

BERJAYA LAND BERHAD

Company No: 201765-A

22 December 2014

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2014

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

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

	Note	Group	
		As at 31/10/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,166,359	2,177,988
Investment properties		642,744	642,724
Land held for development		831,117	836,751
Prepaid land lease premiums		1,034	1,034
Associated companies		390,463	387,720
Joint ventures		45,560	62,384
Investments		169,620	231,869
Intangible assets		5,578,239	5,570,369
Receivables		497,166	499,941
Deferred tax assets		20,834	18,229
		<u>10,343,136</u>	<u>10,429,009</u>
Current Assets			
Property development costs		1,526,567	1,314,917
Inventories		427,652	410,990
Receivables		785,466	859,382
Short term investments		3,094	6,341
Tax recoverable		6,548	5,356
Deposits, cash and bank balances		1,028,335	991,756
Assets classified as held for sale		11,009	13,531
		<u>3,788,671</u>	<u>3,602,273</u>
		<u>14,131,807</u>	<u>14,031,282</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		(98,576)	(81,883)
Capital reserve		10,804	10,804
Fair value reserve		1,983,501	1,983,501
Available-For-Sale ("AFS") reserve		17,374	31,873
Consolidation reserve		21,220	17,782
Retained earnings		904,448	941,751
		<u>2,838,771</u>	<u>2,903,828</u>
Equity funds		5,338,939	5,403,996
Less: Treasury shares	A4	(20,699)	(45,466)
Net equity funds		5,318,240	5,358,530
Non-controlling interests		3,303,606	3,261,525
Total equity		<u>8,621,846</u>	<u>8,620,055</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/10/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
Non-current liabilities			
Medium term notes	B8	495,000	400,000
Retirement benefit obligations		12,765	8,485
Long term borrowings	B8	2,026,570	1,922,378
Other long term liabilities		253,399	302,623
Deferred taxation		115,280	118,878
		<u>2,903,014</u>	<u>2,752,364</u>
Current Liabilities			
Payables		1,342,085	1,385,911
Short term borrowings	B8	966,839	1,066,492
Medium term notes	B8	200,000	180,000
Retirement benefit obligations and provisions		2,568	1,593
Dividend payable		49,763	-
Tax payable		45,692	24,867
		<u>2,606,947</u>	<u>2,658,863</u>
Total Liabilities		<u>5,509,961</u>	<u>5,411,227</u>
TOTAL EQUITY AND LIABILITIES		<u>14,131,807</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>1.07</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 OCTOBER 2014
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/10/2014 RM'000	31/10/2013 RM'000	31/10/2014 RM'000	31/10/2013 RM'000
REVENUE		1,408,904	1,039,864	2,819,730	2,067,650
OPERATING EXPENSES, NET		<u>(1,257,138)</u>	<u>(876,082)</u>	<u>(2,527,710)</u>	<u>(1,665,284)</u>
PROFIT FROM OPERATIONS	A3	151,766	163,782	292,020	402,366
Investment related income, net	A3	22,167	16	61,598	23,926
Share of results from associated companies		(937)	2,676	1,492	2,615
Share of results from joint ventures		(3,613)	(4,089)	(11,175)	(10,020)
Finance costs		<u>(46,964)</u>	<u>(45,115)</u>	<u>(89,140)</u>	<u>(85,764)</u>
PROFIT BEFORE TAX	B5	122,419	117,270	254,795	333,123
TAXATION	B6	<u>(54,267)</u>	<u>(50,302)</u>	<u>(100,291)</u>	<u>(103,404)</u>
PROFIT NET OF TAX		<u>68,152</u>	<u>66,968</u>	<u>154,504</u>	<u>229,719</u>
ATTRIBUTABLE TO:					
- Owners of the parent		8,972	12,637	46,635	115,156
- Non-controlling interests		<u>59,180</u>	<u>54,331</u>	<u>107,869</u>	<u>114,563</u>
		<u>68,152</u>	<u>66,968</u>	<u>154,504</u>	<u>229,719</u>
EARNINGS PER SHARE (SEN)	B11				
- Basic		<u>0.18</u>	<u>0.25</u>	<u>0.94</u>	<u>2.31</u>
- Fully diluted		<u>0.18</u>	<u>0.25</u>	<u>0.94</u>	<u>2.31</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 OCTOBER 2014
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/10/2014 RM'000	31/10/2013 RM'000	31/10/2014 RM'000	31/10/2013 RM'000
PROFIT NET OF TAX	68,152	66,968	154,504	229,719
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	(6,804)	(2,628)	6,370	42,923
- Transfer to profit or loss upon disposal	(536)	(15,129)	(18,776)	(17,437)
Share of an associated company's changes in fair value of available-for-sale investments	1,072	(1,673)	428	1,720
Currency translation differences	12,924	(94,123)	(17,985)	7,389
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Actuarial loss recognised in defined benefit pension scheme	(3,687)	-	(3,687)	-
Tax effect relating to components of other comprehensive income	737	-	737	-
TOTAL COMPREHENSIVE INCOME	71,858	(46,585)	121,591	264,314
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	10,131	(69,334)	14,677	136,514
- Non-controlling interests	61,727	22,749	106,914	127,800
	71,858	(46,585)	121,591	264,314

