



BERJAYA CORPORATION BERHAD (554790-X)

LAPORAN TAHUNAN 2011 ANNUAL REPORT



BERJAYA
BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

برجاي كورپوريشن برحد
成功集團有限公司



LAPORAN TAHUNAN
2011
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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Berjaya Langkawi Resort, Kedah.



Sheraton Hanoi, Vietnam.

The Berjaya Corporation group of companies' history dates back to 1984 when the Chairman, 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 Board 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;
- Development of Sanitary Landfill, Environmental Services and Clean Technology Investment;
- Food & Beverage; and
- Investment Holding and others.



KM1 Condominiums, Bukit Jalil, Kuala Lumpur.



Interior – Vasana 25, Seputeh Heights, Kuala Lumpur.



Savanna 2, Bukit Jalil, Kuala Lumpur.

Corporate Information



Cosway outlet at Berjaya Times Square, Kuala Lumpur.

BOARD OF DIRECTORS

Chairman/Non-Independent Non Executive

Tan Sri Dato' Seri Vincent Tan
Chee Yioun

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

Non-Independent Non-Executive

Dickson Tan Yong Loong

Independent Non-Executive Directors

Dato' Suleiman Bin Mohd Noor
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

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director

Dato' Suleiman Bin Mohd Noor

Independent Non-Executive Directors

Tan Sri Datuk Abdul Rahim Bin
Haji Din
Dato' Hj Md Yusoff @
Mohd Yusoff Bin Jaafar
Datuk Robert Yong Kuen Loke

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

AmBank (M) Berhad
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Affin Bank Berhad
RHB Bank Berhad
The Bank of Nova Scotia Berhad
Export-Import Bank of Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

STOCK SHORT NAME

BJCORP (3395)

PLACE OF INCORPORATION AND DOMICILE

Malaysia



TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

59 years of age, Malaysian
Chairman/Non-Independent Non-Executive

He was appointed to the Board of the Company on 15 September 2005 as Chairman/Chief Executive Officer ("CEO"). He has relinquished his position as CEO on 1 January 2011 and remains as the Chairman of the Company.

He is a businessman and entrepreneur with varied interests in property development and investment, gaming, stockbroking, manufacturing, trading, hospitality, Internet-related businesses, utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies namely, Berjaya Corporation group of companies, Berjaya Media Berhad, Berjaya Assets Berhad, Berjaya Retail Berhad, Cosway Corporation Limited, Informatics Education Ltd, Intan Utilities Berhad, U Mobile Sdn Bhd and MOL Global Pte Ltd.

He is also the Chairman of Berjaya Times Square Sdn Bhd, 7-Eleven Malaysia Sdn Bhd and U Mobile Sdn Bhd, a new 3G mobile phone operator in Malaysia and the Managing Director/CEO of Sports Toto Malaysia Sdn Bhd.

He also holds directorships in Berjaya Hills Berhad as well as several other private limited companies.

His sons, Dato' Robin Tan Yeong Ching and Rayvin Tan Yeong Sheik, and his nephew, Dickson Tan Yong Loong, are also members of the Board.

Tan Sri Dato' Seri Vincent Tan Chee Yioun is a member of the Remuneration Committee of the Company.



DATO' ROBIN TAN YEONG CHING

37 years of age, Malaysian
Chief Executive Officer

He was appointed to the Board of the Company as an Executive Director on 21 December 2006 and subsequently as the CEO of the Company on 1 January 2011. 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 father, Tan Sri Dato' Seri Vincent Tan Chee Yioun, his brother, Rayvin Tan Yeong Sheik, and his cousin, Dickson Tan Yong Loong, are also members of the Board.

Profile of Directors



CHAN KIEN SING

55 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. He has more than 30 years of experience in the operations and management of companies and also in leading the development of its businesses.

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 CEO of 7-Eleven Malaysia Sdn Bhd. He also sits on the boards of Cosway Corporation Limited, Berjaya Capital Berhad, Berjaya Group Berhad, Berjaya Assets Berhad, Berjaya Retail Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad, International Lottery & Totalizator Systems Inc, United States of America and several other private limited companies.

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



FREDDIE PANG HOCK CHENG

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 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

32 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 Berjaya Sports Toto Berhad and Cosway Corporation Limited. He also holds directorships in Cosway (M) Sdn Bhd, Sports Toto Malaysia Sdn Bhd, International Lottery & Totalizator Systems Inc, United States of America and several other private limited companies.

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

Rayvin Tan Yeong Sheik is a member of the Risk Management Committee of the Company.



VIVIENNE CHENG CHI FAN

52 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 26 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.

Profile of Directors



DATO' AZLAN MEAH BIN HJ AHMED MEAH

55 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 USA. 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 25 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 Auto Berhad, 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.



DICKSON TAN YONG LOONG

30 years of age, Malaysian
Non-Independent Non-Executive

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

He holds a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Masters 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 was appointed Business Development General Manager and Editor-In-Chief of 'The Address' and 'Directions' publications in 2006. He is presently the Deputy Managing Director of Dijaya Corporation Berhad and he is currently overseeing group corporate strategy, planning and risk management. He is also a director of several private corporations involved in manufacturing, services, media, leisure, retail, property development and property investment.

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

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

His uncle, Tan Sri Dato' Seri Vincent Tan Chee Yioun, and his cousins, Dato' Robin Tan Yeong Ching and Rayvin Tan Yeong Sheik, are also members of the Board.



DATUK ROBERT YONG KUEN LOKE

59 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, The Association of Chartered Certified Accountants 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 London including two years with Moore Stephens & Co. 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.



DATO' SULEIMAN BIN MOHD NOOR

81 years of age, Malaysian
Independent/Non-Executive Director

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

He has 42 years experience in the State and Federal Civil Service. At Federal level, he was once posted to the Development Administration Unit of the Prime Minister's Department. His last posting prior to his retirement in 1984 was the State Secretary of Johor. He studied Development Economics at Cambridge University, England. Prior to his retirement, he took a course on Public Enterprise at Harvard University, USA.

He was the Chairman of Johor Port Authority, Ministry of Transport from 1985 to 1993 and is affiliated to many social organisations namely as a Patron of Johor Life Saving Society, a trustee of Yayasan Sultan Iskandar, Johor and currently serves as the Chairman of its Scholarship Board.

Dato' Suleiman Bin Mohd Noor is the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

Profile of Directors



TAN SRI DATUK ABDUL RAHIM BIN HAJI DIN

72 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 degree in Bachelor of Arts 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 a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.



DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

64 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 (Hons) degree majoring in Political Science and a minor 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 Pulau Pinang 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 of the Company.



MOHD ZAIN BIN AHMAD

59 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 Laws 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.

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 2011.

FINANCIAL RESULTS

For the financial year ended 30 April 2011, the Group registered an increase in revenue to RM7.04 billion compared to RM6.76 billion in the previous year, mainly due to higher revenue contributions from the retail and distribution businesses.

Pre-tax profit was higher at RM861.55 million compared to RM595.6 million reported in the previous year. This was mainly due to the exceptional gain recorded from disposals of associated companies and subsidiary companies. In addition, the lower pre-tax profit in the previous year was mainly due to the non-cash dilution effects when the Group's interest in Berjaya Land Berhad ("B-Land") was diluted as a result of the conversion of B-Land ICULS to B-Land shares upon its maturity on 30 December 2009.

Dividend/Dividend-in-specie

For the financial year ended 30 April 2011, the Board recommended a final dividend of 2% single-tier exempt dividend per share for the approval of shareholders at the forthcoming annual general meeting. The total dividend for the financial year ended 30 April 2011 will be 7% comprising 5% single-tier exempt dividend-in-specie of Berjaya Retail Berhad shares and 2% single-tier exempt cash dividend per share.

SIGNIFICANT CORPORATE DEVELOPMENTS

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

- (1) On 14 June 2010, Cosway Corporation Berhad ("CCB"), a 100%-owned subsidiary company of BCorp, disposed of its 100% equity interest in Singer (Malaysia) Sdn Bhd to Berjaya Retail Berhad ("BRetail") for a consideration of RM360 million pursuant to the listing exercise of BRetail on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). BRetail was listed on Bursa Securities on 16 August 2010 but was subsequently privatised on 3 May 2011.
- (2) On 26 July 2010, B-Land Group disposed of its entire 20% equity interest in Singapore HealthPartners Pte Ltd for a total cash consideration of SGD45.04 million (or about RM105.5 million).
- (3) On 8 October 2010, BCorp received the business licence for the incorporation of a new wholly-owned subsidiary company, Berjaya Green Resources Environmental Engineering (Foshan) Co Ltd ("BGreen"), in The People's Republic of China ("PRC"). The principal activities of BGreen are to build, operate and maintain the wastewater treatment plants in Xinan County, Sanshui District, Foshan City, Guangdong Province, PRC.
- (4) On 20 October 2010, BCorp announced that it had been granted a manufacturing plant licence by the Ministry of International Trade and Industry Malaysia for the assembly of commercial vehicles, hybrid cars, electric cars and luxury passenger vehicles in Malaysia. The proposed 100-acre plant will be located in Bukit Tagar, Selangor Darul Ehsan.



Ground breaking ceremony of the Xinan Jinben Wastewater Treatment Plant on 18 May 2011 in Sanshui District, Foshan City, People's Republic of China.



Range of CellLift cosmetic products from Cosway.

