

BERJAYA LAND BERHAD

Company No: 201765-A

22 September 2016

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/07/2016 RM'000	As at 30/04/2016 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		1,713,757	1,732,398
Investment properties		621,903	621,903
Land held for development		1,452,283	1,499,753
Associated companies		476,324	484,462
Joint ventures		45,881	45,310
Investments		81,601	93,618
Intangible assets		4,691,192	4,700,949
Receivables		637,387	612,198
Deferred tax assets		43,367	45,348
		<u>9,763,695</u>	<u>9,835,939</u>
Current Assets			
Property development costs		340,328	245,383
Inventories		571,767	585,356
Receivables		1,191,693	1,097,204
Short term investments		8,876	9,302
Tax recoverable		10,424	12,348
Deposits, cash and bank balances		1,531,130	1,653,718
Non current assets classified as held for sale		991,314	979,782
		<u>4,645,532</u>	<u>4,583,093</u>
TOTAL ASSETS		<u><u>14,409,227</u></u>	<u><u>14,419,032</u></u>
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		168,810	122,525
Capital reserve		116,528	10,804
Fair value reserve		1,897,464	1,900,160
Available-For-Sale ("AFS") reserve		(1,192)	4,891
Consolidation reserve		13,023	21,220
Retained earnings		96,470	226,737
		<u>2,291,103</u>	<u>2,286,337</u>
Equity funds		4,791,271	4,786,505
Less: Treasury shares	A4	(20,699)	(20,699)
Net equity funds		<u>4,770,572</u>	<u>4,765,806</u>
Non-controlling interests		3,298,189	3,252,188
Total equity		<u><u>8,068,761</u></u>	<u><u>8,017,994</u></u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/07/2016 RM'000	As at 30/04/2016 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations		6,832	9,675
Long term borrowings	B8	2,626,278	2,859,025
Other long term liabilities		138,351	129,100
Deferred taxation		148,358	150,869
		<u>2,919,819</u>	<u>3,148,669</u>
Current Liabilities			
Payables		2,458,639	2,299,005
Short term borrowings	B8	943,224	933,385
Retirement benefit obligations and provisions		1,390	1,433
Tax payable		17,394	18,546
		<u>3,420,647</u>	<u>3,252,369</u>
Total Liabilities		<u>6,340,466</u>	<u>6,401,038</u>
TOTAL EQUITY AND LIABILITIES		<u>14,409,227</u>	<u>14,419,032</u>
<i>Net assets per RM0.50 share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>		<u>0.95</u>	<u>0.95</u>

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

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

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

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED	
		31/07/2016 RM'000	31/07/2015 RM'000
REVENUE		1,551,936	1,499,132
OPERATING EXPENSES, NET		<u>(1,436,346)</u>	<u>(1,354,040)</u>
PROFIT FROM OPERATIONS	A3	115,590	145,092
Investment related income, net	A3	13,127	10,182
Share of results from associated companies		(19,329)	(664)
Share of results from joint ventures		(960)	(1,917)
Finance costs		<u>(54,551)</u>	<u>(50,572)</u>
PROFIT BEFORE TAX	B5	53,877	102,121
TAXATION	B6	<u>(48,486)</u>	<u>(43,310)</u>
PROFIT NET OF TAX		<u>5,391</u>	<u>58,811</u>
ATTRIBUTABLE TO:			
- Owners of the parent		(27,239)	9,912
- Non-controlling interests		<u>32,630</u>	<u>48,899</u>
		<u>5,391</u>	<u>58,811</u>
(LOSS)/EARNINGS PER SHARE (SEN)	B11		
- Basic		<u>(0.55)</u>	<u>0.20</u>
- Fully diluted		<u>(0.55)</u>	<u>0.20</u>