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 OCTOBER 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the Parent										
	Non Distributable					Non-					
	Share capital	Exchange reserves	Capital reserve	Fair value reserve	AFS reserve	Consolidation reserve	Retained earnings	Treasury shares	Total net equity funds	controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2014	2,500,168	(81,883)	10,804	1,983,501	31,873	17,782	941,751	(45,466)	5,358,530	3,261,525	8,620,055
Total comprehensive income	-	(16,693)	-	-	(14,499)	-	45,869	-	14,677	106,914	121,591
Transactions with owners:											
Non-controlling interests arising from:											
- additional acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	(19,702)	-	(19,702)	(22,458)	(42,160)
- partial disposal of equity interest in a subsidiary company	-	-	-	-	-	3,438	-	-	3,438	27,090	30,528
- additional subscription of shares in a subsidiary company	-	-	-	-	-	-	-	-	-	31,037	31,037
Resale of treasury shares	-	-	-	-	-	-	(13,707)	24,767	11,060	-	11,060
Dividend payable *	-	-	-	-	-	-	(49,763)	-	(49,763)	-	(49,763)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(100,502)	(100,502)
	-	-	-	-	-	3,438	(83,172)	24,767	(54,967)	(64,833)	(119,800)
At 31 October 2014	2,500,168	(98,576)	10,804	1,983,501	17,374	21,220	904,448	(20,699)	5,318,240	3,303,606	8,621,846

* In respect of financial year ended 30 April 2014

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2014
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the owners of the Parent										
	Non Distributable					Non-controlling interests					
	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	-	9,198	-	-	12,160	-	115,156	-	136,514	127,800	264,314
Transaction with owners:											
- accretion of equity interest in a subsidiary company	-	-	-	-	-	-	-	-	-	(32,781)	(32,781)
- acquisition of a subsidiary company	-	-	-	-	-	-	(37,322)	-	-	21,582	21,582
Dividend payable #	-	-	-	-	-	-	-	-	-	-	(37,322)
Non-controlling interests share of dividend	-	-	-	-	-	-	(37,322)	-	-	(63,340)	(63,340)
	-	-	-	-	-	-	-	-	-	(74,539)	(111,861)
At 31 October 2013	2,500,168	(170,582)	10,804	1,983,501	26,880	22,510	950,814	(45,466)	5,315,951	3,261,580	8,540,209

