



BERJAYA
BERJAYA CORPORATION BERHAD
(Company No. 554790-X)

برجاي كورپوريشن برحد
成功集團有限公司

20



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LAPORAN TAHUNAN **2012** ANNUAL REPORT



The corporate logo comprises the word BERJAYA in gold and a symbol made up of closely interwoven Bs in rich cobalt blue with gold lining around the circumference and a gold dot in the centre.

BERJAYA means “success” in Bahasa Malaysia and reflects the success and Malaysian character of Berjaya Corporation’s core businesses. The intertwining Bs of the symbol represent our strong foundations and the constant synergy taking place within the Berjaya Corporation group of companies. Each B faces a different direction, depicting the varied strengths of the companies that make up the Berjaya Corporation group of companies.

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Salt Pool - The Chateau Spa & Organic Wellness Resort, Berjaya Hills, Pahang.



The Taaras Beach & Spa Resort, Redang Island, Terengganu.



Interior - Savanna Condominium, Bukit Jalil, Kuala Lumpur.



Garden Villas, Hanoi, Vietnam.

CORPORATE PROFILE

The Berjaya Corporation group of companies' history dates back to 1984 when the Founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun acquired a major controlling stake in Berjaya Industrial Berhad (originally known as Berjaya Kawat Berhad and now known as Reka Pacific Berhad) from the founders, Broken Hill Proprietary Ltd, Australia and National Iron & Steel Mills, Singapore. The shareholding change also resulted in a major change in the business, direction and the dynamic growth of a diversified conglomerate under the flagship of Berjaya Corporation Berhad ("BCorp").

In October 1988, following a major restructuring, Berjaya Group Berhad (then known as Inter-Pacific Industrial Group Berhad) became the holding company of Reka Pacific Berhad.

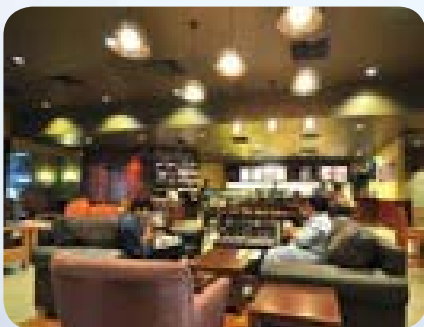
Inter-Pacific Industrial Group Berhad (formerly known as Raleigh Berhad) was incorporated in 1967 as a bicycle manufacturer. In 1969, the Company gained official listing on Bursa Malaysia Securities Berhad ("Bursa Securities").

BCorp assumed the listing status of Berjaya Group Berhad on the Main Market of Bursa Securities upon the completion of the group restructuring exercise in October 2005 and the listing of the new shares on 3 January 2006.

On 26 May 2010, BCorp was added to the Morgan Stanley Capital International (MSCI) Malaysia INDEX.

With a total employee strength of 16,000, the Group is a diversified entity engaged in the following core businesses:

- Consumer Marketing, Direct Selling & Retail;
- Financial Services;
- Hotels, Resorts, Vacation Timeshare & Recreation Development;
- Property Investment and Development;
- Gaming and Lottery Management;
- Environmental Services and Clean Technology Investment;
- Motor Trading and Distribution;
- Food & Beverage;
- Investment Holding and others.



Starbucks Setia Alam, Shah Alam, Selangor.



Deluxe Room - Long Beach Resort, Phu Quoc Island, Vietnam.



Mazda 5.



Atelier 1 - Berjaya Jeju Resort, Jeju Island, South Korea.



KRR outlet in MidValley Megamall, Kuala Lumpur.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Chief Executive Officer

Dato' Robin Tan Yeong Ching

Executive Directors

Chan Kien Sing

Freddie Pang Hock Cheng

Rayvin Tan Yeong Sheik

Vivienne Cheng Chi Fan

Dato' Azlan Meah Bin Hj Ahmed Meah

Hjh Zurainah Binti Musa

Non-Independent Non-Executive Director

Dickson Tan Yong Loong

Independent Non-Executive Directors

Tan Sri Datuk Abdul Rahim Bin Haji Din

Dato' Hj Md Yusoff @ Mohd Yusoff Bin

Jaafar

Mohd Zain Bin Ahmad

Datuk Robert Yong Kuen Loke

Dr Jayanthi Naidu A/P G.Danasamy

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director

Tan Sri Datuk Abdul Rahim Bin Haji Din

Independent Non-Executive Directors

Dato' Hj Md Yusoff @ Mohd Yusoff Bin

Jaafar

Datuk Robert Yong Kuen Loke

Mohd Zain Bin Ahmad

SECRETARIES

Su Swee Hong

(MAICSA No. 0776729)

Gan Swee Peng

(MAICSA No. 7001222)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd

Lot 06-03 Level 6, East Wing

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel: 03 - 2145 0533

Fax: 03 - 2145 9702

AUDITORS

Chartered Accountants

Ernst & Young

REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel: 03 - 2149 1999

Fax: 03 - 2143 1685

PRINCIPAL BANKERS

Malayan Banking Berhad

AmBank (M) Berhad

OCBC Bank (Malaysia) Berhad

CIMB Bank Berhad

RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

STOCK SHORT NAME

BJCORP (3395)

PLACE OF INCORPORATION AND DOMICILE

Malaysia



Cosway store at Berjaya Times Square, Kuala Lumpur.



Country Farm Organics.

PROFILE OF DIRECTORS



DATO' ROBIN TAN YEONG CHING

38 years of age, Malaysian
Chairman/Chief Executive Officer

He was appointed to the Board of the Company as an Executive Director on 21 December 2006. He was later appointed as the Chief Executive Officer ("CEO") of the Company on 1 January 2011 and subsequently as the Chairman/CEO of the Company on 23 February 2012.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the CEO of Berjaya Sports Toto Berhad, an Executive Director of Sports Toto Malaysia Sdn Bhd and the Executive Chairman of Berjaya Food Berhad. He is also the Chairman of Berjaya Media Berhad, Sun Media Corporation Sdn Bhd and Informatics Education Ltd, Singapore and a Director of Berjaya Sampo Insurance Berhad, Berjaya Hills Berhad, KDE Recreation Berhad and Berjaya Golf Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

His brother, Rayvin Tan Yeong Sheik, and his cousin, Dickson Tan Yong Loong, are also members of the Board while his father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

Dato' Robin Tan Yeong Ching is a member of the Remuneration Committee of the Company.



CHAN KIEN SING

56 years of age, Malaysian
Executive Director

He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad.

Currently, he is an Executive Director of Berjaya Sports Toto Berhad and Berjaya Media Berhad. He is the Managing Director of Sun Media Corporation Sdn Bhd and the Chief Executive Officer of Berjaya Capital Berhad and 7-Eleven Malaysia Sdn Bhd. He is also a Director of Berjaya Assets Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad, Berjaya Group Berhad, Berjaya Retail Berhad and International Lottery & Totalizator Systems, Inc., United States of America. He also holds directorships in several other private limited companies.

Chan Kien Sing is a member of the Risk Management Committee of the Company.

PROFILE OF DIRECTORS



FREDDIE PANG HOCK CHENG

57 years of age, Malaysian
Executive Director

He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He began his career with a predecessor firm of Messrs Ernst & Young where he worked for seven years until 1982 during which he qualified for entry as a member of the Malaysian Institute of Certified Public Accountants. He is also a member of the Malaysian Institute of Accountants. Thereafter, he joined the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad where he was actively involved in a wide variety of corporate exercises in an advisory capacity until his departure in 1990 to join Berjaya Group Berhad.

He is currently the Chairman of Intan Utilities Berhad, an Executive Director of Berjaya Sports Toto Berhad and a Director of Berjaya Group Berhad, Berjaya Vacation Club Berhad, TMC Life Sciences Berhad and Informatics Education Ltd, Singapore. He also holds directorships in several other private limited companies.

Freddie Pang Hock Cheng is a member of the Risk Management Committee of the Company.



RAYVIN TAN YEONG SHEIK

33 years of age, Malaysian
Executive Director

He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He graduated with a Bachelor of Science (First Class Hons) degree in Accounting and Finance from the London School of Economics, United Kingdom, in 2000.

He joined the Berjaya Group of Companies in May 2001 and was subsequently appointed to the position of Executive Director of Berjaya Group Berhad in May 2002.

Currently, he is an Executive Director of Cosway Corporation Limited. He also holds directorships in Cosway (M) Sdn Bhd, International Lottery & Totalizator Systems Inc., United States of America and several other private limited companies.

His brother, Dato' Robin Tan Yeong Ching, and his cousin, Dickson Tan Yong Loong, are also members of the Board while his father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.



VIVIENNE CHENG CHI FAN

53 years of age, Malaysian
Executive Director

She was appointed to the Board of the Company as an Executive Director on 15 September 2005.

She obtained her Bachelor degree in Economics (Accounting) from Monash University, Australia in 1982 and was subsequently admitted as a member of the Australian Society of Accountants.

She has over 27 years of working experience in the field of treasury and finance with broad expertise in project finance, debt capital raising, corporate and debt restructuring and treasury cash management. Prior to joining the Treasury Department of Berjaya Group Berhad in 1989, she was attached to Sunway Group of Companies for 6 years and headed its Treasury Division.

Currently, she is also a Director of Berjaya Group Berhad and several private limited companies in the Berjaya Corporation group of companies.

Vivienne Cheng Chi Fan is a member of the Risk Management Committee of the Company.



DATO' AZLAN MEAH BIN HJ AHMED MEAH

56 years of age, Malaysian
Executive Director

He was appointed to the Board of the Company as an Executive Director on 15 September 2005.

He furthered his education at Bunker Hill Community College, Boston, United States of America. He began his career in Berjaya Group of Companies ("the Group") in 1986 as Business Development Manager and was the Senior General Manager (Corporate Services & Information) prior to his current appointment.

He has over 26 years of working experience in the Group and has played a major advisory role in the Group's projects in the field of privatisation, infrastructure, air transportation, recreational and hotel resort development. He also represented the Group effectively in corporate and governmental relations, negotiations and the Group's new business ventures.

Currently, he is also a Director of Berjaya Hills Berhad, Berjaya Group Berhad, Bukit Kiara Resort Berhad and KDE Recreation Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

PROFILE OF DIRECTORS



HJH ZURAINAH BINTI MUSA

50 years of age, Malaysian
Executive Director

She was appointed to the Board of the Company as an Executive Director on 13 January 2012.

She obtained her Post Graduate diploma in Human Resource Management from University of Newcastle, Australia in 1997. She also holds diplomas in Occupational Health And Safety from University of New South Wales, Australia and Secretarial Science from the MARA Institute of Technology.

She started work in 1983 and was working in senior capacities for several organisations, both locally and internationally, before she joined Permata Kancil (M) Sdn Bhd in 1995. She was the Managing Director of Permata Kancil (M) Sdn Bhd, a company involved in human resource management and consultancy, when she left in 2010.

She has more than 15 years of experience in the field of Human Resource Management and Development as well as Human Relationship Management. Her experience includes inter-alia, the designing, developing, managing, organising and conducting training of programs, seminars and courses as well as the provision of consulting services relating to the various aspects of human resource development and management for organisations in Malaysia, Australia, United States of America, Indonesia and the Middle East.

Currently, she is an Executive Director of Berjaya Times Square Sdn Bhd and a Director of BTS Cultural Center Sdn Bhd, both wholly owned subsidiaries of Berjaya Assets Berhad.



DICKSON TAN YONG LOONG

31 years of age, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board of the Company on 30 March 2011.

He graduated with a Bachelor of Science (Honours) degree in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom in 2003.

He started his career with CIMB Securities Sdn Bhd as an Equities Analyst in 2004 and joined Dijaya Corporation Berhad as Business Development Manager in 2005. He is presently the Deputy Managing Director of Dijaya Corporation Berhad and he is currently overseeing the group corporate strategy, planning and risk management of the Dijaya group of companies. He is also a Director of several other local and international private limited companies involved in manufacturing, services, media, leisure, retail, property development and property investment.

He also holds directorships in Berjaya Land Berhad, Berjaya Sports Toto Berhad, Berjaya Assets Berhad, Tropicana Golf Country Resort Berhad and TT Resources Berhad.

He is affiliated with certain non-profit organisations, including as a trustee of Dijaya Tropicana Foundation, a member of the Kuala Lumpur Business Club and a member of the Malaysian Institute of Management.

His cousins, Dato' Robin Tan Yeong Ching and Rayvin Tan Yeong Sheik, are also members of the Board while his uncle, Tan Sri Dato' Seri Vincent Tan Chee Yoon is a major shareholder of the Company.



TAN SRI DATUK ABDUL RAHIM BIN HAJI DIN

73 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board of the Company on 15 September 2005.

He graduated with a Bachelor of Arts degree from Universiti Malaya in 1963 and obtained his Master of Business Administration from the University of Detroit, United States of America in 1976.

Prior to joining Berjaya Group Berhad, he served as the Secretary-General in the Ministry of Home Affairs from 1992 until his retirement in September 1996. From 1987 to 1991, he was the General Manager of the Employees Provident Fund before becoming the Deputy Group Chief Officer of Permodalan Nasional Berhad, a post he held from 1991 to 1992.

Tan Sri Datuk Abdul Rahim Bin Haji Din is the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.



DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

65 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board of the Company on 15 September 2005.

He graduated from the University of Science Malaysia, Penang in 1978 with a Bachelor of Social Science (Honours) degree majoring in Political Science and minoring in Ethnic Relations.

