

BERJAYA LAND BERHAD

Company No: 201765-A

22 September 2014

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

	Note	Group	
		As at 31/07/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,149,985	2,177,988
Investment properties		642,724	642,724
Land held for development		825,571	836,751
Prepaid land lease premiums		1,034	1,034
Associated companies		390,510	387,720
Joint ventures		47,700	62,384
Investments		233,418	231,869
Intangible assets		5,571,172	5,570,369
Receivables		497,155	499,941
Deferred tax assets		14,448	18,229
		<u>10,373,717</u>	<u>10,429,009</u>
Current Assets			
Property development costs		1,416,666	1,314,917
Inventories		425,818	410,990
Receivables		788,044	859,382
Short term investments		1,771	6,341
Tax recoverable		7,051	5,356
Deposits, cash and bank balances		1,034,352	991,756
Assets classified as held for sale		12,581	13,531
		<u>3,686,283</u>	<u>3,602,273</u>
TOTAL ASSETS		<u>14,060,000</u>	<u>14,031,282</u>
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		(106,273)	(81,883)
Capital reserve		10,804	10,804
Fair value reserve		1,983,501	1,983,501
Available-For-Sale ("AFS") reserve		23,146	31,873
Consolidation reserve		21,220	17,782
Retained earnings		967,653	941,751
		<u>2,900,051</u>	<u>2,903,828</u>
Equity funds		5,400,219	5,403,996
Less: Treasury shares	A4	(24,659)	(45,466)
Net equity funds		5,375,560	5,358,530
Non-controlling interests		3,289,447	3,261,525
Total equity		<u>8,665,007</u>	<u>8,620,055</u>

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

	Note	Group	
		As at 31/07/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
Non-current liabilities			
Medium term notes	B8	495,000	400,000
Retirement benefit obligations		8,425	8,485
Long term borrowings	B8	1,641,699	1,922,378
Other long term liabilities		281,038	302,623
Deferred taxation		116,179	118,878
		<u>2,542,341</u>	<u>2,752,364</u>
Current Liabilities			
Payables		1,420,429	1,385,911
Short term borrowings	B8	1,201,018	1,066,492
Medium term notes	B8	200,000	180,000
Retirement benefit obligations and provisions		2,782	1,593
Tax payable		28,423	24,867
		<u>2,852,652</u>	<u>2,658,863</u>
Total Liabilities		<u>5,394,993</u>	<u>5,411,227</u>
TOTAL EQUITY AND LIABILITIES		<u>14,060,000</u>	<u>14,031,282</u>
 <i>Net assets per RM0.50 share attributable to ordinary equity holders (with voting rights) of the parent (RM)</i>			
		<u>1.08</u>	<u>1.08</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 2014.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED	
		31/07/2014	31/07/2013
		RM'000	RM'000
REVENUE		1,410,826	1,027,786
OPERATING EXPENSES, NET		(1,270,572)	(789,202)
<hr/>			
PROFIT FROM OPERATIONS	A3	140,254	238,584
Investment related income, net	A3	39,431	23,910
Share of results from associated companies		2,429	(61)
Share of results from joint ventures		(7,562)	(5,931)
Finance costs		(42,176)	(40,649)
<hr/>			
PROFIT BEFORE TAX	B5	132,376	215,853
TAXATION	B6	(46,024)	(53,102)
<hr/>			
PROFIT NET OF TAX		<u>86,352</u>	<u>162,751</u>
ATTRIBUTABLE TO:			
- Owners of the parent		37,663	102,519
- Non-controlling interests		48,689	60,232
<hr/>			
		<u>86,352</u>	<u>162,751</u>
EARNINGS PER SHARE (SEN)	B11		
- Basic		<u>0.76</u>	<u>2.06</u>
- Fully diluted		<u>0.76</u>	<u>2.06</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 2014.