In respect of financial year ended 30 April 2013

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 OCTOBER 2014
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/10/2014	31/10/2013
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	3,057,863	2,221,749
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(2,936,794)	(1,966,558)
Tax paid	(86,014)	(84,884)
Other receipts (inclusive of tax refunds)	1,283	8,137
Net cash generated from operating activities	<u>36,338</u>	<u>178,444</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	45,176	128,850
Sale of short term investments	3,557	14,068
Sale of other investments	105,438	17,675
Partial disposal of equity interest in a subsidiary company	30,528	-
Resale of treasury shares	11,060	-
Acquisition of property, plant and equipment, non-current assets and properties	(76,530)	(91,013)
Acquisition of other investments and short term investments	(19,478)	(25,340)
Acquisition of additional equity interest in a subsidiary company	(40,260)	(75,180)
Additional subscription of shares in an associated company	(3,029)	(1,901)
Acquisition of treasury shares by subsidiary companies	-	(33,202)
Interest received	15,747	16,277
Dividend received	893	1,057
Advances from related companies	23,941	5,782
Advances to joint ventures	(7,435)	(23,301)
Deposits placement with investment advisers	-	(62,768)
Other payments	(20,661)	(29,175)
Net cash generated from/(used in) investing activities	<u>68,947</u>	<u>(158,171)</u>
FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests	31,037	-
Drawdown of bank and other borrowings	923,436	1,388,376
Repayment of bank and other borrowings	(801,323)	(1,137,610)
Dividend paid to shareholders of the Company	-	(34)
Dividends paid to non-controlling interests of a subsidiary company	(100,502)	(64,713)
Interest paid	(82,526)	(81,939)
Other payments	(37,283)	(8,229)
Net cash (used in)/generated from financing activities	<u>(67,161)</u>	<u>95,851</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	38,124	116,124
EFFECTS OF EXCHANGE RATE CHANGES	(5,948)	2,822
OPENING CASH AND CASH EQUIVALENTS	823,159	718,225
CLOSING CASH AND CASH EQUIVALENTS	<u>855,335</u>	<u>837,171</u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	1,028,335	869,384
Bank overdraft (included under short term borrowings)	(42,225)	(32,213)
Less: cash and cash equivalents restricted in use	(130,775)	-
	<u>855,335</u>	<u>837,171</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 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 and period ended 31 October 2014 other than as disclosed below:

Statement of Profit or Loss

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

	Quarter ended 31/10/2014 RM'000	Financial period ended 31/10/2014 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted investments	8,453	18,527
Net gain on disposal of available-for-sale ("AFS") quoted investments	536	18,776
	<u>8,989</u>	<u>37,303</u>

- (b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the financial quarter and period ended 31 October 2014.

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

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

During the financial period ended 31 October 2014, the Company disposed a total of 13.094 million of its treasury shares held in the open market for a total cash consideration of RM11.06 million.

The number of treasury shares held in hand as at 31 October 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 for the period ended 31 October 2014		(13,094,000)	(24,767)
Total treasury shares at 31 October 2014	1.89	10,943,104	20,699

As at 31 October 2014, the number of ordinary shares in issue and fully paid with voting rights was 4,989,394,000 ordinary shares of RM0.50 each (31 October 2013 : 4,976,300,000 ordinary shares of RM0.50 each).

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

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	1,624,190	-	1,624,190
Motor retailer	863,747	-	863,747
Property development and investment	133,405	4,081	137,486
Hotels and resorts	150,077	767	150,844
Clubs and others	48,311	11,958	60,269
Sub-total	2,819,730	16,806	2,836,536
Less: Inter-segment revenue	-	(16,806)	(16,806)
Total revenue	2,819,730	-	2,819,730

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

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

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	287,184
Motor retailer	7,899
Property development and investment	1,555
Hotels and resorts	25,323
Clubs and others	<u>(17,746)</u>
	304,215
Unallocated corporate items	<u>(12,195)</u>
	292,020
Investment related income, net:	
- Interest income	22,338
- Dividend income	893
- Fair value changes of FVTPL quoted investments	18,527
- Net gain on disposal of AFS quoted investments	18,776
- Others	<u>1,064</u>
	61,598
Share of results from associated companies	1,492
Share of results from joint ventures	(11,175)
Finance costs	<u>(89,140)</u>
Profit before tax	254,795
Taxation	<u>(100,291)</u>
Profit for the period	<u><u>154,504</u></u>

- A7 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this current financial quarter under review.
- A8 There were no material changes in the composition of the Group for the financial period ended 31 October 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 gross 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;

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A8 There were no material changes in the composition of the Group for the financial quarter ended 31 October 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; and
- (d) the completion of the acquisition of additional 40% equity interest in Absolute Prestige Sdn Bhd ("APSB") by Sinar Merdu Sdn Bhd ("SMSB") for a total cash consideration of RM23.16 million. APSB is now a wholly-owned subsidiary company of SMSB. SMSB in turn is a wholly-owned subsidiary of BVC.

