Berjaya Corporation Berhad

Company No: 554790-X

Date: 29 September 2015

Subject: **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015**

Table of contents

	Page
Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4 - 5
Condensed Consolidated Statement of Cash Flows	6
Notes to the Unaudited Interim Financial Report	7 - 10
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	11 - 17

BERJAYA CORPORATION BERHAD
(Company No: 554790 - X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended	
	31/07/2015	31/07/2014
	RM'000	RM'000
GROUP REVENUE	2,135,817	2,485,030
PROFIT FROM OPERATIONS	195,896	240,138
Investment related income	51,728	24,486
Investment related expenses	(4,451)	(159)
Finance costs	(102,239)	(85,113)
Share of results of associates	44,818	23,218
Share of results of joint ventures	(1,917)	(2,270)
PROFIT BEFORE TAX	183,835	200,300
INCOME TAX EXPENSE	(77,425)	(106,668)
PROFIT AFTER TAX	106,410	93,632
ATTRIBUTABLE TO:		
- Equity holders of the parent	56,133	8,282
- Non-controlling interests	50,277	85,350
	106,410	93,632
EARNINGS PER SHARE (SEN)		
- Basic, for the period	1.19	0.24
- Diluted, for the period	1.18	0.23

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

BERJAYA CORPORATION BERHAD
(Company No: 554790 - X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended	
	31/07/2015	31/07/2014
	RM'000	RM'000
PROFIT AFTER TAX	106,410	93,632
OTHER COMPREHENSIVE ITEMS		
Items that will be reclassified subsequently to profit or loss		
Net changes on available-for-sale ("AFS") financial assets		
- Changes in fair value of AFS investments	(790)	3,730
- Disposals of AFS investments transferred to profit or loss	-	(18,240)
- Cumulative loss transferred to profit or loss	648	-
Foreign currency translation	126,516	(30,372)
Share of other comprehensive items of associates	(5,676)	542
Taxation relating to components of other comprehensive income	1,251	(802)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	228,359	48,490
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Equity holders of the parent	125,044	(12,712)
- Non-controlling interests	103,315	61,202
	228,359	48,490

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

BERJAYA CORPORATION BERHAD
(Company No: 554790 - X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/07/2015 RM'000	Group As at 30/04/2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Property. plant and equipment	3,686,297	3,514,521
Biological assets	4,901	5,300
Other investments	82,173	87,997
Investment properties	710,180	702,905
Prepaid land lease premiums	1,432	1,018
Land held for development	1,972,059	1,956,934
Investment in associated companies	2,267,444	2,441,745
Investment in joint ventures	36,795	44,812
Deferred tax assets	63,458	54,675
Other long term receivables	636,975	579,735
Intangible assets	6,470,675	6,188,435
	15,932,389	15,578,077
Current Assets		
Development properties	2,068,211	2,020,387
Inventories	996,682	935,081
Trade and other receivables	1,516,967	1,284,452
Short term investments	3,100	3,087
Tax recoverable	48,255	33,747
Deposits with financial institutions	768,846	633,178
Cash and bank balances	874,798	961,511
Assets classified as held for sale	652,676	612,612
	6,929,535	6,484,055
TOTAL ASSETS	22,861,924	22,062,132
EQUITY AND LIABILITIES		
Share capital	4,332,322	4,330,614
Share premium	6,965	6,965
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - Equity component	513,874	409,972
Reserves	2,424,737	2,335,615
	7,277,898	7,083,166
Less: Treasury shares	(130,399)	(130,399)
	7,147,499	6,952,767
Non-controlling interests	4,968,895	4,841,869
Equity funds	12,116,394	11,794,636
Non-current liabilities		
Irredeemable Convertible Unsecured Loan Stocks	196,270	192,743
Long term borrowings	4,986,181	4,629,692
Other long term liabilities	352,961	293,763
Deferred tax liabilities	352,535	349,715
Provisions	23,229	23,004
	5,911,176	5,488,917
Current Liabilities		
Trade and other payables	2,417,509	2,423,999
Provisions	3,821	3,297
Short term borrowings	2,296,830	2,264,413
Taxation	97,916	83,196
Liabilities directly associated with disposal groups classified as held for sale	18,278	3,674
	4,834,354	4,778,579
Total Liabilities	10,745,530	10,267,496
TOTAL EQUITY AND LIABILITIES	22,861,924	22,062,132
Basic net assets per share (sen)	159.83	157.71
Dilutive net assets per share (sen)	139.06	138.15

The net assets per share is calculated based on the following :
Basic : Equity funds less non-controlling interests and ICULS - equity component divided by the number of outstanding shares in issue with voting rights.
Dilutive : Equity funds less non-controlling interests divided by the number of outstanding shares in issue with voting rights and the potential conversion of the Company's outstanding ICULS to shares and exercise of Warrants.