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

	CURRENT QUARTER ENDED	
	31/07/2014	31/07/2013
	RM'000	RM'000
PROFIT NET OF TAX	86,352	162,751
OTHER COMPREHENSIVE INCOME		
<u>Items that may be subsequently reclassified to profit or loss</u>		
Net changes in fair value of available-for-sale investments:		
- Changes in fair value during the quarter	13,174	45,551
- Transfer to profit or loss upon disposal	(18,240)	(2,308)
Share of an associated company's changes in fair value of available-for-sale investments	(644)	3,393
Currency translation differences	(30,909)	101,512
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	49,733	310,899
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Owners of the parent	4,546	205,848
- Non-controlling interests	45,187	105,051
	49,733	310,899

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2014.

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

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital	Exchange reserves	Capital reserve	Fair value reserve	AFS reserve	Consolidation reserve	Retained earnings	Treasury shares	Total net equity funds	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2014	2,500,168	(81,883)	10,804	1,983,501	31,873	17,782	941,751	(45,466)	5,358,530	3,261,525	8,620,055
Total comprehensive income	-	(24,390)	-	-	(8,727)	-	37,663	-	4,546	45,187	49,733
Transactions with owners:											
Non-controlling interests arising from:											
- additional acquisition of equity interest in a subsidiary company	-	-	-	-	-	-	(220)	-	(220)	(18,780)	(19,000)
- partial disposal of equity interest in a subsidiary company	-	-	-	-	-	3,438	-	-	3,438	27,090	30,528
- additional subscription of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	31,037	31,037
Resale of treasury shares	-	-	-	-	-	-	(11,541)	20,807	9,266	-	9,266
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(56,612)	(56,612)
	-	-	-	-	-	3,438	(11,761)	20,807	12,484	(17,265)	(4,781)
At 31 July 2014	<u>2,500,168</u>	<u>(106,273)</u>	<u>10,804</u>	<u>1,983,501</u>	<u>23,146</u>	<u>21,220</u>	<u>967,653</u>	<u>(24,659)</u>	<u>5,375,560</u>	<u>3,289,447</u>	<u>8,665,007</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
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 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	-	70,272	-	-	33,057	-	102,519	-	205,848	105,051	310,899
Transaction with owners:											
Non-controlling interests arising from accretion of equity interest in a subsidiary company	-	-	-	-	-	-	-	-	-	(24,088)	(24,088)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(31,744)	(31,744)
	-	-	-	-	-	-	-	-	-	(55,832)	(55,832)
At 31 July 2013	<u>2,500,168</u>	<u>(109,508)</u>	<u>10,804</u>	<u>1,983,501</u>	<u>47,777</u>	<u>22,510</u>	<u>975,499</u>	<u>(45,466)</u>	<u>5,385,285</u>	<u>3,257,538</u>	<u>8,642,823</u>

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 2014.

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

	3 months ended	
	31/07/2014	31/07/2013
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	1,567,277	1,117,036
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(1,559,073)	(991,534)
Tax paid	(42,971)	(41,855)
Other receipts/(payments) (inclusive of tax refunds)	1,136	(7)
Net cash (used in)/generated from operating activities	(33,631)	83,640
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	3,443	437
Sale of short term investments	4,570	8,498
Sale of other investments	23,919	12,382
Partial disposal of equity interest in a subsidiary company	30,528	-
Resale of treasury shares	9,266	-
Acquisition of property, plant and equipment, non-current assets and properties	(6,488)	(9,732)
Acquisition of other investments and short term investments	(2,607)	(68,297)
Acquisition of additional equity interest in a subsidiary company	(17,100)	-
Additional subscription of shares in an associated company	(1,029)	(1,901)
Acquisition of treasury shares by subsidiary companies	-	(23,395)
Interest received	9,413	8,032
Dividend received	114	1,051
Advances from/(Repayment to) related companies	10,697	(2,581)
Advances to joint ventures	(4,794)	(10,384)
Deposits placement with investment advisers	-	(143,976)
Other payments	(4,180)	(218)
Net cash generated from/(used in) investing activities	55,752	(230,084)
FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests	31,037	-
Drawdown of bank and other borrowings	528,777	1,110,688
Repayment of bank and other borrowings	(482,977)	(990,323)
Dividends paid to non-controlling interests of a subsidiary company	(756)	(32,153)
Interest paid	(47,966)	(38,990)
Other payments	(4,354)	(3,991)
Net cash generated from financing activities	23,761	45,231
NET CHANGE IN CASH AND CASH EQUIVALENTS	45,882	(101,213)
EFFECTS OF EXCHANGE RATE CHANGES	(6,251)	6,264
OPENING CASH AND CASH EQUIVALENTS	823,159	718,225
CLOSING CASH AND CASH EQUIVALENTS	862,790	623,276
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	1,034,352	656,334
Bank overdraft (included under short term borrowings)	(44,244)	(33,058)
Less: cash and cash equivalents restricted in use	(127,318)	-
	862,790	623,276