Chairman's Statement and Review of Operations

- (5) On 6 December 2010, Berjaya Sports Toto Berhad announced that Sports Toto Malaysia Sdn. Bhd. ("Sports Toto") had obtained the approval from the Ministry of Finance to revise the special prizes for its 4-Digit Big game from RM200 to RM180 per RM1.00 bet. Hence, the special prizes for the 4-Digit Big permutation variant, 4D i-Perm Big, were revised accordingly with effect from 15 December 2010.
- (6) On 28 December 2010, B-Land announced that Selangor Turf Club ("STC") has granted Selat Makmur Sdn Bhd ("SMSB") a further extension of time from 19 January 2011 to 18 January 2012 to fulfill the conditions precedent in the sale and purchase agreement.
- SMSB, a wholly-owned subsidiary of B-Land, had entered into a conditional sale and purchase agreement with STC for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC for a total consideration of RM640 million.
- (7) On 8 March 2011, the Group successfully listed Berjaya Food Berhad ("BFood") on the Main Market of Bursa Securities. BFood acquired Berjaya Roasters (M) Sdn Bhd from Berjaya Group Berhad for the purpose of the listing.
- (8) On 20 April 2011, BCorp announced that its subsidiary company, CCB, disposed of its entire 80.61% equity interest in Berjaya HVN Sdn Bhd for a sale consideration of RM7.0 million to Speedy Video Distributors Sdn Bhd ("Speedy"). The sale consideration was satisfied by the issuance of 510,938 new ordinary shares of RM1.00 each in Speedy, representing a 15% equity interest, at an issue share price of about RM13.70 each.
- (9) On 4 May 2011, BCorp announced that Roasters Asia Pacific (HK) Limited, a wholly-owned subsidiary company of the Group, received the business licence for the incorporation of its 100%-owned subsidiary under the name of Kenny Rogers Roasters Catering (Shenzhen) Company Ltd in Shenzhen, PRC for the development and operation of the Kenny Rogers Roasters ("KRR") chain of restaurants in PRC.
- (10) On 30 May 2011, B-Land, a subsidiary of BCorp, announced that its wholly-owned subsidiaries, Berjaya Vacation Club Berhad ("BVC") and Berjaya Vacation Club (Cayman) Limited ("BVC Cayman") had on 27 May 2011 entered into an agreement with A.R. Foundations Private Limited ("ARF") for the disposal of their collective 100% equity interest in Berjaya Vacation Club India Private Ltd ("BVC India") for a total cash consideration of USD5.35 million. The disposal was completed on 13 July 2011.
- (11) On 6 June 2011, B-Land announced that its subsidiary company, BVC had entered into a joint venture articles of agreement with PT Lion Mentari ("PTLM") to jointly operate, manage and develop the business operation of Berjaya Air Sdn Bhd ("BAir"), a 99.7%-owned subsidiary company of BVC, which is a charter and schedule flight operator ("Proposed JV"). Prior to the Proposed JV, BAir will undertake an internal restructuring whereby it will transfer all its assets and liabilities to another subsidiary company of B-Land to be identified ("Proposed Restructuring"). As an integral part of the Proposed Restructuring, BVC will acquire the remaining 0.3% stake in BAir from Tadmansori Holdings Sdn Bhd for a cash consideration of RM300,000. Upon completion of the Proposed Restructuring, BVC will transfer 49.0 million shares representing 49% equity interest in BAir to PTLM at a nominal cash consideration of RM1.00 and both PTLM and BVC will subscribe for their entitlements in full pursuant to the proposed rights issue of 60.0 million new BAir shares for a total cash subscription of RM60 million. BAir will also identify and buy back certain assets that were transferred out pursuant to the Proposed Restructuring at valuations to be mutually agreed between the parties. The Proposed JV is pending completion.



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



Delectable offerings from KRR.

Chairman's Statement and Review of Operations

- (12) On 15 June 2011, BCorp announced that Berjaya Capital Berhad ("BCapital"), its indirect wholly-owned subsidiary company, completed the disposal of 47.2 million ordinary shares of RM1.00 each representing 40% equity interest in Berjaya Sampo Insurance Berhad ("Berjaya Sampo") to Sampo Japan Asia Holdings Pte Ltd for a total cash consideration of RM496 million. Berjaya Sampo has ceased as a subsidiary company of the Group and is now a 30%-owned associated company.
- (13) On 7 July 2011, BCorp via Maybank Investment Bank Berhad announced that CCB has notified the Board of Cosway Corporation Limited ("CCL") that CCB is presently considering the privatisation of CCL which would result in the delisting of CCL from The Stock Exchange of Hong Kong Limited ("Possible Privatisation"). The Possible Privatisation would be at a cash consideration of HKD1.10 per CCL share and HKD1.10 per HKD0.20 nominal amount of irredeemable convertible unsecured loan securities.
- (14) On 13 July 2011, BCorp announced that it had signed a Memorandum of Understanding ("MOU") with POSCO Engineering & Construction Co. Ltd. ("POSCO") whereby the BCorp Group and POSCO will work closely sharing their respective expertise and resources in exploring and identifying possible opportunities for joint collaboration in sectors such as property development and infrastructure construction, as well as new business areas such as renewable energy and petrochemical plants.
- (15) On 21 July 2011, BCorp announced that the Company proposes to list its 80%-owned subsidiary, Bermaz Motor Sdn Bhd via a listing vehicle, Berjaya Auto Berhad ("BAuto") on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing"). In conjunction with the Proposed Listing, BAuto will acquire 100% equity interest in Bermaz via an exchange of new BAuto shares and undertake an initial public offering of BAuto shares to the Malaysian public, minority shareholders of BCorp, eligible directors, employees and business associates of BAuto Group as well as investors to be identified. BAuto also proposes to establish an employees' share option scheme for its eligible employees and directors.
- (16) On 26 July 2011, BFood entered into a conditional joint venture agreement with PT Mitra Samaya, PT Harapan Swasti Sentosa and PT Boga Lestari Sentosa ("PT Boga") to develop and operate the KRR franchise in Java island and Bali, Indonesia under PT Boga.
- (17) On 29 July 2011, BCorp announced that it had entered into a Share Sale Agreement ("SSA") for the acquisition of 8.50 million ordinary shares of USD1.00 each representing 85% of the enlarged issued and paid-up share capital of DSG Holdings Limited ("DSGHL") for a total consideration of USD25.97 million (equivalent to RM77.91 million) to be satisfied in cash of USD12.99 million and issuance of 33.01 million new ordinary shares of RM1.00 each in BCorp ("BCorp Shares") at an issue price of RM1.18 per BCorp Share. On 7 September 2011, BCorp announced that Bursa Securities had approved in principle the listing of and quotation of the BCorp Shares and hence, the completion of the Proposed Acquisition would take place within 21 days from 7 September 2011 or such other date as may be mutually agreed between the parties. The enlarged DSGHL Group is involved in water supply and waste water treatment projects in the PRC. Upon completion of the reorganisation, the issued share capital of DSGHL will be increased to USD10.0 million comprising 10 million ordinary shares of USD1.00 each.



MOU signing ceremony between BCorp and POSCO at Berjaya Times Square Hotel Kuala Lumpur.



Exchange of documents during the SSA signing ceremony between BCorp and DSGHL.

- (18) On 15 August 2006, B-Land issued RM900 million nominal value 5-year 8% secured exchangeable bonds ("Bonds"). On 15 August 2011, B-Land fully redeemed all the outstanding Bonds amounting to RM695.40 million at 100 per cent of its nominal amount.
- (19) On 16 August 2011, B-Land announced that its wholly-owned subsidiary, Berjaya Land Development Sdn Bhd ("BLDSB") entered into a conditional sale and purchase agreement with Penang Turf Club for the proposed acquisition by BLDSB of about 57.30 acres of land forming part of the club land for a total cash consideration of RM459 million ("Proposed Acquisition"). The Proposed Acquisition is pending the submission of the application for the Planning Permission Approval for the development.
- (20) On 25 August 2011, BFood announced that it had entered into a conditional Share Sale Agreement with Berjaya Group Berhad, a wholly-owned subsidiary of BCorp, for the proposed acquisition of 11,500,000 ordinary shares of RM1.00 each representing 50% equity interest in Berjaya Starbucks Coffee Company Sdn Bhd for a cash consideration of RM71.7 million.

REVIEW OF OPERATIONS

CONSUMER MARKETING & DIRECT SELLING

Cosway Corporation Limited ("Cosway")

For the financial year ended 30 April 2011, the Cosway group posted a revenue of HK\$3.37 billion, representing a growth of HK\$1.04 billion or 44.6% against HK\$2.33 billion recorded during the same period last year. The increase was mainly due to healthy revenue growth in the existing markets where the group operates, as the productivity of the new

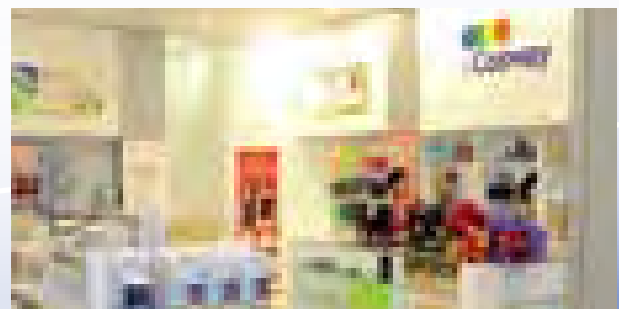
"Free Stores" continued to improve, particularly in the Malaysian, Hong Kong and Taiwanese markets, with year-on-year increase in revenue from 28.1% to 39.9%.

The revenue growth was further accelerated with the strong contribution from debutant countries, Japan and USA. In addition, although eCosway does not have any "Free Stores" in mainland China as yet, the Cosway group has already built a brand presence in China via the Internet through eCosway's global online shopping portal. In total, the group has established its global physical presence in 13 countries, namely Australia, Hong Kong, Taiwan, Malaysia, Indonesia, South Korea, Thailand, Singapore, Brunei, USA, Japan, New Zealand and UK, with over 1,700 stores and sales centres strategically located at high foot traffic places. Together with the ever expanding membership base of more than 1 million globally, the Cosway group had been able to leverage on the extensive network to further grow the demand for its products which include an array of healthcare, slimming, skin care, cosmetics, household products, water filtration system as well as food and beverages.

Profit before tax for the year registered a lower growth of 24.6% to HK\$352.72 million against HK\$283.11 million last year although there was a fair value gain of HK\$65.97 million on certain of the group's investment properties during the year. This was not in tandem with the increase in revenue as the Cosway group incurred substantial pre-operating expenses and set-up costs entering into new markets during the year. While the existing countries will continue to contribute positively to the group's profitability, the new markets, when fully operational, will further drive its business and strengthen its financial performance.



