

BERJAYA LAND BERHAD

Company No: 201765-A

24 March 2015

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2015

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BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/01/2015 RM'000	As at 30/04/2014 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		2,131,596	2,177,988
Investment properties		631,597	642,724
Land held for development		876,839	836,751
Prepaid land lease premiums		1,228	1,034
Associated companies		392,047	387,720
Joint ventures		54,115	62,384
Investments		149,316	231,869
Intangible assets		5,620,369	5,564,485
Receivables		563,159	499,941
Deferred tax assets		23,491	18,229
		<u>10,443,757</u>	<u>10,423,125</u>
Current Assets			
Property development costs		1,723,077	1,314,917
Inventories		482,153	410,990
Receivables		853,888	859,382
Short term investments		1,614	6,341
Tax recoverable		6,890	5,356
Deposits, cash and bank balances		1,043,799	991,756
Assets classified as held for sale		11,009	13,531
		<u>4,122,430</u>	<u>3,602,273</u>
TOTAL ASSETS		<u>14,566,187</u>	<u>14,025,398</u>
EQUITY AND LIABILITIES			
Share capital	A4	2,500,168	2,500,168
Reserves:			
Exchange reserves		24,239	(82,217)
Capital reserve		10,804	10,804
Fair value reserve		1,983,501	1,983,501
Available-For-Sale ("AFS") reserve		8,042	31,873
Consolidation reserve		21,220	17,782
Retained earnings		871,701	941,695
		<u>2,919,507</u>	<u>2,903,438</u>
Equity funds		5,419,675	5,403,606
Less: Treasury shares	A4	(20,699)	(45,466)
Net equity funds		5,398,976	5,358,140
Non-controlling interests		3,416,251	3,256,031
Total equity		<u>8,815,227</u>	<u>8,614,171</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group	
		As at 31/01/2015 RM'000	As at 30/04/2014 RM'000 (Restated)
Non-current liabilities			
Medium term notes	B8	1,142,509	400,000
Retirement benefit obligations		9,783	8,485
Long term borrowings	B8	1,971,543	1,922,378
Other long term liabilities		229,598	302,623
Deferred taxation		116,982	118,878
		<u>3,470,415</u>	<u>2,752,364</u>
Current Liabilities			
Payables		1,416,124	1,385,911
Short term borrowings	B8	613,027	1,066,492
Medium term notes	B8	200,000	180,000
Retirement benefit obligations and provisions		2,108	1,593
Dividend payable		-	-
Tax payable		49,286	24,867
		<u>2,280,545</u>	<u>2,658,863</u>
Total Liabilities		<u>5,750,960</u>	<u>5,411,227</u>
TOTAL EQUITY AND LIABILITIES		<u>14,566,187</u>	<u>14,025,398</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 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
		31/01/2015 RM'000	31/01/2014 RM'000	31/01/2015 RM'000	31/01/2014 RM'000
REVENUE		1,471,470	1,387,271	4,291,200	3,454,921
OPERATING EXPENSES, NET		<u>(1,327,365)</u>	<u>(1,254,518)</u>	<u>(3,855,075)</u>	<u>(2,919,802)</u>
PROFIT FROM OPERATIONS	A3	144,105	132,753	436,125	535,119
Investment related income, net	A3	(13,629)	(2,647)	47,969	21,279
Share of results from associated companies		4,669	1,770	6,161	4,385
Share of results from joint ventures		(2,700)	(4,243)	(13,875)	(14,263)
Finance costs		<u>(51,098)</u>	<u>(52,199)</u>	<u>(140,238)</u>	<u>(137,963)</u>
PROFIT BEFORE TAX	B5	81,347	75,434	336,142	408,557
TAXATION	B6	<u>(45,211)</u>	<u>(56,291)</u>	<u>(145,502)</u>	<u>(159,695)</u>
PROFIT NET OF TAX		<u>36,136</u>	<u>19,143</u>	<u>190,640</u>	<u>248,862</u>
ATTRIBUTABLE TO:					
- Owners of the parent		(26,636)	(19,720)	19,999	95,436
- Non-controlling interests		<u>62,772</u>	<u>38,863</u>	<u>170,641</u>	<u>153,426</u>
		<u>36,136</u>	<u>19,143</u>	<u>190,640</u>	<u>248,862</u>
(LOSS)/EARNINGS PER SHARE (SEN)	B11				
- Basic		<u>(0.53)</u>	<u>(0.40)</u>	<u>0.40</u>	<u>1.92</u>
- Fully diluted		<u>(0.53)</u>	<u>(0.40)</u>	<u>0.40</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 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/01/2015 RM'000	31/01/2014 RM'000	31/01/2015 RM'000	31/01/2014 RM'000
PROFIT NET OF TAX	36,136	19,143	190,640	248,862
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/period	(16,083)	(14,153)	(9,713)	28,770
- Transfer to profit or loss upon disposal/derecognition	-	(325)	(18,776)	(17,762)
Share of an associated company's changes in fair value of available-for-sale investments	(2,116)	335	(1,688)	2,055
Share of an associated company's loss on partial disposal of its subsidiary company	-	(21,015)	-	(21,015)
Currency translation differences	208,848	157,002	190,863	164,391
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Actuarial loss recognised in defined benefit pension scheme	3,528	-	(159)	-
Tax effect relating to components of other comprehensive income	(705)	-	32	-
TOTAL COMPREHENSIVE INCOME	229,608	140,987	351,199	405,301
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	87,914	62,060	102,685	198,574
- Non-controlling interests	141,694	78,927	248,514	206,727
	229,608	140,987	351,199	405,301

