

BERJAYA ASSETS BERHAD
(COMPANY NO: 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2012

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BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30/09/12	Group As at 30/06/12 (Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	166,737	169,269
Investment properties	1,893,194	1,878,996
Jointly controlled entities	5,048	4,940
Investments	118,361	137,147
Derivative asset	96	104
Intangible assets	159,029	159,305
	<u>2,342,465</u>	<u>2,349,761</u>
CURRENT ASSETS		
Inventories	200,472	200,054
Receivables	63,490	72,287
Tax recoverable	1,033	1,072
Deposits with licensed banks	41,746	27,929
Cash and bank balances	5,904	18,671
	<u>312,645</u>	<u>320,013</u>
TOTAL ASSETS	<u><u>2,655,110</u></u>	<u><u>2,669,774</u></u>
EQUITY		
Share capital	1,113,042	1,113,042
Share premium	258,985	258,985
Reserves :		
Foreign currency translation reserve	3	2
AFS reserve	32,075	50,180
Retained earnings	519,997	497,144
	<u>552,075</u>	<u>547,326</u>
Equity attributable to equity holders of the parent	1,924,102	1,919,353
Non-controlling interests	1,715	3,647
Total equity	<u>1,925,817</u>	<u>1,923,000</u>
NON-CURRENT LIABILITIES		
Long term bank borrowings	184,596	198,083
Senior bonds	158,052	157,980
Other long term liabilities	13,941	14,880
Deferred tax liabilities	270,862	270,901
	<u>627,451</u>	<u>641,844</u>
CURRENT LIABILITIES		
Payables	70,355	73,469
Short term bank borrowings	29,568	29,558
Tax payable	1,919	1,903
	<u>101,842</u>	<u>104,930</u>
Total liabilities	<u>729,293</u>	<u>746,774</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,655,110</u></u>	<u><u>2,669,774</u></u>

*Net assets per share attributable to ordinary
equity holders of the parent (sen)*

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The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2012.

BERJAYA ASSETS BERHAD

(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2012
CONDENSED CONSOLIDATED INCOME STATEMENT**

		CURRENT QUARTER ENDED	
		30/09/12	30/09/11
		RM'000	RM'000
	Note		
Revenue		81,009	76,096
Operating expenses		(61,148)	(59,971)
Profit from operations		19,861	16,125
Other income	A4	13,145	25,188
Other expenses	A4	(963)	(2,465)
Share of results from jointly controlled entities		108	226
Finance costs		(6,216)	(5,914)
Profit before tax		25,935	33,160
Income tax expense	B5	(1,690)	(1,337)
Profit net of tax		24,245	31,823
Attributable to:			
- Equity holders of the Parent		22,853	30,765
- Non-controlling interests		1,392	1,058
		24,245	31,823
Earnings per share (sen):			
Basic	B10	2.05	2.76
Diluted	B10	N/A	N/A

N/A denotes Not Applicable

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2012.

BERJAYA ASSETS BERHAD
(COMPANY NO: 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	CURRENT QUARTER ENDED	
	30/09/12	30/09/11
	RM'000	RM'000
Profit net of tax	24,245	31,823
<u>Other comprehensive income</u>		
Loss on changes		
in fair value of available-for-sale investments	(18,105)	(23,599)
Currency translation difference	1	-
Total comprehensive income for the quarter	6,141	8,224
Attributable to:		
- Equity holders of the Parent	4,749	7,166
- Non-controlling interests	1,392	1,058
	6,141	8,224

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2012.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<----- Attributable to the equity holders of the Parent ----->

