



BERJAYA
BERJAYA LAND BERHAD

(Company No. 201765-A)

برجاي لاند برحد
成功置地有限公司



2009

**LAPORAN TAHUNAN
ANNUAL REPORT**



A Sports Toto outlet.



Berjaya Redang Resort – Malaysia.



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 the 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.

Our Mission and Vision

To generate consistently profitable returns for our shareholders from investments in core business activities:-

- By providing direction, financial resources and management support for each operating unit;
- Through establishing a major market presence for each activity; and
- Through dynamic and innovative management, teamwork and a commitment to excellence.

Contents

| | | | |
|-----|---|-----|--|
| 1 | Corporate Profile | 130 | Material Contracts |
| 2 | Corporate Information | 130 | Additional Information |
| 3 | Profile of Directors | 131 | Group Addresses |
| 6 | Chairman’s Statement and Review of Operations | 134 | Recurrent Related Party Transactions of A Revenue Nature or Trading Nature |
| 18 | Corporate Structure | 140 | Statement of Directors’ Shareholdings |
| 20 | Group Financial Summary | 141 | Statistics on Shares and Convertible Securities |
| 21 | Group Financial Highlights | 144 | Substantial Shareholders as per Register of Substantial Shareholders |
| 22 | Audit Committee Report | 145 | Notice of Annual General Meeting |
| 25 | Statement on Corporate Governance | | Form of Proxy |
| 29 | Statement on Internal Control | | |
| 31 | Financial Statements | | |
| 117 | List of Properties | | |



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



Berjaya Singapore Hotel – Singapore.



Bukit Jalil Golf & Country Resort, Kuala Lumpur.

Corporate Profile

Berjaya Land Berhad (“B-Land”) was incorporated in 1990 to implement the Restructuring Scheme undertaken by Sports Toto Malaysia Bhd (“Sports Toto”) whereby the entire paid-up capital of Sports Toto was acquired by B-Land. Simultaneously, B-Land made major acquisitions of various property and leisure activities which was funded via a Rights and Special Issue.

Sports Toto was incorporated in 1969 by the Malaysian Government for the purpose of running Toto betting under Section 5 of the Pool Betting Act, 1967. It was privatized in 1985 when its Chief Executive Officer, Tan Sri Dato’ Seri Vincent Tan Chee Yioun, through his private company acquired 70% of the paid-up capital. Sports Toto was listed on Bursa Malaysia Securities Berhad in July 1987.

Subsequently in November 1987, RekaPacific Berhad (formerly known as Berjaya Industrial Berhad) (“RekaPacific”) completed a general offer to Sports Toto which resulted in Sports Toto becoming a subsidiary of RekaPacific.

On 11 October 1996, Berjaya Group Berhad (“BGroup”) completed the purchase of Teras Mewah Sdn Bhd (“TMSB”), a wholly owned subsidiary company of RekaPacific. TMSB had on 28 August 1996 completed the purchase of the entire shareholding in B-Land from RekaPacific comprising approximately 247.5 million ordinary shares, 49.8 million warrants and RM82.8 million Irredeemable Convertible Unsecured Loan Stocks for a total consideration of approximately RM931.1 million. As a result, B-Land became a direct subsidiary of BGroup which in turn is a wholly-owned subsidiary of Berjaya Corporation Berhad (“BCorp”).

Today, the Group’s core activities are as follows:

- Gaming and Lottery Management;
- Vacation Timeshare, Hotels, Resorts and Recreation Development;
- Property Investment and Development; and
- Education.

The Group’s financial growth over the past 24 years is highlighted below:

| | 30-4-2009 | | 31-12-1985 | | 24 Years’ Annualised |
|---|-----------|---------|------------|------|----------------------|
| | Million | | Million | | Increase |
| | RM | US\$ | RM | US\$ | (%) |
| Revenue | 4,150.9 | 1,164.0 | 76.0 | 21.3 | 223 |
| (Loss)/Profit Attributable to Equity Holders of the Company | (97.7) | (27.4) | 2.7 | 0.8 | Not Applicable |
| Net Equity Funds | 5,048.5 | 1,415.7 | 1.0 | 0.3 | 21,031 |
| Total Assets | 11,308.9 | 3,171.3 | 12.7 | 3.6 | 3,706 |
| Total No. of Employees | 6,100 | | 431 | | |

