

BERJAYA
BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

برجاي كورپوريشن برحد
成功集團有限公司



**ANNUAL
REPORT
2015**





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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Artist impression of The Link 2, Bukit Jalil, Kuala Lumpur.

CORPORATE PROFILE

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

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

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

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

With a total employee strength of 18,000, the Group is a diversified entity engaged in the following core businesses:

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



Berjaya Beau Vallon Bay Resort & Casino, Seychelles.



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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Chief Executive Officer

Dato' Sri Robin Tan Yeong Ching

Executive Directors

Chan Kien Sing

Vivienne Cheng Chi Fan

Dato' Azlan Meah Bin Hj Ahmed Meah

Dato' Zurainah Binti Musa

Non-Independent Non-Executive Directors

Freddie Pang Hock Cheng

Dato' Dickson Tan Yong Loong

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

Datuk Mohd Zain Bin Ahmad

Dr Jayanthi Naidu A/P G.Danasamy

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director

Tan Sri Datuk Abdul Rahim Bin Haji Din

Independent Non-Executive Directors

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar

Datuk Robert Yong Kuen Loke

Datuk Mohd Zain Bin Ahmad

SECRETARIES

Su Swee Hong (MAICSA No. 0776729)

Gan Swee Peng (MAICSA No. 7001222)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd

Lot 06-03 Level 6, East Wing

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel: 03 - 2145 0533

Fax: 03 - 2145 9702

AUDITORS

Ernst & Young (AF: 0039)

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Tel: 03-7495 8000

Fax: 03-2095 9076

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

OCBC Bank (Malaysia) Berhad

Malayan Banking Berhad

RHB Bank Berhad

AmBank (M) Berhad

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJCORP (3395)

PLACE OF INCORPORATION AND DOMICILE

Malaysia



Kenny Rogers Roasters' RED Hot Meal.



Starbucks' Affogato.

PROFILE OF DIRECTORS



DATO' SRI ROBIN TAN YEONG CHING

41 years of age, Malaysian
Chairman/Chief Executive Officer

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

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

Currently, he is the CEO of Berjaya Sports Toto Berhad, an Executive Director of Sports Toto Malaysia Sdn Bhd and the Executive Chairman of Berjaya Food Berhad. He is also the Chairman of Berjaya Media Berhad, Sun Media Corporation Sdn Bhd and Informatics Education Ltd, Singapore and a Director of Atlan Holdings Bhd, Berjaya Sompoo Insurance 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. He is also a Commission Member of the Companies Commission of Malaysia.

His cousin, Dato' Dickson Tan Yong Loong, is also a member of the Board while his father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

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



CHAN KIEN SING

59 years of age, Malaysian
Executive Director

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

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 AmInvestment Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad.

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

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

PROFILE OF DIRECTORS



VIVIENNE CHENG CHI FAN

56 years of age, Malaysian
Executive Director

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

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

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

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

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



DATO' AZLAN MEAH BIN HJ AHMED MEAH

59 years of age, Malaysian
Executive Director

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

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

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

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



DATO' ZURAINAH BINTI MUSA

53 years of age, Malaysian
Executive Director

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

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

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

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

Currently, she is a Director of Berjaya Food Berhad, Uzma Berhad, Tioman Island Resort Berhad and several other private limited companies.

She is also an Executive Director of Berjaya Times Square Sdn Bhd and also a Director of several subsidiaries of Berjaya Assets Berhad.



FREDDIE PANG HOCK CHENG

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

He was appointed to the Board 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. He joined Berjaya Group of Companies in October 1990 until his recent retirement as an Executive Director on 31 March 2015 and is currently a Non-Independent Non-Executive Director of the Company.

He is also the Chairman of Intan Utilities Berhad, a Director of Berjaya Sports Toto Berhad and also holds directorships in several other private limited companies.

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

PROFILE OF DIRECTORS



DATO' DICKSON TAN YONG LOONG

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

He was appointed to the Board on 30 March 2011.

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

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

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

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

His cousin, Dato' Sri Robin Tan Yeong Ching is also a member of the Board while his uncle, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.



TAN SRI DATUK ABDUL RAHIM BIN HAJI DIN

76 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board on 15 September 2005.

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

Prior to joining Berjaya Group Berhad, he served as the Secretary-General in the Ministry of Home Affairs from 1992 until his retirement in September 1996. From 1987 to 1991, he was the General Manager of the Employees Provident Fund before becoming the Deputy Group Chief Executive Officer of Permodalan Nasional Berhad, a post he held from 1991 to 1992. Prior to this date, his career in the Government Civil Service covers also a number of years in the Ministry of Trade And Industry, the Economic Planning Unit of the Prime Minister's Department and the Ministry of Finance. Currently, he is also a Director of Eastspring Investment Berhad.

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



DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

68 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board 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 minoring in Ethnic Relations.

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

He also holds directorships in several other private limited companies.

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



DATUK ROBERT YONG KUEN LOKE

63 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board on 15 September 2005.

He is a Fellow member of The Institute of Chartered Accountants in England and Wales and a member of the Institute of Singapore Chartered Accountants 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 there for more than five years with chartered accounting firms. 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 Kuen Loke is a member of the Audit Committee, Nomination Committee and Risk Management Committee of the Company.

PROFILE OF DIRECTORS



DATUK MOHD ZAIN BIN AHMAD

63 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board on 15 September 2005.

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

He began his career with the Royal Malaysian Police Force as a police inspector in 1971. He was promoted to Assistant Superintendent of Police in 1980 and served until 1986. He was admitted as an Advocate and Solicitor of the High Court of Malaya on 25 October 1986 and is currently a practising solicitor. He is also a member of the State Legislative Assembly for the Penaga Constituency in the State of Penang.

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



DR JAYANTHI NAIDU A/P G. DANASAMY

39 years of age, Malaysian
Independent Non-Executive Director

She was appointed to the Board on 13 January 2012.

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

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

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

Currently, she is the Managing Director of Synergio Global Sdn Bhd ("Synergio"), a sustainability strategy consultancy. In this role, she is involved in advising companies and institutions across Asia with regards to sustainability strategies. She is also a Director of several companies linked to Synergio.

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

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 2015.

FINANCIAL RESULTS

The Group registered an improvement in revenue to RM9.52 billion from RM8.73 billion in the previous financial year. This increase in revenue was mainly attributed to an increase in revenue from the marketing of consumer products and services segment where the motor distribution business reported a higher revenue mainly due to the consolidation of revenue from H.R. Owen PLC's 12-month results in the financial year under review compared to the 6-month results consolidated in the previous financial year. The retail distribution business reported a higher revenue in the financial year under review due to rapid expansion, especially in Mainland China, which yielded substantial revenue growth, while the higher revenue for the restaurants and cafes business was due to the consolidation of revenue from Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") with effect from 18 September 2014.

The hotels and resorts business registered lower revenue due to lower occupancy rates while the lower revenue from the property investment and development business was due to lower progress billings in the financial year under review. The continued challenging economic and regulatory environment coupled with fewer draws also resulted in lower revenue from the toto betting operations.

The Group's pre-tax profit increased to RM1.39 billion from RM523.87 million in the previous financial year mainly due to the non-operational gains arising from the remeasurement of the equity in Berjaya Auto Berhad ("BAuto") and BStarbucks amounting to RM1.0 billion and gain on disposal of subsidiary companies of RM163.8 million. Overall, there was a drop in operating profit, mainly due to the toto betting operation, hotels and resorts, and property investment and development segments, and the deconsolidation of BAuto.

The motor distribution business recorded a higher pre-tax profit mainly due to higher revenue and improved gross profit margin in the financial year under review, while the retail distribution business reported a pre-tax profit as compared to a pre-tax loss registered in the previous year due to the increase in revenue and lower operational cost incurred in the financial year under review. The higher pre-tax profit from the restaurants and cafes business was attributed to the consolidation of the improved results of BStarbucks.

The property investment and development business reported a lower pre-tax profit due to lower progress billings for the financial year under review while the hotels and resorts business recorded a lower pre-tax profit due to lower revenue reported in the financial year under review. The gaming business recorded a lower pre-tax profit mainly due to lower revenue and higher operating expenses incurred in the financial year under review which was mitigated by a lower prize payout.



A H.R. Owen showroom in the United Kingdom.



Starbucks Drive-Thru, Port Dickson.

CHAIRMAN'S STATEMENT



KM1 West, Bukit Jalil, Kuala Lumpur.

DIVIDEND

The Board recommends a final dividend of 1% single-tier dividend per share for the approval of shareholders at the forthcoming annual general meeting. The entitlement date and the payment date of the proposed final dividend are disclosed on Page 292 of this Annual Report.

SIGNIFICANT CORPORATE DEVELOPMENTS

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

- (1) On 10 November 2014, the Company announced that its wholly-owned subsidiary, Berjaya Group Berhad ("BGroup"), had placed out a total of 110.055 million ordinary shares of RM0.50 each in BAuto for a total cash consideration of about RM352.18 million or at RM3.20 per BAuto share.

Based on the assessment pursuant to the requirements of accounting standards to determine the status and control of BAuto by the BCorp Group, it was subsequently decided that the BCorp Group would cease to have control of BAuto effective 1 December 2014. Accordingly, BAuto was deconsolidated from the BCorp Group which resulted in the recognition of a gain on the placement of BAuto shares of about RM157.50 million and a gain on re-measurement of the fair value of BCorp Group's remaining 36.74% stake in BAuto of about RM837.20 million based on the carrying value of BAuto pursuant to its latest second quarter financial results as at 31 October 2014.

- (2) On 16 December 2014, Berjaya Land Berhad ("B-Land") announced that it had issued Medium Term Notes ("MTNs") amounting to RM650.0 million. The MTNs were issued with tenures up to 7 years with interest rates ranging from 4.65% to 5.35% per annum.
- (3) On 14 April 2015, the Company announced the following proposals:
 - (a) disposal by BGroup of the entire 100% equity interests in Berjaya Bandartex Sdn Bhd and Berjaya Knitex Sdn Bhd for a cash consideration of about RM16.59 million and RM11.15 million respectively to Ramatex Berhad ("Ramatex"); and
 - (b) disposal by Berjaya Soutex Sdn Bhd of a parcel of freehold land measuring about 42,063 square feet together with a 2-storey industrial building erected thereon in Mukim Simpang Kanan, District of Batu Pahat, Johor to Ramatex for a cash consideration of about RM2.26 million or at about RM53.68 per square foot.

The above-mentioned disposals were completed on 5 May 2015.

- (4) On 8 May 2015, the Company announced that it has deemed REDtone International Berhad ("REDtone") as a subsidiary of the Company, pursuant to a conditional take-over offer.
- (5) On 30 June 2015, BCorp announced that it had entered into a Share Transfer Agreement with Foshan City Nanhai Grandblue Solid Waste Treatment Holding Co. Ltd. ("Purchaser") for the proposed disposal of its entire 100% equity interest in Berjaya Environmental Engineering (Foshan) Co. Ltd. ("BEnvironmental") ("Sale Shares") to the Purchaser for a cash consideration of RMB126.75 million (about RM76.68 million) ("Proposed Disposal"). BEnvironmental will cease to be a subsidiary of BCorp upon completion of the Proposed Disposal.
- (6) On 21 July 2015, BCorp announced that it had entered into a Subscription Agreement ("SA") with B-Land and Berjaya Kyoto Development (S) Pte. Ltd. ("BKyoto") for the proposed subscription by BCorp or its subsidiary of 1 new ordinary share representing 50.0% of the enlarged issued share capital of BKyoto for a cash subscription of SGD34.66 million (about RM97.28 million) and undertake to advance up to RM152.74 million to the BKyoto Group for working capital purposes as well as proportionate settlement of the inter-company loan with B-Land.
- (7) On 17 August 2015, BToto announced that Philippine Gaming Management Corporation ("PGMC"), the wholly owned subsidiary of Berjaya Philippines Inc., had entered into a Supplemental and Status Quo

Agreement with the Philippine Charity Sweepstakes Office ("PCSO") for maintaining the status quo of PGMC's leasing of online lottery equipment and provision of software support to PCSO for a period of three years from 22 August 2015 to 21 August 2018.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Following in the footsteps and the philosophy of giving, seeded by the Group's Founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), BCorp and its subsidiaries continued to support a wide range of social causes reaching out to the different segments of the community, both locally and internationally.

KEY HIGHLIGHTS

Berjaya Founder's Day

The fifth Berjaya Founder's Day ("BFD") was once again held at Berjaya Times Square on 28 March 2015. A total of RM20.08 million was contributed by the Group, TSVT, Better Malaysia Foundation, as well as Berjaya Cares Foundation to 79 charitable organisations which support various social causes such as education, health, community, humanitarian aid, environment, local performing arts and animal related causes. To date, the annual event has contributed a total of RM84.08 million to more than 270 charitable organisations nationwide.



