

BERJAYA LAND BERHAD
(COMPANY NO: 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 OCTOBER 2010**

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BERJAYA LAND BERHAD

(COMPANY NO: 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 OCTOBER 2010
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<u>Group</u>	
		At 31/10/10	At 30/04/10
			(Audited) (Restated)
	Note	RM'000	RM'000
Non-Current Assets			
Property, Plant and Equipment		1,926,038	1,963,450
Investment Properties		578,622	574,562
Land Held For Development		501,999	495,106
Associated Companies		275,221	318,645
Jointly Controlled Entities		137,881	155,482
Investments		280,559	162,623
Intangible Assets		5,472,798	5,496,575
Deferred Tax Assets		15,928	16,438
		<u>9,189,046</u>	<u>9,182,881</u>
Current Assets			
Property Development Costs		372,810	355,922
Inventories		210,815	226,176
Amount Due From Penultimate Holding Company		11,275	58,463
Receivables and Prepayments		1,384,796	1,328,307
Short Term Investments		19,289	30,907
Tax Recoverable		39,393	47,452
Deposits, Cash And Bank Balances		649,094	605,803
Non-current Asset Classified as Held for Sale		889	1,100
		<u>2,688,361</u>	<u>2,654,130</u>
Total Assets		<u>11,877,407</u>	<u>11,837,011</u>
Equity			
Share Capital	A5	2,500,168	1,256,093
Share Premium		-	57,529
Reserves :			
Exchange Reserves		(118,611)	(97,815)
Capital Reserve		10,804	10,804
Fair Value Reserve		1,983,501	1,983,501
AFS Reserve		32,650	-
Retained Earnings		749,923	1,972,665
		<u>2,658,267</u>	<u>3,869,155</u>
Equity Funds		5,158,435	5,182,777
Less: Treasury Shares	A5	(45,466)	(45,466)
Net Equity Funds		5,112,969	5,137,311
Non-controlling interests		2,702,133	2,690,784
Total Equity		<u>7,815,102</u>	<u>7,828,095</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 OCTOBER 2010
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<u>Group</u>	
	Note	At 31/10/10 RM'000	At 30/04/10 (Audited) (Restated) RM'000
Non-Current Liabilities			
8% Secured Exchangeable Bonds	B9	711,000	711,000
Medium Term Notes	B9	550,000	-
Retirement Benefit Obligations		4,081	4,249
Long Term Borrowings	B9	920,166	1,167,917
Other Long Term Liabilities		352,602	292,772
Deferred Taxation		156,876	158,920
		2,694,725	2,334,858
Current Liabilities			
Payables		611,418	592,200
Short Term Borrowings	B9	648,528	1,029,828
Retirement Benefit Obligations and Provisions		2,389	238
Tax Payable		30,601	51,792
Dividend Payable		74,644	-
		1,367,580	1,674,058
Total Liabilities		4,062,305	4,008,916
Total Equity and Liabilities		11,877,407	11,837,011
<i>Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (sen)</i>		103	103 *

*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 comparative figures were restated as if the Share Split and Bonus Issue had taken place as at the earliest date presented.*

BERJAYA LAND BERHAD
(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 OCTOBER 2010
CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/10/10	31/10/09	31/10/10	31/10/09
		RM'000	RM'000	RM'000	RM'000
Revenue		1,022,673	983,068	2,001,614	1,935,700
Operating expenses, net		(896,877)	(809,671)	(1,756,997)	(1,628,427)
Profit from operations		125,796	173,397	244,617	307,273
Investment related income, net	A4	8,215	1,582	70,209	49,402
Share of results from associated companies		5,687	1,501	6,968	871
Share of results from jointly controlled entities		(5,631)	(6,109)	(13,073)	(14,230)
Finance costs		(46,139)	(57,484)	(108,424)	(110,527)
Profit before tax		87,928	112,887	200,297	232,789
Taxation	B5	(44,241)	(47,158)	(78,714)	(88,950)
Profit net of tax		43,687	65,729	121,583	143,839
Attributable to:					
- Equity holders of the Parent		5,708	15,155	50,220	43,984
- Non-controlling interests		37,979	50,574	71,363	99,855
		43,687	65,729	121,583	143,839
Earnings per share (sen)	B13				
Basic		0.11	0.31	1.01	0.88
Fully diluted		0.11	0.31	1.01	0.88