Exchange rate: US\$1.00 = RM3.566

Corporate Information

BOARD OF DIRECTORS

Datuk Razman Md Hashim Bin Che Din
Md Hashim
Chairman

Tan Sri Dato' Tan Chee Sing
Deputy Chairman

Dato' Ng Sooi Lin
Chief Executive Officer

Executive Directors

Y.T.M Tengku Mustaffa Kamel Ibni
Almarhum Sultan Mahmud Al-Muktafi
Billah Shah
Tan Thiam Chai

Non-Executive Directors

Datuk Maizan Bin Shaari
Datuk Robert Yong Kuen Loke

AUDIT COMMITTEE

Chairman/Independent
Non-Executive Director
Datuk Maizan Bin Shaari

Independent/Non-Executive Director
Datuk Razman Md Hashim Bin Che Din
Md Hashim

Non-Independent/Non-Executive
Director
Datuk Robert Yong Kuen Loke

SECRETARIES

Su Swee Hong (MAICSA No. 0776729)
Tham Lai Heng, Michelle
(MAICSA No. 7013702)

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 : 03-21450533
Fax : 03-21459702

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

REGISTERED OFFICE

Lot 13-01A, Level 13
(East Wing)
Berjaya Times Square
No.1 Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2149 1999
Fax : 03-2143 1685

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
RHB Bank Berhad
The Bank of Nova Scotia Berhad
OCBC Bank (M) Berhad
EON Bank Berhad
Affin Bank Berhad
HSBC Bank Malaysia Berhad
Bangkok Bank Berhad
AmBank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

STOCK SHORT NAME

BJLAND (4219)

PLACE OF INCORPORATION AND DOMICILE

Malaysia



Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.



Premier Chalets on Water at Berjaya Langkawi Resort – Malaysia.

Profile of Directors



**DATUK RAZMAN MD HASHIM
BIN CHE DIN MD HASHIM**

70 years of age, Malaysian
Chairman
(Independent/Non-Executive)

Appointed to the Board as Chairman on 3 September 2007. Datuk Razman completed his early secondary education in Australia and upon completion, pursued a study in Accounting and Banking where he became a member of the Australian Institute of Bankers.

Upon his return to Malaysia, he started his career with Standard Chartered Bank Malaysia Berhad ("SCB") as an Officer Trainee in 1967. Throughout his 32 years of banking experience in SCB, he served in various capacities including secondments to the banks branches in London, Europe, Hong Kong and Singapore. In Malaysia, he held various senior positions and was appointed as the Executive Director of SCB in 1994 until his retirement in June 1999.

Upon his retirement in 1999, he was appointed as Chairman of MBF Finance Berhad by the Central Bank as its nominee until January 2002 when the finance company was sold to Arab Malaysian Group.

Currently, he holds directorships in several public companies namely, Multi-Purpose Holdings Berhad, Ranhill Berhad, Affin Bank Berhad, Sunway City Berhad, Silk Holdings Berhad (formerly known as Sunway Infrastructure Berhad), MAA Holdings Berhad, Malaysian Assurance Alliance Berhad and several other private limited companies.

Datuk Razman Md Hashim is a member of the Audit Committee, Chairman of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.



TAN SRI DATO' TAN CHEE SING

54 years of age, Malaysian
Deputy Chairman
(Non-Independent/Non-Executive)

He was appointed to the Board on 5 December 1990 and is currently the Deputy Chairman of the Company.

He is a businessman and entrepreneur having a wide spectrum of business with extensive experience in property development, resort management, restaurants, leisure and entertainment operations through his investments in various public and private companies.

Currently, he is the Chairman of Sports Toto Malaysia Sdn Bhd, Deputy Chairman of Berjaya Corporation Berhad, Executive Vice-Chairman of TT Resources Berhad, Group Chief Executive Officer of Dijaya Corporation Berhad and Chief Executive Officer of Tropicana Golf & Country Resort Berhad. He also holds directorships in Berjaya Sports Toto Berhad, Berjaya Capital Berhad, Bukit Kiara Resort Berhad, Tioman Island Resort Berhad, KDE Recreation

Berhad and Berjaya Golf Resort Berhad. His brother, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

Profile of Directors



DATO' NG SOOI LIN

53 years of age, Malaysian
Chief Executive Officer
(Non-Independent)

He was appointed to the Board on 28 March 2003 as an Executive Director and was appointed the Chief Executive Officer of the Company on 21 December 2006. He holds a Bachelor in Engineering from the University of Liverpool and a Full Technology Certificate from the City & Guild's of London. He is also a member of the Institute of Electrical Engineers, U.K. (M.I.E.E.) Chartered Engineers.

He is an engineer by profession with more than 28 years working experience in the field of property development and management. He started his career in the property consultancy in Kuala Lumpur before moving on to play key roles in various development companies in Malaysia, Singapore and Brunei.