He began his 34-year career with the Royal Malaysian Police Force as a trainee Probationary Inspector in 1969. He was selected to the Special Branch Department the following year where he held various commanding positions. Between 1983 and 1990, he was Head of the Special Branch in Terengganu before being seconded to the Head Office at Bukit Aman, Kuala Lumpur, where he served for a period of 2 years. He was then posted to the Special Branch Training Institution, Jalan Gurney, Kuala Lumpur as a Commandant before his promotion as Deputy Chief Police Officer of Penang and Pahang. Prior to his retirement in May 2003, he was in Terengganu as the Chief Police Officer of the State and his last commanding post in the police was as the Commissioner of Police, Sarawak. He is also actively involved in various community organisations and has served as the Special Advisor to the Ministry of Social Development and Urbanisation Sarawak.

He also holds directorships in several other private limited companies.

Dato' Hj Mohd Yusoff Bin Jaafar is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

PROFILE OF DIRECTORS



DATUK ROBERT YONG KUEN LOKE

60 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board of the Company on 15 September 2005.

He is a Fellow member of The Institute of Chartered Accountants in England and Wales and a member of the Institute of Certified Public Accountants of Singapore and the Malaysian Institute of Accountants. He is also a Council Member of the Malaysian Institute of Certified Public Accountants and presently serves as a member of its Executive Committee. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked for more than five years in chartered accounting firms in there. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. From 1983 to 1986, he served as Group Finance Manager in UMW Holdings Berhad and Group Treasurer in Edaran Otomobil Nasional Bhd. He joined Berjaya Group of Companies in 1987 until his retirement as Executive Director on 30 November 2007 and is currently an Independent Non-Executive Director of the Company.

He is also a Director of Berjaya Land Berhad, Berjaya Sports Toto Berhad and Berjaya Assets Berhad.

Datuk Robert Yong Yuen Loke is a member of the Audit Committee, Nomination Committee and Risk Management Committee of the Company.



MOHD ZAIN BIN AHMAD

60 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board of the Company on 15 September 2005.

He holds a Bachelor of Law degree from the University of Buckingham, England and a Certificate in Legal Practice. He also holds diplomas in Syariah Law & Practice from International Islamic University Malaysia and Public Administration from Universiti Teknologi MARA.

He began his career with the Royal Malaysian Police Force as a Police Inspector in 1971. He was promoted to Assistant Superintendent of Police in 1980 and served until 1986. He was admitted as an Advocate and Solicitor of the High Court of Malaya on 25 October 1986 and is currently a practising solicitor. He is also a Director of Sun Media Corporation Sdn Bhd.

Mohd Zain Bin Ahmad is a member of the Audit Committee of the Company.



DR JAYANTHI NAIDU A/P G. DANASAMY

36 years of age, Malaysian

Independent Non-Executive Director

She was appointed to the Board of the Company on 13 January 2012.

She obtained her LLB (Hons) in 2000 and her LLM (Distinction) in 2004 from Universiti Malaya. She obtained her PhD in the area of sustainable corporate practices from Queen Mary, University of London, United Kingdom in 2008. She is also a member of the Malaysian Bar (non-practising).

Dr Jayanthi started her career as a Prosecuting Officer with the Securities Commission of Malaysia in 2001 before taking up academic positions both in Malaysia and the United Kingdom, from 2002 till 2006. During her tenure in the UK, she also worked with international corporations advising them on their sustainability strategies. She has wide experience working at Board and Senior Management levels with clients and business partners.

She was previously the Executive Director of the Malaysian Centre of Regulatory Studies, Universiti Malaya. As an experienced trainer, she has also conducted training and provided lectures for institutions across Asia, Europe and the Middle East, in various sustainability and community investment areas.

Currently, she is the Managing Director at Energio Resources, a sustainability strategy consultancy firm. In this role, she is involved in advising companies and institutions in realizing their sustainability strategies. Dr Jayanthi's portfolio of work covers companies within the region.

Save as disclosed, none of the Directors have:

- 1. Any family relationship with any directors and/or major shareholders of the Company;*
- 2. Any conflict of interest with the Company; and*
- 3. Any conviction for offences within the past 10 years other than traffic offences.*

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

On behalf of the Board of Directors of Berjaya Corporation Berhad ("BCorp"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2012.

FINANCIAL RESULTS

For the year ended 30 April 2012, the Group registered a slightly higher revenue of RM7.06 billion compared to RM7.04 billion in the previous year. The improvement in revenue was mainly attributed to the strong sales from the Jackpot games in the gaming business operated by Sports Toto Malaysia Sdn Bhd ("Sports Toto"), and higher revenue reported by the hotels and resorts business as a result of higher occupancy rates and room rates. The Group's innovative marketing initiatives under Cosway, especially in Hong Kong, Macau and Taiwan, also yielded substantial revenue growth. The motor distribution business performed well during the financial year under review and contributed to the increased Group revenue as a result of the launching of new car models. The property development business, however, recorded lower progress billing as compared to the previous year due to several residential and commercial development projects that are nearing completion. Group revenue was also affected by the effect of deconsolidation of Berjaya Sompoo Insurance Berhad ("BSompoo") following the completion of the Group's disposal of 40% equity interest in the company in June 2011.

Pre-tax profit from continuing operations increased 4.28% compared to the previous financial year mainly due to the recognition of gain from the disposal of 40% equity interest in BSompoo. The gaming business registered an increase in pre-tax profit mainly due to lower prize payout while the hotels and resorts reported an improvement in pre-tax profit as a result of higher occupancy rates and room rates. However, the increase in pre-tax profit was moderated by lower contribution from Cosway as the expansion of its retail distribution network into new markets involved high initial expense and overheads, as well as lower contribution from the property investment and development business due to lower progress billings.



Cosway's Cavier Supreme range of products.

DIVIDEND

For the financial year ended 30 April 2012, the Board recommended a final dividend of 1% single-tier exempt dividend per share for the approval of shareholders at the forthcoming annual general meeting.

SIGNIFICANT CORPORATE DEVELOPMENTS

Following the previous year's report, the Group proposed and completed several corporate exercises and I wish to highlight the following significant corporate developments:

- (1) On 7 July 2011, BCorp announced the intention of its wholly-owned subsidiary, Cosway Corporation Berhad ("CCB") to privatise Cosway Corporation Limited ("CCL"), resulting in the delisting of CCL from The Stock Exchange of Hong Kong Limited ("Privatisation").

On 20 December 2011, CCB and CCL jointly announced that CCB International Capital Limited, on behalf of CCB, intended to make a possible voluntary unconditional cash offer in the following manner:

- (i) to acquire all the CCL Shares comprising ordinary shares of Hong Kong Dollar ("HKD") 0.20 each other than those CCL Shares already held by CCB and certain non-accepting parties acting in concert with it ("Offer Share(s)") at a cash consideration of HKD1.10 (or about RM0.45) per Offer Share;
- (ii) to acquire all the HKD0.20 principal amount of 10-year 1% to 3½% irredeemable convertible unsecured loan securities in CCL ("CCL ICULS") other than those CCL ICULS already held by CCB and certain non-accepting parties acting in concert with it ("Offer ICULS") at a cash consideration of HKD1.10 (or about RM0.45) per Offer ICULS; and
- (iii) to cancel all the outstanding options to subscribe for CCL Shares under CCL's share option scheme ("Share Option(s)") at a cash consideration of HKD0.000005 (equivalent to approximately RM0.000002) per Offer Option, subject to a minimum payment of HKD0.10 to each accepting holder of the Share Option(s).

The Privatisation was completed with the withdrawal of the listing of CCL Shares and CCL ICULS on the Hong Kong Stock Exchange on 4 June 2012.



The signing ceremony between BFood and PT Boga Lestari Sentosa in December 2011.



Exchange of documents during the signing ceremony between BCorp and DSG Holdings Limited.



Delectable offerings from KRR.



Starbucks offers a variety of handcrafted beverages and menu items.

- (2) On 26 July 2011, Berjaya Food Berhad ("BFood") entered into a conditional joint venture agreement with PT Mitra Samaya, PT Harapan Swasti Sentosa and PT Boga Lestari Sentosa ("PT Boga") in Indonesia to develop and operate the Kenny Rogers Roasters ("KRR") franchise in Java Island and Bali, Indonesia under PT Boga. Berjaya Food (International) Sdn Bhd ("BFI"), an investment holding company, was incorporated in Malaysia to undertake the KRR joint venture in Indonesia. The KRR joint venture was completed on 16 January 2012 and PT Boga is now a 51%-owned subsidiary of BFI which in turn is a wholly-owned subsidiary of BFood, a 73.35% subsidiary of BCorp.
- (3) On 25 August 2011, BCorp announced that its wholly-owned subsidiary, Berjaya Group Berhad ("BGroup") had entered into a conditional agreement with BFood for the disposal of its entire 50% stake in Berjaya Starbucks Coffee Company Sdn Bhd ("Starbucks Coffee") to BFood for a cash

consideration of RM71.7 million ("Starbucks Disposal") and proposed renounceable rights issue of up to 118.94 million new ordinary shares of RM0.50 each in BFood ("BFood Rights Shares") together with up to 118.94 million free detachable warrants ("BFood Warrants") at an issue price of RM0.65 per BFood Rights Share on the basis of 4 BFood Rights Shares with 4 BFood Warrants for every 5 existing BFood shares held ("Rights Issue"). The Starbucks Disposal was completed on 19 July 2012 whilst the Rights Issue was completed on 13 August 2012. Consequently, Starbucks Coffee is now 50%-owned by BFood.

- (4) On 28 September 2011, BCorp completed its acquisition of 85% equity interest in DSG Holdings Limited, an investment company that holds a group of companies which are involved in water supply and waste water treatment projects in the People's Republic of China.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS



YB Senator Raja Nong Chik Bin Dato' Raja Zainal Abidin, Minister of Federal Territories and Urban Wellbeing with Dato' Robin Tan during the Menara Bangkok Bank @ Berjaya Central Park signing ceremony.

- (5) On 16 August 2011, Berjaya Land Development Sdn Bhd ("BLDSB"), a wholly-owned subsidiary of Berjaya Land Berhad ("B-Land") entered into a conditional sale and purchase agreement with Penang Turf Club for the proposed acquisition of several parcels of freehold land situated in Georgetown, Penang by BLDSB totaling about 57.30 acres for a total cash consideration of RM459 million.
- (6) On 5 December 2011, Wangsa Tegap Sdn Bhd ("**Wangsa Tegap**"), a wholly-owned subsidiary of BCorp, executed an agreement with Bangkok Bank Berhad ("Bangkok Bank") for the sale of 8 levels of corporate suites which occupy a total of 99,950 square feet (sf) together with the commercial spaces at the ground and mezzanine floors of one of the towers named Menara Bangkok Bank @ Berjaya Central Park covering an area of over 6,000 sf. In addition, Wangsa Tegap also signed an agreement with Vinci-MHPT Consortium for the award of the building contract for the construction of Menara Bangkok Bank @ Berjaya Central Park.
- (7) Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of the Group acquired an additional 24.6 million ordinary shares of Philippines Peso ("Peso") 1.00 each, representing 20.5% equity interest in Berjaya Pizza Philippines Inc. ("BPPI") at a consideration of Peso26.0 million or approximately RM1.8 million. Upon completion of the acquisition, BPI's equity interest in BPPI increased from 9.5% to 30.0%. Together with the 40% equity interest held by another indirect subsidiary of the Group namely Berjaya Corporation (Cayman) Limited, the Group has a combined 70% equity interest in BPPI, resulting in BPPI becoming a subsidiary of the Group.
- (8) On 26 April 2012, BCorp completed its rights issue of RM700.1 million nominal value of 10-year 5% irredeemable convertible unsecured loan stocks ("New ICULS") at its nominal value together with 700.1 million free detachable warrants ("Warrants") on the basis of 1 New ICULS and 1 Warrant for every 6 existing ordinary BCorp shares held. The New ICULS and Warrants were listed on Bursa Malaysia on 26 April 2012.
- (9) On 3 May 2012, BCorp announced that it has entered into a conditional share purchase agreement with Cipta Nirwana (M) Sdn Bhd for the proposed acquisition of 40 million ordinary shares of RM1.00 each, representing 15.8% equity interest in Atlan Holdings Berhad ("AHB") for a total purchase consideration of RM170.0 million or RM4.25 per AHB share to be satisfied by the issuance of RM170.0 million nominal value of 5-year 5% irredeemable convertible unsecured loan stocks at 100% of its nominal value together with 170.0 million detachable warrants in BCorp ("Proposed AHB Acquisition"). The Proposed AHB Acquisition is currently pending completion. Upon completion, the Group will hold a total of 63.6 million AHB shares representing 25.07% equity interest in AHB including the 23.6 million AHB shares acquired by the Group prior to the Proposed AHB Acquisition.
- (10) On 5 June 2012, Berjaya Sports Toto Berhad ("BToto") announced the proposed transfer of 100% equity interest in its wholly-owned subsidiary, Sports Toto Malaysia Sdn Bhd ("Sports Toto") to a business trust to be constituted and registered in the Republic of Singapore to be known as Sports Toto Malaysia Trust ("STM-Trust") by undertaking the following proposals:
- (a) proposed transfer by BToto of 112,522,500 ordinary shares of RM0.50 each representing 100% equity interest in Sports Toto to STM-Trust for a total consideration of RM6.0 billion (equivalent to Singapore Dollars ("SGD") 2.43 billion) to be satisfied via:
- (i) the issuance of 4.43 billion new units in STM-Trust ("STM-Trust Unit") to Berjaya Sports Toto (Cayman) Limited ("BSTC"), a wholly-owned subsidiary of Magna Mahsuri Sdn Bhd which in turn is a wholly-owned subsidiary of BToto, at an issue price of SGD0.50 (or about RM1.24) per STM-Trust Unit; and
- (ii) the balance by way of a promissory note or bill of exchange in favour of BToto for an amount equal to about RM527.4 million (equivalent to SGD213.4 million); and

- (b) proposed listing of up to 4.89 billion STM-Trust Units on the main board of the Singapore Exchange Securities Trading Limited ("Proposed Listing").