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 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2014 - as reported	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
Adjustments arising from finalisation of provisional estimate on acquisition of a subsidiary company (Note A3)	-	(334)	-	-	-	-	(56)	-	(390)	(5,494)	(5,884)
At 1 May 2014 - as restated	2,500,168	(82,217)	10,804	1,983,501	31,873	17,782	941,695	(45,466)	5,358,140	3,256,031	8,614,171
Total comprehensive income	-	106,456	-	-	(23,831)	-	19,966	-	102,591	248,608	351,199
Transactions with owners:											
Non-controlling interests arising from:											
- additional acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	(19,702)	-	(19,702)	(46,013)	(65,715)
- 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	-	-	-	-	-	-	-	-	-	31,038	31,038
Resale of treasury shares	-	-	-	-	-	-	(20,365)	24,767	4,402	-	4,402
Dividend payable *	-	-	-	-	-	-	(49,893)	-	(49,893)	-	(49,893)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(100,503)	(100,503)
	-	-	-	-	-	3,438	(89,960)	24,767	(61,755)	(88,388)	(150,143)
At 31 January 2015	<u>2,500,168</u>	<u>24,239</u>	<u>10,804</u>	<u>1,983,501</u>	<u>8,042</u>	<u>21,220</u>	<u>871,701</u>	<u>(20,699)</u>	<u>5,398,976</u>	<u>3,416,251</u>	<u>8,815,227</u>

* In respect of financial year ended 30 April 2014

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the owners of the Parent										
	Non Distributable										
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 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)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(110,436)	(110,436)
	-	-	-	-	-	-	(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)	5,378,011	3,256,501	8,597,190

In respect of financial year ended 30 April 2013

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2015	31/01/2014
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	4,575,377	3,680,260
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(4,398,004)	(3,325,675)
Tax paid	(139,396)	(161,215)
Other receipts (inclusive of tax refunds)	10,765	3,802
Net cash generated from operating activities	<u>48,742</u>	<u>197,172</u>
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	87,744	121,209
Sale of short term investments	4,727	15,261
Sale of other investments	105,418	17,989
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	(90,067)	(140,001)
Acquisition of other investments and short term investments	(36,154)	(46,900)
Acquisition of additional equity interest in a subsidiary company	(40,295)	(75,180)
Additional subscription of shares in an associated company	(6,029)	(1,901)
Acquisition of treasury shares by subsidiary companies	(30,818)	(70,473)
Interest received	24,892	26,806
Dividend received	2,528	1,865
Advances from/(to) related companies	31,979	(9,649)
Advances to joint ventures	(14,646)	(26,521)
Deposits placement with investment advisers	-	(50,546)
Other payments	(11,624)	(38,839)
Net cash generated from/(used in) investing activities	<u>69,243</u>	<u>(276,880)</u>
FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests	31,038	-
Drawdown of bank and other borrowings	1,640,268	1,731,275
Repayment of bank and other borrowings	(1,422,431)	(1,267,736)
Dividend paid to shareholders of the Company	(49,818)	(37,322)
Dividends paid to non-controlling interests of a subsidiary company	(100,503)	(111,470)
Interest paid	(127,784)	(145,416)
Other payments	(71,707)	(12,374)
Net cash (used in)/generated from financing activities	<u>(100,937)</u>	<u>156,957</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	17,048	77,249
EFFECTS OF EXCHANGE RATE CHANGES	19,969	17,936
OPENING CASH AND CASH EQUIVALENTS	823,159	717,770
CLOSING CASH AND CASH EQUIVALENTS	<u>860,176</u>	<u>812,955</u>
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	1,043,799	841,821
Bank overdraft (included under short term borrowings)	(37,599)	(28,866)
Less: cash and cash equivalents restricted in use	(146,024)	-
	<u>860,176</u>	<u>812,955</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 JANUARY 2015
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 January 2015 other than as disclosed below:

Statement of Profit or Loss

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

	Quarter ended 31/01/2015 RM'000	Financial period ended 31/01/2015 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted investments	(6,001)	12,526
Net gain on disposal of available-for-sale ("AFS") quoted investments	-	18,776
Fair value changes of AFS quoted investments	(9,599)	(10,457)
Impairment in value of property, plant and equipment	(14,043)	(14,043)
Fair value changes of investment properties	(11,125)	(11,125)
Impairment in value of investments in an associated company	(3,000)	(5,000)
Refund of stamp duty in relation to an aborted corporate listing exercise	18,000	18,000
	<u>(25,768)</u>	<u>8,677</u>

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NOTES TO THE INTERIM FINANCIAL REPORT

- A3 (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 January 2015 other than the changes that resulted from the prior year adjustments as explained below:

In the previous financial year ended 30 April 2014, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary company of Berjaya Sports Toto Berhad ("BToto") acquired additional shares in H.R. Owen Plc ("HR Owen"). As at 31 October 2013, BPI's equity interests in HR Owen was 71.19% and regarded the consolidation of HR Owen as a business combination in line with FRS 3 Business Combinations. BToto Group had then undertaken a purchase price allocation exercise to identify and measure intangible assets. The goodwill on acquisition was then provisionally estimated at RM105.8 million and included in the statement of financial position. As permitted by FRS 3 Business Combinations, the provisional goodwill estimated in the previous financial year was reviewed during the current financial period, and the allocation of purchase price was determined after completion of a final analysis. The identifiable intangible assets is now determined and identified as dealership rights and the fair value of the dealership rights is determined at RM52.5 million as at the date of acquisition and the goodwill on acquisition has been revised to RM48.7 million. This revision is accounted for respectively.

Group	As previously reported RM'000	Prior year adjustment RM'000	As restated RM'000
As at 30 April 2014			
<u>Statement of Financial Position</u>			
Intangible assets - dealership rights	-	52,529	52,529
Intangible assets - goodwill	916,649	(58,413)	858,236
Exchange reserves	(81,883)	(334)	(82,217)
Retained earnings	941,751	(56)	941,695
Non-controlling interests	3,261,525	(5,494)	3,256,031
<u>Statement of Comprehensive Income</u>			
Currency translation differences	132,062	(1,284)	130,778
Total comprehensive income attributable to:			
Owners of Parent	219,088	(334)	218,754
Non-controlling interests	244,528	(950)	243,578
	463,616	(1,284)	462,332

The aforesaid adjustments do not have any effect on the Group's statement of profit or loss and the Company's financial statements for the financial year ended 30 April 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 period ended 31 January 2015.

During the financial period ended 31 January 2015, the Company disposed of 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 January 2015 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 January 2015		(13,094,000)	(24,767)
Total treasury shares at 31 January 2015	1.89	10,943,104	20,699

As at 31 January 2015, 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 January 2014 : 4,976,300,000 ordinary shares of RM0.50 each).

A5 The Company did not pay any dividend during the financial period ended 31 January 2015. At the Company's Annual General Meeting held on 27 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 January 2015:

REVENUE

	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	2,495,394	-	2,495,394
Motor retailer	1,315,466	-	1,315,466
Property development and investment	198,757	6,105	204,862
Hotels and resorts	214,950	1,269	216,219
Clubs and others	66,633	22,200	88,833
Sub-total	4,291,200	29,574	4,320,774
Less: Inter-segment revenue	-	(29,574)	(29,574)
Total revenue	4,291,200	-	4,291,200

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NOTES TO THE INTERIM FINANCIAL REPORT

A6 Segmental information for the financial period ended 31 January 2015 (cont'd):

