

# **Berjaya Corporation Berhad**

Company No: 554790-X

Date: 29 September 2014

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JULY 2014**

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**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended	
	31/07/2014	31/07/2013
	RM'000	RM'000
GROUP REVENUE	2,485,030	2,019,596
PROFIT FROM OPERATIONS	240,138	294,073
Investment related income	24,486	33,570
Investment related expenses	(159)	(23)
Finance costs	(85,113)	(83,677)
Share of results of associates	23,218	19,937
Share of results of joint ventures	(2,270)	(2,838)
PROFIT BEFORE TAX	200,300	261,042
INCOME TAX EXPENSE	(106,668)	(102,171)
PROFIT AFTER TAX	93,632	158,871
ATTRIBUTABLE TO:		
- Equity holders of the parent	8,282	53,433
- Non-controlling interests	85,350	105,438
	93,632	158,871
EARNINGS PER SHARE (SEN)		
- Basic, for the period	0.24	1.13
- Diluted, for the period	0.23	+

The annexed notes form an integral part of this interim financial report.

**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended	
	31/07/2014	31/07/2013
	RM'000	RM'000
PROFIT AFTER TAX	93,632	158,871
OTHER COMPREHENSIVE ITEMS		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Net changes on available-for-sale ("AFS") financial assets		
- Changes in fair value of AFS investments	3,730	38,902
- Disposals of AFS investments transferred to profit or loss	(18,240)	(2,308)
Foreign currency translation	(30,372)	124,026
Share of other comprehensive items of associates	542	8,402
Taxation relating to components of other comprehensive income	(802)	(3,117)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>48,490</u>	<u>324,776</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Equity holders of the parent	(12,712)	132,615
- Non-controlling interests	<u>61,202</u>	<u>192,161</u>
	<u>48,490</u>	<u>324,776</u>

The annexed notes form an integral part of this interim financial report.

**BERJAYA CORPORATION BERHAD**

(Company No: 554790 - X)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 31/07/2014 RM'000	Group As at 30/04/2014 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,062,302	3,110,571
Biological assets	5,425	25,271
Other investments	128,190	136,053
Investment properties	658,104	657,266
Prepaid land lease premiums	1,034	1,034
Land held for development	1,909,769	2,401,469
Investment in associated companies	1,435,828	1,417,703
Investment in joint ventures	108,201	117,593
Deferred tax assets	69,763	77,424
Other long term receivables	509,588	512,996
Intangible assets	<u>6,142,586</u>	<u>6,181,047</u>
	<u>14,030,790</u>	<u>14,638,427</u>
<b>Current Assets</b>		
Development properties	1,978,893	1,898,631
Inventories	1,082,111	1,116,421
Trade and other receivables	1,301,093	1,262,243
Short term investments	1,771	6,341
Tax recoverable	14,833	16,496
Deposits with financial institutions	815,907	724,587
Cash and bank balances	967,252	914,536
Assets classified as held for sale	<u>561,502</u>	<u>13,531</u>
	<u>6,723,362</u>	<u>5,952,786</u>
<b>TOTAL ASSETS</b>	<u><u>20,754,152</u></u>	<u><u>20,591,213</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	4,300,668	4,300,648
Share premium	6,965	6,606
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	439,897	442,417
Reserves	<u>1,233,006</u>	<u>1,033,765</u>
	5,980,536	5,783,436
Less: Treasury shares	<u>(114,062)</u>	<u>(82,882)</u>
	5,866,474	5,700,554
Non-controlling interests	<u>5,377,212</u>	<u>5,293,076</u>
<b>Equity funds</b>	<u><u>11,243,686</u></u>	<u><u>10,993,630</u></u>
<b>Non-current liabilities</b>		
Irredeemable Convertible Unsecured Loan Stocks	216,926	212,926
Long term borrowings	3,702,249	3,692,666
Other long term liabilities	438,488	421,089
Deferred tax liabilities	345,649	349,525
Provisions	<u>22,136</u>	<u>22,001</u>
	<u>4,725,448</u>	<u>4,698,207</u>
<b>Current Liabilities</b>		
Irredeemable Convertible Unsecured Loan Stocks	-	60,000
Trade and other payables	2,317,355	2,491,016
Provisions	8,860	6,668
Short term borrowings	2,330,916	2,231,741
Taxation	126,302	109,451
Derivative liability	<u>1,585</u>	<u>500</u>
	<u>4,785,018</u>	<u>4,899,376</u>
<b>Total Liabilities</b>	<u><u>9,510,466</u></u>	<u><u>9,597,583</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>20,754,152</u></u>	<u><u>20,591,213</u></u>
Basic net assets per share (sen)	130.66	124.69
Dilutive net assets per share (sen)	118.71	114.41

The net assets per share is calculated based on the following :

Basic : Equity funds less non-controlling interests and ICULS - equity component divided by the number of outstanding shares in issue with voting rights.

