

BERJAYA LAND BERHAD
(COMPANY NO: 201765-A)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 JANUARY 2014

<u>Table of Contents</u>	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Income Statement	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Unaudited Interim Financial Report	8 - 11
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	12 - 20

BERJAYA LAND BERHAD
(COMPANY NO: 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	<u>Group</u>	
		At 31/01/2014	At 30/04/2013 (Audited)
		RM'000	RM'000
Non-Current Assets			
Property, Plant and Equipment		1,884,466	1,838,930
Investment Properties		643,274	642,656
Land Held For Development		1,141,765	960,768
Prepaid Land Lease Premiums		1,039	1,055
Associated Companies		352,930	367,990
Jointly Controlled Entities		70,320	77,282
Investments		235,672	188,675
Intangible Assets		5,570,440	5,463,962
Receivables		480,254	435,880
Deferred Tax Assets		14,752	18,417
		<u>10,394,912</u>	<u>9,995,615</u>
Current Assets			
Property Development Costs		748,720	544,529
Inventories		409,299	180,726
Receivables		858,990	744,658
Short Term Investments		17,538	19,675
Tax Recoverable		8,763	11,295
Deposits, Cash And Bank Balances		841,821	742,038
Assets Classified as Held for Sale		-	28,304
		<u>2,885,131</u>	<u>2,271,225</u>
Total Assets		<u>13,280,043</u>	<u>12,266,840</u>
Equity			
Share Capital	A4	2,500,168	2,500,168
Reserves :			
Exchange Reserves		(60,035)	(179,780)
Capital Reserve		10,804	10,804
Fair Value Reserve		1,983,501	1,983,501
Available-For-Sale ("AFS") Reserve		19,128	14,720
Consolidation Reserve		22,510	22,510
Retained Earnings		910,079	872,980
		<u>2,885,987</u>	<u>2,724,735</u>
Equity Funds		5,386,155	5,224,903
Less: Treasury Shares	A4	(45,466)	(45,466)
Net Equity Funds		<u>5,340,689</u>	<u>5,179,437</u>
Non-controlling Interests		3,256,501	3,208,319
Total Equity		<u>8,597,190</u>	<u>8,387,756</u>

BERJAYA LAND BERHAD
(COMPANY NO: 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		Group	
		At 31/01/2014	At 30/04/2013
	Note	RM'000	(Audited) RM'000
Non-Current Liabilities			
Medium Term Notes	B8	400,000	400,000
Retirement Benefit Obligations		6,509	6,057
Long Term Borrowings	B8	1,625,980	813,612
Other Long Term Liabilities		306,499	313,390
Deferred Taxation		95,092	95,242
		2,434,080	1,628,301
Current Liabilities			
Payables		895,784	628,193
Short Term Borrowings	B8	1,132,643	1,437,069
Medium Term Notes	B8	180,000	150,000
Retirement Benefit Obligations and Provisions		2,203	456
Tax Payable		38,143	35,065
		2,248,773	2,250,783
Total Liabilities		4,682,853	3,879,084
Total Equity and Liabilities		13,280,043	12,266,840
<i>Net assets per RM0.50 share attributable to ordinary equity holders (with voting rights) of the parent (sen)</i>		<i>107</i>	<i>104</i>

*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 2013.

BERJAYA LAND BERHAD
(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/1/2014 RM'000	31/1/2013 RM'000	31/1/2014 RM'000	31/1/2013 RM'000
Revenue		1,387,271	1,032,194	3,454,921	3,112,827
Operating expenses, net		(1,254,518)	(911,346)	(2,919,802)	(2,674,950)
Profit from operations	A3	132,753	120,848	535,119	437,877
Investment related (expenses)/income, net	A3	(2,647)	3,952	21,279	31,155
Share of results from associated companies		1,770	1,426	4,385	6,602
Share of results from jointly controlled entities		(4,243)	(4,561)	(14,263)	(15,822)
Finance costs		(52,199)	(38,855)	(137,963)	(111,573)
Profit before tax	B5	75,434	82,810	408,557	348,239
Taxation	B6	(56,291)	(53,013)	(159,695)	(146,655)
Profit net of tax		19,143	29,797	248,862	201,584
Attributable to:					
- Equity holders of the Parent		(19,720)	(17,292)	95,436	16,416
- Non-controlling interests		38,863	47,089	153,426	185,168
		19,143	29,797	248,862	201,584
(Loss)/Earnings per share (sen)	B11				
Basic		(0.40)	(0.35)	1.92	0.33
Fully diluted		(0.40)	(0.35)	1.92	0.33

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2013.