RESULTS

	RM'000
Toto betting operations and leasing of lottery equipment	434,206
Motor retailer	14,445
Property development and investment	14,897
Hotels and resorts	33,463
Clubs and others	(52,298)
	<u>444,713</u>
Unallocated corporate items	(8,588)
	<u>436,125</u>
Investment related income, net:	
- Interest income	33,933
- Dividend income	1,433
- Fair value changes of FVTPL quoted investments	12,526
- Net gain on disposal of AFS quoted investments	18,776
- Fair value changes of AFS quoted investments	(10,457)
- Impairment in value of investments in property, plant and equipment	(14,043)
- Fair value changes of investment properties	(11,125)
- Impairment in value of investments in an associated company	(5,000)
- Refund of corporate expenses in relation to an aborted corporate listing exercise	18,000
- Others	3,926
	<u>47,969</u>
Share of results from associated companies	6,161
Share of results from joint ventures	(13,875)
Finance costs	(140,238)
Profit before tax	<u>336,142</u>
Taxation	(145,502)
Profit for the period	<u><u>190,640</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 January 2015 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 40.92% following the disposal of 8.0 million BToto shares, representing 0.48% 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 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 January 2015 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.

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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 RM1.47 billion and pre-tax profit of RM81.35 million as compared to RM1.39 billion and RM75.43 million respectively reported in the previous year corresponding quarter.

The higher Group's revenue was mainly due to BToto Group contributing higher revenue, whereby its subsidiary company, HR Owen recorded higher revenue arising from an increase in new car sales volume from new model launches and after sales segment revenue. This has offset the lower revenue from the other business segments. The gaming business, operated by Sports Toto Malaysia Sdn Bhd ("STMSB"), a principal subsidiary company of BToto has recorded a marginal decrease in revenue in the current quarter. In the previous year corresponding quarter, STMSB benefited from seasonally higher revenue during Chinese New Year festive period in January 2014. The hotels and resorts business and the property development and investment business reported lower revenue from overall lower occupancy rates and lower progress billings recorded respectively.

The higher Group's pre-tax profit was mainly due to BToto Group reported higher profit, which came from STMSB and HR Owen arising from lower prize payout and higher car sales volume respectively, as well as from the refund of RM18.0 million stamp duty paid pursuant to the rescission of the share purchase agreement (resulted from the aborted listing of Sports Toto Malaysia Trust on the Singapore Exchange Securities Trading Limited).

The hotels and resorts business reported higher profit contribution resulting from lower operating expenses, despite its lower revenue. The Group also equity-accounted for improved results from its associated companies and joint ventures. These have offset the lower profit contribution from the property development and investment business segment despite the higher exceptional losses incurred as disclosed in Note A3.

B1 Review of Results For the 9-month Period

The Group reported revenue of RM4.29 billion for the 9-month period under review as compared to RM3.45 billion reported in the previous year corresponding period. The Group's pre-tax profit was lower at RM336.14 million in the current 9-month period as compared to RM408.56 million registered in the same period last year.

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

The increase in Group revenue was mainly due to:

- (i) the consolidation of HR Owen's 9-month results in the current period versus 3-month results consolidated in the previous year corresponding quarter; and
 - (ii) the higher property progress billings recorded by the property development and investment business.
- The above have offset the drop in revenue of STMSB and the hotels and resorts business segments.

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

- (i) the lower profit contribution reported by BToto's principal subsidiary, 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 incurred.

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

B2 Review of Results of Third Quarter Vs Second Quarter

For the current quarter under review, the Group reported revenue of RM1.47 billion which was 4% higher than the revenue in the preceding quarter. Pre-tax profit for the current quarter was lower at RM81.35 million as compared to RM122.42 million reported in the second quarter ended 31 October 2014.

The higher revenue was mainly due to:

- (i) BToto's principal subsidiary company, STMSB, having higher number of draws;
 - (ii) HR Owen reported higher car sales from new model launches; and
 - (iii) the property development and investment business recorded higher property progress billings.
- These have offset the lower revenue reported by the hotels and resorts business segment.

The lower pre-tax profit was mainly due to :

- (i) STMSB reported lower pre-tax profit resulting from higher prize payout;
- (ii) the property development and investment business incurred higher operating expenses despite the higher property progress billings;
- (iii) the hotels and resorts business reported lower pre-tax profit from lower revenue; and
- (iv) impairment in value of property, plant and equipment as well as certain investment properties.

B3 Future Prospects

In spite of the rising costs weighing down on domestic consumer spending and the impending implementation of the Malaysia Goods and Services Tax from 1 April 2015, the Directors are cautiously optimistic 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 quarter of the financial year ending 30 April 2015.