The proposed listing will involve an offer for sale of up to 540 million STM-Trust Units by BSTC and an offering of up to 460 million new STM-Trust Units by STM-Trust ("Proposed Public Issue").

On 27 July 2012, the Ministry of Finance approved the application for the change of Sports Toto's shareholder from BToto to Sports Toto Malaysia Management Pte. Ltd., which will hold Sports Toto on trust for STM-Trust.

On 24 August 2012, the Controller of Foreign Exchange of Bank Negara Malaysia approved the application by BToto to make an investment abroad via the subscription by BSTC of 4.43 billion units in STM-Trust pursuant to the Proposed Transfer.

The Proposed Transfer and Proposed Listing are subject to other relevant authorities' approvals.



A Sports Toto draw in progress.



Cosway's range of healthcare products.

REVIEW OF OPERATIONS

CONSUMER MARKETING & DIRECT SELLING

Cosway Corporation Berhad ("Cosway")

The **Cosway** Group recorded an overall 21% increase in total revenue for the financial year ended 30 April 2012 to RM1.63 billion compared to RM1.35 billion during the same period last year. This impressive sales performance was achieved with the remarkable growth from the Greater China markets of Hong Kong, Macau and Taiwan. The promising results from new start-up markets had also contributed to the current year's performance.

The group's strategy in building a wide network of physical retail chain stores in Mainland China had continued to generate tremendous followings. The first physical retail store was finally opened in December 2011 in Tianjin City under the 'Vmart' brand and received overwhelming response. The 'hybrid retail stores' expansion programme continued to be the group's operating platform, enabling it to penetrate into new markets in Latin America (namely Colombia and Mexico) and Russia towards the end of the financial year. The new debutant countries, United States of America, New Zealand, Japan and the United Kingdom, which the group had embarked into in the second half of the last financial year and now have more than 120 new 'hybrid stores' which are fully operational, had registered moderate but steady growth amid the less than favourable economic conditions that still persist in the respective locations.



Cosway's range of Ecomax products.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Another creative marketing strategy was unveiled when Cosway announced the setting up of a new retail chain of Cosway Pharmacy 'hybrid stores' and a pharmacy section within the existing stores in a new 'store within a store' concept. The first Cosway Pharmacy was opened in Japan in December 2011 followed by another in Berjaya Times Square, Kuala Lumpur on 19 January 2012. To date, more than 50 Cosway Pharmacies are already operational in Malaysia, Japan, Taiwan, Thailand, Indonesia and Colombia.

Profit before tax for the year registered a decline of 22% to RM110.0 million as compared to the previous year of RM141.8 million. In addition to the development and expansion related costs incurred, the unfavourable foreign exchange losses and lower fair value gain adjustment on certain investment properties in the financial year under review had resulted in the lower profit for the group.

Moving forward, the group will intensify the setting up of both the new Cosway Pharmacy Stores as well as the Cosway Pharmacy Section within the selected existing 'hybrid stores' both locally and overseas. Conversely, alliances are also being built with independent pharmacy operators to join as business partners with Cosway products being consigned to their stores for sales.



A Cosway store in Taiwan.



A Cosway store in Hong Kong.



A Cosway store in Mexico.



SaigonBank Berjaya Securities Joint Stock Company, Vietnam.

FINANCIAL SERVICES

Stockbroking

During the year under review, the Kuala Lumpur Composite Index (KLCI) closed at 1,570.61 points on 30 April 2012, an increase of 2.32% over the 1,534.95 points on 30 April 2011. However, the overall value of transactions on Bursa Malaysia Securities ("Bursa Securities") decreased by 4.58% to RM417 billion as compared to RM437 billion in the previous financial year.

Inter-Pacific Capital Sdn Bhd ("IPC") recorded a pre-tax loss of RM5.7 million for the financial year ended 30 April 2012 compared to a pre-tax profit of RM67.6 million in the previous financial year. The loss was mainly due to loss on fair value on investments of RM34.8 million and lower overall volume of transactions on Bursa Securities during the year. Conversely, the results of the previous year included a gain on fair value on investments of RM27.4 million and the reversal of general provision for doubtful debts of RM5.0 million.

IPC's associated company in Vietnam, **SaigonBank Berjaya Securities Joint Stock Company** recorded a profit before taxation of RM0.65 million for the financial year ended 30 April 2012 compared to RM0.72 million previously due to weaker stock market conditions.

Subsequent to the financial year end, the KLCI remained range-bound due to the global economic uncertainties contributing to lacklustre trading volume in the stock market. However, locally, with the Economic Transformation Programme ("ETP") initiatives, the economy is likely to be more resilient and the real Gross Domestic Product ("GDP") is expected to show improvement. With the Government's efforts to improve the economy, the stock market performance is expected to improve and the KLCI is expected to trend upwards. IPC remains optimistic that its operations will return to profitability in the current financial year ending 30 April 2013.

HOTELS AND RESORTS

For the financial year ended 30 April 2012, the **Berjaya Hotels and Resorts ("BHR") Division** registered an increase of 5.6% in total gross revenue to RM281 million compared with RM266 million in the previous year. Overall, the average room occupancy rate remained at 60%, whilst the Revenue per Available Room ("RevPar") recorded of RM169 represented an increase of 3.6% compared with the preceding year.

The total gross revenue for BHR's Malaysian-based properties rose by 3.2% to RM208.3 million compared with RM201.9 million in the previous year. The total gross revenue still showed a marginal increase in spite of the lower contribution from the newly rebranded The Taaras Beach & Spa Resort in Redang Island. Revenue from The Taaras was affected by the disruption caused by refurbishment and upgrading of the property undertaken during the financial year. Overall, BHR's Malaysian-based room occupancy was 58% with RevPar of RM157. The increase was primarily due to the higher room night bookings from Transient FIT, Corporate FIT and Leisure FIT market segments. In total, room revenue achieved a 3.5% rise to RM128.1 million compared with RM123.8 million the year before.

For the financial year under review, BHR's overseas properties performed reasonably well with total gross revenue improving by 13% to RM72.7 million from RM64.2 million in the previous financial year. The increase in revenue was mainly contributed by Berjaya Beau Vallon Bay Resort & Casino, Seychelles and Long Beach Resort, Phu Quoc, Vietnam.



The Chateau Spa & Organic Wellness Resort, Berjaya Hills.

Generally, the overseas properties improved in room night bookings from Transient FIT and Leisure FIT market segments. However, there was a drop in room night bookings from the Corporate Group and Leisure FIT for Berjaya Hotel Colombo, Sri Lanka. In total, the overseas properties grew their room occupancy to 68% while their ARR rose by 10% from the previous year. Overall, total room revenue went up by 19% to RM48.7 million compared with RM40.9 million in the previous year.

Vietnam experienced softer demand from overseas market and corporate groups. Sheraton Hanoi Hotel ('Sheraton Hanoi') and InterContinental Hanoi Westlake ("InterContinental Hanoi") registered lower occupancy rates. Room occupancy rate at Sheraton Hanoi decreased from 67% in the previous year to 63%, and InterContinental Hanoi's occupancy remained the same as the previous year of 61%.

The overall outlook for the Group's hotel business is expected to remain encouraging despite the current uncertainty in the global economic environment and slower recovery in demand from our key long haul travel market of Europe. Notwithstanding, BHR will continue to maintain its competitiveness and improve its presence via aggressive marketing activities and diverse distribution channels. Upgrading of the local hotels and resorts facilities will enable it to achieve better ARR and RevPar and compete better with the other hotels at the same locations in the local market.



Berjaya Beau Vallon Bay Resort & Casino, Seychelles.



InterContinental Hanoi Westlake, Vietnam.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

CLUBS & RECREATION

For the financial year ended 30 April 2012, **The Clubs and Recreation Division's ("The Clubs")** revenue increased marginally by 2% to RM56.4 million compared to RM55.2 million reported in the previous financial year. Pre-tax profit improved by 6% to RM1.8 million for the financial year under review from RM1.7 million reported in the previous financial year.

All the core revenue divisions - Golf, Equestrian, Food & Beverage and Membership - recorded increases in revenue. There were 356 new memberships sold in the financial year compared to 341 new memberships in the previous year. At the end of the financial year under review, The Clubs have a total membership base of 21,500.

The improved financial performance during the current financial year was due to The Clubs' effort in maintaining and upgrading the club facilities, in particular the golf courses. These planned upgrading programmes will be carried out over a period of 2 to 3 years to remain competitive in the industry.

The Clubs anticipate a challenging year ahead in view of stiff competition and slower economic growth.

VACATION TIMESHARE

Berjaya Vacation Club Berhad ("BVC") reported a decline of 9% in revenue during the financial year under review mainly due to lower income from surcharges on Affiliated Resorts.

Despite the lower operating revenue, operating profit before tax for the year under review improved slightly when compared to last year mainly due to lower rental from Affiliated Resorts and lower staff and office expenses resulting from the implementation of a consolidation exercise.

During the year under review, some of BVC's properties including Fahrenheit Condominium (formerly known as KL Plaza Condominium), Equatorial Hill Resort, Berjaya Tioman Resort and Georgetown City Hotel (formerly known as Berjaya Penang Hotel) were upgraded to reflect a modern image.

The BVC Online Reservation system which was launched in June 2010 has received good response from members and has processed more than 126,000 transactions in a 2-year period. During the year under review, the system was enhanced based on members' feedback to make it more user-friendly and to reduce booking errors.



Poolside – Bukit Kiara Equestrian and Country Resort, Kuala Lumpur.



Samplings on the Fourteenth – Berjaya Times Square Hotel, Kuala Lumpur.



Staffield Country Resort, Negeri Sembilan.



Rainforest Chalet – Berjaya Langkawi Resort, Kedah.

AVIATION

In November 2011, **Berjaya Air Sdn Bhd ("Berjaya Air")** spread its wings flying its new ATR72-500 aircraft from Subang to Pulau Langkawi, Malaysia's very own acclaimed geo-park. Berjaya Air's reasonable mid-range fare and its 4 weekly scheduled flights operating out of Subang, provide attractive air travel options to the locals as well as foreign travellers to Pulau Langkawi.

Berjaya Air works in synergy with BHR to create value by acting as a one-stop hospitality centre through the development and sales of end-to-end products encompassing air tickets, accommodation and recreation activities. This collaboration provides great opportunities for both Berjaya Air and BHR to showcase their services and products, especially the award-winning 4-star Berjaya Langkawi Resort.

Recognising the business potential in Pulau Pangkor, Berjaya Air reinstated flights to Pulau Pangkor using the Dash 7 aircraft in November 2011.

As part of Berjaya Air's continuous efforts to expand its market segments, flights to new island and regional destinations are being explored and will be launched in the near future.



ATR 72-500 aircraft.



Plaza Berjaya, Kuala Lumpur.

PROPERTY INVESTMENT

The occupancy rates for the Group's investment properties for the year ended 30 April 2012, and the comparative figures for 2011, were as follows:

Property	Occupancy Rates for Financial Year	
	FY 2012	FY 2011
Plaza Berjaya, Kuala Lumpur	90%	78%
Kota Raya Complex, Kuala Lumpur	86%	81%
Wisma Cosway, Kuala Lumpur	93%	91%
Berjaya Megamall, Kuantan	89%	90%

For the financial year under review, Plaza Berjaya, Kota Raya and Wisma Cosway registered increased revenues primarily attributed to higher occupancy rates.

The Group's complexes in Kuala Lumpur remain resilient despite stiff competition from the growing number of complexes in the Klang Valley and will continue to offer competitive rental rates to attract retailers and tenants. Banking on their strategic locations within the Golden Triangle, with easy accessibility and high traffic, the Group's complexes strive to aggressively promote themselves in an effort to strengthen their presence in the marketplace.

Berjaya Megamall, Kuantan was able to maintain its high occupancy rate with its all year round promotional activities and events. These promotional activities and events were arranged and designed to always stay current with the latest fashion/retail trends and happenings in Kuantan, which in turn attracted more shoppers and retailers to the complex.



Berjaya Megamall, Kuantan, Pahang.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS



KM1 West Condominiums, Bukit Jalil, Kuala Lumpur.

PROPERTY DEVELOPMENT

For the financial year under review, the **Property Division** registered sales of RM309 million, for properties developed locally and abroad. The drop in sales when compared with that of the last financial year was mainly attributed to several factors. First, there were fewer launches of new projects. Further, the global economic slowdown due to the Eurozone crisis and the uncertainties in the United States' economy, in general, impacted the property market, especially demand from foreign buyers and those for high-end properties. This also contributed to a softening and slowdown of the Group's projects overseas.

Despite the global economic slowdown, the economic situation in Malaysia is still rather bullish due to robust domestic demand boosted by the rollout of various Government mega projects via the ETP and the government's expansionary spending.

In line with this upbeat sentiment, the Division has intensified its efforts with its various projects.



Vasana 25 linked bungalows in Seputeh Heights, Kuala Lumpur.

In the Division's key hot spot in **Bukit Jalil**, **Covillea Condominium** is 95% complete and will be handed over to purchasers by the third quarter of 2012. All 308 units of condominiums in the two 20-storey blocks with a total gross development value ("GDV") of RM150 million have been sold.

KM1 West Condominium in Bukit Jalil comprising a total of 350 units with a GDV of RM267 million is also selling well with 258 out of the 350 units sold to-date. The Division has been marketing the remaining units actively through numerous property fairs and sales launches. Construction of the blocks is underway and is expected to be completed on schedule. The Division's next phase of development is **KM1 East**, which is located adjacent to **KM1 West**. With a GDV of RM200 million, KM1 East will comprise one 27-storey block with 154 units and one low-rise block with 24 units together with a multi-storey parking and amenities podium. **KM1 East** will be launched in the third quarter of next year.