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

BERJAYA CORPORATION BERHAD
(Company No: 554790 - X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Parent														
	Non-distributable										Distributable				
	Share capital RM'000	Share premium RM'000	ICULS - equity component # RM'000	AFS reserves RM'000	Share option reserves RM'000	Warrants reserve ^ RM'000	Fair value reserves RM'000	Capital reserves RM'000	Consolidation reserve RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2015	4,330,614	6,965	409,972	(73,582)	4,921	145,758	851,825	28,377	(892,224)	73,995	2,196,545	(130,399)	6,952,767	4,841,869	11,794,636
Total comprehensive income	-	-	-	(6,032)	266	-	190	1,424	-	73,063	56,133	-	125,044	103,315	228,359
Transactions with owners:															
Transfer of reserves	-	-	-	(178)	47	-	(19,012)	276	532	(430)	18,765	-	-	-	-
Arising from conversion of BCorp ICULS - by surrender option	1,708	-	(1,708)	-	-	-	-	-	-	-	-	-	-	-	-
Re-issue of BCorp ICULS pursuant to sale of BCorp ICULS previously held within the Group to third parties	-	-	105,610	-	-	-	-	-	-	-	(25,536)	-	80,074	(37,831)	42,243
Adjustment in relation to dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	-	2,269	-	-	-	2,269	7,710	9,979
Adjustment due to increase in equity in subsidiary companies	-	-	-	-	-	-	-	-	(12,655)	-	-	-	(12,655)	(2,326)	(14,981)
Acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	92,972	92,972
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(36,814)	(36,814)
	1,708	-	103,902	(178)	47	-	(19,012)	276	(9,854)	(430)	(6,771)	-	69,688	23,711	93,399
At 31 July 2015	4,332,322	6,965	513,874	(79,792)	5,234	145,758	833,003	30,077	(902,078)	146,628	2,245,907	(130,399)	7,147,499	4,968,895	12,116,394

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

BERJAYA CORPORATION BERHAD
(Company No: 554790 - X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

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

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

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

BERJAYA CORPORATION BERHAD
(Company No: 554790 - X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/07/2015	31/07/2014
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	2,544,366	2,679,857
Payments for operating expenses	(2,582,012)	(2,640,331)
Payment of taxes	(87,104)	(73,078)
Other receipts/(payments) (including tax refunds)	14,336	(8,054)
Net cash used in operating activities	(110,414)	(41,606)
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property, plant and equipment and non-current assets	4,794	3,615
Disposal of investment in subsidiary companies	27,742	279,848
Disposal of other investments	250	5,199
Acquisition of property, plant and equiptment and non-current assets	(56,877)	(39,016)
Cash effects of acquisition of investments in subsidiary companies	(86,015)	(22,701)
Acquisition of other investments and short term investments	(28,023)	(10,207)
Resale of treasury shares by a subsidiary company	-	9,266
Interest received	14,991	29,950
Dividend received	30,424	1,617
Advances to joint ventures	(2,008)	(4,794)
Other payments	(36,278)	(11,356)
Net cash (used in)/generated from investing activities	(131,000)	241,421
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of treasury shares by the Company	-	(31,180)
Issuance of share capital	-	39,170
Issuance of share capital to non-controlling interests of subsidiary companies	4,032	-
Reissuance of BCorp ICULS 1	42,243	-
Dividend paid to shareholders of the Company	-	(30)
Dividends paid to non-controlling interests of subsidiary companies	(804)	(19,240)
Repurchase of BCorp ICULS 1	-	(1,361)
Repurchase of BCorp ICULS 3	-	(60,000)
Interest paid	(94,417)	(86,417)
Drawdown of bank and other borrowings	940,455	829,028
Repayment of bank and other borrowings	(632,680)	(715,899)
Placements in banks as security pledged for borrowings	(10,379)	-
Net cash generated from/(used in) financing activities	248,450	(45,929)
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,036	153,886
OPENING CASH AND CASH EQUIVALENTS	1,348,931	1,357,646
Effect of exchange rate changes	14,948	(8,335)
CLOSING CASH AND CASH EQUIVALENTS	1,370,915	1,503,197
Cash and cash equivalents carried forward comprise:	RM'000	RM'000
Deposits with financial institutions	768,846	815,907
Cash and bank balances	874,798	967,252
Bank overdraft (included under short term borrowings)	(62,809)	(131,586)
	1,580,835	1,651,573
Less :		
Remisiers' deposit held in trust	(13,094)	(14,690)
Cash and cash equivalents restricted in use	(198,005)	(133,686)
	1,369,736	1,503,197
Including: Cash and cash equivalents classified as held for sale	1,179	-
	1,370,915	1,503,197

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

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

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2015.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 May 2015.