Dilutive : Equity funds less non-controlling interests divided by the number of outstanding shares in issue with voting rights and the potential conversion of the Company's outstanding ICULS to shares and exercise of Warrants.

The annexed notes form an integral part of this interim financial report.

**BERJAYA CORPORATION BERHAD**
**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent											Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Non-distributable							Distributable							
	Share capital RM'000	Share premium RM'000	ICULS - equity component # RM'000	AFS reserve RM'000	Share option reserve RM'000	Warrant reserve ^ RM'000	Fair value reserve RM'000	Capital reserve RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 May 2014	4,300,648	6,606	442,417	(7,489)	4,447	146,117	906,838	15,278	(971,024)	(40,577)	980,175	(82,882)	5,700,554	5,293,076	10,993,630
Total comprehensive income	-	-	-	(10,404)	-	-	-	-	(332)	(10,258)	8,282	-	(12,712)	61,202	48,490
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	(2,420)	(1,006)	-	(7,297)	8,130	247	132	2,214	-	-	-	-
Arising from conversion of BCorp ICULS 1&2															
- by surrender option	20	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Buy back of BCorp ICULS 1	-	-	(2,500)	-	-	-	-	-	-	-	1,104	-	(1,396)	-	(1,396)
Buyback of Warrants 2	-	359	-	-	-	(359)	-	-	-	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(31,180)	(31,180)	-	(31,180)
Adjustment in relation to part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	203,369	-	-	-	203,369	119,283	322,652
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	6,609	-	(121)	-	6,488	(31,712)	(25,224)
Share based payment	-	-	-	-	1,351	-	-	-	-	-	-	-	1,351	1,312	2,663
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,949)	(65,949)
	20	359	(2,520)	(2,420)	345	(359)	(7,297)	8,130	210,225	132	3,197	(31,180)	178,632	22,934	201,566
At 31 July 2014	4,300,668	6,965	439,897	(20,313)	4,792	145,758	899,541	23,408	(761,131)	(50,703)	991,654	(114,062)	5,866,474	5,377,212	11,243,686

## Notes:

# This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

^ This comprises the fair values of warrants

**BERJAYA CORPORATION BERHAD**
**(Company No: 554790 - X)**

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

	Attributable to the equity holders of the Parent											Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Non-distributable						Distributable								
	Share capital RM'000	Share premium RM'000	ICULS - equity component # RM'000	AFS reserve RM'000	Share option reserve RM'000	Warrant reserve ^ RM'000	Fair value reserve RM'000	Capital reserve RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 May 2013	4,294,836	5,942	448,822	(16,367)	339	146,781	871,537	14,303	(941,791)	(116,949)	1,190,278	(80,494)	5,817,237	4,970,251	10,787,488
Total comprehensive income	-	-	-	19,350	(3)	-	-	-	238	59,597	53,433	-	132,615	192,161	324,776
<b>Transactions with owners:</b>															
Transfer of reserves	-	-	-	-	(23)	-	202	-	(581)	295	107	-	-	-	-
Arising from conversion of BCorp ICULS 1 - by surrender option	172	-	(172)	-	-	-	-	-	-	-	-	(2,388)	(2,388)	-	(2,388)
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(2,388)	(2,388)	-	(2,388)
Adjustment in relation to part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	(3,628)	-	-	-	(3,628)	15,165	11,537
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	(338)	-	-	-	(338)	(23,750)	(24,088)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	62	62
Share based payment	-	-	-	-	217	-	-	-	-	-	-	-	217	96	313
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,230)	(29,230)
	172	-	(172)	-	194	-	202	-	(4,547)	295	107	(2,388)	(6,137)	(37,657)	(43,794)
At 31 July 2013	4,295,008	5,942	448,650	2,983	530	146,781	871,739	14,303	(946,100)	(57,057)	1,243,818	(82,882)	5,943,715	5,124,755	11,068,470

Notes:

- # This comprises the equity components of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")  
 ^ This comprises the fair values of warrants

The annexed notes form an integral part of this interim financial report.