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2014.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
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 2014. 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 2014. 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 2014.

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 2014 other than as disclosed below:

Statement of Profit or Loss

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

	Quarter ended 31/07/2014 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted equity investments	10,074
Net gain on disposal of quoted available-for-sale ("AFS") investments	18,240
	<u>28,314</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 2014.

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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 2014.

On 24 July 2014, the Company resold 11.0 million of its treasury shares held in the open market for a total cash consideration of RM9.266 million.

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

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2014	1.89	24,037,104	45,466
Resale of treasury shares at 24 July 2014		(11,000,000)	(20,807)
Total treasury shares at 31 July 2014	1.89	13,037,104	24,659

As at 31 July 2014, the number of ordinary shares in issue and fully paid with voting rights was 4,987,300,000 ordinary shares of RM0.50 each (31 July 2013 : 4,976,300,000 ordinary shares of RM0.50 each).

A5 The Company did not pay any dividend during the financial quarter ended 31 July 2014.

A6 Segmental information for the financial quarter ended 31 July 2014:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	794,855	-	794,855
Motor retailer	442,970	-	442,970
Property development and investment	78,417	2,030	80,447
Hotels and resorts	71,649	383	72,032
Clubs and others	22,935	4,946	27,881
Sub-total	1,410,826	7,359	1,418,185
Less: Inter-segment revenue	-	(7,359)	(7,359)
Total revenue	1,410,826	-	1,410,826

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segmental information for the financial quarter ended 31 July 2014 (cont'd):

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	129,965
Motor retailer	7,612
Property development and investment	6,724
Hotels and resorts	12,732
Clubs and others	(9,901)
	<u>147,132</u>
Unallocated corporate items	(6,878)
	<u>140,254</u>
Investment related income, net:	
- Interest income	10,294
- Dividend income	114
- Fair value changes of FVTPL quoted equity investments	10,074
- Net gain on disposal of quoted AFS investment	18,240
- Others	709
	39,431
Share of results from associates companies	2,429
Share of results from joint ventures	(7,562)
Finance costs	(42,176)
Profit before tax	<u>132,376</u>
Taxation	(46,024)
Profit for the quarter	<u><u>86,352</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 2014 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

- (a) the decrease of the Group's equity interest in Berjaya Sports Toto Berhad ("BToto") from 41.40% to 40.81% following the disposal of 8.0 million BToto shares, representing 0.59% equity interest in BToto by Gateway Benefit Sdn Bhd, a wholly-owned subsidiary of the Company, for a total cash consideration of RM30.56 million;
- (b) the incorporation of BHR (Cayman) Limited ("BHRCL"), a wholly-owned subsidiary company of Berjaya Leisure (Cayman) Limited ("BLCL"). BLCL in turn, is a wholly-owned subsidiary company of the Company. BHRCL has an issued and paid up share capital of GBP1,000, comprising 100,000 ordinary shares of GBP0.01 each. The intended principal activities of BHRCL are property investment and investment holding; and