Within the **Seputeh Heights** enclave, the Division has embarked on the boutique development of a luxurious low density bungalow and linked bungalow development named **Vasana 25**. To date, the Division raked in RM81.1 million from the sales of 13 units at **Vasana 25**. The completed units have also been handed over to the purchasers. Efforts to market the remaining units have been intensified through various sales and marketing activities such as collaborating with high-end retailers and participating in property exhibitions. In November 2011, **Vasana 25** gained recognition when it won the Highly Commended Best Villa Development (Malaysia) Award in the inaugural South East Asia Property Awards 2011. This first ever South East Asia Property Awards was held to recognize the best of the region's residential property industry.

Other on-going projects include **Trade Point at Berjaya Park**, Shah Alam, and **The Peak @ Taman TAR** in Ampang, Selangor. The first phase of **Trade Point**, a freehold 2- and 3-storey shop office development has been launched with 29 of the 30 units sold. Sale of these 29 units translated into a total GDV of RM24.8 million. Phase 2 of **Trade Point** is expected to be ready for launch in the second quarter of next year. The total GDV for the balance 84 units amounts to RM109 million.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

The Peak @ Taman TAR comprises 88 bungalow lots spread over elevated land of 66 acres within a quiet and peaceful enclave in Taman TAR. Total sales to date has reached RM201.6 million.

Up north, the Division is in the process of planning to develop the first phase of **Jesselton Villas**, an exclusive residential development comprising bungalow lots and apartments. The 233 units of bungalow lots with a GDV of over RM800 million is anticipated to be well-received by the market. The procurement for the planning and development approvals from the authorities is well underway and the market is expected to have its first preview of **Jesselton Villas** by the third quarter of next year.

The Division's inaugural development of Grade A offices in the Central Business District of Kuala Lumpur, **Corporate Suites @ Berjaya Central Park** is a 48-storey corporate suite tower with a GDV of RM576 million over a total net saleable area of 464,413 sf. Offering 207 office sites, the Grade A office tower is designed with eco-friendly features that meet the BCA Green Mark Gold certification by the Building and Construction Authority (BCA) of Singapore, an international yardstick to rate the environmental friendliness of a building.



The Peak @ Taman TAR, Ampang, Selangor.



Trade Point at Berjaya Park, Shah Alam.

The **Corporate Suites** created significant headlines with the signing of Bangkok Bank as the anchor owner of the development valued at RM100 million in December 2011. Bangkok Bank, one of the oldest and most established financial institutions in the country is taking up eight levels of the corporate suites as well as commercial space on the ground and mezzanine floors for its banking hall. The Corporate Suites was renamed **Menara Bangkok Bank @ Berjaya Central Park**.

Menara Bangkok Bank @ Berjaya Central Park earned Berjaya international recognition in the property arena by clinching the Highly Commended Award for Commercial High-Rise Development in Malaysia at the prestigious Asia Pacific Property Awards 2012.

In **Vietnam**, the Division has successfully completed its maiden project in **Bien Hoa City Square**, Ho Chi Minh City. **Amber Court**, comprising 116 units of condominiums within a 17-storey block, was handed over to purchasers in the year under review. The total GDV of this project was United States Dollar ("USD") 11 million. The Division is ready to launch the next phase of residential development in **Bien Hoa City Square, Topaz Twins**, comprising 2 blocks of 20-storey apartments with 448 units, once the market sentiment improves.



Menara Bangkok Bank @ Berjaya Central Park, Kuala Lumpur.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

In Hanoi, the township of **Ha Noi Garden City** is finally taking shape with the completion of its landscape, main infrastructure and parks. Spread over 78.32 acres, the township comprises a fully integrated mixed development of commercial, residential and recreational developments. The first phase of its residential development **Canal Park**, was fully completed and handed over to purchasers. Comprising 2 blocks of 148 units of apartments, with a car park for each unit, **Canal Park** has a GDV of USD22.5 million.

Within **Ha Noi Garden City**, a new phase of development consisting of 103 units of 3-storey villas is being developed over a site of 4.31 acres. **Garden Villas** were opened for sale via a soft launch in the second quarter of 2011. Construction of the units has commenced and is progressing on schedule with the substructure works completed to-date. The units are expected to be completed for handing over by mid-2013. To-date, sales achieved amounted to USD20.5 million.

Another residential development currently in progress within the garden township of **Ha Noi Garden City** is **Avenue Park**, comprising 2 towers of 12-storey apartments which will house 189 units of exclusive apartments complete with apartment amenities and facilities in a gated and guarded development. When completed, **Avenue Park** will add to the many notable residential and commercial developments in **Ha Noi Garden City**.



Amber Court, Bien Hoa City Square, Vietnam.



Canal Park, Ha Noi Garden City, Hanoi, Vietnam.

Substructure works have already been completed on site and superstructure works are being finalised for commencement soon. The launch of **Avenue Park** is scheduled in the fourth quarter of next year and the total GDV of this development is USD50 million.

The Division's development project in Yanjiao, China, **Berjaya Great Mall of China** is also gradually making headway with progress recorded for the first phase of its development. **Berjaya Great Mall of China** consists of 10 main adjoining blocks of retail lots, hotels, offices and serviced suites. Located in Hebei Province, it is approximately 30 minutes' drive from Beijing's Central Business District and is being built over a land area of 76 acres.

Phase 1, comprising a retail and pedestrian mall, three theme parks and parking bays, is under various stages of construction. The three all-weather and indoor theme parks consisting of an Extreme Park, a Family Park and a Water Park are expected to be a crowd puller, when completed.

Phase 2 will feature hotels, serviced suites, office towers, a convention centre, a theatre and a monorail system. Piling works is expected to commence in 2013.

Slated to be completed within 5 years and with a total built-up area of 18.5 million sf, the RM7.5 billion **Berjaya Great Mall of China** will be the world's biggest integrated mall complex upon completion.



Covillea Condominium, Bukit Jalil, Kuala Lumpur.



Construction in progress - aerial view of Phase 1 of Great Mall of China.



Aerial view of Gotjawal Village, Berjaya Jeju Airst City, Jeju Island, Korea.

The Division's foray into **South Korea** is also progressing with the impending launch of the first phase of development at **Berjaya Jeju Airst City**. **Berjaya Jeju Airst City**, is a sprawling 183.7 acres of self-sustaining creative business resort type development with various components such as residential units, casinos, hotels, shopping malls and other leisure and health facilities. It is located at Yerae-Dong, Seogwipo City, Jeju Island.

The first launch will feature **Gotjawal Village**, named after Jeju's unique ecological forest which filters rainwater and provides the main source of water for the residents. This initial launch will comprise 2 blocks – the **Market Block** consisting of 96 units of low-rise 2 storey units, designed with retail space on the ground floor and living space on the upper floor, and **Maison Block** with 51 units of high-end villas, all arranged to command an ocean view.

Overall infrastructure works such as roads, bridges and all utility support have been practically completed. Pre-marketing efforts for **Gotjawal Village** is slated for the last quarter of 2012. **Gotjawal Village** is expected to yield a GDV of USD227 million. Apart from targeting affluent South Koreans, the Division will also reach out to other neighbouring foreign buyers from China, Japan and Taiwan to market these units.

Berjaya Jeju Airst City recently won the Five-Star Award for Mixed Use Development in South Korea at the International Property Awards 2012. The Award reaffirms **Berjaya Jeju Airst City** as a landmark and symbol of Jeju and marks the Group's growing presence as a commendable developer in the Korean property market.



Berjaya Jeju Airst City received the Five-Star Award for Best Mixed-use Development in South Korea.

Property Market Outlook

The forthcoming year will be a challenging year for properties. The uncertain global economy and the recent stricter loan financing guidelines introduced by Bank Negara to curb speculation have affected consumers' sentiments and stifled property investments in the short term.

Other challenges that affect profitability are the rising land prices and the scarcity of land in good locations for development. The continuous increase in construction raw materials cost is also a concern.

Despite the challenges, the Government's rollout of the various mega projects will be a catalyst for growth in the property market. Selected segments of the property market are expected to be robust next year as demand remains strong. Housing for a large majority of the young Malaysian population continues to drive the property market and the challenge will be to meet the demand for quality and affordable housing for these young upcoming house owners in the next 10 to 15 years. As properties in Malaysia are still well under-priced compared to our neighbouring countries in this region and offer reasonably good capital yields and returns, it will remain as an attractive investment for both local and foreign buyers.

Affordably priced homes in prime and potential areas of growth that are well-connected will continue to be in demand. As crime rates increase, people are placing more emphasis on security in the neighbourhood of their homes. Developers will have to continuously innovate and add value to their products to remain competitive.

On this bullish note, the Division is optimistic that it will yield better results in the forthcoming year with the various projects in the pipeline. The Division will take pre-emptive measures when planning its projects and developments in line with the market trends and demands. It will also continue to innovate and brand build, to mark its significance as a reputable developer, not only locally but globally as well.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

GAMING & LOTTERY MANAGEMENT

Berjaya Sports Toto Berhad ("BToto")

For the financial year under review, **BToto** registered a 5.1% increase in revenue to RM3.61 billion from RM3.43 billion in the previous financial year. Pre-tax profit increased by 13.9% from RM508.40 million in the previous financial year to RM576.15 million this year.

The improved performance of BToto was mainly attributed to the improved results of its principal subsidiary, **Sports Toto Malaysia Sdn Bhd ("Sports Toto")**. Sports Toto registered strong sales from its Jackpot games and lower prize payout during the financial year under review.

Malaysia

For the financial year under review, Sports Toto recorded a revenue of RM3.43 billion, an increase of 4.8% from the previous year's revenue of RM3.27 billion. The higher revenue was achieved on the back of encouraging sales from its Jackpot games. Sports Toto continued to gain market share and remained the market leader among all the Number Forecast Operators in the country in terms of total revenue for the year under review.

Pre-tax profit increased by 10.0% to RM521.6 million compared to RM474.3 million in the previous financial year due to a lower prize payout in the financial year under review.

During the financial year under review, the Supreme Toto 6/58 game recorded the highest Jackpot in Sports Toto's history of RM57.18 million when it was struck on 18 January 2012. The record Jackpot of RM57.18 million was also the highest ever Jackpot recorded in Malaysian history.



On 19 December 2011, Sports Toto signed an agreement with International Lottery & Totalizator Systems, Inc. ("ILTS") for the upgrading of its online lottery central system which is expected to go live in the first quarter of 2013.

In June 2012, Sports Toto introduced a prize revision to the Mega Toto 6/52 game which incorporates a new Jackpot II with a minimum payout of RM100,000 and a cascading feature for Jackpot I.

On 2 August 2012, Sports Toto successfully relocated its back-up data centre from Menara Standard Chartered, Kuala Lumpur to Cyberjaya 3 in Cyberjaya.



A Sports Toto draw in progress.



A Sports Toto outlet.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

The Philippines

For the financial year under review, **Berjaya Philippines Inc. ("BPI")** reported a revenue of Peso2.08 billion, an increase of 4.0% from the previous year's revenue of Peso2.00 billion. BPI's pre-tax profit increased by 5.3% to Peso1.40 billion from Peso1.33 billion in the previous financial year. This was primarily due to stronger revenue from its principal subsidiary, **Philippine Gaming Management Corporation ("PGMC")** and revenue from its other subsidiary, **Perdana Hotel Philippines Inc ("PHPI")**.

PGMC's revenue increased by 3.2% to Peso1.94 billion from Peso1.88 billion in the previous financial year. The main contributors to the revenue growth were the Grandlotto 6/55 game with three draws a week and also its EZ2 Lotto game with three draws per day. The Grandlotto 6/55's high jackpot prizes during the financial year continued to increase sales and improve market awareness of the game.

As at the end of the financial year under review, there were 4,174 terminals installed in 3,626 outlets in Luzon compared to 3,232 terminals in 2,633 outlets in the previous year, representing an increase of 29.1% in terminals to support the Philippine Charity Sweepstakes Office's ("PCSO") outlets expansion.

PHPI which operates the Berjaya Makati Hotel located in Makati City, recorded a revenue of Peso140.5 million and a pre-tax profit of Peso12.9 million, an increase of 25.2% and of 111.5% respectively from the previous year's revenue of Peso112.2 million and pre-tax profit of Peso6.1 million. During the financial year under review, PHPI invested in additional rooms and refurbishment of certain floors in the hotel.



A PGMC outlet in the Philippines.

Revenue from room sales and food & beverages sales are expected to improve further as PHPI continues its sales and marketing efforts and upgrading of its current facilities.

During the financial year under review, BPI increased its stake from 9.5% to 30% in **Berjaya Pizza Philippines Inc. ("BPPI")** which is the Philippines franchisee for Papa John's Pizza. BPPI currently operates 13 restaurant-based stores in Metro Manila.

The United States of America

Revenue for **International Lottery & Totalizator Systems, Inc. ("ILTS")** increased by 105.1% to USD12.08 million from USD5.89 million in the previous financial year driven mainly by additional lottery terminal orders and the growing sales contribution from its voting segment. Resulting from this, a net income of USD1.23 million was recorded compared to a net loss of USD0.95 million in the past year.

In its lottery business segment, ILTS signed an agreement with Sports Toto to supply a new DataTrakII lottery system and equipment, including central system hardware and software together with licensing, installation, training and technical support. ILTS also delivered additional Intelimark FLX lottery terminals and associated services to PGMC for PCSO's terminal installations. Additionally, ILTS generated revenue from the sales of its spare parts and support services.

For its voting business segment, ILTS' wholly-owned subsidiary, **Unisyn Voting Solutions, Inc. ("Unisyn")** reported higher sales revenue made through its authorized sales representatives and its own direct sales efforts.