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

BERJAYA LAND BERHAD
(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 OCTOBER 2010
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	CURRENT QUARTER		FINANCIAL PERIOD	
	ENDED		ENDED	
	31/10/10	31/10/09	31/10/10	31/10/09
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	43,687	65,729	121,583	143,839
<u>Other comprehensive income/(expenses)</u>				
Gain/(Loss) on changes in fair value of available-for-sale investments	20,636	-	(71,912)	-
Share of associated companies' changes in fair value of available-for-sale investments	(11,451)	-	(11,451)	-
Currency translation differences	(7,522)	(264)	(21,337)	793
Total comprehensive income for the quarter/period	<u>45,350</u>	<u>65,465</u>	<u>16,883</u>	<u>144,632</u>
Attributable to:				
- Equity holders of the Parent	4,602	15,966	(53,939)	49,713
- Non-controlling interests	40,748	49,499	70,822	94,919
	<u>45,350</u>	<u>65,465</u>	<u>16,883</u>	<u>144,632</u>

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

BERJAYA LAND BERHAD

(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2010
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	-----> Attributable to the equity holders of the Parent <-----<										
	<----- Non - distributable ----->					Distributable					
	Share capital RM '000	Share premium RM '000	Exchange reserves RM '000	AFS reserve RM '000	Fair value reserve RM '000	Capital 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 2010	1,256,093	57,529	(97,815)	-	1,983,501	10,804	1,972,665	(45,466)	5,137,311	2,690,784	7,828,095
Effects of adopting FRS 139 (Note A1)	-	-	-	104,562	-	-	(11,772)	-	92,790	-	92,790
Share of associated companies' effects of adopting FRS 139	-	-	-	11,451	-	-	-	-	11,451	-	11,451
	1,256,093	57,529	(97,815)	116,013	1,983,501	10,804	1,960,893	(45,466)	5,241,552	2,690,784	7,932,336
Total comprehensive income	-	-	(20,796)	(83,363)	-	-	50,220	-	(53,939)	70,822	16,883
Transaction with owners:											
Issuance of shares in respect of Bonus Issue	1,244,075	(57,529)	-	-	-	-	(1,186,546)	-	-	-	-
Non-controlling interests arising from dilution of equity interest in a subsidiary company	-	-	-	-	-	-	-	-	-	61,436	61,436
Dividend payable #	-	-	-	-	-	-	(74,644)	-	(74,644)	-	(74,644)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(120,909)	(120,909)
	1,244,075	(57,529)	-	-	-	-	(1,261,190)	-	(74,644)	(59,473)	(134,117)
At 31 October 2010	2,500,168	-	(118,611)	32,650	1,983,501	10,804	749,923	(45,466)	5,112,969	2,702,133	7,815,102

In respect of financial year ended 30 April 2010

BERJAYA LAND BERHAD
(COMPANY NO : 201765-A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2010 (CONT'D)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	-----> Attributable to the equity holders of the Parent <----->										
	<----- Non - distributable ----->					Distributable			Non-controlling interests		
	Share capital RM '000	Share premium RM '000	Exchange reserves RM '000	AFS reserve RM '000	Fair value reserve RM '000	Capital reserve RM '000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	RM'000	RM'000
At 1 May 2009	1,145,173	57,529	(31,300)	-	1,983,501	10,804	1,911,698	(28,936)	5,048,469	2,380,173	7,428,642
Total comprehensive income	-	-	5,729	-	-	-	43,984	-	49,713	94,919	144,632
Transaction with owners:											
Issuance of shares from conversion of 5% ICULS 1999/2009	26,151	-	-	-	-	-	-	-	26,151	-	26,151
Treasury shares	-	-	-	-	-	-	-	(15,485)	(15,485)	-	(15,485)
Non-controlling interests arising from dilution of equity interest in/ acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	173,460	173,460
Dividend payable *	-	-	-	-	-	-	(52,180)	-	(52,180)	-	(52,180)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(197,920)	(197,920)
	26,151	-	-	-	-	-	(52,180)	(15,485)	(41,514)	(24,460)	(65,974)
At 31 October 2009	1,171,324	57,529	(25,571)	-	1,983,501	10,804	1,903,502	(44,421)	5,056,668	2,450,632	7,507,300