BERJAYA LAND BERHAD
(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	CURRENT QUARTER		FINANCIAL PERIOD	
	ENDED		ENDED	
	31/1/2014	31/1/2013	31/1/2014	31/1/2013
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	19,143	29,797	248,862	201,584
<u>Other comprehensive income</u>				
Net changes in fair value of available-for-sale investments:				
- changes in fair value during the quarter/period	(14,153)	(1,198)	28,770	(9,216)
- transfer to profit or loss upon disposal/derecognition	(325)	(208)	(17,762)	(11,737)
Share of an associated company's changes in fair value of available-for-sale investments	335	38	2,055	(4,212)
Share of an associated company's loss on partial disposal of its subsidiary company	(21,015)	-	(21,015)	-
Currency translation differences	157,002	(415)	164,391	47,951
Total comprehensive income for the quarter/period	<u>140,987</u>	<u>28,014</u>	<u>405,301</u>	<u>224,370</u>
Attributable to:				
- Equity holders of the Parent	62,060	(34,434)	198,574	22,003
- Non-controlling interests	78,927	62,448	206,727	202,367
	<u>140,987</u>	<u>28,014</u>	<u>405,301</u>	<u>224,370</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2013.

BERJAYA LAND BERHAD

(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	-----> Attributable to the equity holders of the Parent <----->										
	-----> Non - distributable <----->					Distributable					Non- controlling interests RM'000
	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		
At 1 May 2013	2,500,168	(179,780)	10,804	1,983,501	14,720	22,510	872,980	(45,466)	5,179,437	3,208,319	8,387,756
Total comprehensive income	-	119,745	-	-	4,408	-	74,421	-	198,574	206,727	405,301
Transactions with owners:											
Non-controlling interests arising from:											
- accretion of equity interest in a subsidiary company	-	-	-	-	-	-	-	-	-	(70,858)	(70,858)
- acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	22,749	22,749
Dividend payable *	-	-	-	-	-	-	(37,322)	-	(37,322)	-	(37,322)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(110,436)	(110,436)
	-	-	-	-	-	-	(37,322)	-	(37,322)	(158,545)	(195,867)
At 31 January 2014	2,500,168	(60,035)	10,804	1,983,501	19,128	22,510	910,079	(45,466)	5,340,689	3,256,501	8,597,190

* In respect of financial year ended 30 April 2013

BERJAYA LAND BERHAD

(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)**

	-----> Attributable to the equity holders of the Parent <----->										
	-----> Non - distributable <----->					Distributable					Non-controlling interests RM'000
	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		
At 1 May 2012	2,500,168	(157,328)	10,804	1,983,501	33,882	22,510	781,447	(45,466)	5,129,518	3,145,114	8,274,632
Total comprehensive income	-	24,693	-	-	(19,106)	-	16,416	-	22,003	202,367	224,370
Transactions with owners:											
Non-controlling interests arising from:											
- dilution of equity interest in a subsidiary company	-	-	-	-	-	(6,776)	-	-	(6,776)	(3,176)	(9,952)
- additional subscription of shares in subsidiary companies	-	-	-	-	-	-	-	-	-	90	90
Dividend payable #	-	-	-	-	-	-	(37,322)	-	(37,322)	-	(37,322)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(90,632)	(90,632)
	-	-	-	-	-	(6,776)	(37,322)	-	(44,098)	(93,718)	(137,816)
At 31 January 2013	2,500,168	(132,635)	10,804	1,983,501	14,776	15,734	760,541	(45,466)	5,107,423	3,253,763	8,361,186

In respect of financial year ended 30 April 2012

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 2013.