A lotto draw in the Philippines.



Approximately 20,000 Berjaya staff and their families participated in the Berjaya Founder's Day 2015 carnival.

CHAIRMAN'S STATEMENT



Tan Sri Dato' Seri Vincent Tan and Dato' Sri Robin Tan with some of the beneficiaries of BFD 2015.



Presentation of the Better Malaysia Foundation Personality of the Year Award 2015.



Tan Sri Dato' Seri Vincent Tan and Dato' Sri Robin Tan at an NGO booth.

During the event, TSVT presented the 4th Better Malaysia Foundation Personality of the Year Award 2015 to Dharma Master Cheng Yen, the Founder of Tzu Chi Foundation, an international Buddhist charitable organisation with presence in over 50 countries and more than 80,000 trained and certified volunteers. The award came with a cash contribution of RM500,000.

As with previous years, the annual event also featured a family day carnival to promote greater interaction and collaboration amongst the Group's employees. Approximately 20,000 Berjaya employees and their family members participated in the fun-filled carnival which had more than 50 food and games booths, and approximately 35 booths were allocated for charitable organisations, providing visitors with insight and awareness into their respective causes.



One of the games booths at the carnival.

Other Community Initiatives

In response to the unprecedented floods that had hit several states in Malaysia at the end of 2014, BCorp and its subsidiaries provided relief aid and contributed to the relief efforts of various organisations, namely Persatuan Pandu Puteri Malaysia, Malaysian Chinese Association's East Coast Crisis Relief Fund and Yayasan Wilayah Persekutuan, among others.

Sports Toto also contributed RM50,000 to the Sun-Mercy Malaysia Bosnia Flood Disaster Relief Fund to support the relief efforts for flood victims in Bosnia and Herzegovina in the aftermath of Cyclone Tamara in May 2014.

During the year under review, BCorp and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate groups by hosting various events. These events, which often included entertainment, feasts and the distribution of festive goodies have benefited more than 20,000 less fortunate Malaysians across the country.

Berjaya Roasters (M) Sdn Bhd ("BRoasters") reaches out to needy communities through its annual charity events such as the ROASTERS Chicken Run, Wishing Tree and welfare home visits under the KRR Community Chest programme established in 2005. The 10th Annual ROASTERS Chicken Run in 2014 saw more than 3,600 runners of all ages come together for a good cause. The charity run raised RM65,000 for the Little Yellow Flower Foundation for the third consecutive year in support of its Nutrition, Lunch and Tuition programme benefiting children from 40 urban poor families. BRoasters also provided RM3,000 worth of reading materials to the Foundation's "Reading Wonderland", a community library and information resource centre established to

promote good reading habits among the underprivileged children. Meanwhile, the KRR Wishing Tree campaign continued to spread the spirit of giving by granting the wishes of less fortunate children. Since its inception in 2005, the campaign has granted the wishes of 14,265 children nationwide.



One of the workers from the Craft CT 01 Enterprise in Pahang trimming the Starbucks' Mengkuang Hot Cup Sleeve.



Starbucks' Mengkuang Hot Cup Sleeves were launched on 23 February 2015 and retailed at 50 selected Starbucks stores nationwide.



Dato' Francis Lee (2nd from the left), CEO of Berjaya Food Berhad and Lee Siew Weng, BRoasters' Senior General Manager presenting the proceeds from the ROASTERS Chicken Run 2014 to Lee Sinje, Malaysian artiste and co-founder of Little Yellow Flower Foundation.



Dato' Sri Robin Tan and Tan U-Ming, Executive Director of 7-Eleven Malaysia Holdings Berhad (seated, 2nd from left), with the children from SEMOA Education Center in Pahang.

CHAIRMAN'S STATEMENT



Deputy Finance Minister II Datuk Chua Tee Yong (3rd from right) launched the 27th Sports Toto Chinese New Year Ang Pow Donation Campaign. With him were Dato' Sri Robin Tan (2nd from right) and Executive Director of Berjaya Sports Toto Berhad, Vincent Seow.

The Berjaya Starbucks Coffee Company Sdn Bhd's ("BStarbucks") Connecting Communities programme, launched in 2013 to commemorate its 15th anniversary in Malaysia, continued to make a positive social impact by empowering and uplifting the lives of local communities. In 2015, BStarbucks launched the second project under this programme by collaborating with Craft CT 01 Enterprise in Felda Chini Timur Satu, Pahang to produce mengkuang-based products. The Starbucks Mengkuang Hot Cup Sleeves were launched on 23 February 2015 and are retailing at 50 selected stores nationwide. Besides providing the villagers with an additional source of income, the project also helps to promote Malaysian handicraft. In April 2015, BStarbucks celebrated its 5th annual Global Month of Service ("GMOs") with 101 partners (employees) and 357 customers who contributed a total of 2,918 community service hours for four community service projects in the Klang Valley, Johor and Sarawak.

BStarbucks also introduced the Community Service Grant to provide financial aid to charitable organisations in the field of education, health and environment. More than USD31,600 or approximately RM119,500 was disbursed in support of various community projects such as the E-learning programme for 60 children at Kampung Lubuk Jaya, Kuala Selangor and the operation of two free clinics in Penang, i.e. a paediatric clinic set up in May 2005 and a mobile clinic set up in February 2010, in collaboration with Persatuan Kebajikan Hope Worldwide. To date, more than 1,500 children from urban poor families have received medical attention from the paediatric clinic. The mobile clinic, which travels within Seberang Perai and to the indigenous villages, has provided free medical support to more than 3,000 patients.



Tan Sri Dato' Seri Vincent Tan with the children of the Berjaya-GK village in Barangay Camaman-an, Cagayan De Oro, Philippines.

During the year under review, Bermaz Motor Sdn Bhd ("Bermaz") organised the 2nd Mazda Charity Golf Tournament which raised RM100,000 in aid of Mount Miriam Cancer Hospital's Tomo Fund for the purchase of the TomoTherapy high definition radiation machine for cancer treatment for the second consecutive year. In addition, various welfare home visits were carried out to spread cheer to the needy and less fortunate.

Another BCorp subsidiary, Sports Toto Malaysia Sdn Bhd ("Sports Toto") continued with its tradition of giving through numerous initiatives, such as the annual Sports Toto Chinese New Year Ang Pow Donation Campaign which marked its 27th anniversary, benefiting more than 17,000 needy senior citizens in 45 cities and towns throughout the country. Since its inception in 1989, the annual donation campaign has contributed approximately RM17 million and provided more than 300,000 ang pows and hampers to needy senior citizens.

Sports Toto collaborated with NTV7 for the fifth consecutive year in the production of a 13-episode charity-themed TV programme - "Helping Hands Season 5" which provided 13 impoverished families with necessary home improvements, medical provisions and other necessities to improve their living conditions. Through the programme, Sports Toto has alleviated the living conditions of 65 poverty-stricken families nationwide.

On the international front, the collaboration between Berjaya Philippines Inc. ("BPI") and Gawad Kalinga Community Development Inc. has so far built 820 housing units for the poor and needy across the Philippines. Currently, there are 12 Berjaya-GK villages in various locations such

as Cagayan de Oro, Compostela Valley, Basilan, Cavite, Davao City, Agusan del Norte, Masbate, Southern Leyte, Lanao del Norte, Bukidon, Sultan Kudarat, Surigao del Norte, Bulacan and Nueva Ecija.

Education

In line with the Group's CSR objective of promoting literacy and education among underprivileged children, BCorp and its subsidiaries continued to support various educational and skills development programmes for the less fortunate.

For the third consecutive year, Sports Toto supported the "Reading My Companion" learning programme at 10 Chinese primary schools in the rural areas of Selangor and Negeri Sembilan. Since 2012, the project, which aims to inculcate reading as a pastime of choice, has reached out to over 2,800 students in more than 20 Chinese primary schools.

Workplace

BCorp and its subsidiaries continue to focus on its human capital development through various training, seminars, team-building and leadership programmes to facilitate growth, both professionally and personally to build a sustainable talent pipeline to drive business growth. For leadership development acceleration, the Group introduced in-house training programmes such as the Berjaya Advanced Leadership Programme and the Managers Development Programme. The senior management are actively involved in the leadership programmes to share their insights and serve as role models to inspire future leaders within the Group.

In August 2015, BCorp was presented the prestigious Asia Best Employer Award by the Employer Branding Institute and World HRD Congress and Star of the Industry Group and endorsed by the Asian Confederation of Businesses. Apart from that, BCorp was ranked the 15th most popular graduate employer in the Malaysia's 100 Leading Graduate Employers Award 2014, an improvement from its 25th placing in 2013. BCorp also emerged as one of the top three finalists in two business sectors namely, Leisure, Travel and Hospitality; and FMCG/Retail.

BCorp also strives to promote work life balance at the workplace to enhance productivity and improve staff retention by creating a safe and conducive working environment. To this end, various health talks, free health screenings and topics related to its employees' personal development were carried out throughout the year.

The Group also holds regular meetings among the operating companies and subsidiaries to foster closer interaction and strengthen synergies among the diverse business segments within the Group.

The Group's Staff Welfare Fund continues to provide financial assistance to employees to cope with high medical expenses, education funding and to assist in the event of crisis or loss of property resulting from natural disasters.

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



Graduates of the Berjaya Advanced Leadership Programme with Dato' Sri Robin Tan and senior management of BCorp.

CHAIRMAN'S STATEMENT



Recipients of the OCM-Sports Toto Outstanding Athletes of the Games Award 2014.

Sports Excellence

During the financial year under review, BCorp and its subsidiaries continued to support various sporting events while providing support to aspiring sports talents.

Sports Toto sponsored diverse sporting endeavours which included providing financial support and sponsoring awards to recognise those who excel in their respective fields. Among the events were the Sports Toto Supreme Challenge 2014, Asean Basketball League 2014, Penang Bridge International Marathon 2014, 204KM KL-Maran Big Walk 2014, Ambank City Day Run 2015, Seremban Half Marathon 2014, Milo-FTKLAA Walk Circuit 2014, 41st Penang PESTA International Bowling Championship 2014, Sports Toto-FTKLAA Cross Country Run 2015, and the Jasmine Cup Youth Basketball Tournament 2015.

On a larger scale, Sports Toto made substantial annual financial contributions to the National Sports Council.

Sports Toto also collaborated with the Olympic Council of Malaysia ("OCM") in recognising Malaysian athletes who delivered outstanding performances at the 20th Commonwealth Games 2014 in Glasgow, United Kingdom and the 17th Asian Games in Incheon, South Korea. The OCM-Sports Toto Outstanding Athletes of the Games Award 2014 was presented to 17 gold medalists from the 20th Commonwealth Games 2014, while 8 gold medalists from the 17th Asian Games were awarded for their individual and team achievements.



Sydney Quays (left), Managing Director of Starbucks Malaysia and Brunei officiated the Starbucks Malaysia Roots & Shoots Project together with Dr. Jane Goodall, world renowned primatologist, conservationist, anthropologist and UN Messenger of Peace.

Environment

Berjaya Hotels & Resorts ("BHR") continued to spread awareness to promote the need to care for the environment through its annual Tioman World Ocean Day event with activities such as a clean-up dive to remove sea debris and the Crown of Thorns from the sea beds, a beach clean-up, and a turtle conservation workshop for primary school children by the Turtle Conservation Society of Malaysia, featuring Fimie Don, BHR's Teen Ambassador for the Turtle Conservation Programme.

Apart from that, Berjaya Langkawi Resort collaborated with the Institute of Foresters Malaysia and Malaysian Nature Society to create awareness on the conservation of mangroves and its importance to the island's rainforest ecosystem.

To promote the message of green consciousness, a reusable meal container, the "i.care Box" was introduced by BRoasters in November 2011. At the beginning of 2015, BRoasters introduced its all-new "i.care Box", featuring 3 compartments perfectly sized to help customers build a healthy eating habit through a balanced and proportional diet. Since its introduction, more than 2,400 units have been sold to customers.

In June 2014, BStarbucks launched its second Community Edible Garden at Starbucks Drive-Thru Setia Alam, Selangor to educate the public on ways to create an edible garden at home, besides learning about the various plants and planting techniques. Under the "Grounds For Your Garden" programme, BStarbucks provided 6,605 packs of complimentary soil-enriching coffee grounds, approximately 15,000 kilogrammes in total, to its customers

on a monthly basis as part of the company's recycling initiatives. BStarbucks also introduced the "Bring Your Own Tumbler" programme to decrease the usage of disposable cups and help conserve the environment. In conjunction with Earth Hour 2015 held in March 2015, 191 Starbucks' stores turned off their lights for one hour in support of the energy saving initiative and a special promotion was offered to customers who brought their own Starbucks' tumblers.