* In respect of financial year ended 30 April 2009

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

BERJAYA LAND BERHAD

(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 OCTOBER 2010
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	6 months ended	
	31/10/10	31/10/09
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	2,102,330	2,077,002
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(1,869,994)	(1,881,255)
Tax paid	(94,478)	(73,386)
Other receipts (including tax refunds)	6,333	8,616
Net cash generated from operating activities	<u>144,191</u>	<u>130,977</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment	5,511	223
Sale of short term investments	16,482	6,429
Partial disposal of equity interest in a subsidiary company	82,343	189,980
Sale of investments in an associated company	105,547	-
Sale of other investments and other non-current assets	44	4,735
Acquisition of additional equity interest in a subsidiary company	-	(35,044)
Acquisition of property, plant and equipment, non current assets and properties	(61,075)	(33,620)
Acquisition of other investments	(47,668)	-
Interest received	13,614	14,138
Dividend received	1,377	529
Repayment from related companies	24,064	900
Advances to jointly controlled entities	(20,001)	(14,199)
Payments for a foreign property development project	-	(251,491)
Other receipts/(payments)	7,035	(92,486)
Net cash generated from/(used in) investing activities	<u>127,273</u>	<u>(209,906)</u>
FINANCING ACTIVITIES		
Issuance of share capital to non controlling interest by a subsidiary company	-	34,205
Issuance of medium term notes by a subsidiary company	550,000	-
Drawdown of bank and other borrowings	191,136	1,073,248
Repurchase of 8% Secured Exchangeable Bonds	-	(171,000)
Acquisition of treasury shares	-	(14,129)
Repayment of borrowings and other borrowings	(730,802)	(424,106)
Dividend paid to non-controlling interests of a subsidiary company	(119,539)	(225,649)
Interest paid	(88,727)	(95,147)
Other payments	(10,662)	(11,877)
Net cash (used in)/generated from financing activities	<u>(208,594)</u>	<u>165,545</u>
NET CASH INFLOW	62,870	86,616
EFFECTS OF EXCHANGE RATE CHANGES	(2,995)	698
OPENING CASH AND CASH EQUIVALENTS	567,179	523,868
CLOSING CASH AND CASH EQUIVALENTS	<u>627,054</u>	<u>611,182</u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	649,094	647,273
Bank overdraft (included under short term borrowings)	(22,040)	(36,091)
	<u>627,054</u>	<u>611,182</u>

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

NOTES

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

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 2010. 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 2010.

Changes in Accounting Policies

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 year ended 30 April 2010, except for the adoption of the new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs, Interpretations and Technical releases which were effective for the financial periods beginning on or after 1 May 2010.

Unless otherwise described below, these new and revised FRSs, Amendments to FRSs, Interpretations and Technical Releases are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in presentation and disclosures of financial information.

(a) FRS 8: Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The Group presents its segment information based on its business segments for its internal reporting purposes and the format, the basis of measurement of segment results, segment assets and segment liabilities are the same as that for external reporting purposes.

As this is a disclosure standard, there is no impact on the financial position or financial performance of the Group.

(b) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now only include details of transactions with owners. All non-owners changes in equity are presented as a single line labelled as total comprehensive income.

This standard also introduces the statement of comprehensive income; presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

The Group has elected to present in two linked statements. In addition, the adoption of the standard has resulted in the consolidated balance sheet now being renamed as consolidated statement of financial position.

NOTES

A1 Changes in Accounting Policies (Cont'd)

(b) FRS 101: Presentation of Financial Statements (revised) (Cont'd)

There is no impact on the results of the Group since these changes affect only the presentation of items of income and expense.

(c) Amendment to FRS 117: Leases

The Amendment clarifies the classification of lease of land and requires entities with leases of land to reassess the classification of leasehold land as finance lease or operating lease based on the extent of risks and rewards associated with the land. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of this Amendment has resulted in a change in accounting policy which is applied retrospectively in accordance with the transitional provisions. The Group has reclassified the existing leasehold land to property, plant and equipment, with no impact on reported profit or equity. However, as a result of the adoption of the Amendment, comparative balances as at 30 April 2010 has been restated as follows:

<u>Statement of Financial Position - 30 April 2010</u>	As previously reported RM'000	Effect of adopting Amendment to FRS 117 RM'000	As restated RM'000
Property, plant and equipment	1,851,188	112,262	1,963,450
Prepaid land lease premiums	110,193	(110,193)	-
Trade and other receivables	1,330,376	(2,069)	1,328,307

(d) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the reporting date is determined by the designation of the financial instruments.