BERJAYA LAND BERHAD
(COMPANY NO : 201765-A)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 JANUARY 2014
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	9 months ended	
	31/01/2014	31/01/2013
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	3,680,260	3,458,056
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(3,325,675)	(3,151,386)
Tax paid	(161,215)	(133,353)
Other receipts (net of tax refunds)	3,802	2,587
Net cash generated from operating activities	197,172	175,904
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	121,209	2,277
Sale of short term investments	15,261	9,027
Sale of other investments	17,989	26,385
Acquisition of property, plant and equipment, non-current assets and properties	(140,001)	(191,698)
Acquisition of other investments and short term investments	(46,900)	(31,348)
Acquisition of investment in a subsidiary company	(75,180)	-
Acquisition of investment in associated companies	-	(4,800)
Additional subscription of shares in an associated company	(1,901)	-
Acquisition of treasury shares by subsidiary companies	(70,473)	(11,925)
Interest received	26,806	23,921
Dividend received	1,865	1,410
Repayment to related companies	(9,649)	(3,650)
Advances to jointly controlled entities	(26,521)	(14,718)
Deposits placement with investment advisers	(50,546)	-
Other payments	(38,839)	(53,085)
Net cash used in investing activities	(276,880)	(248,204)
FINANCING ACTIVITIES		
Issuance of share capital to non controlling interest by a subsidiary company	-	90
Drawdown of bank and other borrowings	1,731,275	489,044
Repayment of borrowings and other borrowings	(1,267,736)	(241,495)
Dividend paid to shareholders of the Company	(37,322)	(38,398)
Dividend paid to non-controlling interests of a subsidiary company	(111,470)	(92,739)
Interest paid	(145,416)	(111,674)
Other payments	(12,374)	(11,339)
Net cash generated from/(used in) financing activities	156,957	(6,511)
NET CHANGE IN CASH FLOWS	77,249	(78,811)
EFFECTS OF EXCHANGE RATE CHANGES	17,936	(12,234)
OPENING CASH AND CASH EQUIVALENTS	717,770	795,680
CLOSING CASH AND CASH EQUIVALENTS	812,955	704,635
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	841,821	725,990
Bank overdraft (included under short term borrowings)	(28,866)	(21,355)
	812,955	704,635

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2013.

NOTES

- 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 2013. 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 2013.

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 2013.

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 January 2014 other than as disclosed below:

Income Statement

- (i) Included in the profit from operations was the gain realised on disposal of a hotel property, Berjaya Singapore Hotel, amounting to RM94.7 million in the financial period ended 31 January 2014.

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

	Quarter ended 31/01/2014 RM'000	Financial period ended 31/01/2014 RM'000
Corporate exercise expenses incurred by subsidiary companies	(10,156)	(33,647)
Fair value changes of fair value through profit or loss ("FVTPL") quoted equity investments	(3,546)	2,860
Impairment in value of available-for-sale ("AFS") quoted equity investments	(540)	(869)
Net gain on quoted AFS investments transferred from equity upon disposal	291	20,348
Gain on disposal of land held for development	-	1,909
	<u>(3,795)</u>	<u>(9,399)</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 January 2014.

NOTES

- A4 There were no issuances and repayment of debts and equity securities, share cancellation and resale of treasury shares for the financial period ended 31 January 2014.

The number of treasury shares held in hand as at 31 January 2014 were as follows :

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares at 1 May 2013/31 January 2014	1.89	24,037,104	45,466

As at 31 January 2014, 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 January 2013 : 4,976,300,000 ordinary shares of RM0.50 each).