	<----- Non - distributable ----->				Distributable			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	AFS Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity Funds RM'000	Non- controlling Interests RM'000	
At 1 July 2012	1,113,042	258,985	50,180	2	497,144	1,919,353	3,647	1,923,000
Total comprehensive income	-	-	(18,105)	1	22,853	4,749	1,392	6,141
Transactions with owners: Non-controlling interests share of dividend	-	-	-	-	-	-	(3,324)	(3,324)
At 30 September 2012	<u>1,113,042</u>	<u>258,985</u>	<u>32,075</u>	<u>3</u>	<u>519,997</u>	<u>1,924,102</u>	<u>1,715</u>	<u>1,925,817</u>
At 1 July 2011	1,113,042	258,985	99,828	-	368,834	1,840,689	5,013	1,845,702
Total comprehensive income	-	-	(23,599)	-	30,765	7,166	1,058	8,224
Transactions with owners: Non-controlling interests arising from additional subscription of shares in a subsidiary company	-	-	-	-	-	-	400	400
Final dividend *	-	-	-	-	(33,391)	(33,391)	-	(33,391)
Non-controlling interests share of dividend	-	-	-	-	-	-	(2,800)	(2,800)
At 30 September 2011	<u>1,113,042</u>	<u>258,985</u>	<u>76,229</u>	<u>-</u>	<u>366,208</u>	<u>1,814,464</u>	<u>3,671</u>	<u>1,818,135</u>

* In respect of financial year ended 30 June 2011

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012.

BERJAYA ASSETS BERHAD
(COMPANY NO : 3907-W)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2012
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT QUARTER ENDED	
	30/09/12	30/09/11
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	100,311	107,193
Payments for operating expenses (including taxes)	(88,298)	(94,555)
Other payments	(278)	(588)
Net cash generated from operating activities	11,735	12,050
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of plant and machinery	-	60
Sales of properties	25,982	37,741
Acquisition of plant and machinery	(425)	(93)
Acquisition of properties	(28,914)	(24,716)
Acquisition of investments	-	(1,549)
Interest received	271	337
Dividend received	245	1,313
Other receipts	13,500	-
Net cash generated from investing activities	10,659	13,093
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital to non-controlling interests	-	400
Repayment of borrowings and loans	(12,487)	(15,846)
Dividend paid to non-controlling interests of a subsidiary company	(3,324)	(2,800)
Interest paid	(3,754)	(5,889)
Other payments	(789)	(633)
Net cash used in financing activities	(20,354)	(24,768)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,040	375
OPENING CASH AND CASH EQUIVALENTS	37,972	56,043
CLOSING CASH AND CASH EQUIVALENTS	40,012	56,418
 The closing cash and cash equivalents comprise the following:		
Deposits with licensed banks	41,746	52,855
Cash and bank balances	5,904	4,819
Bank overdrafts	(7,638)	(1,256)
	40,012	56,418

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2012.

NOTES:

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

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2012. 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 June 2012.

Since the issuance of the previous annual audited financial statements as at 30 June 2012, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the MASB with effect from 1 July 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs.

These consolidated condensed interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 30 June 2013 and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The transition from FRS to MFRS has no material impact on the statement of financial position and statement of cash flows.

- A2 The audit report of the Company's most recent annual audited financial statements did not contain any qualification.
- A3 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for the gaming and recreation businesses that may be favourably impacted by the festive and school holiday seasons respectively.

NOTES (CONTINUED)

A4 a) There were no other unusual items as a result of their nature, size or incidence that had affected the financial statements for the financial quarter ended 30 September 2012 except for the following:

	Current Quarter ended 30/09/12 RM'000
Amortisation of intangible assets	(275)
Gain on disposal of investment properties	12,582
Prolonged impairment in value of AFS quoted investments	(688)
	11,619

- b) There were no material changes in estimates of amounts reported in the current financial quarter ended 30 September 2012.
- A5 There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial quarter ended 30 September 2012. In addition, none of the outstanding 415,982,348 Warrants 2008/2018 were exercised in the financial quarter ended 30 September 2012.
- A6 The Company did not pay any dividend in the financial quarter ended 30 September 2012.
- A7 Segmental information for the financial quarter ended 30 September 2012:

	External	Inter - segment	Total
<u>REVENUE</u>	RM '000	RM '000	RM '000
Property development and investment	20,671	-	20,671
Gaming and related activities	57,185	-	57,185
Recreation	3,153	-	3,153
Trading and others	-	1,087	1,087
Elimination : Intersegment revenue	-	(1,087)	(1,087)
Total revenue	81,009	-	81,009

NOTES (CONTINUED)

A7 Segmental information for the financial quarter ended 30 September 2012 (Contd):