He joined Berjaya Land Berhad in November 1994 and was the Senior General Manager (Group Properties & Development) prior to his appointment as Executive Director of the Company. He also holds directorships in Berjaya Golf Resort Berhad, Berjaya Vacation Club Berhad, Indah Corporation Berhad, Staffield Country Resort Berhad, Tioman Island Resort Berhad and several other private limited companies in the Berjaya Corporation Group of Companies.

Dato' Ng Sooi Lin is a member of the Remuneration Committee and Risk Management Committee of the Company.



**Y.T.M. TENGKU MUSTAFFA
KAMEL IBNI ALMARHUM
SULTAN MAHMUD
AL-MUKTAFI BILLAH SHAH**

41 years of age, Malaysian
(Non-Independent/Executive Director)

He was re-appointed to the Board on 10 January 2002 as an Executive Director, a position he resigned from in October 2001 due to his appointment as the Regent of Terengganu during the period from mid-October 2001 to mid-December 2001. He graduated with a Diploma in Hotel Management from Caesars Ritz, Switzerland. He first joined the Group as an Assistant Manager in 1991 and was promoted to the position of Manager in March 1992. Prior to his appointment as an Executive Director of the Company in October 1999, he was the Senior General Manager, Corporate Affairs of Berjaya Group Berhad.

He also holds directorships in Berjaya Golf Resort Berhad, Berjaya Vacation Club Berhad and several other private limited companies.

He is a member of the Risk Management Committee of the Company.



TAN THIAM CHAI

50 years of age, Malaysian
(Non-Independent/Executive Director)

He was appointed to the Board on 18 April 2008 as an Executive Director.

He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tuanku Abdul Rahman and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong Group of Companies in Malaysia as well as in Hong Kong for about 8 years. He joined the Berjaya Corporation Group of Companies in early 1991 as a Finance

Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad.

Currently, he is the Chief Financial Officer of Berjaya Corporation Berhad and also heads the Group Accounts & Budgets Division of Berjaya Corporation Group of Companies. He is also an Executive Director of Berjaya Assets Berhad (formerly known as Matrix International Berhad), a Director of Magni-Tech Industries Berhad, Berjaya Capital Berhad, Cosway Corporation Berhad and Indah Corporation Berhad.

He also holds directorships in several other private limited companies.

Profile of Directors



DATUK MAIZAN BIN SHAARI

62 years of age, Malaysian
(Independent/Non-Executive Director)

He was appointed to the Board on 8 December 2004. He holds a Bachelor of Arts (Sociology & Anthropology) from University of Malaya and a Master of Arts (Political Science) from Ohio University, USA.

He joined the Royal Malaysian Police in 1973 and rose to become the Director of the Narcotics Department in 1998. Prior to 1998, he had held various positions in the Police Force. From 1999 to 2000, he was the Deputy Director of Criminal Investigation Department. He was also the

Director of Commercial Crime Division since 2000 before retiring from the civil service in September 2003.

Datuk Maizan Bin Shaari is the Chairman of the Audit Committee and a member of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.



**DATUK ROBERT YONG
KUEN LOKE**

57 years of age, Malaysian
(Non-Independent/Non-Executive
Director)

He was appointed to the Board on 24 January 1995. 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 a Non-Independent and Non-Executive Director of the Company.

Currently, he is also a Director of Berjaya Corporation Berhad, Berjaya Sports Toto Berhad, Berjaya Capital Berhad, Cosway Corporation Berhad, Berjaya Assets Berhad (formerly known as Matrix International Berhad), Berjaya Group Berhad, Berjaya Golf Resort Berhad and several other private limited companies.

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

Save as disclosed, none of the Directors have:-

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest with the Company; and
3. any convictions for offences within the past 10 years other than traffic offences.



Corporate Club Deluxe Suite,
Berjaya Times Square Hotel,
Kuala Lumpur – Malaysia.



Berjaya Times Square Hotel, Kuala Lumpur,
Malaysia - Swimming pool.

Chairman's Statement and Review of Operations

FINANCIAL RESULTS

For the year ended 30 April 2009, the Group recorded a revenue and pre-tax profit of RM4.15 billion and RM225.9 million respectively compared to a revenue and pre-tax profit of RM1.52 billion and RM1.12 billion respectively in the previous year. The increase in revenue was mainly due to the higher revenue contribution from the gaming business arising from the full year consolidation effect of Berjaya Sports Toto Berhad ("BToto"). The lower pre-tax profit was mainly due to the lower sales from the hotels, resorts and property development businesses, impairment in values of investments in jointly controlled entities, associated companies and certain quoted investments arising from the stock market downturn and foreign exchange losses.