- A5 The Company did not pay any dividend in respect of the financial period ended 31 January 2014. At the Company's Annual General Meeting held on 25 October 2013, the shareholders of the Company approved a final dividend of 1 sen per ordinary share of RM0.50 each less 25% income tax in respect of the financial year ended 30 April 2013. The Company paid this final dividend on 18 December 2013.
- A6 Segmental information for the financial period ended 31 January 2014:

Revenue

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	2,629,289	-	2,629,289
Property development and investment	174,487	4,790	179,277
Hotels and resorts	216,653	1,657	218,310
Clubs and others	434,492	11,369	445,861
Sub-total	3,454,921	17,816	3,472,737
Less: Inter-segment revenue	-	(17,816)	(17,816)
Total revenue	3,454,921	-	3,454,921

Results

	RM'000
Toto betting operations and leasing of lottery equipment	442,330
Property development and investment	18,621
Hotels and resorts	126,855
Clubs and others	(27,545)
	560,261
Unallocated corporate expenses	(25,142)
Balance brought forward	535,119

NOTES

A6 Segmental information for the financial period ended 31 January 2014 (cont'd):

	<u>RM'000</u>
Balance carried forward	535,119
Investment related income, net:	
- Interest income	27,443
- Dividend income	3,235
- Corporate exercise expenses incurred by subsidiary companies	(33,647)
- Fair value changes of FVTPL quoted equity investments	2,860
- Impairment in value of available-for-sale ("AFS") quoted equity investments	(869)
- Net gain on quoted AFS investment transferred from equity upon disposal	20,348
- Gain on disposal of land held for development	1,909
	21,279
Share of results from associated companies	4,385
Share of results from jointly controlled entities	(14,263)
Finance costs	(137,963)
Profit before tax	408,557
Taxation	(159,695)
Profit for the period	<u>248,862</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 January 2014 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- (a) the increase of its equity interest in Berjaya Sports Toto Berhad ("BToto") from 40.61% to 41.14% following the buyback of treasury shares by BToto;
- (b) the constitution of Sports Toto Malaysia Trust ("STM-Trust") under the Business Trust Act, Chapter 31A of Singapore by a declaration of trust by a wholly-owned subsidiary company of BToto, namely Sports Toto Malaysia Management Pte. Ltd., as trustee-manager of STM-Trust under a trust deed dated 13 June 2013;
- (c) the cash offer made by Berjaya Philippines Inc. ("BPI") on 30 July 2013, to acquire the entire issued and to be issued share capital of H.R. Owen Plc ("H.R. Owen") at an offer price of 130 pence per share. BPI subsequent increased the offer price to 170 pence per share. On 23 September 2013, the mandatory cash offer was declared wholly unconditional with BPI being the beneficial owner of over 50% equity interests in H.R. Owen. BPI's shareholdings in H.R. Owen further increased to 71.2% as at the mandatory cash offer closing and completion date on 11 October 2013 for a total cash consideration of approximately £25.7 million (equivalent to approximately RM129.2 million for the cash offer). Hence H.R. Owen is now a subsidiary company of BPI. The subsequent consolidation of H.R. Owen is regarded as a business combination in accordance with FRS 3 Business Combinations. BPI is now undertaking a purchase price allocation exercise to identify and measure intangible assets, if any, and the goodwill on acquisition which is now provisionally estimated to be RM91.4 million and included in its statement of financial position.
- (d) the incorporation of a 100% subsidiary company, Delaware International Lottery & Totalizator Systems, by International Lottery & Totalizator System, Inc., a 71.32% owned subsidiary of Berjaya Lottery Management (HK) Limited ("BLM"). BLM in turn is a wholly owned subsidiary of BToto.

NOTES

- A9 There are no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2013.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2013 other than that disclosed in Note A8 (c) and the commitment related to the corporate proposals as disclosed in Notes B7 (f) and (g).

NOTES

B1 The main operating businesses of the Group are toto betting operations and related activities, 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.

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 RM1.39 billion and pre-tax profit of RM75.43 million as compared to RM1.03 billion and RM82.81 million respectively reported in the previous year corresponding quarter.

The higher revenue was mainly contributed by:

- BToto Group which consolidated the revenue of H.R. Owen in this quarter;
- the hotels and resorts business from improved overall occupancy rates and average room rates; and
- the property development and investment business from higher progress billings of its local mixed development projects.

The gaming business operated by BToto's principal subsidiary, Sports Toto Malaysia Sdn Bhd ("STMSB") reported comparable revenue this quarter as compared to the same period last year.