Arts and Culture

BCorp organised the Berjaya Youth Short Film Competition for the fifth year with the objective of nurturing the potential and creativity of young film makers. The competition is opened to Malaysian youths aged 18 to 25, to share their inspiring stories through the medium of film.

Sports Toto supported Pesta Tanglung Muar 2014, Penang Chingay Parade 2014, Nine Emperor God Festival, Hungry Ghost Festival and Muar Chinese New Year Street Show during the year.

Promoting the Spirit of Volunteerism

To help create a more caring and responsive Malaysia, various projects and workshops were organised by Berjaya Youth ("B.Youth") to engage, inspire and empower Malaysian youths to make a difference in the society.

Among the activities were inspirational talks by accomplished individuals who shared their experiences, ideas and journey to success, a meal packing event that involved 400 volunteers in packing 100,000 nutritious

meals for the less fortunate, and a building project to provide sustainable houses for needy indigenous people in Peninsula Malaysia.

To encourage the spirit of volunteerism among Malaysians, BRoasters and BStarbucks provided free coffee and KRR meals to volunteers who helped manage and pack relief supplies for the East Coast flood victims at the donation centre at Bukit Kiara Sports Complex, Kuala Lumpur in December 2014.

BStarbucks collaborated with Jane Goodall's Roots & Shoots Malaysia on an initiative to encourage youth empowerment through various environmental and community projects. The Starbucks Malaysia Roots & Shoots Project was officially launched on 30 January 2015 with projects such as setting up and maintaining the Community Edible Garden at selected Starbucks stores, the Young Authors programme to cultivate an interest in writing among children, the E-Learning programme for children in Kampung Lubuk Jaya, and the Grounds for Your Garden programme.

Apart from this, BStarbucks' partners (employees) also volunteered their time regularly at the paediatric and mobile clinics in Penang to assist with patient registration, distribution of food and medicine, and conduct activities such as arts and crafts as well as reading sessions for less fortunate children.

Moving forward

The Group remains mindful of its social responsibility and will continue to support various CSR initiatives that benefit and impact needy communities in the long run.



Volunteers at the Stop Hunger Now meal-packing event in Berjaya Times Square, Kuala Lumpur.



Youth volunteers building a home for a needy family in Gopeng, Perak.

CHAIRMAN'S STATEMENT



Great Mall of China, Beijing, People's Republic of China - construction in progress.

FUTURE PROSPECTS

The Malaysian economy expanded by 5.3% in the first half of 2015 and is expected to remain on a steady growth path, with domestic demand continuing to be the key driver of growth.

The Group's consumer marketing and direct-selling business, Cosway, will continue to focus its efforts on revenue growth in profitable and potential markets, particularly in Malaysia and Greater China, which have consistently shown promising growth of its free stores. In other countries where physical stores are being closed, shoppers and members can access Cosway's global online mall which was officially launched in May 2015. Cosway will also strengthen its marketing strategies and implement more aggressive promotional activities to promote store productivity and cultivate sustainable shoppers' loyalty and preference in using Cosway's wide range of products.

The property market is anticipated to be challenging in the upcoming financial year, as the cost of doing business escalates due to increase in the prices of building materials and shortage of labour, stricter lending policy, withdrawal of Developers Interest Bearing Scheme (DIBS), the increase of the pricing threshold for foreign ownership of property and the impact of the Goods and Services Tax ("GST"). The spillover effect from the implementation of the GST will result in an increase of property prices as the cost of

construction rises. The property market is further dampened by the weakening of the Malaysian Ringgit and declining oil prices. The residential market, nevertheless, will continue to sustain and enjoy strong demand, supported by the country's young working population and growing pool of first time home buyers. Demand for landed residential properties within gated and guarded developments continue to dominate as demand outweighs supply. In this regard, Berjaya's property development projects in Bukit Jalil will continue to see growth, with the increase of population in the surrounding areas creating a catchment for both residential and commercial hubs to perform well. The extension of the LRT line will enhance connectivity to Bukit Jalil, bringing greater interest to this area and boosting development as the area becomes more accessible.

The challenging year ahead will also see stiffer competition among developers in terms of product offerings, pricing and financing packages. On this cautious note, the Property Division will strive to achieve better performance in its project delivery as well as improve on the quality of its products and services in order to stay ahead of the competition.

Overseas, the Group's property development projects are progressing well, and are in various stages of completion. In Hebei, China, marketing activities for the leasing of the four levels of retail space totaling to 1.4 million square feet has commenced, and the retail mall and theme parks are

scheduled for opening in the third and fourth quarters of 2016 respectively. The luxurious Four Seasons Hotel project in Kyoto, Japan is progressing on schedule as well.

The overall outlook for the hotel industry is expected to remain challenging with slower recovery in demand from the key long haul travel market of Europe. The local hotel industry is expected to benefit from the on-going promotional activities by Tourism Malaysia. The Group's hotel and resorts business will continue to focus on maintaining its aggressive marketing strategy and diverse distribution channels for its hotels and resorts in Malaysia, and hence, improve its Average Room Rate (ARR) and Revenue Per Available Room (RevPAR).

Operating in the current economic environment while bracing on-going competition in the Number Forecast Operator sector, Sports Toto's extensive network of outlets in Malaysia and variety of games offered will enable the company to maintain its revenue growth. In addition to its ongoing marketing efforts to increase its revenue and market share, Sports Toto will continue to improve on its operating efficiency, enhance its game feature, and offer better customer experiences to ensure long term success of the business.

In the Philippines, PCSO will introduce additional new digit games for its on-line lottery leasing segment, which will generate more excitement among punters and is anticipated to have a positive impact on revenue for Berjaya Sports Toto Berhad.



A Sports Toto outlet in Malaysia.

The Group's motor trading and distribution business is also rapidly expanding and is expected to continue to contribute positively towards the Group's growth and revenue. In the United Kingdom, the Group's subsidiary, H.R. Owen, is expected to drive the Group's business growth further. During the financial year under review, H.R. Owen completed its acquisition of the Bentley business in Hertfordshire to enhance its brand representation and operational synergies. The UK motor sector has been recording a healthy growth in the volume of cars sold, and the sale of luxury car brands is expected to remain strong.



The H.R. Owen Bentley dealership in Hertfordshire, United Kingdom.

CHAIRMAN'S STATEMENT



A KRR restaurant in Phnom Penh, Cambodia.



The Starbucks Drive-Thru outlet in Beribi, Brunei Darussalam.

The food and beverage industry in Malaysia has become increasingly competitive due to a wide variety of existing restaurants and the introduction of new food and beverage ventures into the market. Despite the moderating economic outlook, the Group will continue to persevere with its growth plans, with BStarbucks as the major revenue contributor for the Group. To advance future growth, the Group will continue its restaurant expansion strategy in local and overseas markets at potential locations with high consumer spending patterns.

Locally, the Group will open more new restaurants in the markets that the Group is operating in to strengthen its brand equity and market share. As at 30 April 2015, there are 100 Kenny Rogers Roasters ("KRR") restaurants nationwide, and the Group will continue its restaurant expansion plans, targeting new restaurants in secondary townships in the financial year 2016. The Group also has more than 190 Starbucks stores across the country, and plans to open more new stores during the year, including more drive-thru concept stores. The Group's other food franchise businesses, Papa John's Pizza, Wendy's, and Krispy Kreme Doughnuts will continue to promote sales through innovative marketing campaigns and digital media engagement to reach out to existing and new customers.

Overseas, the Group sees potential growth in the ASEAN region. It will continue to build the KRR brand in countries such as Indonesia, Cambodia and China, and increase its market share among the food and beverage players there. The Group is confident of Starbucks' growth prospects as the largest premium coffee chain in the country and will continue to expand its growth in neighbourhood countries such as Brunei Darussalam where there are already 3 Starbucks stores opened as at 30 April 2015. In the Philippines, the Group will continue to expand its Papa John's Pizza franchise. There are 18 restaurant-based pizza stores in Metro Manila in the financial year under review compared to 9 restaurants in the previous financial year.

In addition to store expansion, the Group's food and beverage businesses will continue its focus on human capital development and strengthen its internal productivity plans. They will also continue to improve on their innovative and reasonably priced menu offerings, leverage sales through dynamic marketing & promotion plans and loyalty programmes, and expand their customer bases through e-marketing and social media platforms.



Papa John's Pizza - Tuna Meltz.



Papa John's Pizza - Chicken Wings.



Wendy's - Single Mushroom Melt.



Wendy's - Twisted Oreo Frosty.

The Group's financial services arm, Inter-Pacific Securities Sdn Bhd expects to remain profitable for the current financial year ending 30 April 2016. Bursa Securities' trading volumes are expected to be sustainable at similar levels in the near and medium terms. Despite some uncertainty over the potential impact on consumer spending from the introduction of the GST, confidence levels were kept high by the expectation that the Government's Economic Transformation Programmes and the 11th Malaysia Plan will continue to drive the economy forward.

The Group will also continue to develop its environmental services business which comprise the award-winning Bukit Tagar Sanitary Landfill in Batang Berjuntai, Selangor, the sanitary landfills still under construction in Sungai Udang, Melaka, Teluk Mengkudu, Perak and Rimba Mas, Perlis, as well as wastewater and potable water treatment plants in various locations in China. The Group's future plans include securing more private waste customers to increase waste volume; improving on operational efficiency to achieve higher profit margin; exploring additional income streams from the existing businesses, and sourcing for new landfill projects.

Given the Group's diverse businesses and the current economic outlook, the Directors are of the view that the Group's performance will continue to remain challenging for the financial year ending 30 April 2016.

APPRECIATION

On behalf of the Board, I would like to express our most sincere thanks and appreciation to Mr Freddie Pang Hock Cheng who retired as Executive Director with effect from 31 March 2015, for his contributions and support for more than 20 years. Mr Pang continues to be a member of the Board and has been re-designated as a Non-Independent & Non-Executive Director of BCorp with effect from 1 April 2015.

We would also like to thank Mr Rayvin Tan Yeong Sheik who resigned from the Board effective 15 July 2015, for his contributions during his tenure as Executive Director of the Group.

To all our loyal customers, business partners, financiers, and regulatory authorities, I would like to thank them for their support and confidence in our Group.

To my fellow colleagues on the Board, I would like to express my sincere appreciation for your guidance and support, and I look forward to your continued active participation on the Board.

Our achievements and success in 2015 were made possible by the hard work and dedication of the management and staff of our various operating companies within the Group, and I would like to thank them for their commitment and efforts throughout the year.

DATO' SRI ROBIN TAN YEONG CHING
Chairman / Chief Executive Officer
3 September 2015



Bukit Tagar Sanitary Landfill, Selangor.



Berjaya Tioman Beach, Golf & Spa Resort, Pahang.

MANAGEMENT DISCUSSION & ANALYSIS

MARKETING OF CONSUMER PRODUCTS AND SERVICES

Cosway Corporation Berhad ("Cosway")

Cosway's business model is based on the 'free store' concept. Since its introduction in 2008, this unique business model has been replicated in 15 other countries worldwide, resulting in significant growth in sales. In Mainland China, 186 stores were opened during the financial year. In other markets, however, rationalization exercises were undertaken to close under-performing stores. These were replaced with virtual stores operating under an e-commerce platform. This new business strategy will enable Cosway to maintain its global business reach with substantially lower operating costs.

The expansion of Cosway's retail store chain in Mainland China from 147 stores in the previous financial year to 333 stores in the financial year under review had largely contributed to the improvement in the Group's overall sales performance, with revenue increasing 3.4% from RM1.21 billion in the previous financial year to RM1.26 billion in the financial year under review.

Cosway recorded a gross profit of RM524 million for the financial year under review as compared to RM539 million in the previous financial year. Gross profit margin for the year under review dropped to 41.7% as compared to 44.4% in the previous year, primarily due to the impact from aggressive stock clearance conducted prior to store closure in non-performing stores, especially in overseas countries.

Despite the drop in gross profit, Cosway's operating results showed an improvement from a loss of RM38.6 million in the previous financial year to an operating profit of RM30.9 million in the year under review due to a significant reduction in operating expenses as a result of store closures in non-performing locations.

With the inclusion of a fair value gain of RM3.4 million in investment properties, a significant increase of RM12.9 million from a fair value loss of RM9.5 million in the previous financial year, Cosway registered a pre-tax profit of RM21.2 million in the financial year under review, as compared to a loss before tax of RM60.3 million in the previous year.

The Group will continue with its expansion of retail stores in Mainland China which had consistently shown promising growth. In the other non-performing overseas markets where all the physical stores are closed, shoppers and members can access the global online mall, officially launched in May 2015, to order their Cosway products, with the products shipped directly to them from a centralized distribution location. The Group's global online mall, the new business driver, has shown promising response.