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER	
	ENDED	
	31/07/2016	31/07/2015
	RM'000	RM'000
PROFIT NET OF TAX	5,391	58,811
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	(13,990)	(8,449)
Amortisation of gaming rights	(2,696)	-
Share of an associated company's changes in fair value of available-for-sale investments and exchange reserve	(1,024)	(1,911)
Currency translation differences	59,952	102,025
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	47,633	150,476
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	10,267	82,466
- Non-controlling interests	37,366	68,010
	47,633	150,476

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2016	2,500,168	122,525	10,804	1,900,160	4,891	21,220	226,737	(20,699)	4,765,806	3,252,188	8,017,994
Total comprehensive income	-	46,285	-	(2,696)	(6,083)	-	(27,239)	-	10,267	37,366	47,633
Transactions with owners:											
Non-controlling interests arising from dilution of equity interest in a subsidiary company	-	-	-	-	-	(8,197)	-	-	(8,197)	49,039	40,842
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	105,724	-	-	-	(105,724)	-	-	-	-
Effects of amortisation of gaming rights	-	-	-	-	-	-	2,696	-	2,696	-	2,696
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(40,404)	(40,404)
	-	-	105,724	-	-	(8,197)	(103,028)	-	(5,501)	8,635	3,134
At 31 July 2016	2,500,168	168,810	116,528	1,897,464	(1,192)	13,023	96,470	(20,699)	4,770,572	3,298,189	8,068,761

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
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 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	-	79,557	-	-	(7,003)	-	9,912	-	82,466	68,010	150,476
Transactions with owners:											
Non-controlling interests arising from dilution of equity interest in a subsidiary company	-	-	-	-	-	-	-	-	-	735	735
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(39,713)	(39,713)
	-	-	-	-	-	-	-	-	-	(38,978)	(38,978)
At 31 July 2015	2,500,168	76,203	10,804	1,935,385	6,111	21,220	477,894	(20,699)	5,007,086	3,321,097	8,328,183

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/07/2016 RM'000	31/07/2015 RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	1,613,961	1,546,952
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(1,573,732)	(1,562,553)
Tax paid	(37,318)	(50,394)
Other (payments)/receipts (inclusive of tax refunds)	(5,242)	2,318
Net cash used in operating activities	<u>(2,331)</u>	<u>(63,677)</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	58	239
Sale of other investments and short term investments	3,407	42,474
Partial disposal of equity interest in a subsidiary company	40,842	-
Acquisition of property, plant and equipment, non-current assets and properties	(6,610)	(13,616)
Acquisition of other investments and short term investments	(74)	(1,287)
Acquisition of investment in an associated company	(7,086)	-
Interest received	9,068	8,584
Dividend received	193	695
Advances from related companies	121,865	23,886
Advances to joint ventures	(636)	(2,008)
Other receipts/(payments)	6,181	(1,803)
Net cash generated from investing activities	<u>167,208</u>	<u>57,164</u>
FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests	-	735
Drawdown of bank and other borrowings	21,425	439,228
Repayment of bank and other borrowings	(277,282)	(469,822)
Interest paid	(53,245)	(60,575)
Withdrawal from/(Placement in) banks as security pledged for borrowings	139,916	(10,379)
Other payments	(1,919)	(1,988)
Net cash used in financing activities	<u>(171,105)</u>	<u>(102,801)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,228)	(109,314)
EFFECTS OF EXCHANGE RATE CHANGES	4,899	(552)
OPENING CASH AND CASH EQUIVALENTS	838,133	915,369
CLOSING CASH AND CASH EQUIVALENTS	<u>836,804</u>	<u>805,503</u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	1,531,130	984,718
Bank overdraft (included under short term borrowings)	(28,243)	(25,398)
Less: cash and cash equivalents restricted in use	(666,083)	(153,817)
	<u>836,804</u>	<u>805,503</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 2016.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
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 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2016. The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2016.