**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/07/2014	31/07/2013
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	2,679,857	2,052,655
Payments for operating expenses	(2,640,331)	(1,860,845)
Payment of taxes	(73,078)	(54,305)
Other (payments)/receipts (including tax refunds)	(8,054)	84,185
<b>Net cash (used in)/generated from operating activities</b>	<b>(41,606)</b>	<b>221,690</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal of property, plant and equipment and non-current assets	3,615	5,754
Disposal of investment in subsidiary companies	279,848	22,774
Disposal of other investments	5,199	20,880
Acquisition of property, plant and equipment and non-current assets	(39,016)	(26,133)
Acquisition of investments in subsidiary companies	(22,701)	-
Acquisition of investments in associated companies	-	(10,500)
Acquisition of other investments	(10,207)	(68,472)
Acquisition of treasury shares by a subsidiary company	-	(23,395)
Resale of treasury shares by a subsidiary company	9,266	-
Interest received	29,950	27,215
Dividend received	1,617	13,701
Advances to joint ventures	(4,794)	(10,384)
Deposits placement with investment advisers	-	(143,976)
Other payments	(11,356)	(10,425)
<b>Net cash generated from/(used in) investing activities</b>	<b>241,421</b>	<b>(202,961)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Acquisition of treasury shares by the Company	(31,180)	(2,388)
Issuance of share capital to non-controlling interests of subsidiary companies	39,170	1,161
Dividend paid to shareholders of the Company	(30)	(2)
Dividends paid to non-controlling interests of subsidiary companies	(19,240)	(33,352)
Repurchase of BCorp ICULS 1	(1,361)	-
Repurchase of BCorp ICULS 3	(60,000)	-
Interest paid	(86,417)	(82,153)
Drawdown of bank and other borrowings	829,028	1,307,805
Repayment of bank and other borrowings	(715,899)	(1,234,360)
<b>Net cash used in financing activities</b>	<b>(45,929)</b>	<b>(43,289)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>153,886</b>	<b>(24,560)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,357,646</b>	<b>1,105,189</b>
Effect of exchange rate changes	(8,335)	13,513
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>1,503,197</b>	<b>1,094,142</b>
<b>Cash and cash equivalents carried forward comprise:</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits with financial institutions	815,907	632,854
Cash and bank balances	967,252	583,549
Bank overdraft (included under short term borrowings)	(131,586)	(98,411)
	1,651,573	1,117,992
<b>Less :</b>		
Remisiers' deposit held in trust	(14,690)	(23,850)
Cash and cash equivalent restricted in use	(133,686)	-
	1,503,197	1,094,142

The annexed notes form an integral part of this interim financial report.

**BERJAYA CORPORATION BERHAD**

**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

- 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 ("Bursa Securities LR").

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 that 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 Group's 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.

Certain comparatives have been reclassified to conform with the current year presentation.

- A2 The following business operations of the Group are affected by seasonal or cyclical factors:
- (a) the property development segment is affected by the prevailing cyclical economic conditions.
  - (b) the stock and futures broking businesses are influenced by the performance of the stock market.
  - (c) the local island beach resorts situated at the East Coast of Peninsular Malaysia are affected by the North-East monsoon season in the third quarter of the financial year.
  - (d) the gaming business may be positively impacted by the festive seasons.

- A3 (a) The following are the unusual items that occurred during the current quarter under review:

Recognised directly in statement of profit or loss

- (i) Included under investment related income and (expenses):

	Current Quarter RM'000
Gain on disposal of investment property	180
Net fair value changes of fair value through profit or loss ("FVTPL") investments	6,388
	<u>6,568</u>