An ILTS terminal used in the United States.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

FOOD & BEVERAGE

Berjaya Food Berhad ("BFood")

BFood was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 March 2011. As part of the listing scheme, BFood acquired **Berjaya Roasters (M) Sdn Bhd ("BRoasters")** making it a wholly-owned subsidiary in January 2011. The Group, via BRoasters, is principally engaged in the development and operation of the **Kenny Rogers Roasters ("KRR")** chain of restaurants in Malaysia. For the financial year ended 30 April 2012, BFood registered an increase in revenue from RM71.94 million in the previous year to RM88.60 million this year. Pre-tax profit increased to RM14.64 million from RM12.58 million in the previous year. The increase in revenue and pre-tax profit were mainly due to the increase in the number of restaurants operating in the financial year under review as well as the effect of consolidating the revenue of PT Boga Lestari Sentosa ("PT Boga") in Indonesia.



BFood was listed on the Main Market of Bursa Securities on 8 March 2011.



KRR outlet at AEON Ipoh Station 18, Perak.

The KRR brand expanded in both the local and international markets. Most notably, BFood acquired 51% equity interest of PT Boga in Indonesia in January 2012.

As of 30 April 2012, there are 74 KRR restaurants nationwide with a total of 12 new restaurants opened during the financial year. Fifteen more restaurants are in the pipeline to be opened for the financial year ending 30 April 2013.

In Indonesia, there are 8 KRR restaurants as of end April 2012, with 15 additional restaurants planned for opening in the 2013 financial year. BFood is on track to achieve a growth of 41% in store openings for both its Malaysian and Indonesian operations for 2013.

The KRR brand continues to maintain its reputation as a mid-casual dining restaurant which serves tasty and wholesome meals. This reputation is supported by aggressive expansion plans, attractive promotions and consistency in delivering quality service and meals at its establishments. KRR has also received great visibility in the media through its various promotions such as Roasters Eating Day and health awareness programmes such as the Roasters Health Watch, which encouraged participants to stay fit through an 8-week health management programme. KRR is also consistently adding variety to its core menu through the introduction of various seasonal food promotions and also through the addition of new food items.

KRR has also expanded its reach and convenience to its customers through its delivery and outdoor catering services. Roasters Catering and Delivery delivers quality and wholesome meals right to the doorstep at selected areas in East and West Malaysia. The Roasters On The Move mobile restaurant has the capacity of serving up to 200 guests with hot and wholesome KRR meals.

In March 2011, KRR won the BrandLaureate Best Brands Awards 2010-2011 under the Food & Beverage category for its famous signature rotisserie-roasted chicken.



KRR outlet in MidValley Megamall, Kuala Lumpur.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS



KRR outlet in Nanhai Plaza, China.



KRR's Twin Meal.

Roasters Asia Pacific (Hong Kong) Limited ("RAP")

RAP is the holding company of KRR International Corp., which holds the worldwide franchise rights for the KRR brand. Currently, RAP has operations in the United States of America, Malaysia, Singapore, Indonesia, China, and the Philippines. KRR International Corp is a wholly-owned subsidiary of BCorp.

For the financial year ended 30 April 2012, RAP recorded an increase of 20% growth in new stores opening compared to the previous year. The increase was mainly due to a surge in the KRR brand acceptance plus strong consumer demand for KRR chicken products as a result of consistent and aggressive marketing campaigns. Introduction of new and innovative product line-ups also generated the desired excitement in the market place.

RAP is currently moving forward aggressively into other selected international territories namely India, Middle East and the Eastern Seaboard of the United States of America through franchising and joint ventures.



New desserts from KRR – Chocolate Fudge Cake & Classic Cheese Cake (left) and Warm Chocolate Oasis.

Berjaya Starbucks Coffee Company Sdn Bhd ("Starbucks Coffee")

For the financial year under review, **Starbucks Coffee**, a 50%-owned associated company of the Group, recorded an approximately 26.52% increase in revenue. This was mainly due to the launch of the "Personalised Frappuccino" and the "Starbucks Card" loyalty programme during the year under the review. There was also a slight increase in the selling price of beverages in the middle of the financial year which also contributed to the increase in revenue.

Starbucks Coffee recorded an increase in pre-tax profit of approximately 60.0% in line with higher revenue and efforts in optimizing the utilization of resources and close monitoring of costs.

Starbucks Coffee currently has 131 stores operating nationwide. The company successfully opened its third drive-thru store in Prima 5, Cyberjaya, Selangor and has plans to continue to use this strategy to further promote the brand.

Starbucks Coffee also officially announced the expansion of Starbucks VIA™ Ready Brew to Malaysia, one of the six additional countries in the Asia Pacific to market this breakthrough innovation for the company.



Starbucks Club Sandwich.



Starbucks VIA™ Ready Brew sachets.



Starbucks drive-thru outlet at Setia Alam, Shah Alam.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Starbucks VIA™ Ready Brew is a transformational instant coffee that replicates the body and flavor of Starbucks® coffee in an instant form which easily dissolves in both hot and cold liquids such as water and milk – it is delicious, instant and micro ground Starbucks® coffee you can brew in an instant which creates new market demands for premium single-serve coffee to enjoy anyhow, anytime and anywhere.

On 19 July 2012, BFood completed the acquisition of 11,500,000 ordinary shares of RM1.00 each, representing 50% equity interest in Starbucks Coffee from BGroup for a cash consideration of RM71.7 million.



Starbucks is a “Third Place” between work and home for its customers.



Starbucks' Frappuccino drinks.

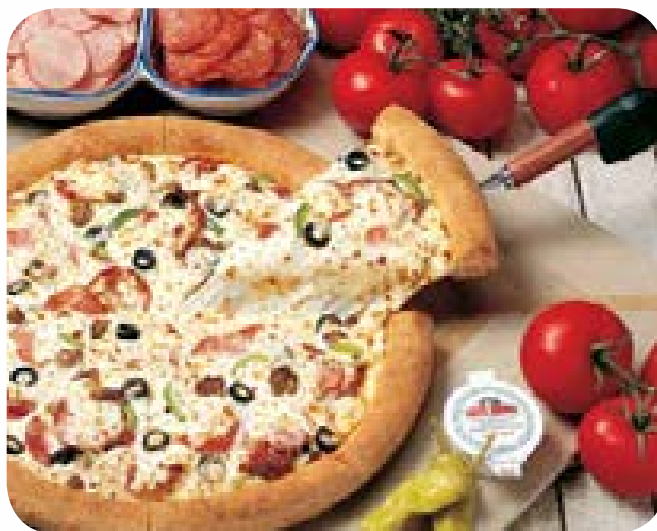
Berjaya Papa John's Pizza Sdn Bhd (“BPJP”)

BPJP operates the Papa John's Pizza restaurants in Malaysia under a franchise arrangement with Papa John's International Inc, a leading international chain of pizza outlets in the United States of America. BPJP opened its first restaurant in Berjaya Times Square Kuala Lumpur in December 2008. Since then, BPJP has been progressively expanding, and is well-received by Malaysian consumers.

For the financial year ended 30 April 2012, BPJP registered a higher revenue of RM12.4 million compared to RM9.6 million in the previous year due to more store openings. BPJP successfully opened 3 new outlets around the Klang Valley in the financial year under review. The new outlets are located at Plaza Shah Alam, KL Festival City and AEON Anggun, Rawang. This brings the total number of Papa John's Pizza outlets to 11 in the Klang Valley and 1 in Melaka.



Papa John's Pizza outlet in Mahkota Cheras, Kuala Lumpur.



Papa John's uses only superior quality ingredients for its hand-made pizzas.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Wen Berjaya Sdn. Bhd. ("Wen Berjaya")

Wen Berjaya is the franchise holder for Wendy's® restaurants in Malaysia. There are currently 8 restaurants in the Klang Valley. The first local Wendy's® restaurant was officially opened on 5 April 2008 at Sunway Pyramid, Selangor. The additional seven restaurants were subsequently opened at IOI Mall Puchong, Jaya One Petaling Jaya, Jalan Sultan Ismail, Mont' Kiara, Giant Kota Damansara, Berjaya Times Square and AEON Rawang.

For the financial year under review, Wen Berjaya registered lower revenue mainly due to loss of revenue as a result of the closing of the AEON AU2 restaurant in October 2011 and its relocation to AEON Rawang Shopping Mall in December 2011.

Wen Berjaya has reviewed its stores development costs together with Wendy's® International, and it is now actively studying some sites for new store openings.

In order to sustain its market share in the increasingly competitive food industry, Wendy's® introduced many interesting limited time menu offerings to add value to its core menu which received positive response from the market. The re-launch of the Chicken Mushroom Melt Burger in October 2011 was due to popular demand since its introduction in year 2010.

Wen Berjaya will continue to focus on expansion by opening new outlets in key market areas, to grow revenue through aggressive marketing campaigns to increase market share via new and repeat customer visits, and the introduction of attractive seasonal promotions.



Wendy's outlet at AEON Rawang, Selangor.



Wendy's signature burgers.

Berjaya Krispy Kreme Doughnuts Sdn. Bhd. ("BKKD")

BKKD is the franchise holder for Krispy Kreme stores in Malaysia. Best known for its fresh, glazed, yeast-raised doughnuts, the "Hot Original Glazed®", Krispy Kreme offers more than a dozen varieties of highest quality doughnuts and great-tasting coffee.

For the financial year under review, BKKD registered a lower revenue mainly due to increased overhead costs from the opening of new stores.

During the financial year, BKKD opened 3 new stores in shopping malls in the Klang Valley, namely Subang Parade, Hartamas Shopping Centre, and Setia City Mall.

BKKD's future plans include new store openings, aggressive marketing programmes and campaigns, and the introduction of attractive seasonal promotions on products and beverages. A variety of sandwiches are also available under the KKD Baked Creations programme.



KKD's variety of seasonal promotional doughnuts.



Krispy Croissant with Bologna – a KKD Baked Creations sandwich.

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ENVIRONMENTAL AND CLEAN TECHNOLOGY SERVICES

KUB-Berjaya Enviro Sdn. Bhd. ("KBE")

The Bukit Tagar sanitary landfill is developed and operated by **KUB-Berjaya Enviro Sdn Bhd ("KBE")**, a joint-venture company established between BCorp and KUB Malaysia Berhad.

The landfill is premised on a long-term concession awarded by the Government of Malaysia, under supervision of the Ministry of Housing and Local Government. The Bukit Tagar sanitary landfill is designed based on international best practice, and has the largest state-of-the-art leachate treatment plant in the region.

Since commencement of operations in April 2005, KBE has shown positive financial results. For the financial year under review, KBE registered revenue of RM35.3 million compared to RM27.2 million in the previous year. Pre-tax profit increased to RM14.3 million from RM7.8 million last year. The higher revenue and profit were mainly attributed to the increase in tipping fee from RM28.80 per tonne to RM49.00 per tonne which came into effect in January 2012.

Bukit Tagar sanitary landfill is now operating Phase Two of the landfill since January 2012. In total, Bukit Tagar sanitary landfill will be developed over 17 phases, and is expected to last for well over 40 years.

The landfill also achieved various recognitions by local and overseas professional bodies when it attained the Gold Award of Special Merit for Environmental Engineering by the Association of Consulting Engineers Malaysia, the Engineering Excellence Award by the Institute of Engineers Malaysia, and the ASEAN Outstanding Engineering Achievement Project Award 2008 by the ASEAN Federation of Engineering Organizations.



Leachate treatment plant, Bukit Tagar Sanitary Landfill, Selangor.

Bukit Tagar also employs a comprehensive landfill gas management strategy. This involves treating landfill gas by way of flaring and generating electricity from the landfill gas as a sustainable source of energy. The project is presently generating electricity via a 1.2MW gas engine, with another 3.2MW gas engine being installed and operational by December 2012. Renewable energy generated from the project is sold to Tenaga Nasional Berhad under the Feed-in Tariff scheme.

Bukit Tagar sanitary landfill is also participating in the Clean Development Mechanism under the Kyoto Protocol. The Clean Development Mechanism is an arrangement supervised by the United Nations where projects in both developed and developing countries commit to reducing greenhouse gas emissions.

Berjaya Environmental Engineering (Foshan) Co. Ltd. ("BEE")

BEE, a wholly-owned subsidiary of BCorp was awarded a 28-year concession to design, build and operate the Sanshui District Bainikeng sanitary landfill for the Sanshui District Government of Foshan City, Guangdong Province in the People's Republic of China at a total project cost of approximately Renminbi ("RMB") 264 million.

The project is divided into five phases and construction started in 2010. Phase 1 Landfill Cell together with its operation office, staff quarters, workshop and all ancillary facilities were completed and became fully operational since April 2011. The Landfill is equipped with an advanced leachate treatment plant and state-of-the-art landfill site management system. BEE commenced receiving municipal wastes from the Sanshui District since May 2011. In July 2012, the Guangdong Provincial Government conferred the landfill the status of '1st Class Sanitary Landfill'. It is the only facility to be granted this status in the Foshan region.

BEE also received the Outstanding & Exemplary Company of Guangdong Province Award from the Guangdong Business Council and Entrepreneur Association in July 2012.



Opening ceremony of the Sanshui Bainikeng Sanitary Landfill in May 2011.

The sanitary landfill is currently disposing about 500 tonnes of municipal waste per day with revenue derived from tipping fees paid by the municipalities in the District. It provides a total solution to the solid waste management problems in Sanshui for the next 28 years. The waste volume will gradually increase to 1,200 tonnes per day during the concession period. Subsequent phases of the project will cover the construction of new landfill cells and landfill gas to green energy facilities.

Berjaya Green Resources Environmental Engineering (Foshan) Co. Ltd. ("BGREE")

BGREE, a wholly-owned subsidiary of BCorp was awarded a 25-year concession based on a build-operate-transfer agreement to develop the Sanshui District Jinben Wastewater Treatment Plant Project for Xinan Public Asset Investment Co. Ltd. (XPAI) of Xinan Municipality ("The Project"). Xinan Municipality is situated in Sanshui District of Foshan City in the Guangdong Province of the People's Republic of China. The total cost of The Project is RMB119 million for a 40 MLD wastewater treatment plant and 8km main wastewater piping work.