The drop in pre-tax profit in the current quarter under review was mainly due to:

- the corporate exercise expenses incurred by BToto Group pursuant to the cash offer for H.R. Owen and the higher prize pay-out recorded by STMSB;
- the lower profit contribution by the hotels and resorts business from higher operating expenses despite reporting higher revenue; and
- higher finance costs and foreign exchange losses as disclosed in Note B5.

The above factors were partly mitigated by the correspondingly higher profit contribution reported by the property development and investment businesses arising from higher revenue.

Review of Results For the 9-month Period

The Group reported revenue of RM3.45 billion in the 9-month period under review as compared to RM3.11 billion reported in the previous year corresponding period. The Group pre-tax profit was also higher at RM408.56 million in the current 9-month period as compared to RM348.24 million registered in the same period last year.

NOTES

B1 Review of Results For the 9-month Period (Cont'd)

The increase of about 11% in revenue was mainly contributed by:

- (i) BToto Group which consolidated the revenue of H.R. Owen in this 9-month period;
- (ii) the hotels and resorts business from improved overall occupancy rates and average room rates; and
- (iii) the property development and investment business from higher progress billings of its local mixed development projects.

The above factors offsetted the lower revenue reported by STMSB from having less number of draws in the period under review.

The improved pre-tax profit of the current 9-month period was mainly due to the correspondingly higher profit contribution reported by the hotels and resorts and the property development and investment businesses arising from higher revenue recognised. In addition, the Group realised a gain on disposal of a hotel property, Berjaya Singapore Hotel, amounting to about RM94.7 million in the current period. The aforementioned factors offsetted the lower profit contribution reported by the gaming business due to higher corporate related expenses incurred in the current period (despite the higher revenue reported) and the higher finance costs as well as higher foreign exchange losses, as disclosed in Note B5.

B2 Review of Results of Third Quarter Vs Second Quarter

For the current quarter under review, the Group reported an increase of about 33% in revenue to RM1.39 billion from RM1.04 billion reported in the preceding quarter. Pre-tax profit for the current quarter was also lower at RM75.43 million as compared to RM117.27 million reported in the second quarter ended 31 October 2013.

The higher revenue from the consolidation of H.R. Owen by BToto Group and the higher progress billings reported by the property development and investment business have offsetted the lower revenue reported by the hotels and resorts business with the onset of the monsoon season that affected the resorts located at East Coast of Peninsular Malaysia.

The drop in pre-tax profit was mainly due to:

- (i) contribution reported by the gaming business due to higher corporate related expenses incurred in the third quarter;
- (ii) the lower profit contribution from the hotels and resorts business from the lower revenue as explained above; and
- (iii) higher finance costs and foreign exchange losses as disclosed in Note B5.

The correspondingly higher profit contribution reported by the property development and investment businesses arising from higher revenue has partly mitigated the above.

B3 Future Prospects

The gaming business in Malaysia is expected to remain resilient and the Directors expect BToto Group to maintain its market share in the NFO business. The Group also expects its hotels and resorts business to improve its occupancy rates and average room rates whilst the focus of the property development business will be on its overseas development projects which are still in their gestation stage during this financial year. Given the current economic outlook, the Directors are of the view that the Group's performance will continue to remain challenging in the remaining quarter of the financial year ending 30 April 2014.

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

NOTES

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

	Quarter ended <u>31/01/2014</u> RM'000	Financial period ended <u>31/01/2014</u> RM'000
Interest income	(9,126)	(27,443)
Dividend income	(2,178)	(3,235)
Other income excluding dividend and interest income	(7,612)	(16,128)
Depreciation of property, plant and equipment	25,043	70,010
Gain on disposal of property, plant and equipment	(660)	(97,061)
Amortisation of intangible assets	372	910
(Reversal of)/Impairment loss on receivables	(397)	654
Provision for and write off of inventories	-	-
Net foreign exchange loss	19,956	15,056
Impairment in value of available-for-sale ("AFS") quoted equity investments	540	869
Net gain on quoted AFS investments transferred from equity upon disposal	(291)	(20,348)
Fair value changes of FVTPL quoted equity investments	3,546	(2,860)
Gain on disposal of land held for development	-	(1,909)
Gain or loss on derivatives	-	-
	<u> </u>	<u> </u>