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

- A2 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for:
- (i) the property development division which is affected by the prevailing cyclical economic conditions;
 - (ii) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the third quarter of the financial year; and
 - (iii) the toto betting operations may be positively impacted by the festive seasons.
- A3 (a) There were no unusual or material items affecting the Group in the financial quarter ended 31 July 2016 other than as disclosed below:

Statement of Profit or Loss

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

	Quarter ended 31/07/2016 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted equity investments	(857)
Gain on disposal of unquoted investment	967
Loss on deemed partial disposal arising from dilution of equity interest in an associated company	(1,575)
	<u>(1,465)</u>

- (b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the financial quarter ended 31 July 2016.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
NOTES TO THE INTERIM FINANCIAL REPORT

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial quarter ended 31 July 2016.

The number of treasury shares held in hand as at 31 July 2016 were as follows :

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

As at 31 July 2016, 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 July 2015 : 4,987,300,000 ordinary shares of RM0.50 each).

A5 The Company did not pay any dividend during the financial quarter ended 31 July 2016.

A6 Segmental information for the financial quarter ended 31 July 2016:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	801,701	-	801,701
Motor retailer	626,727	-	626,727
Property development and investment	27,171	2,177	29,348
Hotels and resorts	73,450	478	73,928
Clubs and others	22,887	5,158	28,045
Sub-total	1,551,936	7,813	1,559,749
Less: Inter-segment revenue	-	(7,813)	(7,813)
Total revenue	1,551,936	-	1,551,936

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NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segmental information for the financial quarter ended 31 July 2016 (cont'd):

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	99,775
Motor retailer	9,405
Property development and investment	(55)
Hotels and resorts	9,134
Clubs and others	(6,762)
	<u>111,497</u>
Unallocated corporate items	4,093
	<u>115,590</u>
Investment related income, net:	
- Interest income	14,399
- Dividend income	193
- Fair value changes of FVTPL quoted equity investments	(857)
- Gain on disposal of unquoted investment	967
- Loss on deemed partial disposal arising from dilution of equity interest in an associated company	(1,575)
	<u>13,127</u>
Share of results from associated companies	(19,329)
Share of results from joint ventures	(960)
Finance costs	(54,551)
Profit before tax	<u>53,877</u>
Taxation	(48,486)
Profit for the quarter	<u><u>5,391</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 quarter ended 31 July 2016 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- (i) the decrease of the Group's equity interest in Berjaya Sports Toto Berhad ("BToto") from 41.40% to 40.05% following the disposal of 14.2 million BToto shares, representing 1.35% equity interest in BToto by the Company and Gateway Benefit Sdn Bhd, a wholly-owned subsidiary of the Company, for a total gross cash consideration of RM41.09 million;
- (ii) the subscription of 42,500 new ordinary shares in Neptune Properties Inc. ("Neptune") for a total consideration of PHP82.3 million (equivalent to RM7.1 million), representing 41.5% equity interests in Neptune by Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of BToto; and
- (iii) the deemed partial disposal arising from the dilution of BPI's equity interest in an associated company, Bermaz Auto Philippines Inc. (formerly known as Berjaya Auto Philippines Inc.) ("B.Auto Philippines") from 35% to 33.25% after B.Auto Philippines enlarged its issued and paid up share capital from PHP209.0 million to PHP220.0 million arising from new placement of shares.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
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 2016.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2016.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
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, illegal gaming and the number of draws in the financial period.

Motor retailing and provision of aftersales services

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

Property development and investment

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

Operations of hotels and resorts

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

The revenue from toto betting operations is presented net of gaming tax and Malaysian Goods and Services Tax ("GST") on gaming supply. In the previous year corresponding quarter ended 31 July 2015, the revenue from toto betting operations was recognised based on ticket sales net of gaming tax but inclusive of GST. The GST was previously classified under cost of sales and this has been adjusted and reclassified to conform with current period's presentation.

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.55 billion and pre-tax profit of RM53.88 million as compared to RM1.5 billion and RM102.12 million respectively reported in the previous year corresponding quarter.