Exchange of documents during the SPA signing ceremony between BLDSB and Penang Turf Club.



A Cosway outlet in New Zealand.



Cosway offers a wide variety of food products.

Chairman's Statement and Review of Operations

During the year, 354 new "Free Stores" were opened, of which more than 200 were situated in Malaysia, Singapore and Brunei, and more than 30 in the USA and Japan. The new financial year will see an additional new store format being set up under the same "Free Stores" concept but carrying exclusively a wide range of organic food and beverage products bearing the "Country Farm Organics" brand name.

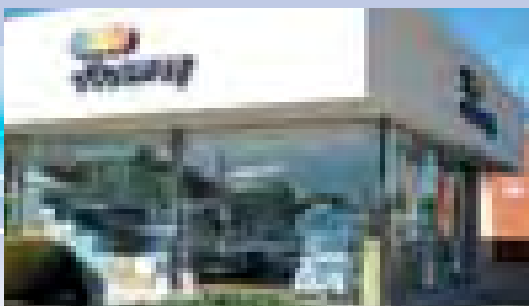
This new innovative venture will result in the development of yet another retail chain fully owned by the Cosway group offering a new product line which caters to the daily consumption of members and shoppers. The first "Country Farm Organics" store opened its doors on 18 May 2011 to overwhelming response at Bandar Puteri, Puchong, Malaysia and more openings are in the pipeline in Hong Kong as well as overseas markets.

The monthly product catalogues and newsletters which were mailed to every member and VIP shopper have shown to be a very effective selling tool as they eagerly await new and exciting promotional offers. The redemption coupons (offered in Malaysian markets) and reward points coupled with the monthly specials continue to generate buying interest amongst the members.

The setting up of a physical presence in China by the final quarter of 2011 will be the next breakthrough for the Cosway group. Already, extensive marketing activities are taking place in the bigger cities in anticipation of the launch there. The group is also preparing to penetrate into the Colombian, Mexican and German markets, targeted for the second half of the financial year 2011/2012. In support of its expansion into these international markets, Cosway has given focus to developing talents and leaders of the future. It has strengthened its human resources, instilling a performance driven culture and promoting a spirit of togetherness amongst the employees.



A Cosway outlet in Hong Kong.



A Cosway outlet in USA.

The Cosway group will pursue revenue growth by implementing transformational adjustments in the members' bonus plan to enhance the effectiveness and attraction of the hybrid business model. This change is necessary to further stimulate the passion of members and shoppers towards maximisation of their income which will simultaneously create a quantum leap in revenue productivity.

FINANCIAL SERVICES

Stockbroking

During the year under review, the Kuala Lumpur Composite Index closed at 1,534.95 points on 30 April 2011, an increase of 14.0% over the 1,346.38 points on 30 April 2010. The overall value of transactions on Bursa Malaysia Securities increased by 22.1% to RM437 billion as compared to RM358 billion in the previous financial year.

Inter-Pacific Capital Sdn Bhd ("IPC") recorded a lower pre-tax profit of RM67.6 million for the financial year ended 30 April 2011 compared to RM120 million previously, mainly due to a gain on disposal of investments of RM73.3 million in the previous financial year.

IPC's associated company in Vietnam, **SaigonBank Berjaya Securities Joint Stock Company** recorded a profit before tax of RM0.72 million for the financial year ended 30 April 2011 compared to RM1.03 million previously, mainly due to the weaker stock market conditions.

Malaysia's real GDP continued to expand moderately in the fourth quarter of 2010 by an annualized 4.8%. Higher private and public sector spending contributed to the expansion in domestic demand. The slower growth in the global economy had led to weaker growth in external demand. While the economy continued to expand moderately by an annualized 4.4% in the first half of 2011, with resilient domestic demand and expected improvement in export earnings, economic growth in 2011 is poised to remain healthy. IPC is optimistic that its operations will continue to remain profitable in the current financial year.



Viewing gallery at Inter-Pacific Securities, Berjaya Times Square, Kuala Lumpur.

GENERAL INSURANCE

Berjaya Sampo Insurance Berhad ("Berjaya Sampo")

Berjaya Sampo continued to register positive growth amidst a very competitive and uncertain economic environment. For the financial year under review, Berjaya Sampo registered an increase in its gross premium income of 10.3% to RM490.65 million as compared to RM444.94 million in the previous financial year.

Several key initiatives were carried out to strengthen Berjaya Sampo's underwriting policy. Its affirmative actions have produced an improved underwriting profit of RM13.19 million. Overall, Berjaya Sampo recorded a pre-tax profit of RM38.96 million.

As at 30 April 2011, total assets grew to RM1,006.23 million from RM927.38 million last year, registering a growth of 8.50%. Shareholders' fund continued to grow and closed at RM428.66 million as compared to RM376.06 million in the previous year.

The insurance industry outlook remains positive and has remained very challenging with many uncertainties and volatility dominating the financial markets. Berjaya Sampo has taken proactive measures to increase its market share as well as manage its underwriting performance and will follow through with the implementation of strategies to strengthen business resilience amidst the challenging and fast-changing market environment. Many initiatives were undertaken during the year to further support the growing business and improvements were adopted to enhance its delivery system. Berjaya Sampo has a team of skilled and committed people, and leveraging on Sampo Japan's global expertise, Berjaya Sampo aims to design innovative exceptional products and services to suit the needs of the insuring public.

Berjaya Sampo had successfully grown its branch strength to 22 and will continue to embark on opening more branches in the coming years. With its proven track record of profitability and strong assets, Berjaya Sampo anticipates that it will remain resilient in this challenging environment.

Following the disposal of BCapital's 40% equity interest in Berjaya Sampo to Sampo Japan Asia Holdings Pte Ltd for a total cash consideration of RM496 million, Berjaya Sampo has ceased as a subsidiary company of BCorp and is now a 30%-owned associated company.

HOTELS AND RESORTS

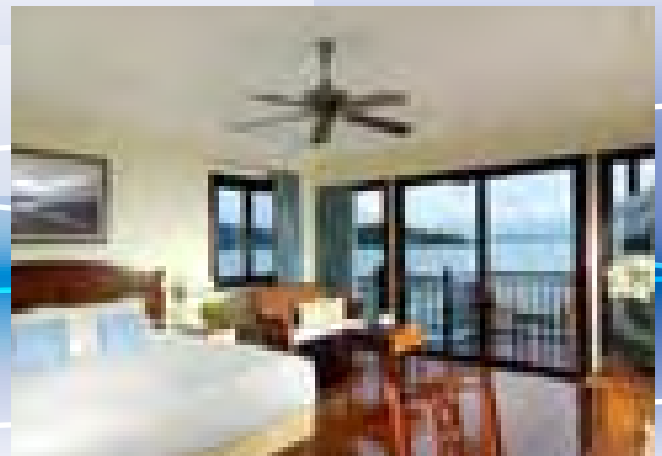
For the year ended 30 April 2011, the **Berjaya Hotels & Resorts ("BHR") Division** registered a gross revenue of RM247 million compared with RM245 million in the previous year. The marginal increase in revenue was primarily due to higher occupancy rate as compared to the previous financial year. RevPar (Revenue Per Available Room) also improved by 4.4% to RM172 from last year.

Room occupancies for BHR's Malaysian-based hotels improved to 60%, up from 58% last year mainly due to higher room night bookings from the Transient and Leisure FIT segments. During the financial year under review, the ARR (Average Room Rate) improved by 4.2%. Overall, total room revenue achieved a growth of 5.6% to RM116.8 million from RM110.6 million last year, and profit increased by 5.4% to RM94.5 million from RM89.7 million the year before.

During the financial year under review, Berjaya Langkawi Resort registered gross revenue of RM56 million. Room occupancy averaged 70% against the 68% recorded last year and the resort enjoyed a 7.6% growth in ARR, as a result of continued emphasis on yield management and aggressive up-selling efforts. The resort has completed the renovation of its Rainforest Chalets, Rainforest Studios and Seaview Chalets. With the completion of the refurbishment exercise and further upgrade of its facilities, the resort is expected to achieve higher room rates.



Berjaya Sampo Head Office at Plaza Berjaya, Kuala Lumpur.



Junior chalet on water - Berjaya Langkawi Resort, Kedah.

Chairman's Statement and Review of Operations

Berjaya Times Square Hotel, Kuala Lumpur recorded gross revenue growth of 3% to RM59 million, resulting from improvements in both rooms and food and beverage operations. Occupancy level at the hotel was 61%, and there were increases in room night bookings from the Corporate FIT and Corporate Group market segments. The food and beverage operations achieved better performance with a revenue of RM20.0 million from the increase in the number of corporate meetings and wedding functions. In late February 2011, a new fine dining restaurant named Samplings has commenced business, serving modern contemporary Western cuisine within an immaculate ambience.

The Taaras Beach & Spa Resort, Redang Island (formerly known as Berjaya Redang Resort) has undergone a series of improvements and renovation programme over the year, including upgrading of its guestrooms and facilities. The programme included the conversion of certain category of rooms to create 36 new suites to cater to the increasing demand for larger suites. This is in line with our local Government's plan to promote Redang Island for the high end market. Occupancy rate at the resort was 51%, with ARR rising by 9.7%, and the RevPar improved by 5% to RM250. With the completion of the refurbishment exercise and further upgrade of its facilities, the resort is targeting to achieve higher room rates and position itself as one of the best luxury resorts in Malaysia.

Revenue for Berjaya Hills' French-themed resort, Colmar Tropicale dropped 2.8% due to a lower occupancy of 37.9% against 41.2% last year and ARR was lower by 0.5%. The resort's performance was affected by the weak demand of the group meeting segment. However, support from Transient FIT and online bookings from the local and Singapore markets remained strong.

Moving forward, Colmar Tropicale will focus on enhancing service quality, and tapping into international sales and marketing activities for The Chateau Spa & Organic Wellness Resort to expand its leisure market to new markets. Refurbishment of its guest rooms will be carried out in the financial year 2012, and this will enable the resort to achieve higher room rates and enhance future profitability.