B6 The taxation charges for the quarter and financial period ended 31 January 2014 were detailed as follows:

	Quarter ended <u>31/01/2014</u> RM'000	Financial period ended <u>31/01/2014</u> RM'000
Malaysian income tax	29,934	115,803
Foreign tax	9,090	19,335
Underprovision in prior years	7,811	21,042
Deferred taxation	9,456	3,515
	<u> </u>	<u> </u>
	<u>56,291</u>	<u>159,695</u>

The disproportionate tax charge of the Group for the quarter and financial period ended 31 January 2014 was mainly due to certain expenses being disallowed for tax purposes and non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

NOTES

- 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.

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.

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 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.

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.

NOTES

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

Further to the above announcement, on 13 August 2012, the Company announced that SMSB and STC had entered into a supplemental agreement 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.

On 18 December 2012, the Company announced that STC has confirmed the grant of further extension of time from 19 January 2013 to 18 January 2014 in consideration of the payment of RM3.0 million by SMSB to fulfil the below mentioned remaining conditions precedent pursuant to the proposed acquisition of Sungai Besi Land:

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 deemed 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.

NOTES

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

- (c) On 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.

- (d) On 16 August 2011, the Company announced its wholly-owned subsidiary company, Berjaya Land Development Sdn Bhd ("BLDSB"), has on even date, entered into a conditional sale and purchase agreement ("SPA") with Penang Turf Club ("PTC"), for the proposed acquisition by BLDSB of approximately 57.3 acres of freehold land ("Property") for a total cash consideration of RM459.0 million ("Proposed Acquisition").

The Proposed Acquisition is conditional upon :

- (i) the planning permission approval for the development of the Property from the relevant authorities; and
- (ii) approval of members of PTC.

Subsequently, on 29 December 2011, the Company announced that BLDSB and PTC entered into a supplementary agreement ("SSPA") to waive one of the condition precedent relating to the obtaining of the planning permission approval of the Property from relevant authorities and to vary the terms of payment of the balance of deposit. On 14 November 2011, the approval of members of PTC was obtained. Hence, following the SSPA, the SPA is now unconditional and is pending completion upon full payment of purchase consideration.

- (e) In relation to the corporate proposals announced by BToto as disclosed in Notes 47(b) and 48(a) of the Company's annual audited financial statements for the financial year ended 30 April 2013:
- (i) Note 47(b) relates to the proposed transfer of BToto's 100% equity interest in STMSB to STM Trust, a business trust constituted in Singapore ("Transfer") and the proposed listing of up to 4.89 billion STM Trust units on the Mainboard of the Singapore Exchange Securities Trading Limited.

The Transfer was completed on 31 October 2013 following the issuance of 4,369,999,998 units in STM Trust at an issue price of SGD0.5001 each to Berjaya Sports Toto (Cayman) Limited and bill of exchange in favour of BToto amounting to RM571.32 million, which was subsequently indorsed in favour of STMSB.

On 2 December 2013, BToto announced that its board decided not to proceed with the proposed listing after considering the challenging market conditions and the poor performances of the listed yield stocks such as real estate investment trusts ("REIT") and other business trusts in Singapore.

On 21 January 2014, BToto announced that following the abortion of the proposed listing, the relevant parties have unwound the Transfer that was completed on 31 October 2013 and STM has been reverted back as a 100% direct subsidiary of BToto.

NOTES

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

- (f) On 10 January 2014, BToto announced that International Lottery & Totalizator System, Inc. ("ILTS California"), a 71.32% wholly-owned subsidiary of BLM has filed Form 8-K pursuant to the United States Securities Exchange Act of 1934, as amended ("the Act") that ILTS California will be merged with its present 100% wholly-owned subsidiary, Delaware International Lottery & Totalizator Systems, Inc. ("ILTS DE").

Thereafter, ILTS DE will carry out a reverse stock split of ILTS DE's common stock such that BLM will be the sole shareholder of ILTS DE. Each shareholder of ILTS DE holding less than one whole share of common stock would be paid USD1.33 in cash per pre-reverse stock split shares in lieu of fractional share interests.

