASH AND CASH EQUIVALENTS	<u>907,507</u>	<u>823,159</u>
CLOSING CASH AND CASH EQUIVALENTS	<u><u>809,327</u></u>	<u><u>855,335</u></u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	994,724	1,028,335
Bank overdraft (included under short term borrowings)	(15,031)	(42,225)
Less: cash and cash equivalents restricted in use	<u>(170,366)</u>	<u>(130,775)</u>
	<u><u>809,327</u></u>	<u><u>855,335</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
NOTES TO THE INTERIM FINANCIAL REPORT

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2015. The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2015.

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

- A2 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for:
- (i) the property development division which is affected by the prevailing cyclical economic conditions;
 - (ii) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the third quarter of the financial year; and
 - (iii) the toto betting operations may be positively impacted by the festive seasons.
- A3 (a) There were no unusual or material items affecting the Group in the financial quarter and period ended 31 October 2015 other than as disclosed below:

Statement of Profit or Loss

- (i) Included under investment related income, net:

	Quarter ended 31/10/2015 RM'000	Financial period ended 31/10/2015 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted equity investments	(2,288)	(3,145)
Impairment loss of quoted available-for-sale ("AFS") investments	-	(59)
Liquidated damages on termination of sales and purchase agreement	-	(1,903)
Gain on deemed disposal arising from dilution of equity interest in a subsidiary company (refer to Note A8(ii))	49,567	49,567
Gain on re-measurement of fair value of the remaining stake in a former subsidiary company (refer to Note A8(ii))	146,847	146,847
	<u>194,126</u>	<u>191,307</u>

- (b) There were no major changes in estimates reported in the prior financial quarter had a material effect in the financial quarter and period ended 31 October 2015.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
NOTES TO THE INTERIM FINANCIAL REPORT

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 31 October 2015.

The number of treasury shares held in hand as at 31 October 2015 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2015 and at 31 October 2015	1.89	10,943,000	20,699

As at 31 October 2015, the number of ordinary shares in issue and fully paid with voting rights was 4,989,394,000 ordinary shares of RM0.50 each (31 October 2014 : 4,989,394,000 ordinary shares of RM0.50 each).

A5 The Company did not pay any dividend during the financial period ended 31 October 2015.

A6 Segmental information for the financial period ended 31 October 2015:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	1,676,666	-	1,676,666
Motor retailer	1,096,539	-	1,096,539
Property development and investment	172,970	920	173,890
Hotels and resorts	147,849	10,049	157,898
Clubs and others	39,847	4,197	44,044
Sub-total	3,133,871	15,166	3,149,037
Less: Inter-segment revenue	-	(15,166)	(15,166)
Total revenue	3,133,871	-	3,133,871

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segmental information for the financial period ended 31 October 2015 (cont'd):

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	252,199
Motor retailer	7,570
Property development and investment	17,426
Hotels and resorts	14,334
Clubs and others	<u>(24,937)</u>
	266,592
Unallocated corporate items	<u>35,285</u>
	301,877
Investment related income, net:	
- Interest income	25,321
- Dividend income	810
- Fair value changes of FVTPL quoted equity investments	(3,145)
- Impairment loss of quoted AFS investment	(59)
- Gain on deemed disposal arising from dilution of equity interest in a subsidiary company	49,567
- Gain on re-measurement of fair value of the remaining stake in a former subsidiary company	146,847
- Others	<u>(1,829)</u>
	217,512
Share of results from associates companies	(1,018)
Share of results from joint ventures	(3,468)
Finance costs	<u>(102,694)</u>
Profit before tax	412,209
Taxation	<u>(103,221)</u>
Profit for the period	<u><u>308,988</u></u>

A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review.

A8 There were no material changes in the composition of the Group for the financial period ended 31 October 2015 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- (i) the increase of the Group's equity interest in Berjaya Sports Toto Berhad ("BToto") from 40.92% to 41.07% following the buyback of shares by BToto;
- (ii) the deemed disposal arising from the dilution of the Group's equity interest in Berjaya Kyoto Development (S) Pte Ltd ("BKD") from 100% to 50%, after Berjaya Corporation Berhad subscribed for 1 ordinary share in BKD for cash consideration of SGD34.68 million (or about RM97.28 million); and
- (iii) the dilution of the Group's equity interest in Asia Jet Partners Malaysia Sdn Bhd (formerly known as Berjaya Airport Services Sdn Bhd) ("AJM") from 100% to 51%, after Asia Jet Partners Holdings Limited subscribed for 735,000 shares in AJM's enlarged share capital of 1,500,000 ordinary shares of RM1.00 each, for a cash consideration of RM735,000.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
NOTES TO THE INTERIM FINANCIAL REPORT

- A9 There are no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2015.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2015.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

Toto betting operations and related activities

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

Motor retailing and provision of aftersales services

- the trend in prestige and specialist cars.

Property development and investment

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

Operations of hotels and resorts

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

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.62 billion and pre-tax profit of RM310.09 million as compared to RM1.41 billion and RM122.42 million respectively reported in the previous year corresponding quarter.