The higher Group revenue was mainly due to:

- higher revenue reported by the gaming business operated by BToto's principal subsidiary Sports Toto Malaysia Sdn Bhd ("STMSB") attributed to strong sales from high jackpot in the 4D Jackpot game;
- higher revenue from H.R. Owen Plc arising from higher sales volume of new car coupled with certain new models available for sale; and
- higher revenue from the hotels and resorts business arising from higher overall occupancy and average room rates.

These have offset the lower revenue reported by the property development and investment business from the substantially lower progress billings in the current quarter under review.

In spite of the higher Group revenue, the Group's pre-tax profit was lower in the current quarter under review mainly due to:

- unfavourable foreign exchange effect recognised by a foreign subsidiary company of BToto;
- higher operating expenses incurred by H.R. Owen Plc;
- losses incurred by the property development and investment business from lower progress billings;
- higher share of losses from associated companies, particularly from Berjaya Assets Berhad which reported an impairment in goodwill; and
- higher finance costs.

These were partly mitigated by the higher profit contribution of STMSB from strong sales and lower prize payout and the correspondingly higher profit of the hotels and resorts business arising from higher revenue in the current quarter under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2016
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B2 Review of Results of First Quarter Vs Fourth Quarter of the Preceding Year

For the current quarter under review, the Group reported a drop of about 9% in revenue to RM1.55 billion from RM1.70 billion reported in the preceding quarter. Pre-tax profit for the current quarter was at RM53.88 million as compared to a pre-tax loss of RM434.5 million reported in the fourth quarter of previous financial year ended 30 April 2016.

The lower Group revenue was mainly due to:

- (i) lower revenue reported by STMSB mainly due to preceding quarter benefited from the seasonally higher sales during the Chinese New Year festive period coupled with the lower number of draws in the current quarter; and
- (ii) lower revenue reported by the property development and investment business from the substantially lower progress billings.

The above factors have offset the higher cars sales volume reported by H.R. Owen Plc and higher revenue from the hotels and resorts business arising from higher occupancy and average room rates.

The lower profit from operations in the current quarter under review as compared to the fourth quarter of the preceding financial year was mainly due to:

- (i) lower profit from STMSB due to lower revenue. In addition, STMSB reported lower prize payout in the preceding quarter;
- (ii) losses incurred by the property development and investment business from lower progress billings;
- (iii) unfavourable foreign exchange effect recognised by the Group; and
- (iv) higher share of losses from associated companies, particularly from Berjaya Assets Berhad which reported an impairment in goodwill.

The pre-tax loss of the preceding quarter was mainly due to the non-cash impairment of goodwill relating to the Malaysian gaming cash generating unit ("CGU") amounting to RM373.33 million, resulting from the excess of this CGU's carrying value over its recoverable amount. In addition, the Group also accounted for impairment in value of investment in associated companies, assets held for sale and property, plant and equipment totalling about RM176.5 million.

B3 Future Prospects

In view of the rising costs that dampened domestic consumer spending caused by the prevailing economic conditions and the increasing illegal gaming activities, the gaming business is expected to be challenging. In spite of this, STMSB is expected to maintain its market share in the Numbers Forecast Operator industry.

On the operation of H.R. Owen Plc., there is no immediate material or noticeable impact on the luxury vehicles market resulting from the uncertainties of Brexit as at to-date. However, the Directors are cautious of the uncertainties that may arise from the Brexit and the impact it may have on the motor dealership segment performance for the remaining quarters of the financial year ending 30 April 2017.

The performance of the hotels and resorts business is expected to remain satisfactory whilst the property market outlook is expected to remain lukewarm. Under the foregoing circumstances, the Directors are of the view that the operating performance of the Group will continue to remain challenging in the remaining quarters of the financial year ending 30 April 2017.