In Malaysia, the free stores continued to be a popular shopping destination for shoppers and members and have shown satisfactory performance. More aggressive promotional activities will be launched to boost store productivity. The free stores in both the Greater China market and in Malaysia are expected to continue to perform satisfactorily moving into the financial year 2016.

FINANCIAL SERVICES

Inter-Pacific Capital Sdn Bhd ("IPC")

The stock market succumbed to intermittent bouts of profit-taking during the past year. The FTSE Bursa Malaysia KLCI benchmark index hit its all-time high at 1,896.23 on 8th July 2014. It has yet to break to new highs since then. In the stock market, there was concern over potentially unanticipated implications of the fall in the Ringgit and this weighed on investor sentiments.



Cosway Pharmacy outlet in Berjaya Times Square, Kuala Lumpur.



Customer service counter at Inter-Pacific Securities' office in Berjaya Times Square, Kuala Lumpur.



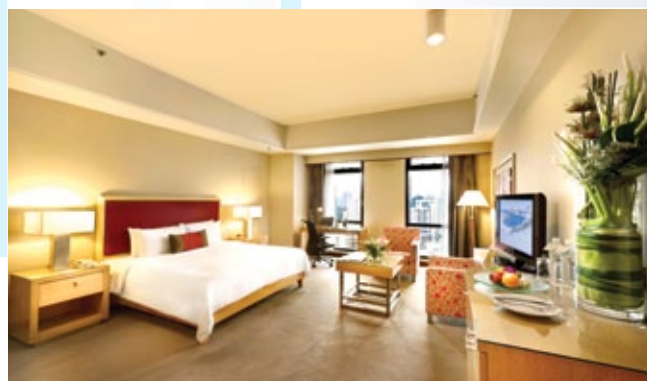
The Chateau Spa and Organic Wellness Resort, Berjaya Hills, Pahang - Salt Pool.

A spell of surprisingly encouraging performance by a fair number of small caps also laid the groundwork for an SME-led recovery in the economy. There is also a silver lining to the bout of Ringgit weakness as export-oriented companies have enjoyed a windfall of sorts. IPC believes that the ongoing pullback in the stock market is a welcome respite from the routine of relentless climbing equity valuations and the lull forms a sound base for the next round of inflows into equities drawn from value seeking investors who sat out the late stages of last year's rally. The overall value of transactions traded on Bursa Securities decreased by 7.1% to RM527 billion as compared to the traded value of RM567 billion in the previous financial year.

Despite the apparent significant increases in individual stock prices, the FBMKLCI closed at 1,818.27 points on 30 April 2015, a seemingly modest 2.8% decrease over the 1,871.52 points on 30 April 2014.

IPC recorded a pre-tax profit of RM13.9 million for the financial year under review compared to a pre-tax profit of RM28.5 million in the previous financial year. The reduction was mainly due to loss on fair value on investments of RM8.7 million, impairment on available-for-sale investments of RM4.3 million and impairment on investment in an associate of RM3.4 million. However, there was an increased brokerage income of RM1.2 million arising from the increase in trading volume on Bursa Securities and an improvement in IPC's market share from increased participation in the stock market by its retail clients. Conversely, the results of the previous year included a gain in fair value on investments of RM3.6 million less an impairment loss on other investments of RM2.1 million.

Operating revenue increased to RM56.7 million from RM55.0 million in the previous financial year, contributed mainly by the increase in brokerage income and placement fees. Operating expenditure was maintained at approximately the same level as in the previous year due to various measures to control costs.



Berjaya Times Square Hotel, Kuala Lumpur - Premier Studio.

Subsequent to the financial year end, IPC believes that currency market uncertainties will pass and that Malaysia's domestic fundamentals will ultimately prove resilient enough for the stock market to weather its short term tribulations. Unlike a good number of the austerity-constrained economies, Malaysia has installed a programme of infrastructure development that will keep the economy on an expansion path through this patch of slower global growth. A line-up of development projects will keep corporate Malaysians busy all through the 11th Malaysian Plan. Bursa Securities' trading volumes are expected to be sustainable at similar levels in the near and medium term. Barring any unforeseen circumstances, IPC expects to remain profitable for the current financial year ending 30 April 2016.

HOTELS AND RESORTS

Berjaya Hotels and Resorts Division ("BHR")

The Group owns and operates 17 hotels and resorts locally and internationally. For the financial year ended 30 April 2015, BHR recorded total gross revenue and pre-tax profit of RM299.5 million and RM10.7 million respectively compared to the total gross revenue and pre-tax profit of RM309.8 million and RM22.1 million in the previous financial year.

The decrease of 3.3% in total gross revenue was mainly due to the decline in demand in both the business and leisure travel markets especially in Malaysia during the second half of the financial year under review. This drop had a direct impact on BHR's pre-tax profits, which fell by 51.6%. Besides the lower total gross revenue earned during the financial year, the current pre-tax profit showed a significant decrease partly due to higher non-recurring non-operating income recognised in the previous financial year.

MANAGEMENT DISCUSSION & ANALYSIS



Castleton Hotel, London, United Kingdom.



Long Beach Resort, Phu Quoc, Vietnam.

During the second half of the financial year ended 30 April 2015, the drop in tourist arrivals to Malaysia especially from the Leisure FIT market segments of China, Australia, Japan and Singapore resulted in a 2.6 percentage point reduction in BHR's overall room occupancy levels to 55.2%. However, the Average Room Rate ("ARR") marginally increased by 1.7% compared to the previous financial year. The marginal growth in ARR was not enough to offset the reduction in occupancy levels which led the Revenue per Available Room ("RevPAR") to fall by 2.8% compared to the previous financial year.

HOTELS AND RESORTS IN MALAYSIA

The Group's Malaysia-based hotels and resorts are Berjaya Langkawi Resort, Berjaya Times Square Hotel, Kuala Lumpur, Piccolo Hotel Kuala Lumpur, Georgetown City Hotel Penang, Berjaya Tioman Resort, The Taaras Beach & Spa Resort, Redang, as well as Colmar Tropicale and The Chateau Spa & Organic Wellness Resort at Berjaya Hills.

Overall, the Malaysian-based properties were generally affected by the lower demand from the business and leisure travel markets during the second half of the financial year ended 30 April 2015, especially from China, Japan, Australia, Singapore and Malaysia. As a result, the overall room occupancy levels of BHR's Malaysian-based properties were down by 3.2 percentage point to 54.7%. However, the ARR remained strong and showed a marginal improvement of 1.5%. The marginal growth in ARR was however, not sufficient enough to mitigate the reduction in the occupancy level which resulted in the RevPAR decreasing 4.2% to RM166. With the decreased rooms and food and beverage businesses, the total gross revenue for the financial year under review decreased by 4.1% to RM238.5 million from RM248.6 million in the previous financial year.

With the lower total gross revenue compounded by the higher direct operating and overhead costs, the Malaysian-based properties recorded a decrease in pre-tax profit of RM7.3 million compared to RM17.4 million in the previous financial year.

HOTELS & RESORTS OVERSEAS

For the financial year under review, the total gross revenue for the Group's overseas properties was impacted by significantly lower contribution from both Berjaya Beau Vallon Bay Resort & Casino ("BBVB") and Berjaya Praslin Resort ("BPR") due to the negative effects of the slowdown in visitor arrivals from its key markets of Europe, America and the Middle East. Nevertheless, this was mitigated by an improvement in the operating results of Berjaya Hotel Colombo, Sri Lanka; Berjaya Eden Park, London; and the newly acquired hotel – Castleton Hotel, London.

The mixed performance of the rooms demand in the various overseas properties allowed the overall occupancy levels to remain at 57.0% i.e. at the same level of the previous financial year. Generally, there was an increase in room night bookings from the Transient FIT and Leisure Group market segments. However, this increase was not enough to reverse a large reduction in the demand of the Leisure FIT, corporate meeting group and long stay market segments in BBVB, Seychelles.

Overall, the total gross revenue for the Group's overseas properties for the financial year ended 30 April 2015 decreased marginally to RM60.9 million from RM61.1 million in the last financial year. Pre-tax profit declined by 40.0% to RM3.0 million against RM5.0 million in the previous financial year. The lower pre-tax profit was mainly due to the increase in direct operating and overheads costs, especially from the Group's properties in Seychelles.

CLUBS AND RECREATION

Clubs and Recreation Division (“The Clubs”)

The Clubs operates six golf clubs and one equestrian club located in the Klang Valley, Nilai, Negeri Sembilan, Batu Pahat, Johor and Berjaya Hills, Pahang. Golf and equestrian are the core activities provided by The Clubs supported by other services such as sports facilities, dining outlets as well as banqueting facilities and event space.

The Clubs has a total of 18,602 members, of which 9,716 are golf memberships and 8,886 are non-golf memberships.

The Clubs' revenue for the financial year ended 30 April 2015 increased by 12.0% to RM69.9 million from RM62.4 million in the previous financial year. The higher revenue posted resulted from the recognition of advance license fee income from terminated memberships and increase in monthly subscription fee effective August 2014.

With the improvement in revenue and lower operating and overhead expenditure, The Clubs managed to register a pre-tax profit of RM6.0 million against the pre-tax loss of RM0.6 million incurred in the previous financial year.

The financial year ending 2016 will remain competitive and challenging for the recreation club industry. With its solid membership base and continuous upgrading exercise, The Clubs is expected to maintain its operating performance.

VACATION TIME SHARE

Berjaya Vacation Clubs Berhad (“BVC”)

BVC operates and manages a vacation membership scheme which provides and coordinates holiday

accommodation packages at holiday resorts in Malaysia. Through the affiliation with Resort Condominiums International, BVC also offers accommodation packages at more than 4,000 resorts in over 100 countries spanning Asia, Europe, the Middle East and Africa, among others.

BVC reported an increase in revenue to RM10.78 million for the financial year under review from RM9.45 million in the previous financial year mainly due to higher lease rental income.

Operating profit decreased slightly to RM4.49 million for the financial year under review from RM4.74 million in the previous financial year due to the reduction in the recognition of advance license fee as the rate of membership termination had reduced.

The timeshare industry in Malaysia has generally reached its maturity stage with no major changes or new players coming into the industry. Barring any unforeseen circumstances, the timeshare segment is expected to maintain its operating performance.

PROPERTY DEVELOPMENT

For the financial year under review, the Property Division reported a revenue of RM541.6 million, mainly contributed by the higher sales volume from the corporate suites at Menara Bangkok Bank and The Ritz-Carlton Residences at Berjaya Central Park, as well as the sales generated from the Division's projects at Bukit Jalil, Kuala Lumpur, namely The Link 2 and KM1 East, Trade Point at Berjaya Park, Shah Alam, and Jesselton Villas in Penang.

Launched in the fourth quarter of 2013, Phase 1 of The Link 2, the Group's first mixed development project, has received positive response with Block A comprising 221 condo units



Staffield Country Resort, Negeri Sembilan.



Artist impression of The Link 2 Shops, Bukit Jalil, Kuala Lumpur.

MANAGEMENT DISCUSSION & ANALYSIS

sold out after its launch. The take-up of the 316 units of condo at Block B, 22 units of 4-storey and 6-storey shops and the 179 units of shophouses have also been encouraging with 71% sales recorded to date.

Meanwhile, Phase 2 of The Link 2 which features 12 units of 4-storey and 6-storey shops, 260 units of retail outlets and kiosks spread over 5 levels of the street mall, and 3 blocks of service apartment suites with a total of 621 units of 3 bedroom types, is expected to be unveiled to the market in the fourth quarter of 2015. The project has an estimated Gross Development Value ("GDV") of RM812.5 million.

At the same locality, the KM1 East high-rise condo is 98% sold while approximately 63% of the 24 units of exclusive KM1 East Condo Villa have been sold as of 30 April 2015. The construction of the project is expected to be completed by the first quarter of 2016.

Also in the pipeline within Bukit Jalil is KM2, a high-end luxurious condominium project to be developed over a land area of 12.24 acres. Targeted at the urban market with a demand for a premium contemporary lifestyle, KM2 is expected to be unveiled to the market in 2017 with a total estimated GDV of RM1.1 billion.

During the financial year under review, Phase 2 and 3 of Trade Point at Berjaya Park, Shah Alam were handed over to the purchasers, while construction of the final phase with 34 units of 3-storey shop offices is expected to be completed by the fourth quarter of 2015. All units in the last phase have been sold.

In May 2015, the Property Division launched Akasia at Berjaya Park, Shah Alam, comprising 220 units of 3-bedroom apartments with a total sales value of approximately RM63.0 million. The project has been fully sold.



Trade Point at Berjaya Park, Shah Alam, Selangor.