The initial application of the FRSs, Amendments to FRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

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

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

Recognised directly in statement of profit or loss

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

	Current Quarter RM'000
Gain on disposal of a subsidiary company	15,947
Gain arising from remeasurement (Note A8(b))	13,952
Gain arising from dilution of interest in associated companies	2,918
Loss on disposal of a subsidiary company	(570)
Impairment in value of investment in an associated company	(264)
Impairment in value of AFS investment	(648)
Net fair value changes of fair value through profit or loss ("FVTPL") investments	(1,022)
Liquidated damages on termination of sales and purchase agreement	(1,903)
	28,410

(b) There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 July 2015.

A4 There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 July 2015 except for the following (rounded to nearest thousand):

(a) Share capital

(i) 1,708,000 ordinary shares of RM1.00 each were issued pursuant to conversion of 3,416,000 BCorp ICULS 1 of RM0.50 nominal value each.

(b) 0% 10-year irredeemable convertible unsecured loan stocks of RM0.50 nominal value each ("BCorp ICULS 1")

(i) 3,416,000 BCorp ICULS 1 were tendered for the subscription of 1,708,000 ordinary shares of RM1.00 each.

(ii) 211,221,000 BCorp ICULS 1 previously held within the Group were re-issued to third parties.

Subsequent to the quarter ended 31 July 2015 and up to the date of this announcement:-

(a) Share capital	RM'000
Share capital - Issued and fully paid up as at 31 July 2015	4,332,322
Arising from conversion of BCorp ICULS 1	
- by surrender option	803
Share capital - Issued and fully paid up as at 23 September 2015	4,333,125

There was no share buyback during the financial period ended 31 July 2015.

The number of treasury shares held in hand as at 31 July 2015 are as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 July 2015	0.72	182,000,000	130,399

As at 31 July 2015, the number of outstanding shares in issue and fully paid up with voting rights (rounded to nearest thousand) was 4,150,322,000 (30 April 2015: 4,148,614,000) ordinary shares of RM1.00 each.

A5 The Company did not pay any dividend in the financial period ended 31 July 2015.

A6 Segment information for the financial period ended 31 July 2015:-

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations	801,118	-	801,118
Financial services	10,677	969	11,646
Property investment and development	151,399	12,752	164,151
Hotels and resorts	75,267	445	75,712
Marketing of consumer products and services	882,378	4,742	887,120
Restaurants and cafes	150,304	14	150,318
Others	64,674	9,387	74,061
Elimination: Inter-segment Revenue	-	(28,309)	(28,309)
Total revenue	2,135,817	-	2,135,817

RESULTS	RM'000
Toto betting operations	121,355
Financial services	970
Property investment and development	47,619
Hotels and resorts	2,214
Marketing of consumer products and services	40,837
Restaurants and cafes	2,344
Others	(5,448)
	209,891
Unallocated corporate items	(13,995)
Profit from operations	195,896
Investment related income	
-Interest income	18,563
-Gain on disposal of a subsidiary company	15,947
-Gain arising from remeasurement	13,952
-Gain arising from dilution of interest in associated companies	2,918
-Fair value changes of FVTPL investments	44
-Dividend income	304
	51,728
Investment related expenses	
-Fair value changes of FVTPL investments	(1,066)
-Impairment in value of AFS investment	(648)
-Liquidated damages on termination of sales and purchase agreement	(1,903)
-Loss on disposal of a subsidiary company	(570)
-Impairment in value of investment in an associated company	(264)
	(4,451)
Finance costs	(102,239)
Share of results of associates	44,818
Share of results of joint ventures	(1,917)
Profit before tax	183,835
Income tax expense	(77,425)
Profit after tax	106,410

A7 There were no significant events since the end of this current quarter up to the date of this announcement.