In addition, the Group recorded an exceptional gain of RM1.14 billion mainly from the placement of RM320 million 5% B-Land Irredeemable Convertible Unsecured Loan Stocks 1999/2009 and gains from the disposal of hotels and KL Plaza properties in the previous year.



A Toto Draw in progress.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Berjaya Land Berhad ("B-Land") for the financial year ended 30 April 2009.

DIVIDENDS

For the year ended 30 April 2009, the Company proposed a final dividend of 6% per share less 25% income tax for the approval of shareholders at the forthcoming annual general meeting. (30 April 2008: 20% less 26% income tax).

SIGNIFICANT CORPORATE DEVELOPMENTS

- On 11 September 2008, the Company announced that its wholly-owned subsidiary, Dian Kristal Sdn Bhd had completed the acquisition of 32 units of service suites in Berjaya Times Square for a total cash consideration of RM13.30 million.
- On 7 July 2009, the Company placed out a total of 40 million ordinary shares of RM0.10 each in BToto for a total cash consideration of RM190 million ("Placement") or at a Placement price of RM4.75 per BToto share. The net proceeds from the Placement have been utilized to meet part of the redemption of its 8% Secured Exchangeable Bonds maturing in 2011 ("B-Land Bonds") and working capital for the B-Land Group.



Deluxe Chalet, Berjaya Tioman Resort – Malaysia.



Premier Suite, Berjaya Redang Resort – Malaysia.

The Placement has reduced B-Land Group's total equity interest in BToto by 3.18% to 47.48%. The Berjaya Corporation Berhad ("BCorp") Group together with the B-Land Group have about 48.17% stake in BToto after the Placement.

- On 17 August 2009, the Company announced that a total of RM21 million of the original RM900 million B-Land Bonds issued on 15 August 2006 was redeemed and cancelled pursuant to the exercise of the redemption option by bondholders. The Company also purchased and cancelled a total of RM168 million of B-Land Bonds since its issuance date. Consequently, the outstanding B-Land Bonds in issuance as at the date of this report amounted to RM711 million.

REVIEW OF OPERATIONS

HOTELS AND RESORTS DEVELOPMENT

Despite the continued global economic recession, for the financial year under review, the Berjaya Hotels & Resorts ("BHR") Division performed well, and achieved a total revenue of RM251 million compared to RM242 million in the previous year. Overall, the average room rate had improved by 16% from last year, but the occupancy dropped to 56% compared to 61% in the previous year, with RevPar (Revenue Per Available Room) being RM160 which translated to an improvement of 6% on a year-on-year basis.

The increase in revenue was mainly attributed to the active room yield management, BHR's active participation in local and overseas exhibitions as well as aggressive advertising and marketing strategies to reinforce BHR's branding in the local and regional market.

Our properties in Malaysia generated better revenues compared to the last financial year. Berjaya Times Square Hotel, Kuala Lumpur ("BTSH") was the main contributor to the revenue growth, recording a 6.4% improvement, while Berjaya Tioman Resort and Berjaya Redang Resort recorded a growth of 8.8% and 6.2% respectively.

BTSH recorded an occupancy of 65% versus 70% last year, but with the introduction of new Club Floor Rooms and continued emphasis on yield management, the average room rate improved by 12%. The drop in occupancy was mainly due to additional room inventory and a sharp drop in bookings during the early stages of the Influenza A (H1N1) outbreak. Conversely, the room night bookings originating from the leisure market segment in the Middle East and Australia had increased compared to last year. In addition, our e-business, which promotes BHR's services through its website www.berjayahotels-resorts.com has shown an impressive growth rate, currently contributing 20% to BTSH's total room revenue. The food & beverage operations also achieved better performance with revenue of RM20 million, whilst profit increased by 14% to RM8.2 million from last year.

The global financial crisis had affected our Langkawi resort which saw a drop in tourist arrivals. Berjaya Langkawi Resort performed marginally below expectation during the financial year with a total revenue of RM51 million compared to RM54 million in the previous year. Overall, the resort enjoyed a better average room rate which represented a growth of 14% compared to last year, as a result of our continued emphasis on yield management and aggressive upselling efforts. As compared with last year, the demand from the Middle East market segment surged by 38%, but the room night bookings from the Europe, UK and Australian market segments, especially during the second half of the financial year, experienced a sharp drop in occupancy from 62% to 54%.



Berjaya Langkawi Resort – Malaysia.