In Penang, the upscale 58-acre Jesselton Villas comprising exclusive freehold bungalow lots, each measuring between 5,000 to 10,000 square feet and located within lush greenery next to the Penang Turf Club, has garnered a lot of interest from potential buyers. To date, the project has generated a total sales of RM127.0 million.

The Property Division's first commercial project comprising corporate suites at Menara Bangkok Bank, Berjaya Central Park has been completed. To date, the project has generated total sales of RM462.0 million. This block of Grade A premium offices with green building certification by Singapore's BCA Green Mark Gold Certification have been handed over to purchasers.

The take-up rate of the 287 luxurious and prestigious residence suites at The Ritz-Carlton Residences, Kuala Lumpur has been gradually improving with the Division's various sales and marketing initiatives both locally and abroad. Launched in the second quarter of 2014, this elite residential project is expected to generate total sales amounting to RM1.17 billion. Set on a prime location at



Artist impression of The Ritz-Carlton Residences Kuala Lumpur - grand entrance.



Artist impression of Jesselton Villas, Penang - park view.



KM1 East, Bukit Jalil, Kuala Lumpur - construction in progress.

the heart of Kuala Lumpur and just minutes away from the iconic Petronas Twin Towers and Menara Kuala Lumpur, The Ritz-Carlton Residences offers residents an unsurpassed superior standard of living with opulent finishing, a broad spectrum of exceptional facilities and personalised service excellence. Its units range from the one bedroom unit at 1,023 square feet to the penthouse at 4,284 square feet. Currently, sub-structural work has been fully completed, while the architectural work is up to 60% in completion. Upon completion in mid-2016, the residences will be managed to the exceptional standard of The Ritz-Carlton brand.

In Jeju, South Korea, Phase 1 of Gotjawal Village, Jeju Airst City comprising high-end seaside Maison and trendy Market Walk, is developed on part of the vast 183-acre award-winning integrated resort project on the beautiful southern coast of Jeju Island and has reached 60% of its scheduled completion.



Artist impression of The Four Seasons Hotel in Kyoto, Japan.

Over in Hebei, People's Republic of China, the installation of equipment for the 3 indoor theme parks as well as the interior design works for the Great Mall of China is currently in progress. Marketing activities for the leasing of the four levels of retail space totalling 1.4 million square feet has commenced. The retail mall and theme parks are scheduled for opening in the third and fourth quarter of 2016 respectively.

The luxurious Four Seasons Hotel project in Kyoto, Japan is progressing on schedule as well. Currently, the substructure works have reached 32% completion. Upon its completion and scheduled opening in the third quarter of 2016, this luxury hotel will house 123 rooms and 56 long stay units built with a combination of modern and traditional Japanese design.

The property market is anticipated to be challenging in the year ahead as the cost of doing business escalates due to increase in building material cost and shortage of labour, stricter lending policy, withdrawal of Developers Interest Bearing Scheme ("DIBS"), increase in the pricing threshold for foreign ownership of property and the impact of the Goods and Services Tax ("GST"). The implementation of the GST will pose a great challenge as its spillover effect will result in an increase of property prices as the cost of construction rises. The property market is further dampened by the weakening of the Malaysian Ringgit.

Against this scenario, the Property Division is mindful of the challenges and will continuously innovate to remain relevant and responsive to market needs. The Property Division is cautiously optimistic that its development projects in the much sought-after locations of Bukit Jalil and around the Klang Valley will be well-received and will continue to contribute positively to the overall revenue of the Group.

MANAGEMENT DISCUSSION & ANALYSIS



Plaza Berjaya, Kuala Lumpur.



A Sports Toto draw in progress.

PROPERTY INVESTMENT

The Property Investment Division ("PI Division") owns 4 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Wisma Cosway, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur and Berjaya Megamall, Kuantan. Collectively, these properties achieved an average occupancy rate of 90% during the financial year under review as compared to 91% in the previous financial year.

The PI Division increased its revenue to RM39.6 million from RM37.8 million in the previous financial year due to the increased rental rates upon renewal of tenancy agreements.

Profit before tax increased to RM26.2 million from RM24.1 million in the previous financial year, while profit after tax increased to RM21.6 million from RM12.1 million mainly attributed to higher rental income and fair value gain on investment properties.

The Group's complexes in Kuala Lumpur are expected to remain resilient despite stiff competition from the growing number of complexes in the Klang Valley. With their strategic locations within the Kuala Lumpur city centre and easy accessibility, the Group's complexes will continue to perform well. The Group's complexes will aggressively continue to promote themselves in an effort to strengthen their presence in the market place.

GAMING

The toto betting and related activities business segment of the Group is operated via Berjaya Sports Toto Berhad ("BToto"). BToto is principally engaged in the operations of Toto betting, leasing of online lottery equipment, and the manufacture and distribution of computerised lottery and voting systems. BToto has four main operating subsidiary companies, namely Sports Toto Malaysia Sdn Bhd, International Lottery & Totalizator Systems, Inc., Berjaya Philippines Inc. and H.R. Owen Plc.

Malaysia

Sports Toto Malaysia Sdn Bhd ("Sports Toto"), the principal operating subsidiary of BToto, operates approximately 680 outlets across the country, offering 7 games namely Toto 4D and Toto 4D Jackpot, Toto 5D, Toto 6D, Power Toto 6/55, Supreme Toto 6/58 and Grand Toto 6/63 which are drawn three days in a week. Grand Toto 6/63 was introduced on 19 March 2015 to replace Mega Toto 6/52.

For the financial year ended 30 April 2015, Sports Toto recorded a revenue of RM3.23 billion compared to the previous year's revenue of RM3.38 billion. The decrease of 4.4% in revenue was attributable to the challenging economic and regulatory environment coupled with fewer draws during the financial year under review. Despite this, Sports Toto continued to remain as the market leader among all the Number Forecast Operators ("NFO") in the country in terms of total revenue for the financial year under review.

Pre-tax profit decreased by 4.0% to RM477.2 million compared to RM497.3 million in the previous financial year. The lower profit before tax was mainly due to higher operating expenses which was mitigated by a lower prize payout in the financial year under review.

Profit after tax recorded a decrease of 6.5% to RM338.1 million compared to RM361.6 million in the previous financial year. The lower profit after tax margin of 10.5% compared to 10.7% in the previous financial year was mainly due to a marginally higher effective tax at 29.2% compared to the previous financial year's 27.3%.

With rising costs weighing down on domestic consumer spending and the GST implementation with effect from 1 April 2015, the NFO business is expected to be challenging in the financial year ending 30 April 2016. However, it is expected that the Group would maintain its market share in the NFO sector.



A lotto outlet in the Philippines.

Philippines

BToto operates in the Philippines through its subsidiary, Berjaya Philippines Inc. ("BPI") listed on the Philippine Stock Exchange. Its wholly-owned subsidiary company, Philippine Gaming Management Corporation ("PGMC"), is involved in the business of leasing online lottery equipment and providing software support for the Philippine Charity Sweepstakes Office ("PCSO"), a Philippine government agency responsible for lottery and sweepstakes in the Luzon Region.

PGMC recorded a revenue of Peso1.61 billion, a decrease of 6.4% from Peso1.72 billion in the previous financial year due to lower lease rental income earned as a result of a decrease in sales by PCSO during the financial year under review. It is envisaged that the new lotto game, UltraLotto 6/58 which was introduced by PCSO in February 2015, would generate more excitement and fun within the lotto categories to attract more betting customers and sales.

PGMC's pre-tax profit decreased by 6.0% to Peso958.7 million compared to Peso1.02 billion in the previous financial year mainly due to a lower lease rental income earned during the financial year under review.



ILTS equipment in the USA.

Moving forward, PCSO is expected to introduce new games which will bring about more excitement to the betting customers and contribute towards increased sales.

The United States of America

In the United States, BToto's subsidiary, International Lottery & Totalizator Systems Inc. ("ILTS") provides computerized wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide. ILTS also has a voting business segment operated through Unisyn Voting Solutions Inc. ("Unisyn") which develops and markets the OpenElect@ digital optical scan election system to election jurisdictions. The OpenElect@ election system is the only digital optical scan voting system built with Java on a streamlined and hardened Linux platform, and Unisyn became the first U.S. voting company to receive the U.S. 2005 Voluntary Voting System Guidelines ("VVSG") certification from the United States Election Assistance Commission for its OpenElect@ election system in January 2010.

ILTS recorded a revenue of USD7.1 million for the financial year under review compared to USD22.7 million in the previous financial year. The significantly lower revenue was primarily due to the completion of the lottery product and hardware component sales related to the gaming and totalizator industries in the previous financial year. The decrease was partially offset by increased licensing and service revenues.

ILTS reported pre-tax loss of USD1.2 million compared to pre-tax profit of USD4.9 million in the previous financial year primarily due to decreased sales volume.

ILTS will continue to explore new and emerging technologies based on the current industry developments with the intention of increasing its market share, staying competitive, and exploring new markets where its core competencies can be applied.

MOTOR TRADING AND DISTRIBUTION

H.R. Owen Plc. ("H.R. Owen")

In the United Kingdom, H.R. Owen, a luxury motor retailer, operates a number of vehicle dealerships, for both sales and aftersales, in the prestige and specialist car market, predominantly in the London area.

H.R. Owen recorded revenue of £349.8 million in the financial year under review compared to £144.0 million in the comparative six-month period ended 30 April 2014, due to the increase in the number of new and pre-owned prestige cars as well as service hours sold during the financial year under review.

MANAGEMENT DISCUSSION & ANALYSIS



The Bugatti Veyron Legend and the Lamborghini Huracan distributed by H.R. Owen in the United Kingdom.

H.R. Owen's pre-tax profit for the financial year ended 30 April 2015 was £4.0 million compared to £2.4 million in the comparative six-month period ended 30 April 2014, due to higher revenue arising from higher number of prestige cars and service hours sold which was offset by higher operating expenses during the financial year under review.

China Car Division

The China Car Division is held under Berjaya China Motor Sdn Bhd that encompasses the vehicles brought in by Changan Berjaya Auto Sdn Bhd ("CBA") and via its 85%-owned subsidiary, Berjaya Brilliance Auto Sdn Bhd ("BBA"). The China Car Division distributes Changan, Jinbei, Foton and Dong Feng vehicles and operates after sales service centers through own branch and third party dealers in Malaysia.

CBA currently distributes the ERA Star Pick-up SC1022 commercial vehicle targeting petty traders and the Small & Medium Enterprise (SME) market in association with the distribution of Changan International Corporation vehicles from China.

BBA currently distributes two ERA Jinbei commercial van models, namely the ERA Jinbei and the ERA Jinbei H2L with a few variants in association with the distribution of Shenyang Brilliance Jinbei Automobile Co. Ltd vehicles from China.

The China Car Division registered a 45.8% increase in revenue to RM36.10 million in this financial year as compared to RM24.76 million in the previous financial year mainly due to higher sales recorded for the ERA Star Pick-up truck in the financial year under review.

The ERA Star Pick-up model continued to receive good response since it was first sold in September 2011. Sales volume increased from 370 units in the previous financial year to 562 units in this financial year under review.

Operating profit increased to RM2.03 million in the financial year under review from RM0.45 million in the previous financial year, mainly due to the higher revenue and lower finance costs.

Profit before tax was RM2.57 million compared to a loss of RM0.58 million in the previous financial year, mainly due to higher sales recorded for the ERA Star Pick-up truck in the financial year under review.



The ERA Star Pick-up truck.



ERA Jinbei H2L commercial van.



Berjaya UCH's hospitality courses provide students with an interactive experiential learning experience.

The China Car Division will continue to improve with the support given by the Principal Manufacturers from China. The Division will introduce new models in the foreseeable future to complement its current range of products.

The China Car Division will continue to build a reputation for distributing quality, reliable and affordable vehicles and provide excellent aftersales service to distinguish itself from other China Car Distributors in Malaysia. It will expand its sales and service network to cover all major cities in Malaysia, thus enabling it to provide better customer service, and in turn, achieve better customer satisfaction.

EDUCATION

Berjaya Higher Education Sdn Bhd ("BHE")

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

BHE's revenue increased by 11.8% to RM23.6 million from RM21.1 million in the previous financial year. This was mainly due to increased revenue from its Korean study tours and the recovery of 70% of scholarship funds amounting to RM700,000 provided by Philippine Gaming Management Corporation for the first batch of Filipino students. Correspondingly, BHE's loss before tax was reduced by 12.8% from RM7.8 million to RM6.8 million.

Moving forward, BHE will focus on enhancing its marketing strategies to increase its market share in Malaysia. BHE also plans to introduce new undergraduate programmes such as the Bachelor of Accounting (Hons), Bachelor of Accounting & Finance (Hons), and Bachelor of Finance & Investment Management (Hons).



Starbucks' festive promotions included the Christmas Pineapple Tarts.