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 acquisitions of additional equity interest in KDE and APSB as disclosed in Notes A8(c) and (d) above.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 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 predominantly in the London area of United Kingdom.

Property development and investment

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

Operations of hotels and resorts

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

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 RM122.42 million as compared to RM1.04 billion and RM117.27 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. This has offset the lower revenue reported by the hotels and resorts business from overall lower occupancy rates and the lower revenue of the property development and investment business from lower progress billings.

The increase in pre-tax profit in the current quarter under review was mainly due to the improved results reported by BToto Group arising from the lower prize payout by the gaming business operated by BToto's principal subsidiary, Sports Toto Malaysia Sdn Bhd ("STMSB"). This has offset the lower earnings contribution from both the hotels and resorts and property development and investment businesses from lower revenue registered.

B1 Review of Results For the 6-month Period

The Group reported revenue of RM2.82 billion for the 6-month period under review as compared to RM2.07 billion reported in the previous year corresponding period. The Group pre-tax profit was lower at RM254.79 million in the current 6-month period as compared to RM333.12 million registered in the same period last year.

The higher 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 period. Both STMSB and the hotels and resorts business reported lower revenue from lower number of draws and lower occupancy rates respectively.

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

B1 Review of Results For the 6-month Period (cont'd)

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

- (i) the lower profit contribution reported by STMSB from lower revenue and higher operating expenses;
- (ii) the correspondingly lower profit contribution from hotels and resorts business from lower revenue; and
- (iii) higher finance costs.

In addition, the Group realised a gain of RM94.7 million from the disposal of Berjaya Singapore Hotel in the previous year corresponding period.

The above factors were partly mitigated by favourable fair value changes of quoted shares and gain on disposal of quoted shares reported in the current period under review.

B2 Review of Results of Second Quarter Vs First Quarter

For the current quarter under review, the Group reported revenue of RM1.41 billion which was comparable to the preceding quarter. Pre-tax profit for the current quarter was lower at RM122.42 million as compared to RM132.38 million reported in the first quarter ended 31 July 2014.

The gaming business reported an increase in revenue for this quarter under review as compared to the preceding quarter arising from STMSB having higher number of draws. The higher revenue of both the gaming business and the hotels and resorts business (as a result of higher occupancy rates), has offset the lower revenue reported by the property development and investment business in the current quarter.

The lower Group pre-tax profit was mainly due to the correspondingly lower earnings contribution from the property development and investment business arising from lower revenue registered. This was partly mitigated by the improved results of the gaming business arising from lower prize payout and higher profit contribution from the hotels and resorts business. In addition, the Group recorded a gain on disposal of quoted investments in the preceding quarter.

B3 Future Prospects

In spite of the rising costs weighing down on domestic consumer spending and the uncertain effects of the Malaysia Goods and Services Tax from 1 April 2015, the Directors are of the view that the gaming business will continue to 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 remain challenging in the remaining quarters of the financial year ending 30 April 2015.

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

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

	Quarter ended 31/10/2014 RM'000	Financial period ended 31/10/2014 RM'000
Interest income	(12,044)	(22,338)
Dividend income	(779)	(893)
Other income excluding dividend and interest income	(7,556)	(10,268)
Depreciation of property, plant and equipment	21,355	44,796
Gain on disposal of property, plant and equipment	(1,673)	(2,078)

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

	Quarter ended 31/10/2014 RM'000	Financial period ended 31/10/2014 RM'000
Amortisation of intangible assets	66	219
Impairment loss on receivables	5	152
Net foreign exchange loss	11,789	9,749
Net gain on disposal of quoted AFS investments	(536)	(18,776)
Fair value changes of FVTPL quoted equity investments	(8,453)	(18,527)
Gain or loss on derivatives	<u>-</u>	<u>-</u>

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

	Quarter ended 31/10/2014 RM'000	Financial Period ended 31/10/2014 RM'000
Malaysian income tax	55,935	94,549
Foreign tax	4,314	10,677
Overprovision in prior years	-	(35)
Deferred taxation	<u>(5,982)</u>	<u>(4,900)</u>
	<u>54,267</u>	<u>100,291</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 October 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.