<u>RESULTS</u>	Total RM '000
Property development and investment	14,660
Gaming and related activities	6,516
Recreation	(947)
Trading and others	(77)
	<u>20,152</u>
Unallocated corporate expenses	(291)
Profit from operations	<u>19,861</u>
Other income	
- property development and investment	12,829
- gaming and related activities	53
- trading and others	245
- unallocated	18
	13,145
Other expenses	
- property development and investment	(194)
- trading and others	(744)
- unallocated	(25)
	<u>(963)</u>
	32,043
Share of results after tax from jointly controlled entities	108
Finance costs	(6,216)
Profit before tax	<u>25,935</u>
Income tax expense	(1,690)
Profit for the quarter	<u><u>24,245</u></u>

NOTES (CONTINUED)

- A8 The valuation of land and buildings have been brought forward without amendment from the previous annual report.
- A9 There were no material events subsequent to the end of this current quarter that have not been reflected in the financial statements for this current financial quarter.
- A10 There were no material changes in the composition of the Group for the financial quarter ended 30 September 2012 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.
- A11 There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position as at 30 June 2012.
- A12 The changes in capital commitments since the last audited statement of financial position as at 30 June 2012 are as follows:

	At 30/09/12 RM'000	At 30/06/12 RM'000
Capital expenditure approved and contracted for	<u>352,750</u>	<u>378,046</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B1 For the Quarter**

The Group registered a revenue of RM81.0 million and pre-tax profit of RM25.9 million in the current quarter ended 30 September 2012 as compared to a revenue of RM76.1 million and a pre-tax profit of RM33.2 million reported in the previous year corresponding quarter. The higher Group revenue was mainly due to the higher revenue recorded by the gaming business segment operated by Natural Avenue Sdn Bhd ("NASB") from having higher number of draws in the current quarter as compared to the previous year corresponding quarter. The revenue from the property development and investment business segment operated mainly by Berjaya Times Square Sdn Bhd ("BTSSB") group was comparable to the previous year corresponding quarter.

The lower pre-tax profit for the current quarter under review was mainly due to a lower gain on disposal of investment properties registered as compared to the previous year corresponding quarter. The drop in pre-tax profit was partly mitigated by:

- a) the correspondingly higher pre-tax profit reported by NASB resulting from higher revenue and lower prize pay-out; and
- b) the higher rental income reported by BTSSB.

B2 First Quarter vs Preceding Year's Fourth Quarter

For the current quarter under review, the Group registered a consolidated revenue of RM81.0 million which was marginally higher than RM80.2 million reported in the preceding quarter ended 30 June 2012 whilst pre-tax profit dropped to RM25.9 million from RM120.0 million reported for the preceding quarter.

The lower Group pre-tax profit was mainly due to lower profit contribution of:

- a) NASB from the relatively higher prize payout in the current quarter as compared to the preceding quarter; and
- b) the property development and investment business segment from lower gain on disposal of investment properties.

In addition, the Group reported a favourable fair value adjustment of RM82.6 million on the investment properties in the preceding quarter.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B3 Future Prospects**

Notwithstanding the corporate proposals as disclosed in Note B6, the Directors envisage that the operating performance of the Group for the remaining quarters of the financial year ending 30 June 2013 will be satisfactory. The Directors also expect that the gaming business operated by NASB and the property investment business operated by BTSSB to maintain its market share and occupancy rates respectively going forward.

B4 There is no profit forecast or profit guarantee for the financial quarter ended 30 September 2012.

B5 The income tax expense for the financial quarter ended 30 September 2012 are detailed as follows:

	Current Quarter ended 30/09/12 RM'000
Malaysian taxation:	
Current quarter provision	1,729
Deferred tax	(39)
	<u>1,690</u>

The disproportionate tax charge of the Group for the financial quarter ended 30 September 2012 was lower mainly due to the availability of unused tax losses and unabsorbed capital allowances.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B6 Other than the outstanding proposal below, the Company does not have any other outstanding corporate proposals at the date of this announcement.

On 10 February 2012, the Company announced that offers made by its 100% owned subsidiary, Pesaka Ikhlas (M) Sdn Bhd ("PISB") to acquire several parcels of land with buildings erected thereon in Stulang Laut, Johor Bahru for a total cash consideration of RM385.0 million have been accepted by the vendors, namely, Atlan Technology Sdn Bhd ("ATSB"), Darul Metro Sdn Bhd ("DMSB") and Kelana Megah Sdn Bhd ("KMSB"), collectively referred to as Vendors. As the aforementioned land were leased/will be leased from Majlis Bandaraya Johor Bahru ("MBJB")/the relevant authorities, the said exercise will now comprise the proposed acquisitions of the lease interests in the land instead of the land.