BHE is also continuously improving its systems, business processes, and policies in its efforts to achieve academic quality excellence in line with the standards set by the Malaysian Qualifications Agency for Malaysian institutions of higher education. To this end, Berjaya UCH aims to obtain accreditation from SETARA (Rating system to assess the quality of teaching for Malaysian institutions of higher education) and MyRA (Malaysian Research Assessment Instrument).

With the consistent growth and potential of the education market, BHE is confident that it will continue to improve on its performance in the financial year 2016.

FOOD & BEVERAGE

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")

BStarbucks was incorporated in Malaysia on 7 May 1998 under the name of Berjaya Coffee Company (M) Sdn Bhd and assumed its present name on 16 September 2004. BStarbucks became a 100%-owned subsidiary of the Group with effect from 18 September 2014. BStarbucks currently has more than 190 stores across Malaysia.

BStarbucks registered an increase in revenue from RM301.4 million in the previous financial year to RM346.5 million for the financial year ended 30 April 2015 mainly due to store expansion from 170 stores to 193 stores.

The Starbucks Loyalty card programme continued to register a strong card transaction usage of 44%, contributing to a total of RM153.6 million as compared to the previous year's total of RM139.9 million. The launch of the special limited edition Starbucks Sterling Card and other new designs contributed to the strong card usage.

MANAGEMENT DISCUSSION & ANALYSIS



Local celebrities helped to launch the KRR Card in January 2015.



A KRR outlet in AEON Mall, BSD City, Indonesia.

Profit before tax increased to RM52.6 million for the year under review compared to RM50 million in the previous financial year. The increase in profit before tax was attributed to its ongoing cost management strategy.

BStarbucks continues to strive to maintain high growth by targeting to open another 25 new stores including drive-thru concept stores which have proven to be very successful. The unique store design and concept will continue to be the main focus to strengthen the brand as the market leader of a premium coffee beverage.

BStarbucks will improve its menu with more innovative food and beverage product offerings to resonate with customer demand. It will continue to focus on its Starbucks Card, introducing innovative card designs and programmes to drive loyalty and spending frequency. It will also continue its engagement on digital platforms such as mobile apps and social media to increase brand affiliation and connectivity with customers.

Apart from marketing and promotions, it will continue to focus on its human capital development such as its hiring and retention strategy, training strategy and employer branding as part of the company's overall growth strategy.

Berjaya Roasters (M) Sdn Bhd ("BRoasters")

BRoasters is a wholly owned subsidiary of Berjaya Food Berhad ("BFood"). Incorporated in 1994, BRoasters is the master franchisee for the Kenny Rogers Roasters ("KRR") chain of restaurants across Malaysia.

BRoasters added 13 new restaurants in the financial year under review. As at 30 April 2015, BRoasters has a total of 100 KRR restaurants across Malaysia.

Revenue for BRoasters increased to RM101.9 million from RM96.0 million in the previous financial year. The increase in sales was mainly due to the additional revenue contribution from the opening of 13 new restaurants during the year.

BRoasters' profit before tax decreased to RM9.5 million from RM12.1 million in the previous financial year due to an increase in operating expenses and depreciation, reduction in interest income and also impairment of certain property, plant and equipment during the year.

BRoasters will continue with its chain expansion strategy to open more restaurants, especially in secondary townships. Besides the chain expansion plan, BRoasters will introduce a new range of grill offerings and lunch, dinner and weekend meal packages and lower entry price meals to its menu. To encourage consumer spending, BRoasters will offer promotions at a lower price and promote usage of the KRR reload card. It will also focus on e-marketing to target teenagers and young working adults.

PT Boga Lestari Sentosa ("PT Boga")

PT Boga in Indonesia was incorporated in June 2006 to manage the development and operation of the KRR chain of restaurants in Java Island. PT Boga is currently operating 27 KRR restaurants across Indonesia in Surabaya, Medan, Jakarta, Tangerang, Bogor, Bekasi and Cirebon.

PT Boga registered a revenue increase of 7.3% from RM12.4 million in the previous financial year to RM13.3 million in the financial year ended 30 April 2015. The increase was mainly due to the opening of 3 new restaurants during the financial year.

Loss before tax increased to RM14.3 million for the financial year ended 30 April 2015 compared to RM5.5 million loss in the previous financial year. The increase was mainly due to higher imported food cost resulting from the appreciation of the US Dollar, higher operating costs, as well as impairment and write off of certain property, plant and equipment.

PT Boga aims to reduce its non-profitable restaurants and focus on reducing controllable expenses. It will introduce new menus with more variety as well as strengthen its marketing and promotion strategies.

Jollibean Foods Pte Ltd ("Jollibean Foods")

Jollibean Foods holds the sole and exclusive worldwide rights to develop, operate and manage all outlets, stalls and kiosks under the brand name of "Jollibean", "Sushi Deli", and "Kopi Alley".

Jollibean Foods has 48 outlets in Singapore and is looking to spread its wings further by expanding to overseas markets in the near future.

Jollibean Foods recorded revenue of S\$14.5 million compared to S\$14.7 million in the previous financial year. The slight decrease was primarily due to softer demand and new competitors.

Jollibean Foods recorded a loss before tax of S\$0.08 million compared to profit before tax of S\$0.8 million last year. The loss was primarily due to lower sales, new outlets with higher rents not achieving the minimum sales projection, rising manpower cost, higher depreciation due to capital expenditure on new outlets and refurbishment of one existing outlet.

Jollibean Foods will continue to increase productivity and efficiency through automation of processes. It will also explore distribution opportunities to increase revenue.



A Jollibean outlet in Junction 8 Shopping Centre, Singapore.

It plans to strengthen its internal processes to improve staff efficiency and increase manpower utilization. It has recently started a partial self-service outlet to enhance customer engagement and to ease labour shortage.

Jollibean Foods will continue to strengthen its brand name in Singapore and will be looking out for suitable franchisees to go beyond Singapore. It will strive to stay relevant amidst changing market conditions in all aspects of its business ranging from store design, presentation, and research and development to bring innovative ways of consuming soy products to its customers. Jollibean Foods is also committed to ethical and environmentally conscious practices.

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

RAP is the holding company of KRR International Corp, which holds the worldwide franchise rights for the KRR brand. RAP is a wholly owned subsidiary of BCorp.

For the financial year ended 30 April 2015, RAP's revenue decreased by 9.0% compared with the previous financial year. As at 30 April 2015, there are currently 193 KRR stores operating worldwide as compared to 174 stores in 2014.

RAP will continue to expand its store growth and is currently exploring new store openings in countries such as Myanmar and Sri Lanka. Over the years, RAP was able to find a niche within the food and beverage industry, and it is within this niche that RAP will continue to increase its brand presence and remain competitive.

Kenny Rogers Roasters Catering (Shenzhen) Company Limited ("KRR SZ")

KRR SZ was established in March 2011 to set up and operate the KRR chain of stores in the People's Republic of China. Its head office is located in Futian District in Shenzhen.



A KRR restaurant in Wanda Plaza, Jinshan, Shanghai, People's Republic of China.

MANAGEMENT DISCUSSION & ANALYSIS



Papa John's Pizza - Mediterranean Seafood Pizza.



A Papa John's Pizza outlet in the Philippines.

For the financial year under review, KRR SZ recorded an increase in revenue of RMB2.73 million or 25.6%, mainly due to the increase in the number of stores operating in the financial year under review. As of 30 April 2015, KRR SZ has a total of 9 stores in operation.

China will continue its dynamic growth into the next decade with the Chinese enjoying higher income and an improved lifestyle where Western casual dining has become increasingly popular. KRR SZ plans to open 8 to 10 new stores at strategic locations in Southern and Eastern China in the financial year 2016. Having built the KRR brand awareness and visibility for the past three years, KRR SZ is confident of its growth prospects in China. It will continue to promote the KRR brand through aggressive marketing and promotional strategies, including leveraging on digital media to reach out to its target audience. It will also launch the KRR VIP Card to increase brand loyalty and repeat visits.

Berjaya Papa John's Pizza Sdn Bhd ("BPJP")

BPJP opened its first restaurant in Berjaya Times Square on 8 January 2009. Since then, BPJP has opened a total of 27 stores in the Klang Valley, Ipoh and Melaka.



Wendy's widened its customer reach through e-marketing promotions.

For the financial year ended 30 April 2015, BPJP recorded a revenue of RM21.3 million, an increase of 11.5% from RM19.1 million in the previous year, with 6 new stores opened during the year. BPJP had recorded a loss in the financial year under review due to the start-up costs of opening new stores.

BPJP is operating in a very challenging environment where stronger competitors have a longer history and larger market share. In order to compete with the other pizza chains in the market, BPJP plans to increase market share and gain a wider customer reach through increasing its advertising and promotion campaigns to generate new and repeat customer visits, strengthening its menu offerings, as well as leveraging on online and social media to increase its brand awareness.

Berjaya Pizza (Philippines), Inc ("BPP")

In the Philippines, BPP recorded a 5.0% improvement in revenue for the financial year under review mainly due to sales growth generated from the opening of 9 new stores. BPP currently has 18 Papa John's restaurants in the Metro Manila area. Loss before tax decreased by 14.0% mainly attributed to the significant reduction in operating expenses.

BPP will continue its strategy to work out a turnaround plan for its existing stores and build transaction counts with the objective of becoming profitable by the financial year 2017. It also aims to increase its brand recognition and become a brand of choice within the saturated food and beverage market in the Philippines. In order to achieve its objectives, BPP will focus on increasing its brand awareness and market share through aggressive marketing and promotions strategies, leveraging on digital media to extend customer reach, as well as improving its menu offerings. It will also strengthen its human capital through training & development programmes and employee retention incentives.

Wen Berjaya Sdn Bhd ("Wen Berjaya")

For the financial year ended 30 April 2015, Wen Berjaya recorded a revenue of RM14.8 million, an increase of 6.5% compared to RM13.9 million in the previous financial year.

During the financial year under review, Wen Berjaya launched numerous new products such as the Rendang Burger, the Pretzel Burger and the Hawaiian Chicken Burger, and re-introduced some of its best-selling burgers, such as the Pizzario Burger and the Chicken Sizzler. Wen Berjaya also introduced a new Breakfast menu and the Real Meal Deal (RMD) offers, as well as side items such as Onion Rings, Cendol Frosty, Curly Fries and Butter Corn Shaker Fries. The introduction of the new menu items helped to increase Wen Berjaya's market reach, and created more awareness for the Wendy's brand.

Moving into the financial year 2016, Wen Berjaya will continue to increase its revenue and market share by introducing new and innovative products as well as promote exciting offers through aggressive marketing campaigns. It will also leverage on social media to increase its brand presence and draw interest towards its menu offerings.

ENVIRONMENTAL AND CLEAN TECHNOLOGY SERVICES

KUB-Berjaya Enviro Sdn Bhd ("KBE")

KBE is principally engaged in the treatment of solid waste, involving, amongst others, the development, design, construction, operation, management and maintenance of sanitary landfills and construction activities. KBE manages

and operates the Bukit Tagar Sanitary Landfill ("BTSL") under a long-term agreement with the Government. BTSL currently receives an average of approximately 2,600 tonnes of municipal solid waste per day from Kuala Lumpur and the Selayang District in the state of Selangor. BTSL is located approximately 50km from Kuala Lumpur and is accessible from the North-South Expressway through the purpose-built Bukit Tagar interchange.

KBE has also developed a landfill gas management system to undertake proper management and treatment of methane gas produced from the landfill. KBE derives further commercial value from the landfill gas management system by generating additional revenue through partaking in the Clean Development Mechanism ("CDM") scheme under the Kyoto Protocol of the United Nations Framework Convention on Climate Change ("UNFCCC"), enabling KBE to earn carbon credits by reducing its carbon footprint. Under this scheme, landfill gas is channelled into gas flares which principally flare off the methane, thus earning carbon credits from the UNFCCC Secretariat. The carbon credits are subsequently sold to other CDM participants. KBE also derives revenue through the supply of green energy to the national grid, Tenaga Nasional Berhad ("TNB"). Methane is used to run the gas engine to produce electricity, which is sold to TNB under the Feed-in Tariff scheme. To this end, a 100%-owned subsidiary, KUB-Berjaya Energy Sdn Bhd, was incorporated in 2006.

For the financial year ended 30 April 2015, KBE recorded a 7.7% increase in revenue to RM47.3 million from RM43.9 million in the previous financial year. The higher revenue was primarily due to increase in tipping fee and higher waste tonnage received from DBKL.



Aerial view of the leachate treatment plant at the Bukit Tagar sanitary landfill, Selangor.

MANAGEMENT DISCUSSION & ANALYSIS



Sanitary landfill project in Sanshui District, Foshan City, Guangdong Province, People's Republic of China.