The 40 MLD wastewater treatment plant is located in the Jinben industrial park and will be treating industrial wastewater generated by international beverage manufacturing plants such as Budweiser, Coca-cola, Red Bull, Yeo's, etc. Technology adopted by the wastewater treatment plant is based on the modified Anaerobic-Anoxic-Oxic (A2O) treatment process. This is an advanced technology ideal for the treatment of mixed industrial and sewerage wastewater.

The Project is currently under construction and will be completed and operational by the third quarter of 2013. Revenue is derived from wastewater treatment and reticulation tariffs to be paid by the Xinan Municipality. The Project will solve the water pollution problems in the region and provides the industrial park with modern facilities which would attract more investors to the park.



Jinben Wastewater Treatment Plant, Sanshui, Foshan City, China.

DSG Holdings Limited ("DSG Holdings")

During the financial year under review, BCorp acquired a 85% stake in **DSG Holdings** which is involved in water supply and wastewater treatment projects in China. DSG Holdings has 100% interests in four operating companies based in Shandong and Anhui Provinces, China. They are Dragon Spring Water (Linqu) Co Ltd, Dragon Spring Water (Tianchang) Co Ltd, Dragon Spring Water (Taian) Co Ltd and Eminent Resources (Shandong) Environment Co Ltd.

Dragon Spring Water (Linqu) Co. Ltd has a 30-year concession on a build-operate-transfer basis in Linqu, Shandong Province. The concession will be implemented in phases with a targeted total capacity of 130,000m³ per day. It is now in Phase II of development with a production capacity of 80,000m³ per day.

Dragon Spring Water (Tianchang) Co. Ltd has a 30-year concession on a build-operate-transfer basis in Tianchang, Anhui Province. The concession will be implemented in 2 phases with a maximum capacity of 100,000m³ per day. The concession is now in Phase I of development with a production capacity of 50,000m³ per day.

Dragon Spring Water (Taian) Co. Ltd has a 25-year concession on a build-operate-transfer basis to operate a 60,000m³ per day wastewater treatment plant for the Taian Dawenkou Gypsum Industrial Park, Shandong Province. Implementation will be in 2 phases. Phase I has been completed and is in full commercial operation with a 30,000m³ per day capacity.



Secondary sedimentation tank – DSG Holdings' water treatment plant in Taian, China.



Horizontal sedimentation tank – DSG Holdings' water treatment plant in Tianchang, China.

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WHOLESALE DISTRIBUTION OF BUILDING PRODUCTS IN NORTH AMERICA

Taiga Building Products Ltd. ("Taiga")

Taiga is one of the leading independent wholesale distributors of building products in Canada. Taiga distributes building products in Canada, the United States and overseas. As a wholesale distributor, Taiga maintains substantial inventories of building products at 15 strategically located distribution centres throughout Canada and 2 distribution centres in California. In addition, Taiga regularly distributes through the use of third party reload centres. Taiga also owns and operates 3 wood preservation plants that produce pressure-treated wood products. Factors that affect Taiga's year-over-year profitability include, among others, sales levels, price fluctuations and product mix.

Taiga's consolidated net revenue for the year ended 31 March 2012 was Canadian Dollars ("CAD") 971.6 million compared to CAD981.8 million for the last fiscal year. The 1% decrease in sales was largely due to the first quarter performance being affected by the poor spring weather and lower commodity prices. The decrease was partially offset by stronger fall and winter sales driven by a stronger demand for Taiga's product offering. The mild winter weather condition in eastern parts of North America also led to an improved fourth quarter performance compared to the same period last year. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the year ended 31 March 2012 was CAD34.6 million compared to CAD33.4 million last year.

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets. These markets are affected by the strength or weakness in the general economy and as such, are influenced by interest rates and other general market indicators. The weak economic conditions in the United States and any resulting economic weakening in Canada may continue to have an adverse impact on Taiga's performance in the future.



Taiga Building Products Ltd.

MOTOR TRADING AND DISTRIBUTION

Bermaz Motor Sdn. Bhd. ("Bermaz")

Bermaz is the official distributor and retailer of Mazda vehicles in Malaysia. The company's distribution rights encompass both Completely Built-Up (CBU) and Completely Knocked-Down (CKD) vehicles.

During the financial year, Bermaz sold 5,909 units of vehicles compared to 4,826 units in the previous financial year. In line with higher unit sales, the company's revenue increased by RM71.0 million or 12.0% from RM592.6 million to RM663.6 million. Correspondingly, profit before tax also improved from RM48.9 million previously to RM55.2 million this financial year.

As at the financial year end, the company operates 3 branches which are all 3S centres and has in total 56 third party appointed dealers nationwide, of which 22 are 1S centres, 9 are 2S centres and the remaining 25 are 3S centres. To complement sales, Bermaz also provides after-sales service for Mazda vehicles, as well as the sale and distribution of genuine Mazda spare parts.



Mazda 3.



Mazda CX5.

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Except for the Mazda3 1.6L and 2.0L variants which are locally assembled CKD cars, all other models distributed in Malaysia are CBU units imported from either Japan or Thailand. In May 2012, Bermaz launched the CX5 model, a brand new SUV (sports utility vehicle) designed from zero-base by Mazda Motor Corporation, Japan. The CX5 comes with the latest Skyactiv Technology that has received overwhelming response worldwide. As part of its localization programme, plans are in place to assemble the CX5 model in Malaysia by the end of the 2013 financial year.

Mazda car models continually receive the maximum five-star rating of the European New Car Assessment Programme (Euro NCAP) in terms of world class safety in car performance. Continually winning car awards in countries throughout the world has been an aspect of Mazda cars for the past many years.



Mazda 6.



Mazda BT50.

While the passenger car industry as a whole has declined in the financial year, Mazda cars, however, continue to enjoy growth in its sales volume. This has been achieved despite facing many unforeseen circumstances such as the disruption in supply caused by the massive tsunami / earthquake in Japan, floods in Thailand, rising costs due to the strengthening of the Japanese Yen to an unprecedented level and Bank Negara Malaysia's new responsible financing guidelines which has resulted in higher rejection rates in car financing.

Mazda cars have become popular in the local market due to the brand's competitive strengths and the increased public awareness of the various models offered, generated by its promotional and marketing campaigns. Mazda identifies itself by its 'Zoom Zoom' tagline, focusing on the production of well-engineered vehicles, not just a car, resulting in an enjoyable driving experience at a competitive price. Mazda has positioned itself as a brand that will continue to attract buyers who not only value quality, performance and safety in a car, but a car that is also sporty in design, a distinct appeal amongst the masses.

Bermaz shifted to its brand new Head Office in July 2012, to enhance its corporate image in line with the many new initiatives in the pipeline to ensure that the company remains at the forefront of the Malaysian automobile industry for many years to come.

Bermaz continues in its commitment towards human resource development and contribution to national productivity via its Mazda Training Centre of Excellence. To date, the centre has produced 42 competent certified technicians and 12 master technicians, all of whom have the Mazda Dealer Process Improvement (Mazda DPI) stamp of approval, reinforcing further the strength of its after sales service network.



Mazda CX7.

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Changan Berjaya Auto Sdn Bhd ("CBA")

CBA is the licensed distributor of Changan Automobile Co. Ltd. vehicles in Malaysia. In December 2011, CBA launched the SC1022 Era Star Pick Up. The vehicle is marketed as an affordable solution to the needs of SME business owners and entrepreneurs who require a low cost, reliable and durable mode of transporting goods. The Era Star Pick Up is the leading mini truck in China with over 1.5 million units sold.

In line with the introduction of the Era Star Pick Up, CBA is actively improving its after sales service experience, with a new Corporate Brand Identity exercise to be carried out at its service centres throughout 2012 and 2013.



The Era Star Pick Up.

Berjaya Brilliance Auto Sdn Bhd ("BBA")

BBA is the sole distributor of the Era Jinbei brand of commercial vehicles from Shenyang Brilliance Jinbei Automobile Co. Ltd. Based on a Toyota technology, the Era Jinbei has established itself as an affordable, economical and reliable brand. The vehicle is available in three variants, namely the window van, panel van and semi panel van, and is primarily used as a people carrier due to its 15-person seating capacity. It is also being used as lifesaving ambulances and school buses, as well as by security companies and tour companies, which is a testament to its reliability and safety.

Priced affordably between RM63,000 and RM69,000, the Era Jinbei is currently one of the best-selling Chinese commercial vans in Malaysia.



The Era Jinbei.



Prep Kitchen – Berjaya UCH.

EDUCATION

Berjaya Higher Education Sdn Bhd ("BHE")

BHE, which runs Berjaya University College of Hospitality ("Berjaya UCH"), commenced operations in January 2009. For a young niche university college, Berjaya UCH has created a strong awareness in the local market and is looked upon by many established educational institutions as a major industry player especially in the Culinary and Hospitality Courses.

In the financial year under review, revenue for BHE continued to improve due to the steady growth in the number of students especially for the Diploma in Culinary Arts and Hospitality Management course.

Other streams of income which contributed to the revenue of BHE include the catering and food and beverage sales from the training restaurant and café, and income from the rental of facilities.

The School of Business and Management was set up during the financial year under review. Among the programmes offered are the Diploma and Bachelor in Retail Management, and the new Bachelor of Business Management which had its first intake in January 2012. In the pipeline are the Foundation, Diploma and Masters programmes. In addition, the other Schools are also working on a few new programmes. Once approval is obtained from the Ministry of Higher Education, these programmes will be marketed aggressively.

As in the previous financial year, Berjaya UCH has continued to be prominent in the industry by participating in and winning prestigious awards from numerous competitions and respected industry sectors. In the financial year under review, the high standard of its School of Culinary Arts was acknowledged through its accreditation of the 'World Association of Chefs

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Societies (WACS) Recognition of Quality Culinary Education 2011'. Berjaya UCH is one of the few university colleges in Asia that is authorized to conduct the WACS Professional Programme. For the 2nd consecutive year, Berjaya UCH was awarded the 'Hospitality Asia Platinum Award'. In the same year, Berjaya UCH was also awarded the 'Hospitality Education Excellence' award for its principles of the *Berjaya Immersion Methodology*.

The Malaysian international education sector has grown tremendously during the past decade and Malaysia is fast becoming a centre of educational excellence in the region as the Government aims to boost the economy by promoting Malaysia internationally as an education destination. With the rapid growth of the education industry, prospective students are faced with a huge selection of institutions and courses. Despite the competitive environment, Berjaya UCH is now recognised as one of the top choices among Hospitality and Culinary institutions in Malaysia. Besides its star Hospitality and Culinary courses, Berjaya UCH also offers courses in Events, Retail and Business which will help the institution to counter the competitive environment.



Library – Berjaya UCH.



Upper East Side Deli – Berjaya UCH.

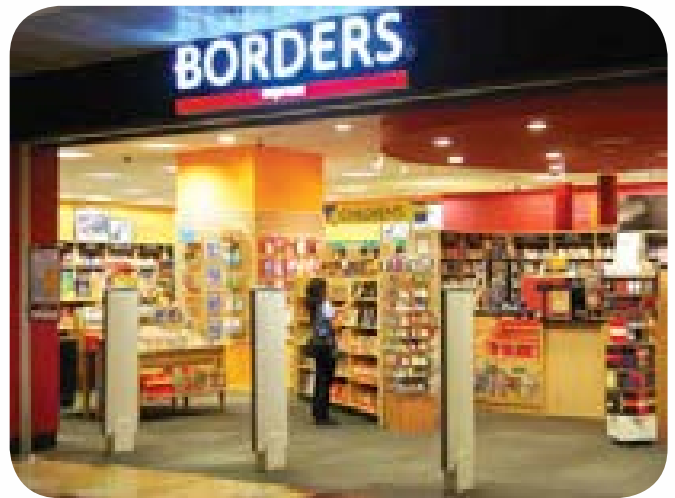
RETAIL

Berjaya Books Sdn. Bhd. ("Berjaya Books")

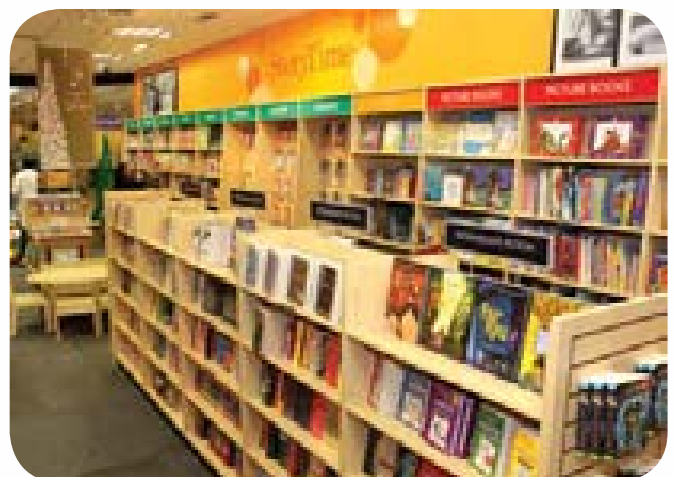
Berjaya Books has been operating the Borders bookstores franchise in Malaysia since 2005. In September 2011 when Borders Group Inc. went into liquidation, Berjaya Books acquired the rights to the trademark and now operates under a perpetual licence. Berjaya Books recently opened its 7th Borders store in One Mont Kiara. Its other stores are located in Berjaya Times Square KL, The Curve Petaling Jaya, The Gardens Mall, Kuala Lumpur, Tropicana City Mall Petaling Jaya, Bangsar Village II, Kuala Lumpur and Queensbay Mall, Penang.

For the financial year under review, revenue increased by 4% to RM24.4 million and greater efficiencies were achieved from the implementation of a stock ageing policy and action taken to cycle out old stocks for higher stock turn.