Financial assets

The Group's financial assets include cash and cash equivalents, trade and other receivables and investments.

(i) Trade and other receivables

Prior to the adoption of FRS 139, trade and other receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, these receivables are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the receivables, EIR amortisation and impairment losses are recognised in the income statement.

NOTES

A1 Changes in Accounting Policies (Cont'd)

(d) FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)

Financial assets (Cont'd)

(ii) Investments - non current

Prior to the adoption of FRS 139, non-current investments were accounted for at cost less impairment loss (if any). Upon the adoption of FRS 139, these non-current investments are designated as available-for-sale ("AFS") financial assets and are measured at fair value. Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are valued at cost. Changes in fair values of equity and debt investments of which fair values can be reliably measured are recognised in other comprehensive income, together with the related currency translation differences, until the investments are disposed of or until the investments are determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income are included in the income statement.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings at amortised cost, or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Group's financial liabilities include mainly trade and other payables, debt securities, borrowings, agency deposits and club members' deposits. Under FRS 139, these financial liabilities are measured initially at fair value and subsequently carried at amortised cost using EIR method.

Financial impact

In accordance with the transitional provisions for the first time adoption of FRS 139, the above changes are applied prospectively and the comparatives as at 30 April 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the statement of financial position as at 1 May 2010.

Group	As previously reported	Effects of adopting FRS 139	As restated
<u>Statement of Financial Position - 1 May 2010</u>	RM'000	RM'000	RM'000
Investments	162,623	104,562	267,185
Associated companies	318,645	11,451	330,096
Receivables	1,330,376	(25,259)	1,305,117
Retained earnings	(1,972,665)	11,772	(1,960,893)
AFS reserve	-	(116,013)	(116,013)
Non-controlling interests	(2,690,784)	(1,168)	(2,691,952)
Long term borrowings	(1,167,917)	2,247	(1,165,670)
Other long term liabilities	(292,772)	4,307	(288,465)
Payables	(592,200)	8,101	(584,099)

NOTES

A1 Changes in Accounting Policies (Cont'd)

(d) FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)

Financial impact (Cont'd)

In addition, the adoption of FRS 139 has the effect of increasing profit before tax for the current financial period by RM12.9 million as the recognition of changes in fair values of non current investments designated as AFS is now accounted in the statement of comprehensive income.

A2 The audit report of the Company's most recent annual audited financial statements did not contain any qualification.

A3 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.

A4 (a) There were no unusual or material items affecting the Group in the financial period ended 31 October 2010 other than as disclosed below:

Income Statement

Included under investment related income/(expenses), net:

	Quarter ended <u>31/10/10</u> RM'000	Financial period ended <u>31/10/10</u> RM'000
Gain on disposal of an associated company	-	53,251
Writeback of impairment in value of investment in an associated company	-	1,865
Loss on partial disposal of equity interest in a subsidiary company	-	(3,070)
Impairment in value of quoted investments	<u>(3,387)</u>	<u>(3,387)</u>
	<u><u>(3,387)</u></u>	<u><u>48,659</u></u>

(b) There were no material changes in estimates of amounts reported in the current quarter ended 31 October 2010 other than those changes that resulted from the adoption of new FRSs, Amendments to FRSs, Interpretations and Technical Releases mentioned in Note A1 above.

NOTES (Continued)

- A5 There were no issuances and repayment of debts and equity securities, share cancellation and resale of treasury shares for the financial period ended 31 October 2010 except for:
- the Share Split involving the subdivision of every one existing ordinary share of RM1.00 each into two ordinary shares of RM0.50 each ("Subdivided Shares") amounting to 2,512,187,104 Subdivided Shares; and
 - the Bonus Issue of 2,488,150,000 Bonus Shares of RM0.50 each on the basis of one Bonus Share for every one Subdivided Share held.