The Jinben Wastewater Treatment Plant in Sanshui District, Foshan City, Guangdong Province, People's Republic of China.

Profit before tax declined by 31.1% to RM17.3 million from RM25.1 million in the previous financial year as there was no CDM claim for the financial year under review while CDM claims amounting to 227,546 CERs (RM9.6 million) were recognised in the previous financial year.

KBE's future plans include securing more private waste customers to increase waste volume; improving on operational efficiency to achieve higher profit margin; exploring additional income streams from the existing business, and sourcing for new landfill projects.

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

BEE was awarded a 28-year concession for a build-operate-transfer sanitary landfill project in Sanshui District, Foshan City, Guangdong Province, People's Republic of China. Commencing business on 1 July 2011, BEE's main revenue was generated from the waste tipping fee paid by the Sanshui District Government for the disposal of collected solid waste. BEE was awarded the Guangdong Provincial 1st Class Sanitary Landfill Award in August 2012, and in February 2013, the China National 1st Class Sanitary Landfill Award.

BEE registered a revenue of RMB17.75 million for the financial year under review, an increase of 12.32% from the previous year due to higher volume of waste delivered by the Sanshui District Government at the sanitary landfill. The total waste tonnage had increased from 138,470 tonnes per annum in 2014 to 157,382 tonnes per annum in 2015, serving a population of approximately 650,000 in Sanshui

District. The waste volume is expected to increase in the next few years due to rapid urbanization and development coupled with a lack of proper waste disposal facilities in the region.

The increase in revenue also resulted in an increase in gross profit to RMB14.91 million as compared to RMB13.80 million in the previous year. Profit before tax also increased correspondingly to RMB5.62 million from RMB4.13 million in the previous year.

On 30 June 2015, BCorp entered into a Share Transfer Agreement with Foshan City Nanhai Grandblue Solid Waste Treatment Holding Co. Ltd. for the disposal of its entire 100% equity interest in BEE for a cash consideration of RMB126.75 million (about RM76.68 million). BEE will cease as a subsidiary of BCorp upon completion of the proposed disposal which is expected to be by the 4th quarter of the 2015 calendar year.

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

The principal activity of BGREE is to undertake a 25-year wastewater treatment plant concession for the Chinese Government on a build, operate and transfer (BOT) basis, with an associated pipelines project in Jinben Industrial Park, Xinan Sub-district, Sanshui District, Foshan City, Guangdong Province, People's Republic of China.

The Jinben Wastewater Treatment Plant is constructed to treat industrial wastewater generated by the beverages factories located within the Jinben Industrial Park.

Construction of the plant was completed in November 2014 and is currently in the full plant testing & commissioning stage. The Jinben Wastewater Treatment developed by BGREE adopts advanced Anaerobic-Anoxic-Oxic (A2O) process to treat the industrial wastewater and effluent treated by the Plant meets the Discharged Standard 1A as requested by the District Department of Environment. The Project will receive its commercial operation licence in June 2015.

No revenue was recorded for the financial year ended 30 April 2015 as the plant was still under construction and commissioning.

With the commencement of commercial operation in June 2015, the project is expected to be profitable from 2016 onwards. The Company is also assessing potential income sources by adding a tertiary water treatment system to produce and supply recycled water to the steam production plant in the industrial park.

Dragon Spring Group ("DSG")

DSG operates two water treatment plants and one wastewater treatment plant in the People's Republic of China.

For the financial year ended 2015, DSG China operations recorded an increase in revenue to RMB109.0 million from RMB104.4 million in the last financial year. Net profit increased 36.9% to RMB33.4 million from RMB24.40 million. The water volumes for all three operations continued to grow during the year. Together with lower operating costs including bank interests, DSG's net profit improved from the previous financial year.

DSG expects its China utilities to maintain its operating performance, albeit with slower growth in revenue and profitability, due to the projected slowdown in the industrial sectors. It expects its bank interest and cost of funding to decrease with planned repayments and lower bank rates in China.



Secondary sedimentation tank of the DSG Taian Sewage Treatment Plant in the People's Republic of China.

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures
as at 1 September 2015

BERJAYA CORPORATION BERHAD

| CONSUMER MARKETING, DIRECT SELLING & RETAIL, AND MOTOR DISTRIBUTION | ENVIRONMENTAL SERVICES, INVESTMENT HOLDING & OTHERS | FOOD & BEVERAGE | FINANCIAL SERVICES AND GAMING & LOTTERY MANAGEMENT |
|---|--|---|--|
| 100% Cosway (M) Sdn Bhd | 100% Berjaya Group (Cayman) Limited | 100% Wen Berjaya Sdn Bhd | + 100% Berjaya Capital Berhad |
| 100% eCosway.com Sdn Bhd | 100% Berjaya Engineering & Construction (HK) Limited | • Wendy's Restaurants, Malaysia | 91.5% Inter-Pacific Capital Sdn Bhd |
| 100% Cosway (HK) Ltd | 60% KUB - Berjaya Enviro Sdn Bhd | 100% Roasters Asia Pacific (HK) Limited | 100% Inter-Pacific Securities Sdn Bhd |
| 100% Vmart (Tianjin) Trading Co Limited | 100% KUB - Berjaya Energy Sdn Bhd | 100% Kenny Rogers Roasters Catering (Shenzhen) Company Limited | 100% Inter-Pacific Asset Management Sdn Bhd |
| 100% Country Farms Sdn Bhd | 100% Berjaya Green Resources Environmental Engineering (Foshan) Co. Ltd | • Kenny Rogers Roasters Restaurants, People's Republic of China | 49% SaigonBank Berjaya Securities Joint Stock Company |
| 100% Kimia Suchi Sdn Bhd | 100% Berjaya Engineering Construction Sdn Bhd | 100% Berjaya Papa John's Pizza Sdn Bhd | 100% Prime Credit Leasing Sdn Bhd |
| 100% Berjaya Books Sdn Bhd | 85% DSG Holdings Limited | • Papa John's Pizza Restaurants, Malaysia | 30% Berjaya Sampo Insurance Berhad |
| • Borders Bookstores | + | 70% Berjaya Pizza (Philippines) Inc. | + |
| 51% Mothers En Vogue Sdn Bhd | 100% AWF Limited | • Papa John's Pizza Restaurants, Philippines | 100% Berjaya International Casino Management (Seychelles) Limited |
| 100% Mothers En Vogue Pte Ltd | 100% Berjaya Registration Services Sdn Bhd | 70% Berjaya Krispy Kreme Doughnuts Sdn Bhd | + |
| 72.03% H.R. Owen Plc, United Kingdom | 100% SecureXpress Services Sdn Bhd | 100% RU Cafe Sdn Bhd | 50.74% Berjaya Sports Toto Berhad |
| 70% Berjaya China Motor Sdn Bhd | 100% Berjaya Higher Education Sdn Bhd | • Hard Rock Cafe, South Korea | 100% Sports Toto Malaysia Sdn Bhd |
| 68.82% Changan Berjaya Auto Sdn Bhd | 70.6% Berjaya University College of Hospitality | 52.23% Berjaya Food Berhad | 100% International Lottery & Totalizator Systems, Inc., USA |
| 85% Berjaya Brilliance Auto Sdn Bhd | 100% BLoyalty Sdn Bhd | 100% Berjaya Roasters (M) Sdn Bhd | 100% Unisyn Voting Solutions, Inc., USA |
| 34.29% Berjaya Auto Berhad | + | • Kenny Rogers Roasters Restaurants, Malaysia | + |
| • Distribution of Mazda motor vehicles in Malaysia and the Philippines | 51.34% Redtone International Berhad | 51% PT Boga Lestari Sentosa | 88.26% Berjaya Philippines Inc |
| | + | • Kenny Rogers Roasters Restaurants, Indonesia | 100% Philippine Gaming Management Corporation |
| | 39.1% Taiga Building Products Ltd, Canada | 70% Berjaya Roasters (Cambodia) Ltd | |
| | + | • Kenny Rogers Roasters Restaurants, Cambodia | |
| | 13.27% Berjaya Media Berhad | 100% Berjaya Starbucks Coffee Company Sdn Bhd | |
| | + | • Starbucks Cafes, Malaysia | |
| | 28.38% Informatics Education Ltd, Singapore | 80% Berjaya Food Supreme Sdn Bhd | |
| | + | • Starbucks Cafes, Brunei | |
| | 23.24% Magni-Tech Industries Berhad | 100% Jollibean Foods Pte Ltd | |
| | + | 100% Berjaya Jollibean (M) Sdn Bhd | |
| | 26.30% Atlán Holdings Bhd | | |

BERJAYA CORPORATION BERHAD

HOTELS, RESORTS, VACATION TIMESHARE AND RECREATION

100% BTS Hotel Sdn Bhd

- Berjaya Times Square Hotel, KL

100% Absolute Prestige Sdn Bhd

- Piccolo Hotel Kuala Lumpur

100% Berjaya Vacation Club Berhad

- Georgetown City Hotel, Penang

100% Berjaya Vacation Club (Cayman) Limited

- Berjaya Eden Park Hotel, London, UK

100% BHR (Cayman) Limited

- The Castleton Hotel, London, UK

100% Berjaya Langkawi Beach Resort Sdn Bhd

- Berjaya Langkawi Resort, Kedah

99.5% The Taaras Beach & Spa Resort (Redang) Sdn Bhd

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

86.25% Tioman Island Resort Berhad

- Berjaya Tioman Resort, Pahang
- Tioman Island Resort, Pahang

100% Berjaya Beau Vallon Bay Beach Resort Limited

- Berjaya Beau Vallon Bay Resort & Casino, Seychelles

100% Berjaya Praslin Limited

- Berjaya Praslin Resort, Seychelles

92.6% Berjaya Mount Royal Beach Hotel Limited

- Berjaya Hotel Colombo, Sri Lanka

70% Berjaya Hotay Joint Venture Company Limited

- Sheraton Hanoi Hotel, Hanoi, Vietnam

75% T.P.C. Nghi Tam Village Limited

- InterContinental Hanoi Westlake, Hanoi, Vietnam

70% Berjaya Long Beach Limited Liability Company

- Long Beach Resort, Phu Quoc Island, Vietnam

100% Perdana Hotel Philippines Inc

- Berjaya Makati Hotel, Makati, Philippines

100% Bukit Kiara Resort Berhad

- Bukit Kiara Equestrian & Country Resort, KL

100% KDE Recreation Berhad

- Kelab Darul Ehsan, Selangor

100% Berjaya Hills Berhad

- Berjaya Hills Golf & Country Club, Pahang
- Colmar Tropicale, Berjaya Hills, Pahang
- Chateau Spa & Wellness Resort, Berjaya Hills, Pahang

80% Staffield Country Resort Berhad

- Staffield Country Resort, Negeri Sembilan

100% Indah Corporation Berhad

- Bukit Banang Golf & Country Club, Batu Pahat, Johor

52.6% Amat Muhibah Sdn Bhd

- Desa WaterPark, KL

100% Berjaya Air Sdn Bhd

PROPERTY INVESTMENT & DEVELOPMENT

100% Berjaya Golf Resort Berhad

- Bukit Jalil Golf & Country Resort, KL
- Arena Green Apartments, KL
- Greenfields Apartments, KL
- Green Avenue Condominiums, KL
- Savanna Condominiums, KL
- Savanna 2, KL
- Covillea, KL
- Jalil Link @ Bukit Jalil, KL
- KM1 West Condominiums, KL
- KM1 East Condominiums, KL
- The Link 2, KL

100% BerjayaCity Sdn Bhd

- Oil Palm Plantations

100% Wangsa Tegap Sdn Bhd

- Menara Bangkok Bank @ Berjaya Central Park, Jalan Sultan Ismail
- Ritz-Carlton Residences @ Berjaya Central Park, Jalan Sultan Ismail

100% Berjaya Sanhe Real Estate Development Co Ltd

- French Village, Hebei Province, China
- Les OE Residence, Hebei Province, China

+

59.39% Berjaya Land Berhad

100% Taman TAR Development Sdn Bhd

- The Peak @ Taman TAR, Ampang, Selangor

100% Selat Makmur Sdn Bhd

- Seputeh Heights, KL
- Vasana 25, KL
- Subang Heights, Shah Alam, Selangor

80% Pakar Angsana Sdn Bhd

- Berjaya Park, Shah Alam, Selangor

100% Sri Panglima Sdn Bhd

- Taman Kinrara IV, Puchong, KL

100% Berjaya Land Development Sdn Bhd

- Kelang Lama New Business Center, KL
- Gemilang Indah Apartments, KL
- Medan Indah, Kota Tinggi, Johor
- Taman UPC, Ayer Hitam, Johor
- Bandar Banang Jaya, Batu Pahat, Johor
- Robson Condominiums, KL
- Jesselton Villas, Penang