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NOTES TO THE INTERIM FINANCIAL REPORT

- A8 There were no material changes in the composition of the Group for the financial quarter ended 31 July 2014 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for (cont'd):
- (c) the completion of the acquisition of additional 49% equity interest in KDE Recreation Berhad ("KDE") by Berjaya Vacation Club Berhad ("BVC") for a total cash consideration of RM17.1 million. KDE is now a wholly-owned subsidiary company of BVC. BVC in turn is a wholly-owned subsidiary of the Company.
- A9 There are no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2014.
- A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2014 other than the completion of the acquisition of additional equity interest in KDE as disclosed in Note A8(c) above.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

Toto betting operations and related activities

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

Motor retailing and provision of aftersales services

- the trend in prestige and specialist cars.

Property development and investment

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

Operations of hotels and resorts

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

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.41 billion and pre-tax profit of RM132.38 million as compared to RM1.03 billion and RM215.85 million respectively reported in the previous year corresponding quarter.

The higher Group revenue was mainly due to the consolidation of H.R. Owen by BToto Group and the higher progress billings reported by the property development and investment business in the current quarter. This has mitigated the lower revenue reported by the hotels and resorts business which arose mainly from overall lower occupancy rates. In particular, Berjaya Tioman Beach Resort reported lower revenue with the cessation of scheduled flights to Tioman Island, Johor.

The gaming business operated by BToto's principal subsidiary, Sports Toto Malaysia Sdn Bhd ("STMSB") also reported a drop in revenue this quarter under review as compared to the same period last year due to having lesser number of draws.

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

- (i) the higher prize payout and operating expenses incurred by the gaming business;
- (ii) the correspondingly lower profit contribution from the hotels and resorts business from lower revenue;
- (iii) the higher share of losses from the Group's joint ventures; and
- (iv) higher finance costs.

In the previous year corresponding quarter, the Group realised a gain of RM94.7 million from the disposal of Berjaya Singapore Hotel. The above factors were partly mitigated by the higher profit contribution reported by the property development and investment business from its higher revenue.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
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 RM1.41 billion from RM1.56 billion reported in the preceding quarter. Pre-tax profit for the current quarter was higher at RM132.38 million as compared to RM109.4 million reported in the fourth quarter of previous financial year ended 30 April 2014.

The lower Group revenue was mainly due to:

- (i) lower revenue reported by STMSB from having lesser number of draws in the current quarter. (in the preceding quarter, STMSB benefited from higher sales during the Chinese New Year festive period);
- (ii) lower occupancy rates reported by the hotels and resorts division as explained in B1 above; and
- (iii) lower progress billings registered by the property development and investment business.

The increase in pre-tax profit was contributed by STMSB in spite of STMSB having lower revenue. In the preceding quarter, STMSB incurred higher prize payout and operating expenses (including charitable contributions). In addition, the Group reported gain on disposal of quoted shares and favourable fair value adjustments of AFS quoted shares as disclosed in Note A3 as compared to the fair value adjustments of AFS quoted shares reported in the preceding quarter. These items had mitigated the corresponding lower profit contribution from the other businesses of the Group.

B3 Future Prospects

With rising costs weighing down on domestic consumer spending, the Directors are of the view that the gaming business will perform satisfactorily. The performance of the hotels and resorts business is also expected to remain satisfactory whilst the focus of the property development business will be on its overseas development projects. Given the current economic outlook, the Directors are of the view that the Group's performance will continue to remain challenging in the remaining quarters of the financial year ending 30 April 2015.

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

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

	Quarter ended 31/07/2014 RM'000
Interest income	(10,294)
Dividend income	(114)
Other income excluding dividend and interest income	(2,712)
Depreciation of property, plant and equipment	23,441
Gain on disposal of property, plant and equipment	(405)
Amortisation of intangible assets	153
Impairment loss on receivables	147
Provision for and write off of inventories	-
Net foreign exchange gain	(2,040)
Net gain on disposal of quoted AFS investments	(18,240)
Fair value changes of FVTPL quoted equity investments	(10,074)
Gain or loss on derivatives	-
	<u><u>-</u></u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JULY 2014
ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Quarter ended 31/07/2014 RM'000
Malaysian income tax	38,614
Foreign tax	6,363
Overprovision in prior years	(35)
Deferred taxation	1,082
	<u>46,024</u>

The disproportionate tax charge of the Group for the financial quarter ended 31 July 2014 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.