As such, the number of ordinary shares of RM0.50 each in issue and fully paid of the Company as at 31 October 2010 was 5,000,337,104.

The number of treasury shares held in hand as at 31 October 2010 were as follows :

	Average price per share (RM)	Number of shares *	Amount RM'000
Total treasury shares at 30 April 2010/ 31 October 2010	1.89	24,037,104	45,466

* after adjusting for the Share Split

As at 31 October 2010, the number of ordinary shares in issue and fully paid with voting rights was 4,976,300,000 ordinary shares of RM0.50 each (31 October 2009 : 1,159,560,000 ordinary shares of RM1.00 each).

- A6 The Company did not pay any dividend in the financial period ended 31 October 2010. At the Company's Annual General Meeting held on 22 October 2010, the shareholders of the Company approved a final dividend of 2 sen per ordinary share of RM0.50 each less 25% income tax in respect of the financial year ended 30 April 2010. The Company paid this final dividend on 10 December 2010.
- A7 Segmental information for the financial period ended 31 October 2010:

Revenue

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	1,678,386	-	1,678,386
Property development and investment	128,617	1,568	130,185
Hotels and resorts	129,216	921	130,137
Clubs and others	65,395	11,419	76,814
Sub-total	2,001,614	13,908	2,015,522
Less: Inter-segment revenue	-	(13,908)	(13,908)
Total revenue	2,001,614	-	2,001,614

NOTES (Continued)

A7 Segmental information for the financial period ended 31 October 2010 (Cont'd):

<u>Results</u>	<u>RM'000</u>
Toto betting operations and leasing of lottery equipment	231,066
Property development and investment	27,554
Hotels and resorts	10,285
Clubs and others	(23,121)
	<u>245,784</u>
Unallocated corporate expenses	(1,167)
Profit from operations	<u>244,617</u>
Investment related income, net:	
- Interest income	20,590
- Dividend income	1,377
- Gain on disposal of an associated company	53,251
- Writeback of impairment in value of investment in an associated company	1,865
- Loss on partial disposal of equity interest in a subsidiary company	(3,070)
- Impairment in value of quoted investments	(3,387)
- Others	(417)
	70,209
Share of results from associated companies	6,968
Share of results from jointly controlled entities	(13,073)
Finance costs	(108,424)
	<u>200,297</u>
Taxation	(78,714)
Profit for the period	<u><u>121,583</u></u>

A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report.

A9 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.

NOTES (Continued)

A10 There were no material changes in the composition of the Group for the financial period ended 31 October 2010 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- (a) the decrease of its equity interest in Berjaya Sports Toto Berhad ("BToto") from 44.86% to 43.50% following the disposal of 18.20 million BToto shares by the Group;
- (b) the disposal of the Group's entire 20.47% equity interest in Singapore HealthPartners Pte Ltd for a total cash consideration of SGD45.04 million (or about RM105.5 million);
- (c) the striking off of the Group's wholly owned subsidiary company, Sports Toto (Fiji) Limited and its 100%-owned subsidiary company, Waidroka Trust Estates Limited; and
- (d) the acquisition of 100% equity interest in Berjaya Kyoto Development (S) Pte Ltd ("BKyoto") for a cash consideration of SGD1.00 (or about RM2.33). The principal activity of BKyoto is investment holding whilst its 100% owned subsidiary company, Berjaya Kyoto Development Company Limited ("BKDJ"), incorporated in Japan, is intended to be principally involved in real estate development activities. BKDJ has an issued and paid up share capital of JPY1.50 million (or about RM55,890) comprising 30 ordinary shares of JPY50,000 each.

A11 The changes in contingent liabilities since the last audited balance sheet as at 31 October 2010 are as follows:

	At 31/10/10	At 30/04/10
	RM'000	RM'000
Unsecured guarantee given by the Company to financial institution for credit facilities granted to a related company	<u>9,993</u>	<u>11,993</u>

A12 There were no material changes in capital commitments since the last audited balance sheet as at 30 April 2010.

B1 For the Second Quarter

The Group recorded a revenue of RM1.02 billion and a pre-tax profit of RM87.9 million in the current quarter ended 31 October 2010 as compared to a revenue of RM983.1 million and a pre-tax profit of RM112.9 million reported in the preceding year corresponding quarter. The slightly higher revenue attained was mainly attributed to the higher property sales reported by the property development and investment division in the current quarter under review as compared to the previous year corresponding quarter.