The Chateau Spa & Organic Wellness Resort - the world's first organic resort will be fully operational by the third quarter of the financial year 2012.

The performance of BHR's overseas properties were mixed, registering a gross revenue of RM64.2 million, a drop of 4.7% compared to RM67.4 million in the last financial year. The decrease in gross revenue was partly due to the effects of foreign currency translation especially from the weaker Seychelles Rupee and Sterling Pound against Ringgit Malaysia currency.

Generally, BHR's overseas properties' room night bookings were generated from the Transient FIT, Leisure FIT and Corporate FIT segments. There was a drop in room night bookings from the Leisure FIT and Corporate segments in the resorts in Seychelles. Room occupancy improved from 64% to 67%, mainly driven by higher demand at the Berjaya Colombo Hotel, Sri Lanka. The ARR dropped by 9.8% compared to the previous year, mainly caused by the effect of foreign currency translation. Overall, total room revenue was down slightly from RM41.9 million last year to RM41.0 million this year.

In Seychelles, both Berjaya Beau Vallon Bay Resort & Casino ("BBVB") and Berjaya Praslin Resort ("BPR") posted marginally lower gross revenue. This was mainly due to stiff competition from a newly opened resort on the island, and lower visitor arrivals from the European countries which are currently experiencing an economic slowdown. Notwithstanding, BBVB and BPR's occupancy level remained at 70% and 42% respectively.

BHR's new resort in Vietnam named Long Beach Resort, Phu Quoc which has 71 rooms and two restaurants commenced business in late December 2010. Being new, the resort is dependent on the local market and Transient FIT generated from internet bookings. The resort is slowly moving into the overseas travel agents' business and marketing efforts have been stepped up to actively promote and draw business from these agents.

BHR's other two hotels, namely Sheraton Hanoi Hotel ("Sheraton Hanoi") and InterContinental Hanoi Westlake ("InterContinental Hanoi"), registered better occupancy.



Berjaya Times Square Hotel, Kuala Lumpur.



InterContinental Hanoi Westlake, Hanoi, Vietnam.

Chairman's Statement and Review of Operations

Room occupancy rate at Sheraton Hanoi was 67%, up from 51% in the previous year, and InterContinental Hanoi recorded an occupancy level of 61% from 53% in the previous year. The overall market recovery in Vietnam was slow and competition from new hotels in the city was intense.

BHR will continue to maintain its competitiveness and improve its presence via aggressive marketing activities and diverse distribution channels. BHR's focus on distribution via internet booking through its website www.berjayahotel.com as well as traditional channels, and upgrading of the hotels and resorts facilities will enable it to achieve better ARR and RevPar compared to its competitors of the same locations in the local market. BHR's e-business which currently contributes 20% to its total room revenue showed impressive growth.

CLUBS AND RECREATION

For the financial year ended 30 April 2011, **the Clubs and Recreation Division ("the Clubs")** recorded a slightly lower gross revenue of RM54.6 million compared with RM55.6 million achieved in last financial year mainly due to lower recruitment of memberships compared to the last financial year.

During the financial year under review, the Clubs recruited a total of 341 new members compared to 595 new members in the previous year. Generally, the slowdown in membership recruitment was due to the drop in demand in the recreation market, and stiff competition from the other recreational

clubs in the vicinity. To maintain their competitiveness, the Clubs had resorted to innovative marketing plans including competitive pricing, incentives and easy payment schemes to attract potential members. As of 30 April 2011, the seven Clubs have a total of 22,160 members.

The Clubs were constantly carrying out maintenance and upgrading works to ensure all recreational facilities are in tip-top condition. During the financial year under review, both Bukit Jalil Golf & Country Resort and Staffield Country Resort had invested a total of RM3.2 million for the replacement of golf buggies.

Moving forward, the Clubs will continue to improve their performance with aggressive sales and marketing activities as well as maintaining a competitive pricing strategy in their membership recruitment drive.

VACATION TIMESHARE

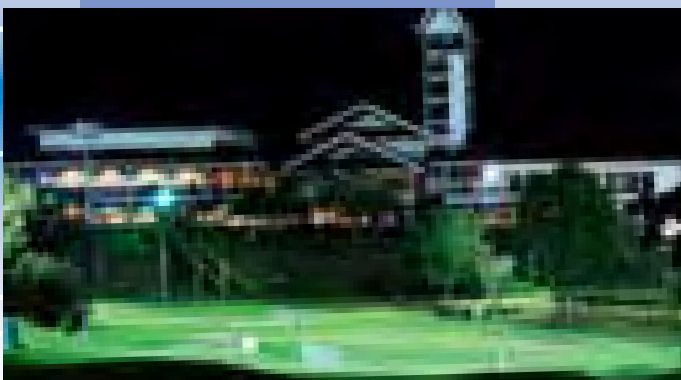
Berjaya Vacation Club Bhd ("BVC") reported a slightly higher operating revenue this financial year due to an increase in annual maintenance fees charged to members.

During the financial year under review, BVC successfully launched its BVC Online Reservation system, allowing BVC members to make online bookings a year ahead to BVC Home Resorts, receive immediate booking response or amend bookings and also check booking history and membership entitlement. The new system has received encouraging response and productivity has improved significantly.

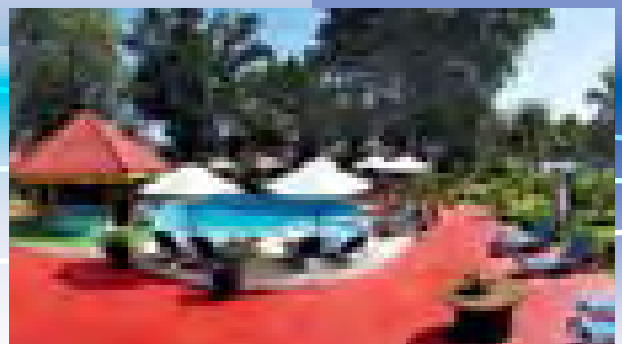
With the success and smooth operation of the BVC Online Reservation System for BVC Home Resorts, BVC moved on to introduce the same booking procedure for its affiliated hotels and resorts. In April 2011, BVC, in collaboration with an independent online service provider launched the external internet booking system for non Berjaya-owned hotels and resorts for better operational efficiencies and also giving members more choices of holiday accommodation.



Berjaya Hills Golf & Country Club, Pahang.



Bukit Jalil Golf & Country Resort, Kuala Lumpur.



Berjaya Praslin Resort, Seychelles.

Chairman's Statement and Review of Operations

BVC has been routinely maintaining, refurbishing and renovating its Home Resorts when the need arises. During the year, refurbishments have been focused on KL Plaza Suites, Tioman Island Resort and Redang Island Resort. This exercise was done in stages to ensure units/rooms were refurbished to a prescribed standard.

In February 2011, BVC relocated its Customer Service Center and support staff from Berjaya Times Square to KL Plaza Suites at Fahrenheit88, Kuala Lumpur as part of its consolidation exercise and for better service and control of the suites.

BERJAYA AIR SDN. BHD ("BERJAYA AIR")

Berjaya Air recorded a higher revenue of RM58.7 million this year due to the overall improvement of the scheduled flights operation, chartered business and wet lease revenue.

Effective 1 November 2010, Berjaya Air's Singapore-bound flights have been scheduled to arrive and depart from Singapore's Changi Airport Budget Terminal instead of Seletar Airport. Moving to Changi Airport Budget Terminal has made the flight services more convenient for the passengers in terms of connections and better accessibility.

Besides maintaining the current routes to Pulau Redang and Tioman via Subang Airport and Singapore's Changi Airport, and Koh Samui via Subang Airport, Berjaya Air will continue to explore expansion by adding new destinations which mainly cover islands and/or regional points.

In June 2011, BVC has proposed to collaborate with P.T. Lion Mentari, Indonesia to jointly operate, manage and develop the business of the company. The proposed joint venture is driven by the tremendous changes in the aviation industry with the introduction of several regional and long haul budget airline operators during the last decade. The success of those

operators has proven that there is still ample demand for the movements of passengers to and from Malaysia as well as between regional destinations and Berjaya Air foresees that this can be capitalized for further expansion with its joint venture partner.

PROPERTY INVESTMENT

The occupancy rate for the Group's investment properties for the year ended 30 April 2011, and the comparative figures for 2010, were as follows:

Property	Occupancy rates for Financial Year	
	2011	2010
Plaza Berjaya, Kuala Lumpur	78%	73%
Kota Raya Complex, Kuala Lumpur	81%	79%
Wisma Cosway, Kuala Lumpur	91%	91%
Berjaya Megamall, Kuantan	90%	90%

For the financial year under review, the Group's complexes generally reported increases in occupancy rate mainly due to aggressive marketing strategies.

The Group's complexes will continue to offer competitive rental rates. Easy accessibility via public transportation to the complexes and the strategic location of the complexes within the Kuala Lumpur Golden Triangle will give it added leverage towards achieving higher market presence and occupancy rates.

Although faced with stiff competition from the entry of a new mall within the vicinity, Berjaya Megamall Kuantan has been able to maintain its high occupancy rate, and crowd-pulling promotional activities and events have helped to improve traffic flow of customers to the complex.



Berjaya Air's ATR 72-500 aircraft.



Berjaya Megamall Kuantan, Pahang.

PROPERTY DEVELOPMENT

During the financial year under review, the **Property Division** recorded sales value of RM436 million from the launch and sale of various property developments and investments, locally and abroad.

On the whole, the year under review saw a turnaround in the overall property market which resulted from the economic recovery in Malaysia. The Malaysian Valuation Department reported that the Malaysian property market hit a record year in 2010 with RM107.44 billion worth of properties transacted. The property market enjoyed double-digit growth in 2010, with transactions and value expanding 11.4% and 32.4% to 376,583 transactions and RM107.44 billion respectively. Residential property dominated the overall market, taking 60.2% of total transactions and 47.1% of the value of transactions.

Thrived on the positive uptrend, the Property Division forged ahead with various projects in the pipeline.

The year under review saw the continuation of development activities in Bukit Jalil.