**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

## NOTES TO THE INTERIM FINANCIAL REPORT

- (b) There were no material change in estimates of amounts reported in the current quarter ended 31 July 2014 other than those changes that resulted from the adoption of new FRSS, Amendments to FRSS, Interpretations and Technical Releases mentioned in Note A1 above.
- A4 There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 July 2014 except for the following (rounded to nearest thousand):
- (a) Share capital  
20,000 ordinary shares of RM1.00 each were issued pursuant to conversion of 40,000 BCorp ICULS 1 of RM0.50 nominal value each.
- (b) 0% 10-year irredeemable convertible unsecured loan stocks of RM0.50 nominal value each ("BCorp ICULS 1")  
(i) 40,000 BCorp ICULS 1 were tendered for the subscription of 20,000 ordinary shares of RM1.00 each.  
(ii) 5,000,000 BCorp ICULS 1 have been bought back from third parties by a subsidiary of the Group.
- (c) 5% 5-year irredeemable convertible unsecured loan stocks of RM1.00 nominal value each ("BCorp ICULS 3")  
60,000,000 BCorp ICULS 3 have been bought back by the Company (together with 60,000,000 Warrants 2).
- (d) 5-year warrants 2012/2017 ("Warrants 2")  
60,000,000 Warrants 2 have been bought back by the Company.
- (e) Treasury shares  
63,685,000 ordinary shares of RM1.00 each were bought back and held as treasury shares with none of these shares being cancelled or sold.

Subsequent to the quarter ended 31 July 2014 and up to the date of this announcement:-

(a) <u>Share capital</u>	<u>RM'000</u>	<u>RM'000</u>
Share capital - Issued and fully paid up as at 31 July 2014		4,300,668
Arising from conversion of BCorp ICULS 1 & 2		
- by cash option	27	
- by surrender option	12	39
Share capital - Issued and fully paid up as at 26 September 2014		<u><u>4,300,707</u></u>

**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

The details of the share buyback during the financial period ended 31 July 2014 are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
May 2014	0.485	0.5	0.49	46,300,000	22,914
June 2014	0.47	0.48	0.48	17,384,900	8,266
			0.49	63,684,900	31,180

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

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 30 April 2013	0.99	83,700,000	82,882
Increase in treasury shares	0.49	63,684,900	31,180
<b>Total treasury shares as at 31 July 2014</b>	<b>0.77</b>	<b>147,384,900</b>	<b>114,062</b>

As at 31 July 2014, the number of outstanding shares in issue and fully paid up with voting rights (rounded to nearest thousand) was 4,153,283,000 (31 July 2013: 4,211,308,000) ordinary shares of RM1.00 each.

A5 The Company did not pay any dividend in the financial period ended 31 July 2014.

A6 Segment information for the financial period ended 31 July 2014:-

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations	794,855	-	794,855
Financial services	14,523	1,393	15,916
Property investment and development	192,579	7,841	200,420
Hotels and resorts	78,868	383	79,251
Marketing of consumer products and services	1,300,720	9,309	1,310,029
Restaurants	54,771	4	54,775
Others	48,714	5,676	54,390
Elimination: Inter-segment Revenue	-	(24,606)	(24,606)
<b>Total revenue</b>	<b>2,485,030</b>	<b>-</b>	<b>2,485,030</b>

**BERJAYA CORPORATION BERHAD****(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

## NOTES TO THE INTERIM FINANCIAL REPORT

## RESULTS

	RM'000
Toto betting operations	129,965
Financial services	4,188
Property investment and development	48,838
Hotels and resorts	5,199
Marketing of consumer products and services	80,245
Restaurants	(6,003)
Others	(9,042)
	<u>253,390</u>
Unallocated corporate items	(13,252)
Profit from operations	<u>240,138</u>
Investment related income	
-Interest income	16,802
-Gain on disposal of investment properties	180
-Fair value changes of FVTPL investments	6,547
-Dividend income and others	957
	<u>24,486</u>
Investment related expenses	
-Fair value changes of FVTPL investments	(159)
	<u>(159)</u>
Finance costs	(85,113)
Share of results of associates	23,218
Share of results of jointly controlled entities	(2,270)
Profit before tax	<u>200,300</u>
Income tax expense	(106,668)
Profit after tax	<u><u>93,632</u></u>

A7 There were no significant events since the end of this current quarter up to the date of this announcement other than as disclosed in Note B7.