Sunset Bar, InterContinental Hanoi Westlake, Vietnam.



Berjaya Eden Park London Hotel - United Kingdom.

Berjaya Tioman Resort achieved a better performance compared to last year, with a 8.8% growth in revenue and occupancy averaged 40% as compared with 36% last year. The overall occupancy improved from the leisure individual and group segments, particularly the leisure market of Russia and Singapore, as well as Malaysia. The food & beverage revenue increased by 14% reflecting the better occupancy performance by the resort, which had benefited from the on-going economic recession as rather than travel afar, more Singaporeans and Malaysians chose to travel closer to home.

During the year, Berjaya Redang Resort recorded a healthy growth of 27% in its average room rate and 6.2% growth in revenue as compared to last year. The resort's room revenue increased by 15% mainly due to attractive special packages for its premier market segment offered for Redang Hillview and Redang Seaview rooms. The resort underwent a renovation and refurbishment exercise to upgrade its facilities and during the year, completed the renovation of its Garden Suite and Ocean Front Suite, its reception, restaurant, lobby lounge and the public areas. With the completion of the refurbishment exercise, the resort will be able to achieve higher room rates, and will continue to position itself as one of the best luxury resorts in Malaysia.

Meanwhile, our overseas resorts continued to remain competitive and performed well despite the global economic downturn. In Seychelles, Berjaya Beau Vallon Bay Resort & Casino ("BBVB") and Berjaya Praslin Resort, achieved better results and continued to show growth in revenue and profitability. The average room rate of BBVB improved by 24% compared to last year.

Our hotel in London, Berjaya Eden Park achieved a 20% increase in average room rate and a slight decline in occupancy to 77% from 80% last year. The lower occupancy rate was due to the lower room night bookings from its key markets of Europe and South East Asia and furthermore, the renovation work at the hotel had reduced the availability of rooms for sales thus affecting the hotel's performance during the year.

In Vietnam, Sheraton Hanoi Hotel ("Sheraton") and InterContinental Hanoi Westlake ("InterContinental") experienced a slowdown as a result of the global economic downturn. The occupancy at Sheraton and InterContinental recorded an average of 53% and 39% respectively. Both hotels have completed making operational adjustments to weather the economic storm, and we are fairly confident that going forward, they will continue to perform well.

BHR will continue to maintain its competitiveness via aggressive marketing activities and wider sales representations in overseas markets to capture a larger market share of the higher-end leisure and business travelers from Europe, the UK, Australia and Middle East markets. Our short term outlook is somewhat still volatile as the current global economic recession will continue to affect overall travelling patterns. However, in terms of mid to long term outlook, we believe the worst is over and we will continue with our strategic plan of renovating key properties such as Berjaya Langkawi Resort and BTSH, Kuala Lumpur to further strengthen BHR's position and to reap the full benefits of an inevitable global economic rebound.

CLUBS & RECREATION

For the year ended 30 April 2009, the Clubs and Recreation Division ("The Clubs") recorded a 3.4% decline in revenue from RM50.6 million to RM48.1 million mainly due to the lower contribution from the food & beverage operation and slowdown in membership recruitment.

The Clubs recruited a total of 270 members compared to 408 members in the previous year. The slowdown in membership recruitment was mainly due to the general decrease in demand in the recreation market. The total membership for all the five golf and recreation clubs were 21,164 as at 30 April 2009 of which half are golf members.



Sheraton Hanoi Hotel, Vietnam - Swimming pool.



The Oven D'Or Restaurant, Sheraton Hanoi Hotel, Vietnam.



Duyong Restaurant, Kelab Darul Ehsan, Selangor.



Golfing at Tioman Island Golf Club, Pahang.

Moving forward, the Clubs will continue to improve its performance with aggressive sales and marketing activities as well as maintaining a competitive pricing strategy in its membership recruitment drive. The Clubs will continue to strive for cost efficiency and profitability throughout its operations, enhance its quality of service and further upgrade its recreational facilities especially the golf courses.

VACATION TIMESHARE

Berjaya Vacation Club Berhad (“BVC”) reported a lower revenue of RM14.7 million for the financial year under review as compared to RM23.7 million, a decrease of 38% from the previous year mainly due to the slowdown in the consumer market and the timeshare industry.

BVC incurred a lower loss before tax against the previous year due to the cost cutting measures undertaken by BVC. Furthermore, the previous year’s loss included a large provision for impairment in investment and bad debts.

Despite the slowdown in membership sales and challenges in the industry, BVC continued to improve its services and facilities in order to remain competitive.