Berjaya Books continued to move its positioning *Beyond Books* to offer higher margin non-book products such as Moleskine, and increased its range of fiction genre with graphic novels, among others. It also increased its range of books in the genres of Malay and Biography in order to optimize product mix.



Borders Berjaya Times Square, Kuala Lumpur.



Interior – Borders Bangsar Village II, Kuala Lumpur.

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CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group's founder, Tan Sri Dato' Seri Vincent Tan ("TSVT"), BCorp and its subsidiaries continue to align their social responsibility with their business objectives while steering their business towards sustained profitability. TSVT's and the Group's efforts and approach in corporate social responsibility is based on their strong belief in making a difference in the communities which the Group operates. This commitment is manifested in various aspects ranging from philanthropic giving to volunteering endeavours and partnerships with non-profit organizations.

KEY HIGHLIGHTS

Berjaya Founder's Day

The second Berjaya Founder's Day ("BFD") was celebrated with much gaiety in a carnival-like atmosphere on 25 February 2012 at Berjaya Times Square. The family day themed event which involved concerted and coordinated effort across the Berjaya Corporation group of companies, was also a day dedicated to serving and engaging the community for a common good cause in line with TSVT's belief in corporate philanthropy.



More than 20,000 Berjaya staff and their families enjoyed the carnival at Berjaya Times Square.

This year's celebration was made more memorable as it coincided with TSVT's 60th birthday. The event also witnessed TSVT and the Group contributing a total of RM11.6 million to 61 non-profit and charitable organizations. These non-profit and charitable organizations included those that support community, education, health causes as well as environmental awareness and animal protection.

In addition, TSVT also presented the inaugural Better Malaysia Foundation Personality of the Year Award 2012 to Madenjit Singh, founder of Science of Life Studies 24/7 ("SOLS 24/7"), in recognition of his commendable efforts in motivating, educating and helping youth in poor communities in Malaysia, Cambodia, Timor Leste, Laos, Japan, Singapore and Thailand. As a recipient of the award, Madenjit Singh received a RM500,000 cash award from TSVT.

BFD 2012 was also about engaging and bringing the Group's employees together, inspiring them to serve the community. Approximately 20,000 Berjaya employees and their family members participated in the fun-filled carnival complete with thrilling rides, sumptuous food, exciting game stalls and children's activities. More than 30 non-profit and charitable organizations also set up exhibition booths to showcase and raise awareness of their respective causes to the public.

In addition, approximately 400 underprivileged children from Rumah Amal Limpahan Kasih, Yayasan Chow Kit, Harvest Centre, Rumah Kanak-Kanak Yang Ingin Disayangi and Tara Bhavan were invited for an outing at Berjaya Times Square Theme Park.



Fun and games for young and old alike.



TSVT and BCorp contributed a total of RM11.6 million to 61 non-profit and charitable organizations during BFD 2012.



Madenjit Singh, founder of SOLS 24/7 was the proud recipient of the inaugural Better Malaysia Foundation Personality of the Year Award 2012.



One of the beneficiaries receiving their van from TSVT and Dato' Robin Tan.



TSVT and BCorp contributed 24 vans and 2 ambulances during BFD 2012.

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TSVT at the Sekolah Rendah Sathya Sai booth.



TSVT and Dato' Robin Tan visiting the MNS booth.



TSVT receiving a birthday gift from Wheelchair Tennis Malaysia.



TSVT receiving a gift from the children of Harvest Centre.



The Berjaya Times Square Theme Park was very popular with the families during BFD 2012.



Children of Harvest Centre performing during BFD 2012.

Beneficiaries of Berjaya Founder's Day 2012

NO.	BENEFICIARIES	PROJECT	AMOUNT (RM)
1	Buddhist Gem Fellowship	Building fund	250,000
2	Buddhist Tzu-Chi Merit Society Malaysia, Penang	5 units of dialysis machines	250,000
3	Dignity for Children Foundation	Furniture, fittings and equipment for a cafe at Sentul Boulevard building	450,000
4	Eden Handicapped Service Centre Bhd, Penang	One unit of specially fitted van	90,000
5	Grace Community Services	One unit of full panel van and one unit of 14-seater van	170,000
6	Handicapped and Mentally Disabled Children Association Johor Baru, Johor	One unit of specially fitted van	90,000
7	Hospis Malaysia	Operating cost	100,000
8	Kiwanis Down Syndrome Foundation	Operating cost to run its National Centre	100,000
9	Malaysian Buddhist Association	One unit of 14-seater van	85,000
10	Malaysian Dogs Deserve Better	Renovation of current halfway home	50,000
11	Malaysian Emergency Medical Support Association (MEMSA)	One unit of 14-seater van	85,000
12	Malaysian Nature Society	A 15-month coral conservation project in Tioman Island	180,000
13	MERCY Malaysia	Medical relief and humanitarian assistance locally and internationally	500,000
14	Montfort Boys Town, Shah Alam	Setting up of an in-house sewing facility	72,000
15	Montfort Youth Centre, Melaka	2 units of 14-seater vans	128,000
16	National Council of Senior Citizens' Organizations Malaysia	Building fund for a new old folks' home in Kota Kinabalu, Sabah	100,000
17	National Kidney Foundation of Malaysia	10 units of dialysis machines	450,000
18	Penang Adventist Hospital	10 subsidized surgeries for children suffering from heart ailments	250,000
19	Penang Sheng Nen Welfare Organization for the Old, Penang	Building fund for a new old folks' home	300,000
20	Persatuan Amristeswari Malaysia	One unit of 14-seater van	85,000
21	Persatuan Ibu Tunggal, Warga Emas & Orang Kurang Upaya Cheras	One unit of 14-seater van	85,000
22	Persatuan Kanak-Kanak Istimewa Kajang, Selangor	One unit of 14-seater van	85,000
23	Persatuan Kanak-Kanak Spastic Selangor & Wilayah Persekutuan	Redevelopment of SCAS & FT Building	250,000
24	Persatuan Minda D'Home, Penang	Establishment of D'Home Resource Centre	150,000
25	Persatuan Mobiliti Selangor & Kuala Lumpur	One unit of specially fitted van	103,000
26	Persatuan Orang Yang Amat Cacat Akal, Selangor & Wilayah Persekutuan	Renovation and extension of its training centre	150,000
27	Persatuan Perkhidmatan Komuniti Taiping	Setting-up of a tailoring programme and a community mini library	50,000
28	Persatuan Rumah Kebajikan Rita, Klang	One commercial embroidery machine	80,000
29	PJ Caring Home	Operating cost to run 5 homes	100,000
30	PT Foundation, KL	Back-to-School fund for 100 children living with or affected by HIV	180,000

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Beneficiaries of Berjaya Founder's Day 2012

NO.	BENEFICIARIES	PROJECT	AMOUNT (RM)
31	Pure Lotus Cancer Foundation, KL	Setting up of an in-patient hospice home in Kuala Lumpur	100,000
32	Pusat Hemodialisis Mawar, Negeri Sembilan	6 units of dialysis machines	270,000
33	Pusat Jagaan Kanak-Kanak Batu Grace, Kedah	One unit of 14-seater van	85,000
34	Pusat Kasih Sayang Klang YWCA	One unit of specially fitted van	88,000
35	Pusat Kebajikan HOPE Worldwide Kuala Lumpur	1-year food distribution programme for 100 needy families	150,000
36	Ray of Hope Children's Home	One unit of 14-seater van	85,000
37	Malaysian Red Crescent Selangor	One unit of ambulance	350,000
38	Rumah Amal Belaian Kasih, Kuala Lumpur	One unit of 14-seater van	85,000
39	Rumah Amal Cahaya Tengku Ampuan Rahimah, Kuala Lumpur	One unit of 14-seater van	85,000
40	Rumah Amal Cheshire Selangor	One unit of specially fitted van	90,000
41	Rumah Amal Limpahan Kasih	One unit of 14-seater van	85,000
42	Rumah Anak-Anak Yatim Darul Falah Terengganu	Operating costs	100,000
43	Rumah Kanak-Kanak Trinititi, Selangor	One unit of 14-seater van	85,000
44	San Damiano Girls' Hostel Kiulu, Sabah	Building fund for a new 2-storey hostel block	200,000
45	Science of Life Studies 24/7	A new community education centre in Sabah	1,000,000
46	Sekolah Rendah Sathya Sai, Puchong	Upgrading of school's teaching and learning facilities	120,000
47	Shepherd's Centre Foundation	One unit of 14-seater van	85,000
48	SPCA	20 new dog kennels	100,000
49	Sri Jayanti Welfare Association	One unit of 14-seater van	85,000
50	St Nicholas Home, Penang	20 units of new computers with Window Eye Screen Reader Software and 5 standard computers	80,000
51	St. John Ambulans Malaysia	One unit of ambulance	350,000
52	Sultan Ahmad Shah Environment Trust	Preservation and development of the environment	300,000
53	Taiwan Buddhist Tzu-Chi Foundation Malaysia	Study grant for 1,000 students from poor families	250,000
54	The Tun Hussein Onn National Eye Hospital, KL	Eye screening and dispensing of spectacles for 2,500 needy primary school children in Selangor	250,000
55	Ti-Ratana Welfare Society	Building fund for vocational training centre	100,000
56	TSVT Merit Scholarship Fund	Scholarship Award	500,000
57	UTAR Education Foundation	Building fund	1,000,000
58	Wheelchair Tennis Malaysia	One unit of specially fitted van	90,000
59	World Vision Malaysia	Community development and humanitarian assistance	250,000
60	Yayasan Belia Buddhist Malaysia, Penang	Building fund	50,000
61	Yayasan Orang Kurang Upaya Kelantan	One unit of specially fitted van	90,000
TOTAL			11,576,000

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Other Community Initiatives

The Group constantly strives to contribute to the enrichment of society by providing assistance to the needy communities.

During the year under review, the Group contributed RM1 million to the Tan Sri Muhyiddin Charity Golf Foundation which was channeled towards its charity objectives, and RM500,000 to Yayasan Nurul Yaqeen to support its "Project Hati Murni – Sekolah Dalam Hospital" programme.

During the festive seasons, BCorp and its subsidiaries also took the opportunity to spread cheer and joy through various gatherings and events for the needy communities. Among these were the fun-filled breaking-of-fast sessions for disadvantaged children and goodwill visit to the Hospital Tengku Ampuan Rahimah pediatric ward in Klang and the distribution of Deepavali festive goodies to 1,120 needy families in Cameron Highlands, Kuala Kubu Baru, Klang, Batu Caves, Kajang and Subang.



TSVT and Dato' Robin Tan at the Kim Loong Ting old folks' home.



Annual children's outing to Berjaya Times Square Theme Park.

For the 12th consecutive year, BCorp continued to support The Edge-Bursa Malaysia Kuala Lumpur Rat Race, an annual corporate charity run jointly organized by The Edge and Bursa Malaysia. The charity run provides a platform for the Group's employees to fulfill their social responsibility role while participating in a sporting event.

The Group's CSR philosophy is also embraced by its operating companies and subsidiaries, reflected by the various initiatives and involvement in helping to uplift the lives of the less fortunate.

In January 2012, Berjaya Hills Berhad contributed a public donation of RM150,000 collected from the Four-Faced Buddha shrine to 15 charitable organizations.

Cosway provided numerous cash contributions and product sponsorships in support of charitable programmes undertaken by the Group as well as those organized by Berjaya Cares Foundation.

As part of its commitment to community service, Starbucks Malaysia celebrated its second annual Global Month of Service throughout the month of April 2012 and executed 27 CSR projects nationwide with an accumulated 8,898 community service hours.



Berjaya UCH brought Christmas cheer to the children from Yellow House.



TSVT with beneficiaries at the 4-Faced Buddha shrine in Berjaya Hills, Pahang.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Another subsidiary of BCorp, Berjaya UCH organized charity dinners in support of Down Syndrome Association of Malaysia and Know One Teach One ("KOTO"), an Australian-Vietnamese charitable organization focusing on helping underprivileged youth in Vietnam.

KRR reached out to the community through its KRR Community Chest campaigns such as the annual Roasters Chicken Run and Wishing Tree Campaign. During the year under review, the Roasters Chicken Run raised RM60,000 for The Little Yellow Flower (previously known as Hope Education Foundation) in support of their Nutrition, Lunch and Tuition programme benefiting children from urban poor families. The Wishing Tree campaign which grants simple wishes of underprivileged children saw another successful year of making wishes come true for more than 1,800 underprivileged children nationwide.

Another BCorp subsidiary, Sports Toto, has a long standing record in giving back to society through numerous activities. The annual Sports Toto Chinese New Year Ang Pow Donation Campaign brought cheer to more than 16,000 needy old folks in 41 cities and towns nationwide. For the second consecutive year, Sports Toto, in collaboration with NTV7, produced a

13-episode charity-themed programme entitled 'Helping Hands Season 2' which provided needy families with necessary home improvements, medical provisions and other necessities to improve their living conditions. The general public was also encouraged to extend a helping hand to these disadvantaged families through a public donation campaign organized by Sports Toto in all its outlets nationwide.

On the international front, BCorp's subsidiary in the Philippines, PGMC contributed Peso20 million to the Gawad Kalinga Community Development Foundation Inc. to build 200 housing units known as "Berjaya CDO GK Village", in Cagayan de Oro, for families who were affected by Typhoon Sendong. Perdana Hotel Philippines Inc. also donated essential items to The Philippine School for the Deaf in Pasay which provides quality education and services to hearing-impaired Filipinos in Pasay City.



Sports Toto's annual CNY Ang Pow Donation Campaign.



Roasters Chicken Run 2011.



Contribution of dialysis machines worth RM450,000 to National Kidney Foundation.