Pre-tax profit was lower mainly due to the lower profit contribution from the gaming business operated by BToto's principal subsidiary company, Sports Toto (Malaysia) Sdn Bhd ("Sports Toto"). Sports Toto registered a lower pre-tax profit in the quarter under review due to the increase in Pool Betting Duty from 6% to 8% (effective 1 June 2010) coupled with higher prize payout. However, this was partly mitigated by the Group's higher share of profits from associated companies and lower finance costs incurred in the current quarter.

For the 6-month Period

As for the 6-month period ended 31 October 2010, the Group registered a revenue of RM2.0 billion and a pre-tax profit of RM200.3 million as compared to a revenue RM1.94 billion and pre-tax profit of RM232.8 million in the previous year corresponding period. The slightly higher revenue attained was mainly attributed to the marginal increases in revenue from the hotels, resorts and recreation as well as property development and investment businesses operated by the Group in the current 6-month period under review as compared to the previous year corresponding period.

The lower pre-tax profit was mainly attributed to the reasons mentioned in the second paragraph above. It was partly mitigated by the Group's exceptional gain of RM53.3 million from disposal of an associated company in the current financial period under review.

B2 Second Quarter vs. First Quarter

For the quarter under review, the Group reported an increase in revenue from RM978.9 million to RM1.02 billion. Pre-tax profit of the Group was lower at RM87.9 million in the second quarter as compared to RM112.9 million reported in the preceding quarter ended 31 July 2010. The increase in revenue was mainly due to higher property sales reported by the property development business.

The drop in pre-tax profit was mainly due to the gaming business having the full three months effect of the increase in Pool Betting Duty from 6% to 8% (effective 1 June 2010) as compared to two months effect in the preceding quarter as well as the higher prize payout in the current quarter. The hotels, resorts and recreation business incurred a loss of about RM10 million primarily due to the higher charge out of room refurbishment expenditure of certain hotels and lower revenue arising from lower occupancy rates registered by some of the hotels in the Group. In addition, the Group reported a higher exceptional gain of RM53.3 million arising from disposal of an associated company in the preceding quarter.

B3 Future Prospects

Barring unforeseen circumstances, the Directors are of the view that the Group's operating performance for the remaining quarters of the financial year ending 30 April 2011 will remain satisfactory.

NOTES (Continued)

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

B5 The taxation charge for the financial period ended 31 October 2010 were detailed as follows:

	Quarter ended <u>31/10/10</u> RM'000	Financial period ended <u>31/10/10</u> RM'000
Malaysian income tax	36,982	70,115
Foreign tax	5,332	9,621
Underprovision in prior years	511	512
Deferred taxation	1,416	(1,534)
	<u>44,241</u>	<u>78,714</u>

The disproportionate tax charge of the Group for the financial period ended 31 October 2010 was mainly due to certain expenses being disallowed for tax purposes and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

B6 Other than subsidiary companies with principal activities of property development, there were no profits / (losses) on sale of properties and there were no profits / (losses) on sale of unquoted investments for the financial period ended 31 October 2010.

B7 (a) The purchases and disposal of quoted securities during the financial period ended 31 October 2010 were as follows:

	Quarter ended <u>31/10/10</u> RM'000	Financial Quarter ended <u>31/10/10</u> RM'000
(i) Total purchases:		
Quoted securities in Malaysia	4,390	86,776
Quoted securities outside Malaysia	-	-
(ii) Total disposal:		
Total sales consideration	-	-
Gain on disposal of quoted securities	-	-

NOTES (Continued)

B7 (b) Investments in long term quoted securities as at 31 October 2010 were as follows:

		RM'000	RM'000
Quoted securities, at cost	- In Malaysia	258,439	
	- Outside Malaysia	16,626	275,065
Quoted securities, at book value	- In Malaysia	246,834	
	- Outside Malaysia	20,035	266,869
Quoted securities, at market value	- In Malaysia	246,834	
	- Outside Malaysia	20,035	266,869

B8 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 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 ("STC 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 750 acres of land located in Sungai Tinggi ("BCity Land") with a newly built turf club thereon ("STC Proposals"). SMSB had proposed to acquire BCity Land from BerjayaCity Sdn Bhd ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor for the construction of the new turf club.