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

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Quarter ended 31/07/2016 RM'000
Interest income	(14,399)
Dividend income	(193)
Other income excluding dividend and interest income	(4,099)
Depreciation of property, plant and equipment	19,072
Gain on disposal of property, plant and equipment	62
Amortisation of intangible assets	7,304
Reversal of impairment loss on receivables	46
Provision for and write off of inventories	598
Net foreign exchange gain	(2,648)
Gain on disposal of unquoted investment	(967)
Fair value changes of FVTPL quoted investments	857
Loss on deemed partial disposal arising from dilution of equity interest in an associated company	1,575
Gain or loss on derivatives	-
	<u><u>-</u></u>

B6 The taxation charges for the financial quarter ended 31 July 2016 were detailed as follows:

	Quarter ended 31/07/2016 RM'000
Malaysian income tax	33,455
Foreign tax	7,775
Underprovision in prior years	7,786
Deferred taxation	(530)
	<u><u>48,486</u></u>

The disproportionate tax charge of the Group for the financial quarter ended 31 July 2016 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.

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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 fulfil the conditions precedent below:

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

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. This amount shall be released to GMOC within 5 working days after all conditions precedents ("CP") have been fulfilled ("Completion Date").

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.

B8 Group borrowings and debt securities as at 31 July 2016:

	RM'000	RM'000
<u>Short term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	462,442	
Denominated in USD (USD20,410,000)	*	82,765
Denominated in GBP (£5,400,000)	*	28,835
Denominated in SGD (SGD16,863,000)	*	50,634
Denominated in PHP (PHP50,000,000)	*	4,306
Denominated in VND (VND632,227,000)	*	115
		629,097
Secured Medium Term Notes (Denominated in RM)		<u>305,000</u>
Balance brought forward		<u>934,097</u>

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B8 Group borrowings and debt securities as at 31 July 2016 (Cont'd):

	RM'000	RM'000
Balance brought forward		934,097
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia	1,822	
Denominated in USD (USD1,800,000)	7,305	
		9,127
		943,224
<u>Long term borrowings</u>		
Secured bank borrowings		
Denominated in Ringgit Malaysia	956,973	
Denominated in USD (USD49,304,000) *	200,030	
Denominated in GBP (£13,900,000) *	74,258	
Denominated in RMB (RMB350,000,000) *	213,303	
Denominated in SGD (SGD3,931,000) *	11,804	
		1,456,368
Secured Medium Term Notes (Denominated in RM)		1,088,329
Secured finance lease and hire purchase payables		
Denominated in Ringgit Malaysia	3,497	
Denominated in USD (USD19,246,000)	78,084	
		81,581
		2,626,278
Total borrowings		3,569,502

* *Converted at the respective exchange rates prevailing as at 31 July 2016*

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

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

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

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

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

On completion of the land repurchased by JDC, BJR terminated the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At date of this announcement, a total of five court hearings have been held and the JDC Lawsuit is still ongoing.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 31 July 2015 : Nil).

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

	Group (3-month period)			
	31/07/2016	31/07/2015	31/07/2016	31/07/2015
	RM'000		sen	
Net (loss)/profit for the quarter attributable to equity holders of the Parent	<u>(27,239)</u>	<u>9,912</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,989,394</u>	<u>4,977,137</u>		
Basic (loss)/earnings per share			<u>(0.55)</u>	<u>0.20</u>

There are no potential ordinary shares outstanding as at 31 July 2016. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic (loss)/earnings per share.

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

		As at 31/07/2016 RM'000	As at 30/04/2016 RM'000 (Audited)
Realised earnings		297,788	229,379
Unrealised earnings		<u>526,921</u>	<u>520,362</u>
		824,709	749,741
Share of results from associated companies	*	41,564	60,893
Share of results from joint ventures	*	<u>(210,644)</u>	<u>(209,684)</u>
		655,629	600,950
Less: Consolidation adjustments		<u>(559,159)</u>	<u>(374,213)</u>
		<u>96,470</u>	<u>226,737</u>

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

c.c. Securities Commission