The higher Group revenue was mainly due to:

- strong sales of the 4D Jackpot games recorded by the gaming business operated by BToto's principal subsidiary, Sports Toto Malaysia Sdn Bhd ("STMSB");
- higher revenue from H.R. Owen Plc from having additional outlets which was further enhanced by favourable foreign exchange rate; and
- higher progress billings reported by the property development and investment business.

These have offset the lower revenue reported by the hotels and resorts business arising from lower average room rates.

The Group's pre-tax profit was higher in the current quarter under review mainly due to gain on deemed disposal arising from the dilution of the Group's equity interest in BKD and the resulting gain on re-measurement to fair value of its remaining stake in BKD totalling RM196.41 million (refer to Notes A3(a) and A8(ii)). The profit contribution from both H.R. Owen Plc and the property development and investment business was higher compared to the previous year corresponding quarter resulting from improved revenue.

The above factors have offset the lower profit reported by:

- STMSB due to the absorption of Malaysian Goods and Services Tax ("GST") cost and coupled with a lower prize payout in the previous year corresponding quarter; and
- the hotels and resorts business arising from lower revenue due to lower average room rates.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2015
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Review of Results For the 6-month Period

For the current 6-month period under review, the Group reported a revenue of RM3.13 billion and pre-tax profit of RM412.21 million as compared to RM2.82 billion and RM254.79 million respectively reported in the previous year corresponding period.

The higher Group revenue was mainly due to the factors mentioned in Note B1 above and these have offset the lower revenue reported by the hotels and resorts business arising from lower average room rates.

Also as explained in Note B1 above, the higher Group pre-tax profit was mainly due to the deemed disposal of the Group's stake in BKD and gain on re-measurement of its remaining stake (refer to Notes A3(a) and A8(ii)) as well as the improved performance of both H.R Owen Plc and the property development and investment business.

STMSB reported lower pre-tax profit mainly due to the higher prize payout and GST absorbed whilst the hotels and resorts business reported correspondingly lower profit arising from lower revenue.

B2 Review of Results of Second Quarter Vs First Quarter

For the current quarter under review, the Group reported an increase of about 7% in revenue to RM1.62 billion from RM1.51 billion reported in the preceding quarter. Pre-tax profit for the current quarter was at RM310.09 million as compared to RM102.12 million reported in the first quarter ended 31 July 2015.

The higher Group revenue was mainly due to STMSB which had recorded strong sales from higher jackpot in the 4D Jackpot games coupled with higher number of draws in the current quarter under review. H.R. Owen Plc registered lower revenue in the current quarter mainly due to its traditionally better performance in the first half of the calendar year and this higher growth had been reflected in the preceding quarter. Despite the lower results of H.R. Owen Plc, the Group had the benefit of favourable foreign exchange effect that gave rise to an increase in its revenue of 5.5% upon translating its results to Ringgit Malaysia. The hotels and resorts business also reported higher revenue from higher occupancy rates in the current quarter. These have offset the lower progress billings reported by the property development and investment business.

As explained in Note B1 above, the gain arising from the deemed disposal of the Group's stake in BKD and also the re-measurement gain (refer to Notes A3(a) and A8(ii)) were the main factors that contributed to the increase in Group pre-tax profit in the current quarter. STMSB had correspondingly reported a higher profit contribution from higher revenue and lower prize payout. In spite of lower progress billings, the property development and investment business reported higher profit contribution from lower operating expenses in the current quarter under review. The hotels and resorts business also reported a higher profit arising from its higher registered revenue.

B3 Future Prospects

In view of the dampened domestic consumer spending caused by the negative economic sentiment and the GST incurred and being absorbed by STMSB as well as the weakened Ringgit Malaysia, the gaming business is expected to be challenging while maintaining its market share in the Numbers Forecast Operator industry. The performance of the hotels and resorts business is expected to remain satisfactory whilst the focus of the property development business will be on its overseas development projects. As such, the Directors are of the view that the operating performance of the Group will continue to remain challenging in the remaining quarters of the financial year ending 30 April 2016.

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

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

	Quarter ended 31/10/2015 RM'000	Financial period ended 31/10/2015 RM'000
Interest income	(13,015)	(25,321)
Dividend income	(115)	(810)
Other income excluding dividend and interest income	(11,210)	(18,908)
Depreciation of property, plant and equipment	21,915	44,088
Loss/(Gain) on disposal of property, plant and equipment	865	(1,312)
Amortisation of intangible assets	276	309
Impairment loss on receivables	129	105
Provision for and write off of inventories	-	1,163
Net foreign exchange gain	(2,080)	(11,555)
Impairment loss of quoted AFS investments	-	59
Fair value changes of FVTPL quoted equity investments	2,288	3,145
Gain on deemed disposal arising from dilution of equity interest in a subsidiary company	49,567	49,567
Gain on re-measurement of fair value of the remaining stake in a former subsidiary company	146,847	146,847
Gain or loss on derivatives	-	-
	<u>-</u>	<u>-</u>