On 13 October 2004, the Company announced that the approval from the Foreign Investment Committee ("FIC") has been obtained for the above proposal. On 14 November 2004, the Company announced that shareholders' approvals for STC Proposals have been obtained.

On 29 January 2010, the Company announced that STC and SMSB have mutually agreed to an extension time to 18 January 2011 to fulfill the conditions precedent ("CP") in the abovementioned conditional sale and purchase agreement.

Subsequently, on 28 June 2010, the Company announced the status of the CP of the STC Proposals 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 BCity 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 STC 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 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.

NOTES (Continued)

- (a) The status of CP of the STC Proposals were as follows (Cont'd):
- 6a. The approval for the master layout plan for BCity 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 on 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 is fulfilled.
 - 6c. The approval of the State Exco of Selangor for the conversion and sub-division of BCity 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.
- (b) On 12 December 2007, the Company announced that its holding company, Berjaya Corporation Berhad has 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.

Save for the approvals of the relevant authority(ies) in Vietnam for the formation of the JVC and the development of the Project on the abovementioned property, no approvals are required from the shareholders of the Company and the relevant Malaysian authorities for the entering into the Agreement.

- (c) On 28 January 2008, the Company announced that it has 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 and DIC and VIHL shall contribute the remaining 50%. The Bridge Project will be jointly managed by the Company and VIHL.

The entering of the Agreement is not subject to the approval of the shareholders of the Company or any other Malaysian relevant authorities. The Agreement is however subject to the approvals of the shareholders or board of TNC and DIC (where applicable) and the investment committee of VIHL. The Bridge Project is subject to the approvals of the People's Committees of Dong Nai Province and Ho Chi Minh City respectively.

NOTES (Continued)

B9 Group borrowings and debt securities as at 31 October 2010:

		RM'000
Short term borrowings		
Secured -	Denominated in Ringgit Malaysia	201,628
	Denominated in USD (USD78,863,000) *	245,304
	Denominated in KRW (KRW72,000,000,000) *	199,080
	Denominated in GBP (£507,000) *	<u>2,516</u>
Short term borrowings carried forward		648,528
Long term borrowings		
Secured -	Denominated in Ringgit Malaysia	856,771
	Denominated in USD (USD18,118,000) *	56,350
	Denominated in GBP (£1,420,000) *	7,045
		<u>920,166</u>
Total bank borrowings		<u>1,568,694</u>
8% Exchangeable Bonds (secured)		711,000
Medium Term Notes (secured)		<u>550,000</u>

* Converted at the respective exchange rates prevailing as at 31 October 2010

B10 Saved as disclosed in Note A11, there were no financial instruments with off balance sheet risk as at the date of this announcement.

B11 There was no pending material litigation as at the date of this announcement.

B12 The Board does not recommend any dividend in the current quarter (previous year corresponding quarter ended 31 October 2009 : Nil).

B13 The basic and fully diluted earnings per share are calculated as follows:

	Group (3-month period)			
	Income (RM'000)		Earnings per share (sen)	
	31/10/10	31/10/09	31/10/10	31/10/09
Net profit for the quarter attributable to equity holders of the Parent	<u>5,708</u>	<u>15,155</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,976,300</u>	<u>4,917,596</u> *		
Basic earnings per share (sen)			<u>0.11</u>	<u>0.31</u>

NOTES (Continued)

B13 The basic and fully diluted earnings per share are calculated as follows (Cont'd):

	Group (6-month period)			
	Income (RM'000)		Earnings per share (sen)	
	31/10/10	31/10/09	31/10/10	31/10/09
Net profit for the quarter attributable to equity holders of the Parent	50,220	43,984		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,976,300	4,999,450 *		
Basic earnings per share (sen)			1.01	0.88

* *The comparative figures of weighted average number of ordinary shares in issue with voting rights were restated as if the Share Split and Bonus Issue had taken place as at the earliest date presented.*

There are no potential ordinary shares outstanding as at 31 October 2010. As such, the fully diluted earnings per share of the Group is equivalent to the basic earnings per share.

c.c. Securities Commission