A8 There were no changes in the composition of the Group for the current period ended 31 July 2015, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following:-

(a) On 5 May 2015, the Company announced that BGroup completed the disposals of 10 million ordinary shares of RM1.00 each, representing 100% equity interest, in Berjaya Bandartex Sdn Bhd for a cash consideration of about RM16.6 million and 5 million ordinary shares of RM1.00 each, representing 100% equity interest, in Berjaya Knitex Sdn Bhd for a cash consideration of about RM11.1 million to Ramatex Berhad ("Ramatex");

(b) Juara Sejati Sdn Bhd ("JSSB") had on 27 March 2015 acquired from Indah Pusaka Sdn Bhd a total of about 70.1 million ordinary shares of RM0.10 each in Redtone International Berhad ("REDtone"), representing an equity interest of about 10.53% in REDtone for a total cash consideration of about RM56.1 million or at RM0.80 per REDtone share. Consequent to this acquisition, the equity interests of JSSB and persons acting in concert with it ("PACs") increased from about 25.31% to about 35.84%, thus triggering a mandatory take-over obligation by JSSB under Section 9 of the Malaysian Code on Take-overs and Mergers 2010.

A take-over notice was served on the board of directors of REDtone by RHB Investment Bank on 27 March 2015 to notify them of JSSB's obligation to acquire all the REDtone shares and REDtone ICULS not already owned by JSSB and its PACs. The offer price for one REDtone share was RM0.80 and for one REDtone ICULS was RM0.32.

On 8 May 2015, the Company announced that JSSB has received valid acceptances in respect of the conditional take-over offer ("RIB-Offer") by JSSB of all the ordinary shares of RM0.10 each in REDtone and all the 2.75% 10-year irredeemable convertible loan stocks 2010/2020 issued by REDtone, not already owned by JSSB and its PACs, such that JSSB and its PACs hold in aggregate more than 50% of the voting shares of REDtone. Therefore, the condition of the RIB-Offer has been fulfilled and the RIB-Offer then became unconditional. Consequently, REDtone was deemed a subsidiary company of the Group.

A9 There were no material changes in contingent liabilities or contingent asset since the last annual balance sheet date other than the following:

(a) With reference to Note 42(c) to the financial statements regarding the claims brought by Nutranomics against CoswayUSA, on 9 September 2015 the court dismissed all the Nutranomics claims with prejudice.

(b) With reference to Note 42(d) to the financial statements regarding the actions brought by Armen&anor, Armen&anor filed a third amended complaint. CoswayUSA has filed a demurrer, a motion to strike off a portion of the third amended complaint, and a request for judicial notice. The hearing on the demurrer is fixed on 10 December 2015.

A10 There were no material changes in capital commitment since the last audited statement of financial position as at 30 April 2015.

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

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

Restaurants and cafes
Festive season, tourism, eating out culture, raw material costs, staff costs and affluent lifestyle as well as consumer perception.

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

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

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

Review of results for the quarter
The Group registered a revenue of RM2.14 billion and pre-tax profit of RM183.84 million in the current quarter ended 31 July 2015 as compared to a revenue of RM2.49 billion and pre-tax profit of RM200.30 million reported in the previous year corresponding quarter.

Commentary on revenue
The Group recorded a lower revenue for the current quarter under review mainly due to the full effect of deconsolidation of Berjaya Auto Berhad ("BAuto") (BAuto ceased as a subsidiary company since 1 December 2014), where its revenue was included under marketing of consumer products and services segment.

Marketing of consumer products and services
The motor distribution business contributed a lower revenue for the current quarter compared to the preceding year corresponding quarter mainly due to the full effect of deconsolidation of revenue from BAuto, as mentioned in the above paragraph. However, the above deconsolidation effect of BAuto in this quarter was mitigated by higher sales revenue registered by H.R. Owen Plc ("HR Owen"). HR Owen's revenue was boosted by new car sales volume as well as favourable foreign exchange effect in the current quarter under review.

Restaurants and cafes
The restaurants and cafes business reported a higher revenue for the current quarter mainly due to the full effect of consolidating the newly acquired wholly owned subsidiary, Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks"). BStarbucks was acquired by Berjaya Food Berhad, a subsidiary of the Group, in the second quarter of the last financial year.

Property investment and development
The property investment and development business recorded lower revenue as lower progress billings were recorded in the current quarter as compared to the previous year corresponding quarter.

Hotels and resorts
The hotels and resorts business reported a lower revenue arising from lower occupancy and average room rates in the current quarter as compared to the previous year corresponding quarter.

Toto betting operations
The toto betting operations operated by Sports Toto Malaysia Sdn Bhd ("STM"), a principal subsidiary of Berjaya Sports Toto Berhad ("BToto"), reported a lower revenue as compared to the previous year corresponding quarter.