Dato' Robin Tan serving lunch to the children of Tara Bhavan Home.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Literacy

The Group continued to promote literacy among the less fortunate through various initiatives as it believes education is the key to uplifting underprivileged children out of poverty.

During the year under review, Berjaya Cares Foundation set up mini libraries and contributed books and bookshelves to Rumah Amal Budi Bestari and Ray of Hope Children's Home.

On a larger scale, Sports Toto in collaboration with Berjaya Cares Foundation made available at no charge, a 6-storey shop office building located in Sentul, Kuala Lumpur for the use of Harvest Centre which provides quality education for the disadvantaged community. This contribution resulted in an annual rental savings of approximately RM150,000 for Harvest Centre.

Berjaya UCH has been very committed in providing scholarships to deserving students. Scholarships were given to students who achieved good grades in their SPM under the Tan Sri Vincent Tan Merit Scholarships. Scholarships were also allocated to

Chinese Independent Schools where principals will nominate 1 needy student per school to receive the scholarship. Berjaya UCH also reached out to students in rural towns by offering them scholarships to further their studies. Berjaya UCH also offered RM50,000 worth of scholarships to the students of KOTO.

On the international front, B-Land contributed USD100,000 to the Nguyen Thai Binh Scholarship and the Vietnam Talent Fund which assists poor students to further their studies and sponsors talented Vietnamese youths for overseas training.

In the Philippines, Berjaya Philippines Inc. has offered 45 scholarships valued at Peso45 million to needy Filipinos for diploma courses in culinary arts, hospitality management, events management, retail management, tourism and travel management at Berjaya UCH.

Workplace

During the financial year under review, the Group continued to focus on improving the quality of life, well-being and career development of its employees. Various health talks, free health screenings and topics related to employees' personal development were carried out throughout the year.

The Group's Staff Welfare Fund provided financial assistance to employees in helping them cope with high medical expenses, or assisting them in the event of loss or damage to property resulting from natural disasters.

BCorp and its respective subsidiaries' Sports Clubs actively organized recreational activities such as festive gatherings, sports competitions and vacation trips to promote social interaction and foster closer ties among employees.



Contribution to Gawad Kalinga Community Development Foundation Inc. to build 200 housing units for Typhoon Sendong victims in Cagayan, de Oro, Philippines.



Students of SOLS 24/7 education learning centre sharing their experiences.



The Sports Toto Fitness Centre encourages employees to maintain a healthy lifestyle.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS



BCorp presented 15,000 footballs to schools nationwide.

Sports Excellence

During the financial year under review, BCorp supported various sporting events, most notably through its contribution of RM250,000 to The Langkawi International Mountain Bike Challenge 2011 and RM100,000 to Tour of Borneo 2012.

Sports Toto, in collaboration with reputable sports associations, local councils and media partners, was proud to be involved with the community through the sponsorship of numerous sporting events such as OCM – Sports Toto Outstanding Athletes of the 26th SEA Games Awards, DBKL – Sports Toto Paralympic Carnival 2011, 7th Malaysia Independent Chinese Secondary Schools Games Championship, 24th PJ Half Marathon, Penang Bridge International Marathon 2011, 24th Seremban Half Marathon, 204KM KL - Maran Big Walk, Sin Chew Daily Basketball Championship 2011, 39th Penang Pesta International Bowling Championship, MBPJ Squash Open Championship 2011, NS Royal Sevens Rugby Tournament, 12th Malaysia Open International Wheelchair Tennis Championship, Scomi KL Open Tennis Championship 2011, Sports Toto Supreme Challenge Trophy, 1st Malaysia Open Para Athletics Championship, Sports Toto Ladies Bowling League, Kenny Rogers Chicken Run, as well as arm wrestling, basketball and hockey events driven by the National Sports Council, among others.

Sports Toto also made a substantial annual financial contribution to the National Sports Council in support of community sports which promote camaraderie, teamwork and sportsmanship.

Environment

Engaging and adopting the 'Loving Earth' commitment is one of BHR's top priorities.

The bi-annual Tioman Island Clean-Up day organized by BHR in collaboration with Berjaya Air adopted a four-pronged approach which focused on a clean-up dive, a beach clean-up, a turtle conservation workshop for school children and an airport clean-up. Endorsed by the Professional Association of Diving Instructors (PADI) Project Aware, the initiatives are aimed at strengthening conservation of underwater life and educating people on the importance of coral reefs to the ecosystems. BCorp and its subsidiaries truly believe that only through the process of education would we be able to nurture a spirit of loving Mother Earth.

In an effort to protect the world's rapidly declining shark population from rampant overfishing, BHR made a commitment not to serve shark fin soup in any of its 18 hotels and resorts worldwide. During the inaugural Tioman World Ocean Day celebration held from 29 June to 1 July 2012, BHR signed a corporate pledge to join the "We're FINished With FINS" (Save The Shark) Campaign carried out by the Singaporean chapter of Shark Savers, a non-profit marine conservation organisation dedicated to saving sharks through awareness, education and grassroots action.



BHR's Corporate Pledge to join the "We're FINished with FINS" campaign.



Divers removing the reef-destroying Crown of Thorns during the Tioman Island Clean-Up held in May 2011.

Art & Culture

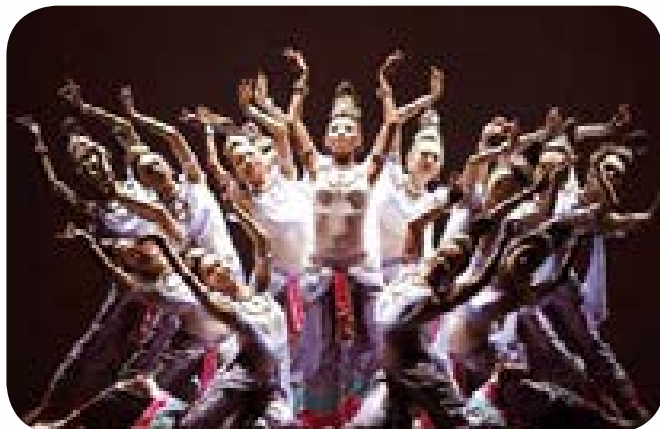
The Group recognizes the valuable role that arts and culture play within our society.

During the year under review, BCorp initiated the Berjaya Youth Short Film Competition to nurture the potential and confidence of youths aged between 18 to 25 years old.

The Group also supported various local and foreign musical performances such as *The Wizard of Oz - The Musical*, *In Perfect Harmony - The Musical*, *Dreamgirls - The Broadway Musical Sensation* and *Shrek The Musical*.

In China, Berjaya Great Mall of China Co, was proud to be the main sponsor of *Princess Wen Cheng - The Musical*, the first all-Malaysian musical production staged in China. The local production, supported by Berjaya, had international exposure in Taiwan and China, and will perform in Malaysia again in October 2012 and in Singapore in 2013.

In the area of cultural promotion, Sports Toto supported Malaysian Martial Arts Festival, 20th Nanyang Wushu Festival, Kuching Festival, Padawan Fest and Gawak Dayak Festival in Sarawak and Chingay Parade in Penang.



Scenes from *Princess Wen Cheng – The Musical*.



Moving Forward

Berjaya is committed to continue to build social consciousness and responsibility as an integral part of the organization. The Group will look towards engaging with NGOs and charitable organizations on projects which will promote sustainable community growth and development.

Through its multi-faced efforts, the Group hopes to bring a tangible difference to the communities in its journey to “Building Communities, Enriching Lives”, its CSR motto.

FUTURE PROSPECTS

Malaysia's GDP for the first half of 2012 grew at 5.1%, attributed to, among others, sturdy domestic demand and strong government spending which helped offset weakness in exports due to faltering global demand. With the roll-out of the Malaysian Government's Economic Transformation Plan (ETP) to propel Malaysia into a high-income nation by 2020, Malaysia's economy is likely to remain resilient with domestic demand continuing as the main economic growth driver, sustained by government policy measures, private consumption and private investments.

The Group's consumer marketing and direct-selling business, Cosway will continue its aggressive expansion plans through the setting up of new Cosway Pharmacy stores as well as a Cosway Pharmacy section within their selected existing 'hybrid stores', both locally and overseas. Cosway will continue to set up more Vmart stores in various cities in China. Cosway will also continue with its rebranding exercise to replace the Cosway stockists and leader centres with new 'hybrid stores' to project a consistent corporate identity. Performance reviews will be conducted on a regular basis on low productivity outlets with the objective of relocating them to new locations with better foot traffic.



BCorp supported the local production, *Wizard of Oz – The Musical*.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

In the property sector, selected segments of the property market are expected to be robust next year as demand remains strong with housing for the large majority of young Malaysian population driving the property market. As properties in Malaysia are still well under-priced compared to its neighbouring countries in this region and offer reasonably good capital yields and returns, property will remain as an attractive investment for both local and foreign buyers. Despite the soft market conditions, the Group's overseas property projects in Vietnam, China and South Korea are progressing well in their various development stages. The Group's Property Division is optimistic that it will yield better results in the forthcoming year with the various local and overseas projects in the pipeline. The Division will continue to innovate and brand build, to mark its significance as a notable developer, not only locally but regionally as well.

The hotel industry in Malaysia is expected to remain resilient despite the current uncertainty in the global economic environment and the downturn in demand from the European travel market. BHR's continued focus on distribution via internet bookings through its website www.berjyahotel.com as well as traditional channels, and the upgrading of facilities at its hotels and resorts will enable it to achieve better ARR and RevPar as compared to competitors of the same locations in the local market. BHR will also continue to maintain its competitiveness for its overseas properties and improve its market presence via aggressive marketing activities and diverse distribution channels.

The Number Forecast Operators business under BToto is expected to remain resilient, supported by strong sales in the Jackpot games. Sports Toto will continue to ensure that the games continue to remain relevant and exciting to achieve strong growth in the current financial year.

In addition, with the target completion of the proposed listing of STM-Trust on SGX-ST in the third quarter of the current financial year, BToto will continue to consolidate the earnings from Sports Toto for the financial year ending 30 April 2013 subject to the dilution effect arising from the Proposed Placement and Proposed Public Issue as disclosed in the announcement to Bursa Malaysia dated 5 June 2012.

In the Philippines, PGMC continues to work closely with PCSO to monitor sales and marketing of all its eight games. In addition, BPI's investment in the hotel and pizza businesses will help in generating additional revenue.

The food and beverage industry in Malaysia is expected to be increasingly competitive due to a large variety of existing food chain restaurants and the introduction of new fusion foods into the market. Malaysians have also become increasingly discerning on food quality as well as service standards. In this respect, Starbucks' superb service, inviting atmosphere, and innovative food and beverage offerings will enable it to increase its market share.

KRR will continue to maintain its market share in the increasingly competitive food industry by also consistently improving its service levels and expanding its food menu offerings while retaining its healthy concept. Its seasonal food promotions and introduction of new menus, namely the Breakfast, Tea Time and Junior Treats menus, will provide a wider selection of choice to consumers. It will also leverage on the demand for convenience due to the busy lifestyles of working parents, to expand its delivery and catering services.

Through RAP, the KRR brand is also aggressively expanding into other selected international territories namely Southern China, India, Thailand, Middle East and the Eastern Seaboard of the United States of America through franchising and joint ventures.



River clean-up - one of the activities carried out during Starbucks' Global Month of Service.



Berjaya Cares Foundation funded the set-up and operating costs of NKF-Berjaya Resource Centre in Petaling Jaya – a one-stop information hub for all matters relating to kidney care.

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

The Group's other food franchise businesses, Krispy Kreme, Wendy's and Papa John's Pizza are still at their nurturing stage. These brands will continue to aggressively grow their business through store expansions and innovative marketing campaigns.

The Group's motor trading and distribution business is also rapidly expanding and is expected to continue to contribute positively towards the Group's growth and revenue. Bermaz has been increasing its market share with the introduction of new Mazda car models, expansion of its sales network, as well as through aggressive sales and promotional activities.

In the education sector, Berjaya UCH will be introducing 4 new courses in the 2013 financial year which is expected to boost student enrolment. Berjaya UCH plans to aggressively expand its international market share especially the Asia Pacific region. It also plans to franchise its 'home-grown' programmes to education institutions overseas, building the brand internationally.

The Group will also continue to develop its environmental services business. The Group has already established its presence in China through its sanitary landfill and several water supply and wastewater treatment projects and will continue to grow this business there and look at possibilities in other countries in the region.

Given the cautious economic outlook, the Group expects that its overall operating performance for the financial year ending 30 April 2013 will remain satisfactory.

APPRECIATION

On 23 February 2012, TSVT announced his retirement from his position as Chairman of BCorp. TSVT had spent his last 28 years nurturing and growing the Group to what it is today, a strong and financially stable on-going concern. We truly value

his exemplary leadership and commitment to the Group all those years and we will continue to adopt the good values and business ethics which he has imparted to us during his tenure.

I am honoured that TSVT and the Board of Directors have confidence in me to succeed him as Chairman and also Chief Executive Officer (a position which TSVT held until end of year 2010). I am also thankful for the team of professional and diligent Directors and management whom I have had the privilege of working with for many years. Together with this team of management, I am confident we can continue to expand and grow the BCorp Group.

I would like to welcome our new Executive Director, Puan Hajjah Zurainah Binti Musa and Independent Non-Executive Director, Dr Jayanthi Naidu A/P G. Danasamy, who both joined the Board on 13 January 2012.

To all our customers, business partners, financiers and regulatory authorities, thank you for your continued support and cooperation.

To all our shareholders, I wish to express my gratitude for your confidence, understanding and support to the Group.

DATO' ROBIN TAN YEONG CHING

Chairman / Chief Executive Officer
18 September 2012



Berjaya Cares Foundation contributes vans fitted with electro-hydraulic lifts as one of its CSR initiatives.



Berjaya Cares Foundation supported PT Foundation's Back-to-School programme for 100 children living with or affected with HIV.