Covillea, comprising two 20-storey blocks of 308 units of condominiums with a total gross development value ("GDV") of RM150 million was sold out completely. Construction of the 3 +1 bedroom units which come with two complimentary parking bays and a panoramic view of the greens of Bukit Jalil Golf & Country Resort are progressing on schedule and the units are targeted to be completed for handing over to purchasers in the first quarter of 2012.

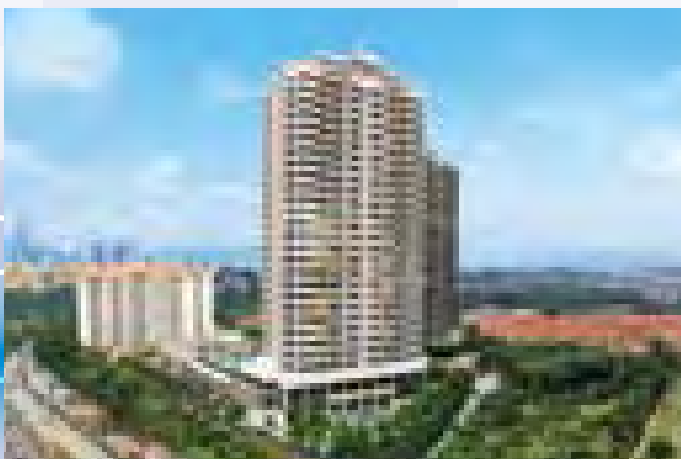
Following the success of Covillea, the Division launched the first parcel of its **KM1 Condominiums**. This latest development is poised to be yet another landmark in the Division's key hot spot in Bukit Jalil. Marking a new

milestone within its vicinity in design innovation with luxurious and spacious units, KM1 Condominiums bring a new level of refined living to Bukit Jalil.

The first parcel, **KM1 West Condominium**, was officially launched to the public in March 2011. This freehold 2-block condominium offers 7 units per floor of 3+1 bedroom units, with sizes ranging from 1,335 sf to 1,508 sf. With 2 car parks per unit, KM1 West Condominium exudes an air of exclusivity and luxury with panoramic views of the city and fairways. The total of 350 units built over a land area of 3.67 acres is expected to yield gross sales of RM265 million.

The launch of the first block, *Alpha*, in the first quarter of 2011 was a success. More than 70% of the 173 units with an average selling price of RM712,730 per unit were taken up at the start. The second block, *Beta*, was quickly launched and was also well received. To-date, more than 50% of the total 350 units have been taken up.

At **Seputeh Heights**, the Division continues to market the balance 6 units of bungalow lots for sale. The lots with an average size of 10,000 sf are currently being marketed for sale at RM450 psf. Within the Seputeh Heights enclave, another exciting project being launched is the luxurious low density bungalow and link bungalow development named **Vasana 25**. This high-end project was previewed by selected prospective purchasers via exclusive invitations. Vasana 25 is a freehold gated and guarded sanctuary where the villas are exclusively designed with built-up ranging from 5,743 sf to 7,665 sf. These luxury homes boast all the latest luxuries a discerning buyer expects in a residence of this distinction, including vast open spaces, high ceilings, luxurious master suite, individual private lifts, distinctive lap pools, lush greeneries and mature landscaping, state-of-the-art amenities, panoramic view of KL city skyline and within the comfort of tight security measures. To-date, 44% of the 25 units have been sold, generating a sales value of RM72.7 million. All the units have been fully completed and are ready for viewing. The Division will be embarking on various sales and marketing activities to market these beautiful homes.



KM1 Condominiums, Bukit Jalil, Kuala Lumpur.



Covillea Condominiums, Bukit Jalil, Kuala Lumpur.

Chairman's Statement and Review of Operations

The Division is also concentrating on sales of the bungalow lots at **The Peak @ Taman TAR**. The gated and guarded bungalow development comprises 88 bungalow lots spread over 66 acres of land. The lots are sized between 8,624 sf to 72,000 sf. Some of the lots enjoy breathtaking views of the Kuala Lumpur city skyline, whilst others enjoy the lush greenery scene. 60% of the lots have been sold, generating a total sales value of RM189 million. Some purchasers have also constructed their dream homes on their lots.

At **Berjaya Park**, Shah Alam, the final phase of freehold landed homes in this elegant township of 325 acres, *Hazel 2* totaling 87 units with a sizeable built-up from 2,320 sf has been fully sold. The units with larger built-ups were designed on strong contemporary lines and came with fully tiled porch easily accommodating two parallel cars and full height link wall between the intermediate lots. The homes also came with underground cables and covered drainage. With the trimmings offered, purchasers of the units were assured that the units were designed to minimize the need for major renovations. Construction of the units were completed on schedule and the units were handed over to purchasers in the third quarter of 2010.

In Sungai Besi, Kuala Lumpur, the overall sales for **1 Petaling Residences & Commerz @ Sg Besi** has reached 92%. All the 250 units of condominiums with built-up areas ranging from 884 sf to 1,197 sf were sold while limited shop lots with sizes ranging from 776 sf to 3,684 sf are still available for sale. The 3 and 3 + 1 bedroom condo units come with comprehensive facilities such as swimming pool, wading pool, gymnasium, reflexology path and a children's playground. Situated close to established residential areas such as Sri Petaling, Bandar Tasik Selatan and Pekan Sg Besi, 1 Petaling Residences & Commerz @ Sg Besi is an exciting blend of stylish condominium living and conducive business environment all in one location. The project has been completed a year ahead of schedule and is being handed over to purchasers



1 Petaling Residences & Commerz @ Sg Besi, Kuala Lumpur.

in the second quarter of 2011. Total sales value generated to-date was RM60 million. The Division is confident the remaining unsold shop lots will be taken up once the residence units are occupied.

The Property Division's foray into the market of Grade A offices began with the introduction of **Corporate Suites @ Berjaya Central Park** in the second quarter of 2010. Carrying a GDV of RM576 million, the development is strategically located at the heart of KL's Golden Triangle, at the junction of Jalan Ampang and Jalan Sultan Ismail. This freehold development comprises a 46-storey tower of 189 units of corporate suites intelligently designed to achieve the Gold Green Mark Certification. Equipped with the latest energy efficient technology, state-of-the-art security features, and many other intelligent building features, these cost effective working spaces are also elegantly landscaped. Priced from RM1,000 psf, the units come in sizes of 775 sf to 4,263 sf. Construction of Corporate Suites @ Berjaya Central Park has begun and the building is anticipated to be completed ahead of its scheduled completion in 2013.

In Hanoi, Vietnam, the township of **Ha Noi Garden City** sees the completion of its landscape and the main infrastructure works. In line with the concept of the township, the parks within the township is currently in progress. *Canal Park*, the first phase of the township is already more than 70% completed where the structural works have reached the roof level. *Canal Park* consists of 2 blocks of 148 units of apartments, with a car park for each unit and has a total GDV of USD26 million. With more than 80% of the units sold, *Canal Park* is scheduled to be completed in the first quarter of 2012.



Corporate Suites @ Berjaya Central Park, Jalan Sultan Ismail, Kuala Lumpur.

A new development in **Ha Noi Garden City** was previewed to selected potential purchasers over a soft launch in the second quarter of 2011. *Garden Villas* comprising 103 units of villas are being developed on a site measuring 4.31 acres. *Garden Villas* epitomizes an exclusive lifestyle concept within a large sustainable township of Ha Noi Garden City, surrounded by a myriad of facilities, conveniences and beautiful gardens. Each of the 3-floor units have 4+1 bedrooms or 4 bedrooms, designed with generous space in mind, open decks and terraces, natural lighting and ventilation, modern and contemporary façades within a gated and guarded community. *Garden Villas*, designed to maximize form and function, is ideal for the urban professional with a family in tow. The project is expected to yield a GDV of USD50.3 million. The preview of the villas generated good response and to-date approximately 50% of the units have been sold.

In Ho Chi Minh City ("HCMC"), Vietnam, construction work of *Amber Court* in **Bien Hoa City** is more than 70% completed. The 116 units of *Amber Court* have a total GDV of USD10 million.

The construction work of our maiden retail project in Yanjiao, PRC, **Berjaya Great Mall of China** is well under progress. Located in the Hebei Province and about 25km from Beijing International Airport, the mall is being developed on a land area of 76 acres and consists of 7 main adjoining blocks. Spread over a total built-up area of 1,360,851 m², Berjaya Great Mall of China is expected to bring in a revenue of USD1.41 billion and is poised to be the biggest shopping mall within the Asia Pacific region.



Garden Villas, Ha Noi Garden City, Hanoi, Vietnam.

Projects Coming On-Stream

For the forthcoming year and in anticipation of a buoyant market ahead, the Division has various projects planned to be launched locally and abroad.

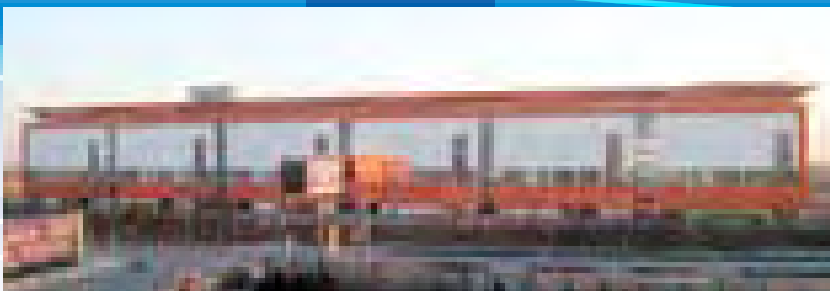
Bukit Jalil will showcase another exciting flagship development in the next financial year, resulting from the overwhelming response received from the launch of the milestone development, **KM1 West Condominium**.

KM1 East Condominium, adjacent to KM1 West Condominium, comprises a mixed component of high and low rise units. All the proposed 178 units are designed to be corner units with sizes ranging from 1,698 sf to 2,138 sf. All the units will enjoy either unobstructed views of the golf course or the KL city skyline. Being planned along the line of luxurious residences, the units will come with full condominium facilities and amenities. The Division is also diligently looking into improvising the layout, design and lifestyle requirement to ensure the proposed development will reach unsurpassed standards of living. KM1 East is expected to bring in a sales revenue of RM220 million.