Commentary on pre-tax profit
The Group's pre-tax profit for the current quarter was lower than previous year corresponding quarter. This was mainly due to the full effect of deconsolidating BAuto and higher finance costs.

Marketing of consumer products and services
The motor distribution business contributed a lower pre-tax profit mainly due to the deconsolidation of BAuto. The retail distribution business has reported a pre-tax profit as compared to a pre-tax loss in the previous year corresponding quarter mainly due to significant reduction in operating costs through aggressively closing down non-performing stores as well as favourable foreign exchange from its foreign operations in the current quarter under review.

Restaurants and cafes
The restaurants and cafes business reported a higher pre-tax profit for the current quarter mainly due to the full effect of consolidating BStarbucks.

Property investment and development
The property investment and development business recorded lower progress billing as compared to the preceding year corresponding quarter.

Hotels and resorts
The hotels and resorts business reported a lower pre-tax profit mainly due to lower profit contribution arising from lower revenue in the current quarter as compared to the previous year corresponding quarter.

Toto betting operations
The gaming business recorded a lower pre-tax profit mainly due to higher prize payout coupled with the Malaysian Goods and Services Tax expenses being absorbed by STM in the current quarter under review.

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

For the quarter under review, the Group reported a lower revenue of RM2.14 billion compared to RM2.33 billion reported in the preceding quarter.

Commentary on revenue

The Group recorded a lower revenue for the current quarter mainly due to lower revenue reported by toto betting operations, property development and motor distribution businesses compared to the preceding quarter.

Marketing of consumer products and services

The motor distribution business reported a lower revenue in the current quarter under review mainly due to the lower sales reported by HR Owen. The retail distribution business in Malaysia also reported a lower revenue mainly due to weak consumer sentiments with the recent introduction of the Goods and Services Tax ("GST") and the weakening of Ringgit Malaysia.

Restaurants and cafes

The restaurants and cafes business reported a higher revenue mainly due to additional cafes operating in the current quarter compared to the preceding quarter.

Property investment and development

The property investment and development business reported lower progress billings in this current quarter compared to the preceding quarter.

Hotels and resorts

The hotels and resorts business reported a higher revenue arising from higher occupancy rates in certain resorts in this quarter under review compared to preceding quarter.

Toto betting operations

The gaming business reported a lower revenue as the preceding quarter had benefited from the seasonally higher sales during the Chinese New Year festive period and the current quarter also had lower number of draws.

Commentary on pre-tax profit/(loss)

The Group reported a pre-tax profit of RM183.84 million in the current quarter as compared to pre-tax loss of RM323.03 million in the preceding quarter. The pre-tax loss in the preceding quarter was mainly due to non-cash impairment in value of goodwill relating to the gaming CGUs of about RM444.70 million.

Marketing of consumer products and services

The motor distribution business recorded a lower pre-tax profit mainly due to lower revenue in the current quarter. The retail distribution business reported a higher pre-tax profit mainly due to the reasons mentioned in Note B1.

Restaurants and cafes

The restaurants and cafes business reported a lower pre-tax profit mainly due to the lower contribution from Malaysia operations as Malaysian consumers are generally cautious and prudent in their spending after the implementation of GST and lower same store sales of certain Malaysia operations as the Muslim fasting month was in this current quarter under review.

Property investment and development

The property investment and development business for the current quarter reported higher pre-tax profit compared to the preceding quarter mainly due to certain cost adjustments made to certain projects in the preceding quarter.

Hotels and resorts
The hotels and resorts business reported a higher profit mainly due to higher occupancy rates in the current quarter as compared to the preceding quarter.

Toto betting operations
The gaming business reported lower pre-tax profit mainly due to reasons mentioned in Note B1.

B3 Future prospects
Given the current economic outlook and weakening of the Malaysian Ringgit, the Directors are of the view that the Group's operating performance will be challenging for the remaining quarters of the financial year ending 30 April 2016.

B4 There is no profit forecast or profit guarantee for the financial period 31 July 2015.