BVC’s Membership Reservation System was fully upgraded during the year. This has improved the efficiency of services thus enabling speedy and accurate tracking of past records and provided comprehensive information for follow-up and enquiry on payments and reservation status. On-going recruitment for quality staff were carried out during the year to ensure the delivery of quality service for its members.

BVC has also made a joint arrangement with Berjaya Air to install an airline ticketing system at its Kuala Lumpur office, where it will operate as a one-stop center for members who wish to travel to Tioman Island or Redang Island and also purchase air tickets from Berjaya Air for sectors such as Pangkor Island and Koh Samui, Thailand.

During the year, BVC carried out refurbishment exercises in properties such as Equatorial Hill Resort, Cameron Highlands, Meranti Park Suites, Berjaya Hills, Paradise Lagoon Holiday Apartments, Port Dickson and KL Plaza Suites to ensure that the quality of accommodation provided is maintained.

The prospects of the timeshare industry in the coming year is expected to remain challenging. BVC will continue to focus on improving its customer service to ensure that we will continue to be the market leader in the industry.

BERJAYA AIR SDN BHD

Berjaya Air Sdn Bhd (“Berjaya Air”) recorded a higher revenue of RM44.1 million as compared to RM42.2 million in the previous year mainly due to increase in charter services.

In May 2008, Berjaya Air implemented the e-ticketing system which is compliant with the International Air Transport Association’s standards. The e-ticketing system which covers all of Berjaya Air’s authorized ticketing counters has improved the operating process by replacing its paper tickets. Berjaya Air has also collaborated with Bangkok Airways for the Interline e-ticketing and the system was fully operational since May 2009.



Berjaya Air’s ATR 72-500 aircraft.



Savanna 2, Bukit Jalil, Kuala Lumpur.



Jalil Link @ Bukit Jalil, Kuala Lumpur.

In August 2009, Berjaya Air received its first ATR 72-500 aircraft and is expected to take delivery of the second unit in the last quarter of 2009. With the new ATR 72-500 aircraft, Berjaya Air will improve its capacity thus reducing its overall operating cost.

The Internet on-line booking system is now at its final stage of implementation and when fully operational, will be able to further enhance the effectiveness and efficiency of its operating process.

PROPERTY INVESTMENT

The occupancy rates for the Group's investment properties for the year ended 30 April 2009, and comparative figures for 2008, were as follows:

| Property | Occupancy Rates Financial Year | |
|---------------------------------|-----------------------------------|---------------|
| | 30 April 2009 | 30 April 2008 |
| Plaza Berjaya, Kuala Lumpur | 74% | 87% |
| Kota Raya Complex, Kuala Lumpur | 81% | 74% |
| Berjaya Megamall, Kuantan | 93% | 95% |

For the financial year under review, the Group's complexes had generally reported slight decreases in occupancy rate mainly due to the on-going economic slowdown. Plaza Berjaya is particularly affected due to the non-renewal of a mini-anchor tenant in the entertainment business.

Despite stiff competition and slowdown in the economy, the Group's complexes will continue to offer competitive rental rates to attract retailers and tenants and promote the complexes aggressively. With strategic location within the Kuala Lumpur Golden Triangle, high traffic and easy accessibility to public transportation, the Group's complexes in Kuala Lumpur will remain resilient and continue to strive for better market presence. In Kuantan, Berjaya Megamall has been consistently achieving a high occupancy rate mainly due to its strategic location and continuous efforts in organising promotional activities and other crowd-pulling events to improve the traffic flow into the complex.



Savanna 2, Bukit Jalil, Kuala Lumpur.



Berjaya Megamall, Kuantan, Pahang.



The Peak @ Taman TAR, Ampang, Selangor.



Vasana 25, Seputeh Heights, Kuala Lumpur.

PROPERTY DEVELOPMENT

For the financial year under review, the Property Division reported a sales value of RM105.6 million from the sale of various property developments which were primarily located within the Klang Valley. Out of the many sales activities organized during the year under review, the 'Berjaya Property Fair' was the most encouraging event that attracted many potential buyers to our property projects.

In Bukit Jalil, **Jalil Link @ Bukit Jalil**, a 3- and 4- storey shop office development with spacious units and individual lifts was fully sold out during the year under review. This commercial development is now completed and currently pending delivery of vacant possession. The total development value was approximately RM100 million.