The Villa is a new proposed bungalow lot development at **The Peak @ Taman TAR**. *The Villa* consists of 15 units of exclusively designed villas with built-up of about 6,000 sf for each villa. The design work of the elite abodes is underway whilst submissions for various authorities' approval are also proceeding concurrently. *The Villa* is expected to cater to well-heeled individuals looking to own distinctive homes without having to go through the trouble of constructing the homes themselves. All aspects in terms of design, layout, aesthetics and lifestyle requirements will be meticulously planned to ensure *The Villa* lives up to its merit of refined living.



The Peak @ Taman TAR, Ampang, Kuala Lumpur.



Berjaya Great Mall of China, PRC.

Chairman's Statement and Review of Operations

Over at **Berjaya Park**, Shah Alam, the Division is planning to launch a commercial development on a 4.95-acre site. The project consists of 30 units of 2-and 3-storey shop offices. Careful detailing in the layout and aesthetics of the shop lots are emphasized to ensure that the shop lots developed are not only functional and practical in layout, but look appealing aesthetically as well. Thorough study on the current supply, demand and pricing of shop lots within the vicinity are also being carried out to ensure the projects meet the market demand. The project with a GDV of RM22 million is expected to be launched in the third quarter of 2011.

At the Group's hill resort development in **Berjaya Hills**, a new residential project, **Meranti Heights**, which carries a GDV of RM156 million is in the planning stage. Situated 2,700 ft above sea level, the units at Meranti Heights will command a 360 degree panoramic view of Berjaya Hills. To be developed over a 12.12-acre site, the proposed 12-storey block will comprise a total of 388 units with sizes ranging from 577 sf to 1,183 sf. The units will come with an array of facilities like gymnasium, shops, swimming pool, food and beverage outlets, meeting and business centre, TV lounge and games room. Situated near tourist attractions such as the Japanese Tea House and Tatami Suites, Colmar Tropicale and the-soon-to-be opened Chateau Spa and Organic Resort, Meranti Heights will draw interest from both foreign and local buyers looking for holiday homes as well as investment properties.

Up north, in the state of the Pearl of the Orient, Penang, the Division is embarking on developing a 48.76-acre site at **Bukit Mertajam**. This is a proposed mixed residential development comprising bungalows, semi-detached houses, terrace houses and also low and medium cost apartments. The development will be carried out in several phases. Phase 1 comprising 73 units of double-storey terrace houses over a land area of 12.4 acres is targeted to commence development in the first quarter of 2012. The proposed residential development will capitalize on the ready infrastructure provided by the matured development in the vicinity and also the lush greenery of the Bukit Mertajam

Forest Reserve around the land. Based on the current market scenario of the surrounding developments, it is anticipated that this proposed development is poised to be well-received. The total GDV of this development is RM311 million.

The Division will be developing the **Ritz-Carlton Residences**, a luxurious high-end residence within the same development of the Corporate Suites @ Berjaya Central Park in Jalan Ampang/Sultan Ismail. The Ritz-Carlton Residences offers 296 units of ultra-luxurious condominiums in a 48-storey tower. The typical units will have generous built-ups ranging from 1,022sf to 2,110sf; whilst the penthouses have built-up sizes of 2,626sf to 4,425sf. These exclusive residences will be managed by one of the world-class reputable hotel operators, the Ritz Carlton Hotel Company L.L.C. Purchasers of the Ritz-Carlton Residences will enjoy the highest level of city living within a home of sophisticated style with 5-star amenities and 24-hour impeccable service delivered by the operator. Substructure works is almost completed and superstructure works is expected to commence once the unit design is finalized. With a total GDV of RM1 billion, The Ritz Carlton Residences is targeted to be launched by the third quarter of 2012.

On the overseas front, the Division foresees that its property development projects will yield improved performance in the forthcoming year.

At **Bien Hoa Mixed Development**, HCMC, the Division will soon launch *Topaz Twins*, a 2-block 20-level apartments. The built-up of the 448 units in this exclusive development to be launched ranges from 107 sqm to 217 sqm. The apartments are designed to maximise the convenience and ease of use for residents with the openness of the active space; living room, kitchen, dining room, entrance and bedroom. The design also optimises the spatial arrangement, making it appropriate to Vietnamese customs and living conditions in the short and long term. Facilities and amenities to be provided include parking bays for motorcycles and cars, playground and landscaped garden. The *Topaz Twins* is targeted to be launched in the first quarter of 2012. The total GDV of this development is USD54.9 million.



Interior – Amber Court, Bien Hoa City, Vietnam.



Topaz Twins, Bien Hoa Mixed Development, HCMC, Vietnam.

Also in HCMC, the first phase of development in **Vietnam International University Township ("VIUT")** is in the pipeline. Located in the Hoc Mon District in HCMC, the total development area of this township is 925 hectares. The development is a planned integrated township that has 4 main themes: work, knowledge, lifestyle and leisure. The mixed development in this township comprises a town centre, riverfront apartments, canal apartments, garden housing, park homes, sports and recreational clubs, universities and colleges, civic and cultural centres as well as healthcare facilities. Phase 1 of this mixed development will comprise low and high rise residential and commercial units. With a GDV of USD347 million, Phase 1 of VIUT will develop over 2,416 units of residential and commercial units that will cater for an estimated population of 10,000.

The Division is also embarking on developing a 280-room hotel at **Bien Hoa City Square**, HCMC. To be built over a 1-acre land area, the concept and design of the development are already in progress. Foundation work is expected to commence in the fourth quarter of 2011 and main building by the second quarter of 2012.

Over in Hanoi, a new development in **Ha Noi Garden City** is expected to be launched this forthcoming year. *Avenue Park* is set on a site measuring 2.2 acres. It comprises 2 towers of 189 units of exclusive apartments. This 12-storey apartment is designed with two components – commercial and residential. The commercial areas are located at the podium of the residential tower. Equipped with modern facilities and amenities, the apartment is also designed to feature an open concept with emphasis on exclusiveness



Interior – Avenue Park, Ha Noi Garden City, Hanoi, Vietnam.



Berjaya Jeju Resort, Jeju Island, South Korea.

and privacy. With the completion of the show units, *Avenue Park* is proposed to be launched in the first quarter of 2012. The GDV of this development is USD50 million.

In South Korea, the proposed mixed development known as **Berjaya Jeju Resort** will see its maiden launch of *North Gate 1.2*, also known as *Creek Resort*. Located at Yerae-Dong, Seogwipo City, Jeju Island and adjacent to the famous Jungmun Tourist Complex, Berjaya Jeju Resort is a massive resort type residential complex along with various leisure and health facilities targeted at both locals and foreigners alike. The main infrastructure work at the 183.7 acres development site is already 60% completed.

The *Creek Resort* covers an area of 9.99 acres. The design work for the 300 units of 6 to 7 mid-rise condominiums are in progress. The development has an estimated GDV of USD199 million and is expected to be ready for launch in the second quarter of 2012.

Property Market Outlook

The outlook for the property market next year is expected to be positive following the moderate recovery in the country's economy. The steady employment rate, ample liquidity and attractive financing packages will continue to sustain and drive the property sector. Projects to be implemented under the Economic Transformation Programme (ETP) are expected to provide a positive impetus to the property market as well. The upcoming MRT project is a catalyst for a structural change in the Greater KL/Klang Valley property scene. The increase of population in the Greater KL area will bring on a demand for properties. The high-end condominium market may see an uptrend in 2012, as the projects to be implemented under the ETP will make city living more vibrant.



Vasana 25, Seputeh Heights, Kuala Lumpur.

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Prices are expected to grow moderately, in line with the economic growth and interest from foreigners. Rapid growth and sharp price increase will be seen in certain landed properties in choice locations with huge demand in Kuala Lumpur and Penang. Developers will continue to launch lifestyle-driven housing concepts for the new age groups, the well-heeled, trendy professionals and young couples. Houses are designed with generous spaces, functional layouts, creative designs and innovative amenities. Security has become an important feature as can be seen from the great demand in gated and guarded projects.

With the improved market conditions, buoyed by the many exciting development plans announced in Budget 2011, the Property Division envisage that the property market will remain bullish with strong demand for property in key hot spots. The Division will strive to capitalise on this robust scenario to achieve better sales in the forthcoming year.

GAMING & LOTTERY MANAGEMENT

Berjaya Sports Toto Berhad ("BToto")

For the financial year under review, **BToto** registered a revenue of RM3.43 billion, an increase of 1.2%, compared to RM3.39 billion in the previous financial year. The increase in revenue was mainly due to the higher revenue reported by its subsidiary company, **Berjaya Philippines Inc group**. Group pre-tax profit decreased 7.3% to RM508.4 million as compared to RM548.2 million in the previous financial year mainly due to the impact from the increase in pool betting duty from 6% to 8% effective 1 June 2010

experienced by its principal subsidiary, **Sports Toto Malaysia Sdn Bhd ("Sports Toto")**. This impact was mitigated by the reduction in the Special Prize for 4-Digit Big game from RM200 to RM180 per RM1 bet with effect from 15 December 2010 as well as the increase in pre-tax profit reported by Berjaya Philippines Inc group.

Malaysia

For the financial year under review, Sports Toto recorded a revenue of RM3.28 billion, a slight increase from the previous year's revenue of RM3.26 billion. There were more common special draws compared to the previous financial year and this had an adverse impact on sales in the financial year under review.

Pre-tax profit decreased by 10.5% to RM474.3 million compared to RM530.2 million in the previous financial year. The decrease in the pre-tax profit was due to the impact from the increase in pool betting duty from 6% to 8% effective 1 June 2010 but was mitigated by the reduction in the Special Prize for the 4-Digit Big game.

Supreme Toto 6/58 game, which was launched in March 2010, is currently the most popular game amongst Sports Toto's other lotto-type games. The game has recorded two Jackpot strikes of RM47.83 million and RM47.84 million on 28 September 2010 and 16 April 2011 respectively. The record Jackpot of RM47.84 million was the highest ever Jackpot win in Malaysian history.