B5 The taxation charge for the current quarter ended 31 July 2015 are detailed as follows:

	Current Quarter RM'000
Based on the results for the period:-	
Current period provision	
- In Malaysia	53,305
- Outside Malaysia	29,465
Deferred tax	(5,076)
Over provision in prior years	(269)
	77,425

The disproportionate tax charge of the Group for the current quarter ended 31 July 2015 was mainly due to certain expenses or losses being disallowed for tax purposes and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

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

	Current Quarter RM'000
Interest income	(18,563)
Dividend income	(304)
Gain on disposal of property, plant and equipment	(2,011)
Gain on disposal of a subsidiary company	(15,947)
Gain arising from remeasurement	(13,952)
Gain arising from dilution of interest in associated companies	(2,918)
Depreciation of property, plant and equipment	45,116
Amortisation of intangible assets	5,010
Impairment loss on receivables	431
Impairment in value of AFS investment	648
Impairment in value of investment in an associated company	264
Provision for and write off of inventories	2,601
Loss on disposal of a subsidiary company	570
Foreign exchange (gain) or loss (net)	(14,443)
Fair value changes of FVTPL investments (net)	1,022

B7 There has been no further developments for those corporate proposals disclosed in Notes 47 and 48 to the audited financial statements of the Company for the financial year ended 30 April 2015.

B8 Group borrowings and debt securities as at 31 July 2015 were as follows:

	Foreign currency amount '000		At end of current quarter RM'000
Short term borrowings			
Secured			
Denominated in Ringgit Malaysia		#	1,708,139
USD	88,548	*	337,947
SGD	32,649	*	90,726
GBP	1,252	*	7,457
RMB	196,243	*	120,886
PHP	250,000	*	20,875
KRW	2,699,387	*	8,800
			2,294,830
Unsecured			
Denominated in Ringgit Malaysia			2,000
			2,000
			2,296,830
Long term borrowings			
Secured	Foreign currency amount '000		
Denominated in Ringgit Malaysia		#	3,580,946
USD	109,403	*	417,541
GBP	13,871	*	82,614
JPY	8,571,313	*	263,825
SGD	4,937	*	13,719
RMB	276,246	*	170,167
KRW	100,000,000	*	326,000
HKD	174,444	*	85,896
			4,940,708
Unsecured			
Denominated in RMB	64,000	*	39,424
USD	1,585	*	6,049
			45,473
			4,986,181
Total bank borrowings			7,283,011

* Converted at the respective exchange rate prevailing as at 31 July 2015
\# Includes medium term notes

- short term	80,000
- long term	1,342,852
	1,422,852

B9 There is no change in material litigation since the last annual reporting date up to the date of this announcement other than as disclosed in Note A9.

B10 The Board does not recommend any dividend for the current quarter under review (previous year corresponding quarter ended 31 July 2014: Nil)

In the preceding quarter, the Board recommended a final dividend of 1% single-tier exempt dividend per share in respect of the financial year ended 30 April 2015 for the approval of shareholders at the forthcoming Annual General Meeting.

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

	Group (3-month period)			
	31/07/2015	31/07/2014	31/07/2015	31/07/2014
	RM'000		sen	
Net profit for the quarter	56,133	8,282		
Impact on income statement upon conversion of ICULS - BCorp ICULS 2	3,527	4,000		
Adjusted net earnings for the quarter	59,660	12,282		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,149,292	4,177,473		
Weighted average number of shares to be issued upon conversion of mandatorily convertible ICULS ('000)	864,439	863,644		
Number of shares used in the calculation of basic earnings per share ('000)	5,013,731	5,041,117		
Basic earnings per share			1.19	0.24
Adjusted net earnings for the quarter	59,660	12,282		
Dilution effect on exercise of TMC Life Sciences Berhad warrants	-	(38)		
Dilution effect on exercise of Berjaya Media Berhad warrants	(34)	-		
Dilution effect on exercise of Berjaya Food Berhad warrants	(33)	-		
Dilution effect on exercise of Berjaya Food Berhad share options	(9)	(26)		
Dilution effect on exercise of Berjaya Auto Berhad share options	(298)	(572)		
	59,286	11,646		
Number of shares used in the calculation of diluted earnings per share ('000)	5,013,731	5,041,117		
Diluted earnings per share			1.18	0.23

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

		As at 31/07/2015 RM'000	As at 30/04/2015 RM'000 (Audited)
Total retained earnings of the Company and its subsidiaries:			
- realised		1,657,129	1,756,100
- unrealised		1,443,386	1,366,717
		3,100,515	3,122,817
Share of results from associated companies	*	314,088	269,821
Share of results from joint ventures	*	(140,243)	(142,160)
		3,274,360	3,250,478
Less: Consolidation adjustments		(1,028,453)	(1,053,933)
Total group retained earnings as per consolidated accounts		2,245,907	2,196,545

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

c.c. Securities Commission