PISB had entered into 3 conditional sale and purchase agreements for the following:

- a) the proposed acquisition by PISB from ATSB of its remaining lease interest in a parcel of vacant land measuring about 4.899 acres held under title H.S.(D) 19350, PTB 10710, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM32.01 million ("ATSB SPA");
- b) the proposed acquisition by PISB from DMSB of its remaining lease interest in 6 parcels of land measuring about 14.122 acres held under title H.S.(D) 19348, PTB 10707, PTB 20380, PTB 20438, PTB 20006, PTD 146378 and PTD 148062, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor with an integrated commercial development known as "The Zon Johor Bahru" erected thereon for a cash consideration of RM325.01 million ("DMSB SPA"); and
- c) the proposed acquisition by PISB from KMSB of its intended lease interest in a parcel of vacant land measuring about 4.285 acres held under Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM27.99 million ("KMSB SPA"), collectively known as "Proposals".

ATSB is a subsidiary of Atlan Holdings Bhd ("AHB"), a company listed on Bursa Securities, whereas KMSB and DMSB are subsidiary companies of Duty Free International Limited ("DFIL"), a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited. DFIL is in turn a subsidiary of AHB.

The Zon Johor Bahru is a gazetted Free Commercial Zone pursuant to Section 39(1) of the Free Zones Act, 1990. It comprises of a 12-level hotel, a 5-level shopping complex (podium block), an international ferry terminal and a custom and immigration checkpoint cum office building.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

Conditions of the Proposals are as follows:

- a) The Proposals are subject to the approvals of the Johor State Government and MBBJ.
- b) The KMSB SPA is conditional upon the completion of DMSB SPA.
- c) The proposed acquisitions from KMSB and DMSB are conditional upon the approval of shareholders of DFIL.
- d) The Proposals are subject to the consents of the lenders of AHB, DFIL and/or its related companies, where applicable.

B7 The Group borrowings as at 30 September 2012 are as follows:

Secured:	RM'000
Short term bank borrowings	29,568
Long term bank borrowings	184,596
Senior bonds	158,052
Total borrowings	<u><u>372,216</u></u>

B8 There was no pending material litigation since the date of the last audited statement of financial position to the date of this announcement.

B9 The Board does not recommend any dividend in the current quarter (previous year corresponding quarter ended 30 September 2011 : Nil).

B10 The earnings per share is calculated by dividing profit attributable to equity holders of the Parent by the weighted average number of ordinary shares in issue.

	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	RM'000	RM'000	Sen	Sen
Profit for the year	<u><u>22,853</u></u>	<u><u>30,765</u></u>		
Weighted average number of ordinary shares ('000)	<u><u>1,113,042</u></u>	<u><u>1,113,042</u></u>		
Basic earnings per share			<u><u>2.05</u></u>	<u><u>2.76</u></u>

No diluted earnings per share is presented for the current financial quarter ended 30 September 2012 as the computation based on the outstanding warrants would have an antidilutive effect.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

B11 Profit before tax is stated after charging/(crediting):

	Current Quarter ended 30/9/2012 RM'000
Interest income	(318)
Dividend income	(245)
Other income excluding dividend and interest income	(536)
Gain on disposal of investment properties	(12,582)
Depreciation of property, plant and equipment	2,957
Amortisation of intangible assets	275
Reversal of impairment loss on receivables	(98)
Impairment in value of AFS quoted investments	688
Provision for and write off of inventories	N/A
Foreign exchange gain or loss	N/A
Gain or loss on derivatives	N/A

N/A denotes Not Applicable

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

	As at 30/9/2012 RM'000	As at 30/6/2012 RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	559,874	531,265
- unrealised	377,652	385,002
	<u>937,526</u>	<u>916,267</u>
Less: Consolidation adjustments	<u>(417,529)</u>	<u>(419,123)</u>
Total group retained earnings as per financial statements	<u><u>519,997</u></u>	<u><u>497,144</u></u>

cc: Securities Commission