In June 2011, Sports Toto introduced a variant to the traditional Toto 4-Digit game with an inclusion of a Jackpot feature. Marketed under the name of Toto 4D Jackpot, the game offers a minimum upfront amount of RM2 million for Jackpot 1 whereas Jackpot 2 has a minimum guaranteed amount of RM100,000.



A Toto draw in progress in Malaysia.



A Sports Toto outlet in Malaysia.

The Philippines

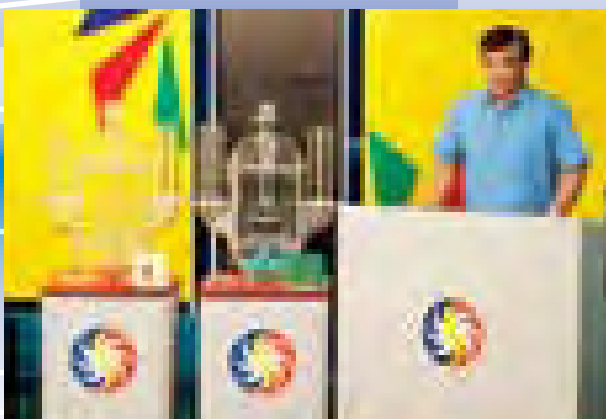
For the financial year under review, **Berjaya Philippines Inc. ("BPI")** reported a revenue of Peso 2.00 billion, an increase of 30.7% from the previous year's revenue of Peso 1.53 billion. BPI's pre-tax profit increased by 50.9% to Peso 1.33 billion from Peso 883.27 million in the previous financial year. This was primarily due to the improved revenue from its principal subsidiary, **Philippine Gaming Management Corporation ("PGMC")** and additional revenue derived from its new subsidiary, **Perdana Hotel Philippines Inc ("PHPI")**.

PGMC's revenue increased by 22.9% to Peso 1.88 billion from Peso 1.53 billion in the previous financial year mainly due to the launch of the Grandlotto 6/55 game in April 2011 with three draws a week. The record high jackpot prize of Peso 741.18 million in November 2010 has led to increased sales as well as market awareness of this new game.

In October 2010 and May 2011, Philippine Charity Sweepstakes Office ("PCSO") increased the draw frequency for its EZ2 game and 3D game respectively to three times a day. This is expected to have a continuous positive response from its customers. As at end of the financial year under review, 3,232 terminals were installed in 2,633 outlets in Luzon compared to 2,854 terminals in 2,398 outlets in the preceding year, representing an increase of 13.2% in terminals to support the PCSO's outlets expansion.



A PGMC outlet in the Philippines.



A PGMC draw in progress in the Philippines.

PHPI which operates the **Berjaya Manila Hotel** in Makati City, recorded a revenue of Peso 112.2 million with a pre-tax profit of Peso 6.1 million. Revenue from room sales and food & beverages sales are expected to improve as PHPI seeks to upgrade its facilities and embark on a more aggressive sales and marketing effort.

The United States of America

For the year under review, **International Lottery & Totalizator Systems, Inc. ("ILTS")**, in its lottery business segment, secured a new contract to supply an online lottery system and terminals for the Ohwistha Community Lottery, for operations in the Kahnawà:ke Mohawk Territory, Montreal, Quebec, Canada. In other business developments, ILTS successfully installed and launched the new DataTrak system for Natural Avenue Sdn Bhd to replace the ILTS system originally installed in Sarawak, Malaysia. ILTS also delivered additional Intelimark FLX lottery terminals and associated services to PGMC. PGMC provides the ILTS DataTrak online lottery system and equipment to PCSO under an equipment lease contract. Additionally, ILTS generated revenue from the sales of its spare parts and support services.

For its voting business segment, ILTS's wholly-owned subsidiary, **Unisyn Voting Solutions, Inc. ("Unisyn")** continues to make inroads with several U.S. counties such as Jackson County in Missouri using its OpenElect® optical scan election products. The purchase of these systems directly followed Unisyn's success in receiving voting system certification from the State of Missouri for its OpenElect® suite of products. Unisyn continues to be the only company to receive the 2005 Voluntary Voting System Guidelines certification from the U.S. Election Assistance Commission for its OpenElect® suite of products.



ILTS's OpenElect® Voting Optical Scan integrated with ballot box.

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Unisyn also, in tandem with Election Services Online, sold OpenElect® Voting Central Scan and OpenElect® Voting Optical Scan units, along with the software and related services, to Hinds County in Mississippi for the county to run their absentee ballot operations in their elections. Unisyn is contracted to provide technical support to Los Angeles County, the largest voting jurisdiction in the U.S., and Jackson County. Moving forward, the OpenElect® products may offer the potential for business growth and prospects to ILTS.

ILTS is a supplier of secure processing systems and equipment to government-sanctioned lotteries, racing organizations and voting jurisdictions.

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.

BFood registered a revenue growth of 19% from RM60.42 million in the previous financial year to RM71.94 million in the financial year under review. Pre-tax profit was RM12.58 million, an increase of 21% compared to RM10.40 million for the previous year. The increase in revenue and pre-tax profit were mainly due to an increase on comparable store sales as well as additional restaurants opened during the financial year under review. Consequently, profit after tax also increased 17% from RM8.68 million to RM10.19 million.



KRR's Signature Quarter Meal.

Currently, there are 68 KRR restaurants nationwide comprising 55 BRoasters-owned restaurants and 13 franchised restaurants. BRoasters plans to open a total of 15 restaurants nationwide in the financial year ending 30 April 2012.

BRoasters has a strong track record of providing quality, value-for-money meal options which are healthy and wholesome. Its success is attributed to its aggressive expansion plans, attractive promotions and consistency in delivering quality service and meals at its mid-casual dining restaurants.

BRoasters is consistently adding variety to its core menu by introducing seasonal food promotions such as Kenny's Balinese Chicken, Kenny's Spicy Wings, Kenny's Phoenix Chicken, Chicken & Pasta Meal, Kenny's Chicken & Garden Meal, and many more.

In September 2010, BRoasters introduced ROASTERS On The Move ("ROTM"), its first-ever mobile restaurant which has the capacity of serving up to 200 guests with hot and wholesome meals at a time. With its "Park, Cook and Serve" concept, the ROTM is suited for a variety of events which require outdoor catering. Since its introduction, it has already provided KRR meals at carnivals, universities, media houses, outdoor corporate events, sporting events, and also major public events such as the International Hot Air Balloon Fiesta in Putrajaya.

Roasters Asia Pacific (Cayman) 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 USA, Malaysia, Singapore, Indonesia, China, Brunei and the Philippines.

KRR's Twin Meal.



KRR's muffins come in 3 flavours - vanilla, banana and chocolate.

KRR's drink offerings - Cappuccino & Americano.

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Popular Country and Western singer, Kenny Rogers and former Governor of the state of Kentucky, John Y Brown Junior, originally set-up KRR in 1991. Seeing an opportunity to provide healthy and delicious food in a restaurant environment, KRR opened its first restaurant in Coral Spring, Florida in August 1991.

For the financial year ended 30 April 2011, RAP recorded an increase of 25% in revenue 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.

Currently, there are more than 230 KRR stores worldwide and RAP celebrated another significant milestone with its most recent foray into Brunei Darussalam. The first outlet in Brunei Darussalam is expected to be completed in November 2011.

RAP is currently moving forward aggressively into other selected international territories namely Southern China, India, Thailand, Middle East and the Eastern Seaboard of USA through franchising and joint ventures.

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

For the financial year under review, **Starbucks Coffee**, a 50%-owned associated company of the Group, registered a growth of 13.8% in revenue. This was mainly due to the continuing growth and reach of the brand and its innovative food and beverage offerings as well as new store design concepts that provide additional convenience to its customers while still maintaining the world-class customer service that Starbucks Coffee is known for.

Starbucks Coffee registered a substantial improvement in pre-tax profits on the back of a strong positive 11.4% same store sales growth. Improved efficiencies, costs reduction initiatives and the stronger Ringgit against the US Dollar contributed to the improved performance. The company also closed or relocated stores which were not financially viable due to changing demographics, and this resulted in improved profit margins and cash flow.

Starbucks Coffee currently has 119 stores across Malaysia. The company is proud to announce the successful opening of its second drive-thru store in the country in Setia Alam, Selangor and has plans to drive this strategy to further promote the brand.

With the introduction of the Personalized Frappuccino at all Starbucks stores, customers now have the option of customizing their favorite Frappuccino blended beverage just the way they like it.

Berjaya Pizza Company Sdn Bhd ("Berjaya Pizza")

Berjaya Pizza operates the Papa John's Pizza restaurant outlets in Malaysia under a franchise arrangement with Papa John's International Inc, a leading international chain of pizza outlets in the USA. Berjaya Pizza currently operates 9 full service restaurants (dine in, carry out and delivery) and 1 DELCO (delivery, carry out, limited seats outlet).

For the financial year under review, revenue grew 52% with the opening of 4 new stores. The improved performance is also attributed to cost reduction measures and improved efficiencies in its operations.

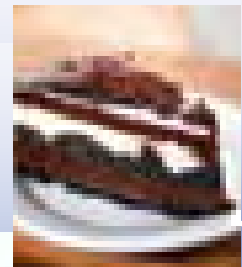
Berjaya Pizza is operating in a very challenging environment where stronger competitors with longer history and market share are constantly offering large discounts and food promotions.



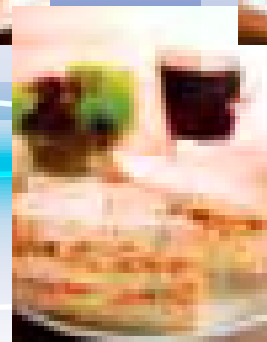
Starbucks outlet at Viva Home Mall, Kuala Lumpur.



Bagel Sandwich.



Tuxedo Sliced
Cake.



Club Sandwich.

Delectable food offerings from Starbucks.

Chairman's Statement and Review of Operations

To draw customers and drive sales, two novelty flavoured pizzas were introduced for a limited time which generated increased customer visits during the Ramadan and Chinese New Year period.