In **Berjaya Park**, Shah Alam, the **Hazel** double-storey homes development has been completed and handed over to purchasers during the year. With an estimated gross development value ("GDV") of approximately RM28.8 million, the project achieved a total sales value of RM27.8 million with 98% of the double-storey terrace homes sold out. With the success of Hazel, the division had unveiled **Hazel 2**, a development of 87 units of freehold link houses adding to the long-established community of Berjaya Park. Hazel 2, the final phase of landed homes in the Berjaya Park township has a GDV of RM32.4 million, which offers a built-up area from 2,320 sq. ft. with an attached bathroom for each of the 4 bedrooms.

In Pahang, **Kuantan Perdana**, a freehold shop office development is completed and will be handed over to purchasers. The 37 units of 3- and 4- storey shop offices which were sold on en-bloc basis are approximately 76% sold. The development has an estimated GDV of RM44.7 million and is the first and only shop office development in Kuantan that features an individual lift to every unit.

A new project named **1Petaling Residences & Commerz @ Sg. Besi**, which is a mixed development project in the Sg. Besi area was launched in the middle of April 2009. The project has received encouraging response and within a month of the launch, has sold approximately 24% of the total condominiums and commercial units with a total sales value of more than RM16 million. With a total GDV of RM72 million, the development has 250 units of condominiums with a built-up area between 884 sq. ft. to 1,171 sq. ft. while the 42 shoplots range in size from 1,218 sq. ft. to 3,634 sq. ft.

Also in the same vicinity, the division launched a completed **3-storey shop office** development in Petaling Indah. This freehold shop office development consists of 8 en-bloc units with a built-up area from 2,928 sq. ft. to 4,316 sq. ft. With a GDV of RM8.04 million, this is yet another landmark of the group in the Sg. Besi area.

Meanwhile, a high end low density bungalow and link bungalow development poised to be a new flagship in the Klang Valley is in the works within the Seputeh Heights enclave. **Vasana 25** was previewed to a selected group of potential buyers during the year under review. From that special preview, 6 out of a total of 25 units were sold which generated a sales value of over RM35 million. This freehold gated and guarded sanctuary has an estimated GDV of RM149 million and has exclusive villas that ranges in its built-up area from 5,743 sq. ft. to 7,665 sq. ft.

The division is also planning to re-launch its bungalow lot development in the Ampang vicinity called **The Peak @ Taman TAR**. This freehold gated and guarded hillside development spreads over 66 acres. The completed exclusive low density development has a total of 88 bungalow lots ranging in size from 8,624 sq. ft. to over 70,000 sq. ft. Several sold units were handed over to purchasers during the year under review.



Hazel 2, Berjaya Park, Shah Alam.



Kuantan Perdana, Kuantan, Pahang.



A ground-breaking ceremony for Bien Hoa Mixed Development, Dong Nai Province, Vietnam on 9 September 2008.



Prime Minister, Y.A.B. Da'ot Sri Najib Tun Abdul Razak's visit to Berjaya Jeju Resort, Yerae-Dong, Jeju Island, South Korea from 31 May – 1 June 2009.

PROJECTS COMING ON-STREAM

Among the new projects that were introduced during the year include a new development in Bukit Jalil called **Covillea Bukit Jalil**. This is a gated and guarded freehold condominium development that offers a panoramic view of the greens at **Bukit Jalil Golf and Country Resort**. The development covers an area of 2.91 acres, consists of 308 units with each unit comprising of 3 + 1 bedroom and 2 parking bays. The development has an estimated GDV of approximately RM143 million.

Another new development in the **Bukit Jalil Resort** vicinity is **Savanna 2**, a freehold low-rise villa condominium. Consisting of 32 units with 2 units per floor, each floor is serviced by a lift and designed with a private entrance to each residential block. Each unit comes with two parking bays and the top duplex units feature a rumpus room and private garden. This freehold development has an estimated GDV of RM21.3 million.

Abroad, the group made progress with its foray in countries such as Vietnam, South Korea and China. The group's venture in South Korea has been making headway with its **Berjaya Jeju Resort** which is located at Yerae-Dong, on the beautiful and scenic Jeju Island. Spanning an area of over 744,205 square meters (183.7 acres), this mixed development comprises mid-rise condominiums, a 150-bed medical centre facility, a 500-room casino hotel, a full-fledged casino, world-class entertainment facilities, a 4-storey integrated shopping mall and indoor arena with seating capacity for 6,000 people, a 300-room 5-star resort hotel including 128 units of hotel suites, and exquisite Ocean Villas Resort with a resort-style club house. This project with an estimated GDV of USD3.1 billion is expected to be completed over a period of 8 years.