**BERJAYA CORPORATION BERHAD**

**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

- A8 There were no changes in the composition of the Group for the current period ended 31 July 2014, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-
- (a) On 21 May 2014, Berjaya Land Berhad ("BLand") announced that Berjaya Leisure (Cayman) Limited, its wholly owned subsidiary company, had incorporated a new wholly owned subsidiary company in Cayman Islands under the name of BHR (Cayman) Limited.
  - (b) On 9 July 2014, Berjaya Food Berhad announced that its wholly-owned subsidiary, Berjaya Food International Sdn Bhd ("BFI") had subscribed for 70% equity interest in a new subsidiary, Berjaya Roasters (Cambodia) Ltd, which was incorporated in the Kingdom of Cambodia.
  - (c) BLand's wholly owned subsidiary company, Berjaya Vacation Club Berhad ("BVC"), completed the acquisition of the remaining 49% equity interest in KDE Recreation Berhad ("KDE") for a total cash consideration of RM17.1 million. Consequently, KDE became a wholly owned subsidiary of BVC.
- A9 There were no material changes in contingent liabilities or contingent asset since the last audited statement of financial position as at 30 April 2014.
- A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2014 other than the completion of the acquisition of additional equity interest in KDE as disclosed in Note A8(c) and the total cash consideration of USD88 million (or about RM279.51 million) for the acquisition of the remaining 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"). The acquisition of the remaining 50% equity interest was completed on 18 September 2014 as disclosed in Note B7(a).

## **BERJAYA CORPORATION BERHAD**

**(Company No: 554790 - X)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2014

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B1 The main operating businesses of the Group are toto betting operations, financial services, property investment and development, hotels and resorts and marketing of consumer products and services. The key factors (other than the general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

### Toto betting operations

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

### Financial services

Stock market conditions, client trading frequency and volume, borrowing costs and recovery of loan financing debts.

### Property investment and development

Demography 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.

### 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.

### Marketing of consumer products and services

Effectiveness of marketing initiatives, new product launches, sales productivity, consumer preferences and spending trends, the fluctuation of foreign exchange rates impacting product costs and competitive pricing and promotions offered by competitors and the disposable income of the consumers.

### Restaurants

Festive season, tourism, eating out culture, raw material costs, staff costs and consumer perception.

### **Review of results for the quarter**

The Group registered a revenue of RM2.49 billion and pre-tax profit of RM200.30 million in the current quarter ended 31 July 2014 as compared to a revenue of RM2.02 billion and pre-tax profit of RM261.04 million reported in the previous year corresponding quarter.

### Commentary on revenue

The Group recorded higher revenue for the current quarter under review mainly due to marketing of consumer products segment.

#### Toto betting operations

The toto betting operations operated by Sports Toto Malaysia Sdn Bhd ("STM"), a principal subsidiary of Berjaya Sports Toto Berhad ("BToto"), reported a drop in revenue mainly due to having lesser number of draws in the current quarter as compared to previous year corresponding quarter.

#### Marketing of consumer products and services

The motor distribution business reported a higher revenue for the current quarter compared to the preceding year corresponding quarter mainly due to the consolidation of revenue from H.R. Owen Plc ("HR Owen"), a subsidiary of BToto which is a franchised motor vehicle dealer providing both sales and after-sales services. However, the retail distribution business reported a lower revenue in the current quarter under review mainly due to the closing down of non-performing stores.

#### Hotels and resorts

The hotels and resorts business reported a lower revenue in the current quarter mainly due to lower occupancy rates.

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### Property investment and development

The property investment and development business reported higher revenue arising from higher progress billings in the current quarter as compared to the previous year corresponding quarter.

### Commentary on pre-tax profit

The Group's pre-tax profit for the current quarter was lower than previous year corresponding quarter. This is mainly due to the hotels and resorts segment.

### Toto betting operations

The gaming business recorded a lower pre-tax profit mainly due to higher prize payout coupled with higher operating expenses incurred in the current quarter under review.

### Marketing of consumer products and services

The motor distribution business recorded a higher pre-tax profit mainly due to the higher revenue and improved gross profit margin and consolidation of HR Owen's pre-tax profit in the current quarter. The improvement in gross profit margin was mainly attributable to favourable sales mix.

### Hotels and resorts

In the previous year corresponding quarter, the profit of the hotel and resorts business included the gain on disposal of a hotel property, Berjaya Singapore Hotel, of about RM94.7 million. Excluding this gain, the current quarter's results was comparable to last year corresponding quarter's results.