Berjaya Pizza's Quality Control Center which produces its fresh and high quality dough balls was awarded Papa John's International Annual QCCs' "Top Performance Award" for medium-sized QCCs.

Berjaya Pizza will continue to focus on expansion by opening new outlets in key market centers. The company aims to grow revenue by increasing market share through new and return customer visits with marketing initiatives and delivery of customer satisfaction through its *Better Ingredients, Better Pizza* promise and experience.

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

Wen Berjaya is the franchise holder for Wendy's® restaurants in Malaysia. There are currently 8 restaurants in Klang Valley. The first local Wendy's® restaurant was officially opened on 5 April 2008 at Sunway Pyramid, Selangor. The additional seven outlets were subsequently opened at IOI Mall Puchong, Jaya One Petaling Jaya, Jalan Sultan Ismail, Mont' Kiara, Giant Kota Damansara, Aeon AU2 and Berjaya Times Square.

For the financial year under review, despite the challenging environment, Wen Berjaya registered a slight increase in revenue due to continuous promotions, consistent quality in its meals and services, and continuous interaction with the community. However, Wen Berjaya still recorded a loss primarily due to the increase in operating costs as its major food items like beef, french fries, fish and shrimp patties, to name a few, are all imported.

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

Internationally known for some of the best burgers in the business, the secret to Wendy's® success both locally and globally is its made-to-order policy. Each burger in Wendy's® is only made once the customer places their order. This not only ensures that each burger is fresh off the grill, but also allows the customer to customize their burger just the way they like it.

Wendy's® has introduced many interesting limited time menu offerings to add variety to its core menu. The launch of the Mushroom Melt burger in March 2010 where premium sliced cheese and a layer of creamy cheddar cheese sauce with real mushrooms were added into the mouth-watering beef patty was such a success that it was brought back by popular demand in July 2010. The Mushroom Melt burger has since become part of the core menu due to overwhelming requests by customers. Wendy's® introduced the traditional peppery goodness of the Classic Pepper burger in May 2010 and launched the Chicken Mushroom Melt in September 2010 to cater to chicken lovers.



Papa John's outlet in Sunway Pyramid, Selangor.



Super Papa's Pizza.



Papa's Platter.

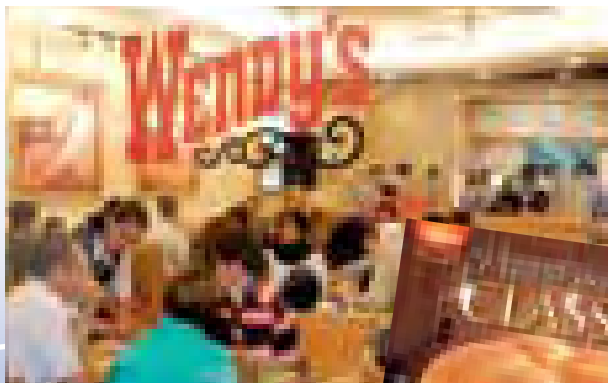
Wendy's® launched its breakfast menu at its Berjaya Times Square and Mont' Kiara outlets in October 2010 as it was an opportunity for added revenue. There are a total of 5 breakfast menu items namely the Mornin' Melt™ Panini Original, Mornin' Melt™ Panini with Chicken Sausage, Mornin' Melt™ Panini with Smoked Beef Strips, Wholesome Breakfast with Chicken Sausage and Wholesome Breakfast with Smoked Beef Strips. The premium Panini bread is freshly toasted to perfection in the store every morning once the customers place their orders. Wendy's® subsequently introduced its breakfast menu at its Jaya One, Jalan Sultan Ismail and Sunway Pyramid outlets.

In addition to the exciting offers, Wendy's® is now offering free refills for all carbonated soft drinks at all Wendy's® outlets.

Wendy's® is the world third largest quick service hamburger restaurant chain with more than 6,600 Wendy's® restaurants in Northern America and across the globe and approximately 150 Wendy's® restaurants in the Asia Pacific region.

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

Berjaya Krispy Kreme 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. Generations of loyal customers have grown to love its melt-in-the-mouth doughnuts and now, after more than seven decades, Krispy Kreme has grown into one of the world's premier brands.



Wendy's outlet at Jalan Sultan Ismail, Kuala Lumpur.

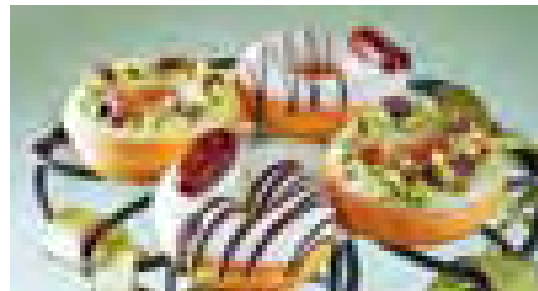


For the current year under review, Berjaya Krispy Kreme registered a lower revenue from the previous financial year. This was mainly due to the ending of the contract with Air Asia to supply Krispy Kreme Doughnuts on board Air Asia aircraft, as well as increased overhead costs from the opening of new stores.

Berjaya Krispy Kreme first lit up its iconic "Hot Light" at its flagship store in Berjaya Times Square on 29 April 2009. Subsequently, 3 more stores were opened in Mid Valley, Sunway Pyramid and Plaza Shah Alam.

Berjaya Krispy Kreme has also included sandwiches as part of its menu offerings with the launch of its Baked Creations in August 2010. This initiative was to provide lunch and dinner offerings to its customers. The sandwich varieties are Krispy Croissant with Egg Mayo, Krispy Panini with Tuna and Krispy Crown with Turkey Ham and Cheese.

Berjaya Krispy Kreme future plans include new store openings, aggressive marketing programmes and campaigns, and the introduction of attractive seasonal promotions on products and beverages.



Krispy Kreme's promotional doughnuts in conjunction with Ramadan 2011.



Krispy Kreme's Original Glazed Doughnuts.



Krispy Kreme outlet at Berjaya Times Square, Kuala Lumpur.

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ENVIRONMENTAL AND CLEAN TECHNOLOGY SERVICES

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

The Bukit Tagar sanitary landfill is designed, developed and operated by **KBE**, a joint-venture company established between Berjaya Corporation Berhad and KUB Malaysia Berhad.

The landfill is premised on a long-term concession awarded by the Government of Malaysia, under the 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.

KBE has shown positive financial results since the commencement of operations in April 2005. For the financial year under review, KBE registered a pre-tax profit of RM7.8 million and RM27.2 million in revenue. This was lower compared to the previous year's results of RM14.7 million pre-tax profit and RM30.7 million in revenue as there were no construction profits and tipping fee back-charges unlike the previous year. The shortfall was partly offset by the recognition of Carbon Credit income from Certified Emission Reductions ("CER") issued by the United Nations Framework Convention on Climate Change ("UNFCCC") Executive Board, under the Kyoto Protocol.

Bukit Tagar sanitary landfill is the first sanitary landfill project in the country to have CER units successfully issued by the UNFCCC. The Carbon Credit income is generated from its comprehensive landfill gas management strategy which involves collection and treating of landfill gas by way of flaring in the initial stage.

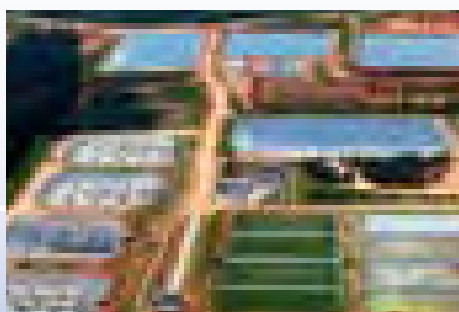
In addition to this, KBE has also invested in a 1MW gas engine generator which enables it to generate electricity from the landfill gas as a sustainable source of energy. Through its wholly-owned subsidiary, **KUB-Berjaya Energy Sdn Bhd ("KBEnergy")**, KBE has entered into a Renewable Energy Power Purchase Agreement with Tenaga Nasional Berhad for the sale of electricity to the national grid under the Government's Small Renewable Energy Programme ("SREP"). KBEnergy commenced its operations of generating electricity on 1 June 2011, thus providing additional revenue stream to the Group.

Bukit Tagar sanitary landfill is now operating Phase 1 of the landfill, after the Advance Phase reached full capacity in October 2007. Construction of Phase 2 is almost completed and is expected to be operational in 2012 when Phase 1 reaches full capacity.

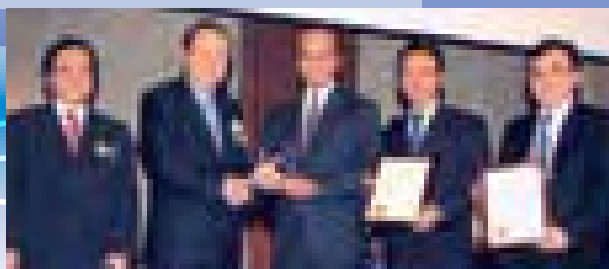
The landfill has also achieved various recognitions by local and overseas professional bodies when it attained the Gold Award of Special Merit for environmental engineering by the Association of Consulting Engineers Malaysia, the Engineering Excellence Award by the Institute of Engineers Malaysia, and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

The National Hydraulic Research Institute of Malaysia (NAHRIM) undertook a study on surface water (river, water courses) and groundwater quality at landfill sites in Selangor. The results after testing the surface water and groundwater quality in the landfills showed that Bukit Tagar is the only landfill in Selangor to have recorded no contamination in both surface water and groundwater.

The study also noted that Bukit Tagar is the only landfill to adopt the 'zero discharge practice', leading to preservation of groundwater quality. This confirms the high standard and diligent process adopted at Bukit Tagar to maintain integrity of the environment.



The Bukit Tagar sanitary landfill at Batang Berjuntai, Selangor.



The Bukit Tagar sanitary landfill was awarded the Gold Award of Special Merit for environmental engineering by the Association of Consulting Engineers Malaysia.



Opening ceremony of the Sanshui District Bainikeng sanitary landfill in Foshan City, PRC.