ILTS DE (as the successor to ILTS California) will thereafter terminate its registration and reporting obligations under the Act. Upon completion of these transactions, ILTS DE will be wholly-owned by BToto via BLM and its shares will cease to be traded on the Over-The-Counter Markets. ILTS California has obtained the written consent of BLM, approving the merger and the reverse stock split.

ILTS California plans to file with the United States Securities and Exchange Commission an Information Statement on Schedule 14C and a statement on Schedule 13E-3 in connection with the merger and the reverse stock split. The merger and reverse stock split will be consummated promptly no earlier than 20 calendar days following the date on which the Information Statement is first mailed to shareholders of ILTS California.

- (g) On 20 February 2014, BToto announced that H.R. Owen, an indirect subsidiary listed on the London Stock Exchange ("LSE"), has on 19 February 2014 announced the proposed cancellation of Admission to the Official List and to trading on the LSE's main market for listed securities (the "De-Listing") as a result of its shares in public hands are only 2.5% of H.R. Owen's issued share capital. In order to comply with the LSE listing requirements, a company must have at least 25% of its shares in public hands. The De-Listing will be effected with the offer for the qualifying shareholders to sell their shares to BPI at 170 pence per share.

The proposed De-Listing was approved at the general meeting convened on 14 March 2014 and the De-Listing is expected to take effect on 15 April 2014.

B8 Group borrowings and debt securities as at 31 January 2014:

		RM'000	RM'000
Short term borrowings			
Secured -	Denominated in Ringgit Malaysia	701,012	
	Denominated in USD (USD101,877,000) *	340,885	
	Denominated in GBP (£572,000) *	3,169	
	Denominated in SGD (S\$16,500,000) *	43,227	
	Denominated in Philippine Peso (Peso600,000,000) *	44,350	
			1,132,643
Long term borrowings			
Secured -	Denominated in Ringgit Malaysia	1,343,387	
	Denominated in USD (USD81,377,000) *	272,287	
	Denominated in GBP (£526,000) *	2,914	
	Denominated in Philippine Peso (Peso100,000,000) *	7,392	
			1,625,980
			<u>2,758,623</u>

NOTES

B8 Group borrowings and debt securities as at 31 January 2014 (cont'd):

RM'000

Medium Term Notes (secured) - short term	180,000
- long term	400,000
	<u>580,000</u>

* *Converted at the respective exchange rates prevailing as at 31 January 2014*

B9 There was no pending material litigation as at the date of this announcement.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 31 January 2013 : Nil).

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

	Group (3-month period)			
	Loss (RM'000)		Loss per share (sen)	
	31/01/2014	31/01/2013	31/01/2014	31/01/2013
Net loss for the quarter attributable to equity holders of the Parent	<u>(19,720)</u>	<u>(17,292)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,976,300</u>	<u>4,976,300</u>		
Basic loss per share (sen)			<u>(0.40)</u>	<u>(0.35)</u>
	Group (9-month period)			
	Income (RM'000)		Earnings per share (sen)	
	31/01/2014	31/01/2013	31/01/2014	31/01/2013
Net profit for the period attributable to equity holders of the Parent	<u>95,436</u>	<u>16,416</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,976,300</u>	<u>4,976,300</u>		
Basic earnings per share (sen)			<u>1.92</u>	<u>0.33</u>

There are no potential ordinary shares outstanding as at 31 January 2014. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic (loss)/earnings per share.

NOTES

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

	As at 31/01/2014 RM'000	As at 30/04/2013 RM'000
Realised earnings	744,621	621,908
Unrealised earnings	397,623	393,544
	<u>1,142,244</u>	<u>1,015,452</u>
Share of results of associated companies *	76,405	72,020
Share of results of jointly controlled entities *	<u>(163,741)</u>	<u>(149,478)</u>
	<u>1,054,908</u>	<u>937,994</u>
Less: Consolidation adjustments	<u>(144,829)</u>	<u>(65,014)</u>
	<u><u>910,079</u></u>	<u><u>872,980</u></u>

* It is not practical to segregate the share of results from associated companies and from jointly controlled entities to realised and unrealised earnings.

c.c. Securities Commission