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

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders have been obtained for the STC Proposals.

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.

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.

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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)

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.

- (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.

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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):

- (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.

The definitive Information Statement describing the merger and the reverse stock split was mailed to shareholders on 9 December 2014. 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.

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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):

- (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 negotiation 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.

- (f) On 3 December 2014, the Company announced that it proposed to establish a Medium Term Notes Programme of up to RM650 million in nominal value, which will be backed by a financial guarantee insurance facility granted by Danajamin Nasional Berhad and a bank guarantee facility granted by OCBC Bank (Malaysia) Berhad ("MTN Programme"). The Securities Commission Malaysia has approved the MTN Programme on 3 December 2014.

The MTN Programme has been accorded AAA(fg) and AAA(bg) by Malaysian Rating Corporation Berhad and has a tenure of up to 10 years from the date of the first issuance of MTNs under the MTN Programme.

The proceeds from the MTN Programme will be utilised to refinance the Group's bank borrowings, for equity investments and working capital as well as the expenses relating to the issuance of the MTNs.

On 16 December 2014, the Company announced that the Medium Term Notes ("MTN") were issued with tenures of 3 years, 5 years and 7 years with maturity dates of 15 December 2017, 16 December 2019 and 16 December 2021 respectively. The interest rates of the MTNs range from 4.65% to 5.35% per annum.

The MTN interest is payable semi-annually commencing 6 months from the date of issuance of the said MTNs up to their respective maturity dates.

The Company shall redeem the MTNs at their nominal value on the respective maturity dates of each tranche.

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

	RM'000	RM'000
Short term borrowings		
Secured - Denominated in Ringgit Malaysia	766,335	
Denominated in USD (USD32,119,000) *	105,308	
Denominated in GBP (£276,000) *	1,449	
Denominated in SGD (S\$27,946,000) *	71,803	
Denominated in Philippine Peso (Peso300,000,000) *	21,944	
		966,839
Long term borrowings		
Secured - Denominated in Ringgit Malaysia	962,548	
Denominated in USD (USD144,650,000) *	474,880	
Denominated in GBP (£12,302,000) *	64,592	
Denominated in SGD (S\$5,617,000) *	14,432	
Denominated in JPY (JPY5,932,000,000) *	178,155	
Denominated in KRW (KRW75,000,000,000) *	233,175	
Denominated in RMB (RMB183,997,000) *	98,788	
		<u>2,026,570</u>
		<u>2,993,409</u>
Medium Term Notes (secured)		
- short term		200,000
- long term		495,000
		<u>695,000</u>

* *Converted at the respective exchange rates prevailing as at 31 October 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 October 2013 : Nil).

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

	Group (3-month period)			
	31/10/2014	31/10/2013	31/10/2014	31/10/2013
	RM'000		sen	
Net profit for the quarter attributable to equity holders of the Parent	<u>8,972</u>	<u>12,637</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,987,960</u>	<u>4,976,300</u>		
Basic earnings per share			<u>0.18</u>	<u>0.25</u>

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B11 The basic and fully diluted earnings per share are calculated as follows (cont'd):

	Group (6-month period)			
	31/10/2014	31/10/2013	31/10/2014	31/10/2013
	RM'000		sen	
Net profit for the period attributable to equity holders of the Parent	<u>46,635</u>	<u>115,156</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,982,549</u>	<u>4,976,300</u>		
Basic earnings per share			<u>0.94</u>	<u>2.31</u>

There are no potential ordinary shares outstanding as at 31 October 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 31/10/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
Realised earnings		656,472	691,232
Unrealised earnings		<u>423,856</u>	<u>450,960</u>
		1,080,328	1,142,192
Share of results from associated companies	*	55,244	53,752
Share of results from joint ventures	*	<u>(181,093)</u>	<u>(169,918)</u>
		954,479	1,026,026
Less: Consolidation adjustments		<u>(50,031)</u>	<u>(84,275)</u>
		<u>904,448</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