B6 The taxation charges for the financial quarter and period ended 31 October 2015 were detailed as follows:

	Quarter ended 31/10/2015 RM'000	Financial period ended 31/10/2015 RM'000
Malaysian income tax	56,568	92,917
Foreign tax	5,631	15,219
Overprovision in prior years	(330)	(336)
Deferred taxation	(1,958)	(4,579)
	<u>59,911</u>	<u>103,221</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 October 2015 was mainly due to certain expenses being disallowed for tax purposes, non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

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

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

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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 CP as follows:

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

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

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

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

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

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

SMSB had paid a further sum of RM3.0 million to STC as consideration for the further extension of time to 19 January 2015 to fulfil the below mentioned remaining conditions precedent pursuant to the proposed acquisition of Sungai Besi Land:

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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):

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

Pursuant to the aforesaid Supplemental Agreement, the period is extended for another year to fulfil the above conditions precedent.

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

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

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

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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):

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

The cash consideration will be paid in the following manner:

- (i) RMB50.0 million (or about RM33.4 million) on the signing of the Contract;
- (ii) On or before 1 February 2016, RMB1.015 billion (or about RM677.92 million) will be paid into an escrow bank account so as to release the mortgage. This amount shall be released to GMOC within 5 working days after all conditions precedents ("CPs") have been fulfilled ("Completion Date"); and
- (iii) The balance cash consideration of RMB1.015 billion (or about RM677.92 million) will be paid within 13 months after Completion Date.

The CPs to be fulfilled within a period of 6 months (with an extension of another 3 months) are as follows:-

- (i) GMOC has obtained all the governmental approvals and that all the licences held by GMOC for the Great Mall Project have been changed to a wholly-owned subsidiary of Beijing SkyOcean;
- (ii) GMOC has terminated all the contracts with third parties in relation to the Great Mall Project, including but not limited to the general contractor contract, the construction contracts and the procurement contracts;
- (iii) The completed portion and the portion under construction of the Great Mall Project shall have passed the acceptance inspection conducted by a supervision company engaged by the Purchaser ("Mall Inspection"), or relevant remedies have been made; and
- (iv) The on-site delivery of the Great Mall Project to Beijing SkyOcean after the Great Mall Project has passed the Mall Inspection.

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

The Proposed Disposal is pending completion.

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B8 Group borrowings and debt securities as at 31 October 2015:

		RM'000	RM'000
Short term borrowings			
Secured - Denominated in Ringgit Malaysia		482,962	
Denominated in USD (USD27,527,000)	*	118,488	
Denominated in GBP (£5,000,000)	*	32,920	
Denominated in RMB (RMB183,998,000)	*	125,119	
Denominated in PHP (PHP200,000,000)	*	18,332	
			838,200
Long term borrowings			
Secured - Denominated in Ringgit Malaysia		945,792	
Denominated in USD (USD79,095,000)	*	340,463	
Denominated in GBP (£12,250,000)	*	80,813	
Denominated in KRW (KRW95,000,000,000)	*	348,650	
Denominated in RMB (RMB344,676,000)	*	234,380	
Denominated in SGD (SGD4,492,000)	*	13,811	
			1,963,909
			<u>2,802,109</u>
Medium Term Notes (secured)	- short term		105,000
	- long term		1,237,969
			<u>1,342,969</u>

* *Converted at the respective exchange rates prevailing as at 31 October 2015*

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

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

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

The JDC Lawsuit is still pending at the date of this quarterly report.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 31 October 2014 : Nil).

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

	Group (3-month period)			
	31/10/2015	31/10/2014	31/10/2015	31/10/2014
	RM'000		sen	
Net profit for the quarter attributable to equity holders of the Parent	<u>208,299</u>	<u>8,972</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,987,960</u>		
Basic earnings per share			<u>4.17</u>	<u>0.18</u>

	Group (6-month period)			
	31/10/2015	31/10/2014	31/10/2015	31/10/2014
	RM'000		sen	
Net profit for the period attributable to equity holders of the Parent	<u>218,211</u>	<u>46,635</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,982,549</u>		
Basic earnings per share			<u>4.37</u>	<u>0.94</u>

There are no potential ordinary shares outstanding as at 31 October 2015. As such, the fully diluted earnings per share of the Group is equivalent to the basic earnings per share.

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

		As at 31/10/2015 RM'000	As at 30/04/2015 RM'000 (Audited)
Realised earnings		600,915	510,658
Unrealised earnings		<u>454,387</u>	<u>448,960</u>
		1,055,302	959,618
Share of results from associated companies	*	58,950	59,968
Share of results from joint ventures	*	<u>(195,579)</u>	<u>(192,111)</u>
		918,673	827,475
Less: Consolidation adjustments		<u>(278,886)</u>	<u>(359,493)</u>
		<u>639,787</u>	<u>467,982</u>

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

c.c. Securities Commission