### Property investment and development

The property investment and development business reported higher pre-tax profit mainly due to higher progress billings for the quarter under review.

## **B2 Review of results of first quarter vs fourth quarter of the preceding year**

For the quarter under review, the Group reported a revenue of RM2.49 billion compared to RM2.47 billion reported in the preceding quarter.

### Commentary on revenue

The Group recorded a marginally higher revenue for the current quarter mainly due to higher contributions from the marketing of consumer products and services segment.

### Toto betting operations

The gaming business reported lower revenue mainly due to the preceding quarter benefited from the traditionally higher sales during the Chinese New Year festive and the current quarter also had lower number of draws.

### Marketing of consumer products and services

The motor distribution business reported a higher revenue arising from higher sales volume achieved during the current quarter.

### Hotels and resorts

The revenue for the hotels and resorts business in the current quarter was comparable to the revenue of the preceding quarter.

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Property investment and development

The property development business reported a higher revenue in the current quarter as compared to the preceding quarter due to higher progress billings.

Commentary on pre-tax profit

The Group reported pre-tax profit of RM200.30 million in the current quarter as compared to pre-tax loss of RM103.47 million in the preceding quarter. The increase in pre-tax profit came mainly from the property investment and development segment. In the previous quarter, the pre-tax loss was mainly due to the incurrence of non-cash losses arising from the impairment of goodwill and certain property, plant and equipment.

Toto betting operations

The gaming business recorded an increase in pre-tax profit mainly due to higher prize payout and operating expenses (including charitable contributions) incurred in the preceding quarter.

Marketing of consumer products and services

The motor distribution business recorded a higher pre-tax profit mainly due to higher revenue compared to the preceding quarter.

Hotels and resorts

The hotels and resorts business reported a higher pre-tax profit in the current quarter under review.

Property investment and development

The property investment and development business reported higher profit for the current quarter mainly due to higher progress billings in the current quarter.

**B3** Future prospects

Given the current economic outlook, the Directors are of the view that the Group's operating performance will be challenging in the remaining quarters of the financial year ending 30 April 2015. However, with the completion of the BStarbucks acquisition (refer Note B7(a)) and the proposed disposal of the 10,726.17 acres of freehold land in Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan (as announced by the Company on 11 August 2014), the Directors expect the overall results for the financial year ending 30 April 2015 to be good.

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

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B4 There is no profit forecast or profit guarantee for the financial period ended 31 July 2014.

B5 The taxation charge for the current quarter ended 31 July 2014 are detailed as follows:

	Current Quarter RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	72,536
- Outside Malaysia	26,989
Deferred tax	5,907
Under provision in prior years	1,236
	<u>106,668</u>

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

B6 Profit before tax is stated after charging/(crediting):

	Current Quarter RM'000
Interest income	(16,802)
Dividend income	(957)
Gain on disposal of property, plant and equipment	(729)
Gain on disposal of investment property	(180)
Depreciation of property, plant and equipment	46,203
Amortisation of intangible assets	4,191
Impairment loss on receivables	3,323
Provision for and write off of inventories	4,134
Foreign exchange (gain) or loss (net)	9,245
Fair value changes of FVTPL investments (net)	(6,388)
(Gain) or loss on derivatives	<u>1,085</u>



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B7 There has been no further developments for those corporate proposals disclosed in Notes 47 and 48 to the audited financial statements of the Company for the financial year ended 30 April 2014 except for the following:

- (a) Note 48(3) in relation to the acquisition of the remaining equity interest in Berjaya Starbucks Coffee Company Sdn Bhd
- 

On 18 September 2014, BFood announced that it had completed the acquisition of 11,500,000 ordinary shares of RM1.00 each in Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"), representing the remaining 50.00% equity interest in BStarbucks not owned by BFood, for a total cash consideration of USD88 million or about RM279.51 million from Starbucks Coffee International, Inc. Consequently, BStarbucks became a wholly owned subsidiary company of BFood.

Event announced subsequent to the date of the audited accounts:

- (i) On 2 September 2014, BLand announced that its wholly owned subsidiary company, Berjaya Leisure (Cayman) Limited ("BLCL"), together with Berjaya Times Square (Cayman) Limited ("BTSC") had on even date entered into a memorandum of understanding with Carnival Group International Holdings Limited, a company incorporated in Bermuda and listed on the Stock Exchange of Hong Kong Limited, to dispose a total of 70.0% equity interest in Berjaya (China) Great Mall Co Ltd ("GMOC") for a cash consideration to be negotiated. BLCL owns 51.0% equity interest in GMOC while the balance 49.0% is owned by BTSC. BLCL and BTSC proposed to dispose of 35.7% and 34.3% equity interest in GMOC, respectively.