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.

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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):

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.

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 extended for another year to fulfil the above conditions precedent.

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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):

- (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.

- (d) On 10 January 2014, BToto announced that International Lottery & Totalizator Systems, Inc. ("ILTS California"), a 71.32% wholly-owned subsidiary of Berjaya Lottery Management (HK) Limited ("BLM"), which in turn is a wholly-owned subsidiary company of BToto had 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 the Company via BLM and its shares will cease to be traded on the Over-The-Counter Markets. ILTS California had obtained the written consent of BLM, approving the merger and the reverse stock split.

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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):

A preliminary Information Statement had been filed with the United States Securities and Exchange Commission ("SEC") and currently remains under review. 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.

- (e) On 2 September 2014, the Company announced that BLCL together with Berjaya Times Square (Cayman) Limited ("BTSC") had on even date, entered into a Memorandum of Understanding ("MOU") with Carnival Group International Holdings Limited ("Carnival Group") to dispose a total of 70% equity interest in Berjaya (China) Great Mall Co., Ltd. ("GMOC") to Carnival Group (or its relevant affiliate), for a total cash consideration to be negotiated.

BLCL owns 51% of the registered capital of GMOC whilst the balance of 49% is owned by BTSC. The proposed disposal of 35.7% and 34.3% equity interest in GMOC by BLCL and BTSC respectively is computed in proportion to their respective shareholdings in GMOC. If the sale of GMOC equity interests pursuant to the aforesaid is completed, BLCL will own 15.3% and BTSC will own 14.7% in GMOC.

The consideration for the proposed disposals shall be subject to negotiations between the parties with reference to, among other things, the results of the due diligence investigation and an independent valuation on GMOC to be engaged by Carnival Group at its own costs and expenses.

The MOU is not legally binding except in relation to, among other things, confidentiality, governing law and jurisdiction.

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

	RM'000	RM'000
Short term borrowings		
Secured - Denominated in Ringgit Malaysia	865,641	
Denominated in USD (USD69,701,000) *	222,242	
Denominated in GBP (£571,000) *	3,080	
Denominated in SGD (S\$31,500,000) *	80,681	
Denominated in Philippine Peso (Peso400,000,000) *	29,374	
		1,201,018
Long term borrowings		
Secured - Denominated in Ringgit Malaysia	1,181,442	
Denominated in USD (USD94,470,000) *	301,218	
Denominated in GBP (£388,000) *	2,093	
Denominated in JPY (JPY5,061,000,000) *	156,946	
		<u>1,641,699</u>
		<u>2,842,717</u>
Medium Term Notes (secured)		200,000
- short term		495,000
- long term		<u>695,000</u>

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

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

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

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

	Group (3-month period)			
	31/07/2014	31/07/2013	31/07/2014	31/07/2013
	RM'000		sen	
Net profit for the quarter attributable to equity holders of the Parent	<u>37,663</u>	<u>102,519</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,977,137</u>	<u>4,976,300</u>		
Basic earnings per share			<u>0.76</u>	<u>2.06</u>

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

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

	As at 31/07/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
Realised earnings	718,719	691,232
Unrealised earnings	<u>442,553</u>	<u>450,960</u>
	1,161,272	1,142,192
Share of results from associated companies	* 56,181	53,752
Share of results from joint ventures	* (177,480)	(169,918)
	1,039,973	1,026,026
Less: Consolidation adjustments	<u>(72,320)</u>	<u>(84,275)</u>
	<u>967,653</u>	<u>941,751</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