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

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

	Quarter ended 31/01/2015 RM'000	Financial period ended 31/01/2015 RM'000
Interest income	(11,595)	(33,933)
Dividend income	(540)	(1,433)
Other income excluding dividend and interest income	(4,892)	(15,160)
Depreciation of property, plant and equipment	21,060	65,856
Gain on disposal of property, plant and equipment	(754)	(2,832)
Impairment in value of property, plant and equipment	14,043	14,043
Fair value changes in investment properties	11,125	11,125
Amortisation of intangible assets	286	505
(Reversal of impairment loss)/Impairment loss on receivables	(105)	47
Net foreign exchange loss	4,592	14,341
Net gain on disposal of quoted AFS investments	-	(18,776)
Fair value changes of FVTPL quoted equity investments	6,001	(12,526)
Gain or loss on derivatives	-	-
	<u>-</u>	<u>-</u>

B6 The taxation charges for the financial quarter and period ended 31 January 2015 were detailed as follows:

	Quarter ended 31/01/2015 RM'000	Financial Period ended 31/01/2015 RM'000
Malaysian income tax	43,119	137,492
Foreign tax	6,234	16,911
Overprovision in prior years	(1,708)	(1,743)
Deferred taxation	(2,434)	(7,158)
	<u>45,211</u>	<u>145,502</u>

The disproportionate tax charge of the Group for the financial quarter and period ended 31 January 2015 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

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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)

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.

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.

On 5 January 2015, BToto announced that ILTS California had merged with and into ILTS DE effective 30 December 2014 and ILTS DE as the surviving corporation had changed its name to International Lottery & Totalizator Systems, Inc. ("ILTS"). Following the effectiveness of the merger, ILTS implemented a reverse stock split, of ILTS common stock effective 31 December 2014 such that BLM became the sole shareholder of ILTS. On 2 January 2015, ILTS (successor to ILTS California) filed a Form 15 with the United States Securities and Exchange Commission, pursuant to which ILTS terminated its registration and reporting obligations under the Act. ILTS is now a wholly-owned subsidiary of BToto via BLM and its shares have ceased to be traded on the OTC Markets.

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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.

On 2 January 2015, the Company announced that the extended MOU has lapsed on 31 December 2014 and the parties had no obligation to proceed with the abovementioned disposal.

B8 Group borrowings and debt securities as at 31 January 2015:

	RM'000	RM'000
Short term borrowings		
Secured - Denominated in Ringgit Malaysia	393,394	
Denominated in USD (USD32,440,000) *	117,784	
Denominated in GBP (£552,000) *	3,024	
Denominated in SGD (S\$32,156,000) *	86,451	
Denominated in Philippine Peso (Peso150,000,000) *	12,374	
		613,027
Long term borrowings		
Secured - Denominated in Ringgit Malaysia	794,716	
Denominated in USD (USD143,416,000) *	521,032	
Denominated in GBP (£12,258,000) *	67,131	
Denominated in SGD (S\$1,126,000) *	3,024	
Denominated in JPY (JPY6,111,394,000) *	187,895	
Denominated in KRW (KRW88,000,000,000) *	290,928	
Denominated in RMB (RMB183,997,000) *	106,817	
		1,971,543
		<u>2,584,570</u>
Medium Term Notes (secured)		200,000
- short term		1,142,509
- long term		<u>1,342,509</u>

* *Converted at the respective exchange rates prevailing as at 31 January 2015*

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 2014 : Nil).

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

	Group (3-month period)			
	31/01/2015	31/01/2014	31/01/2015	31/01/2014
	RM'000		sen	
Net loss for the quarter attributable to equity holders of the Parent	<u>(26,636)</u>	<u>(19,720)</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	<u>4,987,960</u>	<u>4,976,300</u>		
Basic loss per share			<u>(0.53)</u>	<u>(0.40)</u>

	Group (9-month period)			
	31/01/2015	31/01/2014	31/01/2015	31/01/2014
	RM'000		sen	
Net profit for the period attributable to equity holders of the Parent	<u>19,999</u>	<u>95,436</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>0.40</u>	<u>1.92</u>

There are no potential ordinary shares outstanding as at 31 January 2015. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic (loss)/earnings per share.

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

		As at 31/01/2015 RM'000	As at 30/04/2014 RM'000 (Restated)
Realised earnings		623,514	691,232
Unrealised earnings		<u>407,025</u>	<u>450,960</u>
		1,030,539	1,142,192
Share of results from associated companies	*	59,913	53,752
Share of results from joint ventures	*	<u>(183,793)</u>	<u>(169,918)</u>
		906,659	1,026,026
Less: Consolidation adjustments		<u>(34,958)</u>	<u>(84,331)</u>
		<u>871,701</u>	<u>941,695</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