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

			At end of current quarter RM'000
Short term borrowings			
Secured			
	Foreign currency amount		
Denominated in	'000		
Ringgit Malaysia		#	1,913,660
USD	83,008	*	264,671
SGD	31,500	*	80,681
GBP	823	*	4,439
RMB	11,723	*	6,089
PHP	650,088	*	47,749
HKD	3,895	*	1,602
KRW	2,750,000	*	8,525
			<u>2,327,416</u>
Unsecured			
Denominated in			
Ringgit Malaysia			3,500
			<u>3,500</u>
			2,330,916
Long term borrowings			
Secured			
	Foreign currency amount		
Denominated in	'000		
Ringgit Malaysia		#	3,106,905
USD	95,239	*	303,670
GBP	2,095	*	11,300
JPY	5,061,000	*	156,946
RMB	129,270	*	67,143
			<u>3,645,964</u>
Unsecured			
Denominated in			
RMB	108,365	*	56,285
			<u>56,285</u>
			3,702,249
Total bank borrowings			<u><u>6,033,165</u></u>
* Converted at the respective exchange rate prevailing as at 31 July 2014			
# Includes medium term notes			
- short term			215,000
- long term			575,000
			<u><u>790,000</u></u>

B9 There is no change in material litigation since the last annual reporting date up to the date of this announcement.

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

In the previous financial year, the Board recommended a final dividend of 1% single-tier exempt dividend per share in respect of the financial year ended 30 April 2014 for the approval of shareholders at the forthcoming Annual General Meeting.

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

	Group (3-month period)			
	31/07/2014	31/07/2013	31/07/2014	31/07/2013
	RM'000		sen	
Net profit for the quarter	8,282	53,433		
Impact on income statement upon conversion of ICULS				
- BCorp ICULS 2	4,000	3,882		
Adjusted net earnings for the quarter	<u>12,282</u>	<u>57,315</u>		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,177,473	4,211,557		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	<u>863,644</u>	<u>869,926</u>		
Number of shares used in the calculation of basic earnings per share ('000)	<u>5,041,117</u>	<u>5,081,483</u>		
Basic earnings per share			<u>0.24</u>	<u>1.13</u>
Adjusted net earnings for the quarter	12,282	57,315		
Dilution effect on conversion of TMC Life Sciences Berhad warrants	(38)	(3)		
Dilution effect on exercise of Berjaya Food Berhad share options	(26)	(41)		
Dilution effect on exercise of Berjaya Auto Berhad share options	(572)	-		
Impact on income statement upon conversion of BCorp ICULS 3	-	2,754		
	<u>11,646</u>	<u>60,025</u>		
Number of shares used in the calculation of diluted earnings per share ('000)	5,041,117	5,081,483		
Number of shares assuming conversion of BCorp ICULS 3 ('000)	<u>-</u>	<u>170,000</u>		
Adjusted number of shares used in the calculation of diluted earnings per share ('000)	<u>5,041,117</u>	<u>5,251,483</u>		
Diluted earnings per share			<u>0.23</u>	<u>+</u>

Note:

+ No diluted earnings per share is presented as the effect on the basic earnings per share is anti-dilutive.

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

	As at 31/07/2014 RM'000	As at 30/04/2014 RM'000 (Audited)
Total retained earnings of the Company and its subsidiaries:		
- realised	1,275,071	1,281,510
- unrealised	297,312	286,999
	<u>1,572,383</u>	<u>1,568,509</u>
Share of results from associated companies	* 187,075	164,667
Share of results from joint ventures	* (128,694)	(126,424)
	<u>1,630,764</u>	<u>1,606,752</u>
Less: Consolidation adjustments	<u>(639,110)</u>	<u>(626,577)</u>
Total group retained earnings as per consolidated accounts	<u><u>991,654</u></u>	<u><u>980,175</u></u>

Note:

- \* It is not practical to segregate the share of results from associated companies and joint ventures to realised and unrealised earnings.