In Vietnam, the group has obtained the investment licence for the development of **Bien Hoa Mixed Development**. Located in the bustling metropolis of Bien Hoa, Dong Nai Province in Ho Chi Minh City ("HCMC"), the development offers a blend of luxurious living in modern contemporary designed apartments with a blend of traditional features. It is made up of a 20-storey office complex with a 3-storey retail podium with a recreation club on the podium roof, and a 20-storey office tower. It also houses 564 units of apartments in 2 blocks which are 17- and 20-storey high respectively and a 22-storey hotel building. The launch of the apartments is expected to be in the fourth quarter of 2009 and will have an estimated GDV of USD177.5 million.

Another Vietnam development that has obtained its investment licence during the financial year under review is **The Vietnam International University Township**. Located in the Hoc Mon District in HCMC, it measures a total land area of 925 hectares. The mixed development will consist of residential and commercial components, and an international university and sports hub. The project is expected to be launched in the fourth quarter of 2010 and will have an estimated GDV of USD7.3 billion.

Also in progress is the **Vietnam Financial Center**, which is located in the heart of HCMC. Designed in live-work-play concept, this mixed development consists of 3 blocks of 48-storey office towers, 1 block of 48-storey 5-star hotel, 1 block of 48-storey hotel residence, a commercial podium and a 4-level basement car park. The commencement of the project is expected to be in the third quarter of 2010. The project will have an estimated GDV of USD1.9 billion.



Bien Hoa Mixed Development, Dong Nai Province, Vietnam.



Berjaya Jeju Resort, Yerae-Dong, Jeju Island, South Korea.



The Canal Park Apartments, Phase 1 of Thach Ban Garden City, Long Bien District, Hanoi, Vietnam.



Vietnam Financial Center, Ho Chi Minh City, Vietnam.

Another development in Vietnam, **Thach Ban Garden City**, comprising of low rise and high rise residential, commercial and education project in Long Bien District, Hanoi. Phase 1 of the development, the **Canal Park Apartments**, consisting of 2 blocks of 11-storey with a total of 148 units, will have an estimated GDV of USD24.4 million. With only a maximum of 8 units per level, Canal Park Apartments is expected to be launched in the last quarter of 2009. It is expected to be a good investment opportunity for purchasers as this is the first well-planned integrated township development in the vicinity which epitomizes quality lifestyle.

Meanwhile, in China, the construction of **The Great Mall of China**, which is designed as a mall of the future that features cutting edge shopping experiences with an impressive array of leisure and entertainment pursuits, is now in progress. Known as a world-class "Entertainment Icon", it is an integrated commercial and entertainment landmark located adjacent to Beijing. Within the development is an ultra-modern mega comprehensive shopping mall, Asia's largest indoor theme park, a 13,000 capacity convention and exhibition hall and state-of-the-art cineplex, twin ice skating rinks and 108-lane bowling centre. With a gross floor area of 1,200,000 square metres, the Great Mall of China has lush ambience and inviting public spaces, sets to be a world-class lifestyle, leisure and entertainment destination that personifies metropolitan lifestyle in modern China.

Property Market Outlook

For the year under review, the property market continues to face uncertainties brought about by the global financial crisis. Overall, the current economic climate may be understandably soft but with the right products in the right locations for sale, and good cash flow management, the division is optimistic that it is resilient enough to withstand the onslaught of the softening market.

The slower economy does present opportunities because projects have generally been made more affordable for purchasers. Close business arrangements with financial institutions have allowed for reduction in interest rates and also attractive financing packages that we have been able to extend to purchasers. Due to this, the current local scenario presents itself as the buyers' market.

With various incentives injected through the Government's recently announced stimulus packages, the group is optimistic about the future of the property market. The tax relief that is to be given to buyers on interest paid on housing loans up to RM10,000 a year for 3 years will help reduce costs of home ownership and therefore spur more buying interests among buyers. Similarly, deferment of housing loan repayments for 1 year for those who have been retrenched will help ease pressure on buyers' disposable incomes. Such moves will create greater financing for the housing sector and the reduced rate will attract potential buyers.

The Government also announced improvements to the 'Malaysia My Second Home' programme and a new programme where permanent resident status would be considered for high-net-worth individuals who bring in more than USD2 million for investments or savings in Malaysia. The group is confident that these initiatives will generate a new demand for investment properties particularly in the higher end market in urban areas.

Similarly, the revision of stamp duties and taxes for developers will ease the industry's burden. The reviewed rates of stamp duties can attract buyers to buy and ultimately reduce developers' holding costs while the lower taxes will enable developers to reinvest to generate further market activities.

Overall, the situation appears to be picking up again and slowly the property market is beginning to show signs of a rebound. Given the right market conditions, it is only a matter of time before the industry picks up again.