100% Securiservices Sdn Bhd

- 1 Petaling Residences & Commerz @ Sg. Besi, KL
- Petaling Indah Condominiums, KL
- 3-Storey Shop Office @ Sg. Besi, KL

100% Klasik Mewah Sdn Bhd

- Sri Indah Court, Johor Bahru

80% Berjaya-Handico 12 Co. Ltd

- Ha Noi Garden City, Hanoi, Vietnam

100% Berjaya Vietnam Financial Center Ltd

- Vietnam Financial Center, Ho Chi Minh City, Vietnam

75% Berjaya-D2D Co. Limited

- Bien Hoa City Square, Dong Nai Province, Vietnam

100% Berjaya VIUT Ltd

- Vietnam International University Township, Ho Chi Minh City, Vietnam

72.6% Berjaya Jeju Resort Limited

- Berjaya Jeju Airst City, Yeorae-Dong, Jeju Island, South Korea

100% Kyoto Higashiyama Hospitality Assets TMK

- Four Seasons Hotel & Residences, Kyoto, Japan

100% Berjaya Okinawa Development Co. Ltd

- The Great Mall of China, Hebei Province, People's Republic of China

51% Berjaya (China) Great Mall Co. Ltd

- The Great Mall of China, Hebei Province, People's Republic of China

+

100% Cosway Corporation Limited

- Wisma Cosway, KL

100% Stephens Properties Sdn Bhd

- Plaza Cosway, KL

100% Nural Enterprise Sdn Bhd

- Plaza Berjaya, KL

100% Kota Raya Development Sdn Bhd

- Kota Raya Complex, KL

100% Cempaka Properties Sdn Bhd

- Berjaya Megamall, Kuantan, Pahang
- Kuantan Perdana, Kuantan, Pahang

+

16.38% Berjaya Assets Berhad

- Berjaya Times Square, KL
- Natural Avenue Sdn Bhd
- Berjaya Waterfront Hotel, Johor Bahru, Johor
- Berjaya Waterfront Complex, Johor Bahru, Johor
- Menara MSC Cyberport, Johor Bahru, Johor
- Islington on the Green, London, UK

■ Listed Companies

+ Combined Interest

GROUP FINANCIAL SUMMARY

| Description | 2015 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | USD'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 2,685,139 | 9,518,818 | 8,729,027 | 7,376,047 | 7,055,417 | 7,043,612 |
| Profit Before Tax | 391,591 | 1,388,189 | 523,866 | 575,262 | 849,197 | 861,802 |
| Profit After Tax | 290,187 | 1,028,712 | 127,899 | 325,822 | 599,979 | 626,239 |
| Profit/(Loss) Attributable To Shareholders | 234,603 | 831,667 | (148,920) | 74,978 | 311,837 | 352,419 |
| Share Capital | 1,221,612 | 4,330,614 | 4,300,648 | 4,294,836 | 4,269,224 | 4,221,301 |
| Equity Component of ICULS | 115,648 | 409,972 | 442,417 | 448,822 | 462,861 | 176,869 |
| Reserves | 660,812 | 2,342,580 | 1,042,263 | 1,179,044 | 1,157,464 | 1,685,211 |
| Equity Funds | 1,998,072 | 7,083,166 | 5,785,328 | 5,922,702 | 5,889,549 | 6,083,381 |
| Treasury shares | (36,784) | (130,399) | (82,882) | (80,494) | (73,721) | (37,323) |
| Net Equity Funds | 1,961,288 | 6,952,767 | 5,702,446 | 5,842,208 | 5,815,828 | 6,046,058 |
| Non-controlling interests | 1,365,831 | 4,841,869 | 5,293,442 | 4,981,194 | 4,897,149 | 4,773,263 |
| Total Equity | 3,327,119 | 11,794,636 | 10,995,888 | 10,823,402 | 10,712,977 | 10,819,321 |
| ICULS and Bonds | 54,370 | 192,743 | 272,926 | 405,232 | 253,642 | 716,381 |
| Long Term Liabilities | 1,493,984 | 5,296,174 | 4,485,281 | 3,179,938 | 3,778,761 | 2,158,488 |
| Current Liabilities | 1,347,977 | 4,778,579 | 4,839,376 | 4,702,042 | 3,750,212 | 4,217,517 |
| Total Equity and Liabilities | 6,223,450 | 22,062,132 | 20,593,471 | 19,110,614 | 18,495,592 | 17,911,707 |
| Property, Plant and Equipment | 991,402 | 3,514,521 | 3,329,174 | 2,903,823 | 2,883,381 | 2,827,344 |
| Intangible Assets | 1,745,680 | 6,188,435 | 6,183,305 | 6,050,316 | 6,019,624 | 5,893,071 |
| Investments and Long Term Receivables | 1,657,298 | 5,875,121 | 5,346,809 | 5,368,465 | 4,559,751 | 4,001,935 |
| Current Assets | 1,829,070 | 6,484,055 | 5,734,183 | 4,788,010 | 5,032,836 | 5,189,357 |
| Total Assets | 6,223,450 | 22,062,132 | 20,593,471 | 19,110,614 | 18,495,592 | 17,911,707 |
| Total number of shares | | | | | | |
| with voting rights in issue | 4,148,614 | 4,148,614 | 4,216,948 | 4,215,536 | 4,200,724 | 4,188,201 |
| Net Assets Per Share | 0.44 | 1.58 | 1.25 | 1.28 | 1.27 | 1.40 |
| Net Earnings/(Loss) Per Share (Cents/Sen) | 4.77 | 16.91 | (2.65) | 1.79 | 7.1 | 8.1 |
| Dividend Rate (%) | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 7.00 |
| Total Net Dividend | | | | | | |
| Amount (USD'000/RM'000) | 11,703* | 41,486* | 41,187 | 42,115 | 42,104 | 293,826 |

Notes:

The figures above are presented based on the audited financial statements for the financial years ended 30 April.

Where additional shares are issued, the earnings/(loss) per share is calculated based on a weighted average number of shares in issue with voting rights.

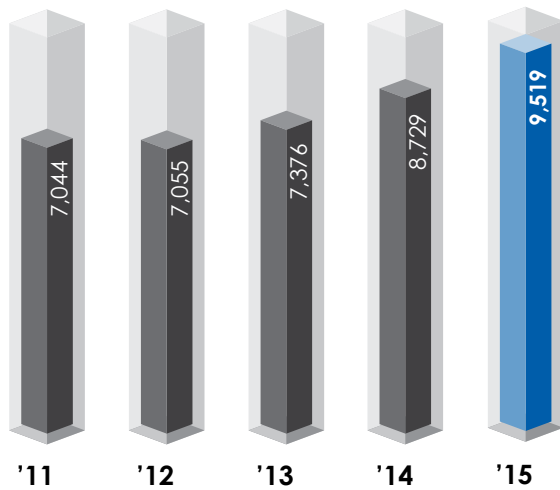
Net Assets Per Share represents the net equity funds less equity component of ICULS divided by the number of outstanding shares in issue with voting rights.

Exchange rate as at 30 April 2015: US\$1.00 = RM3.545

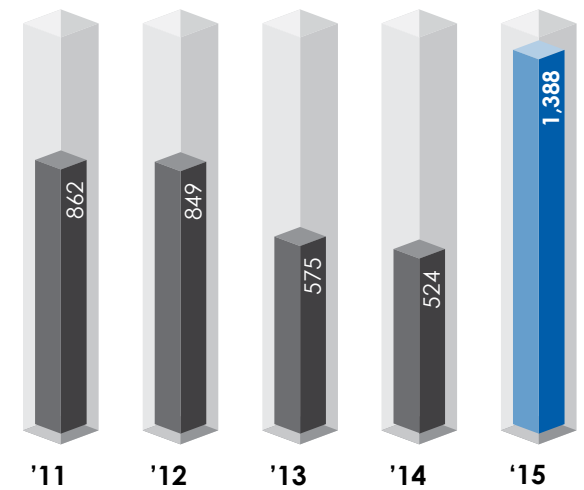
* The proposed final dividend of 1% single-tier exempt dividend is subject to Berjaya Corporation Berhad ("BCorp") shareholders' approval at the Annual General Meeting.

GROUP FINANCIAL HIGHLIGHTS

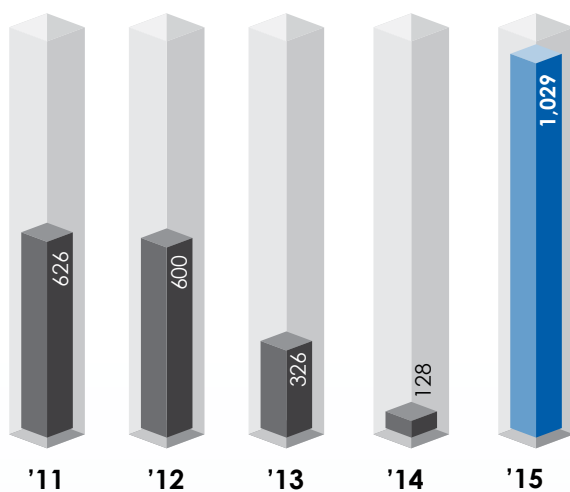
Revenue (RM' Million)



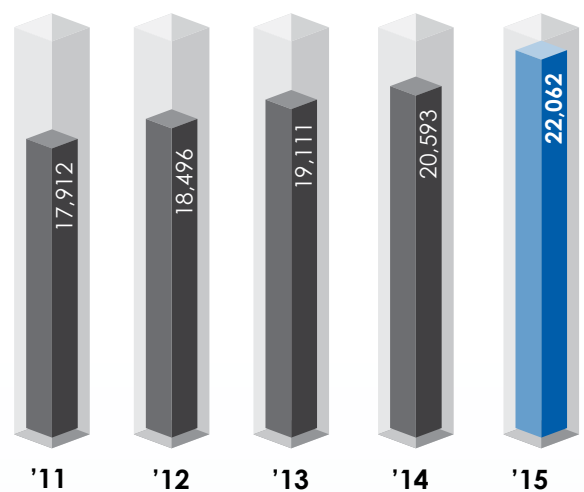
Profit Before Tax (RM' Million)



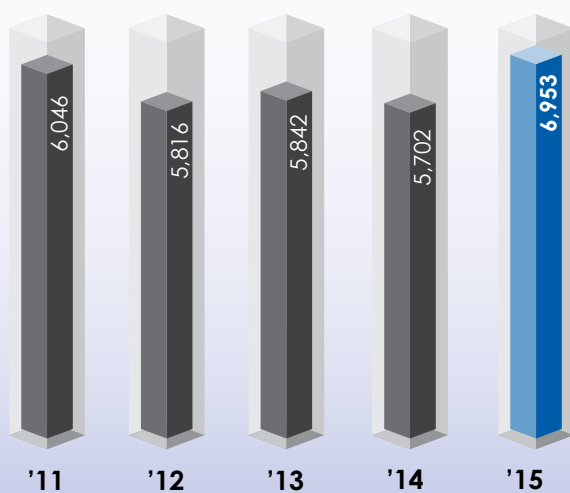
Profit After Tax (RM' Million)



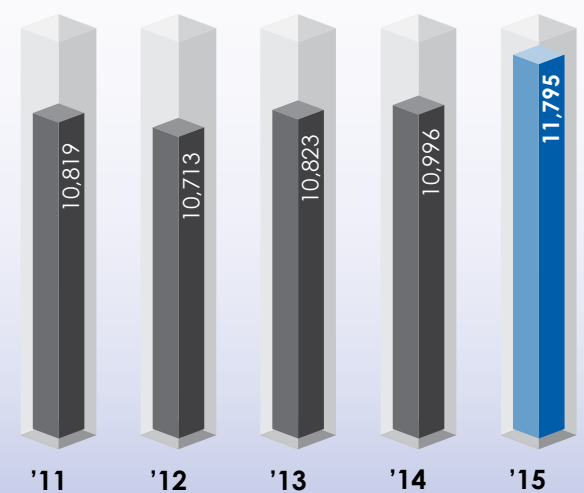
Total Assets (RM' Million)



Net Equity Funds (RM' Million)



Total Equity (RM' Million)



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of Berjaya Corporation Berhad is committed in ensuring that the Group carries out its business operations within the required standards of corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("the MCCG 2012").

The following sections explain how the Group has applied the key principles of the MCCG 2012 and the extent of its compliance with the recommendations throughout the financial year ended 30 April 2015.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board's role is to control and provide stewardship of the Group's business and affairs on behalf of shareholders.

The Board has assigned the day-to-day affairs of the Group's businesses within the various divisions to local management, comprising Managing Directors ("MD") / Chief Executive Officers ("CEO") / Executive Directors of the main operating companies, who are accountable for the conduct and performance of their businesses within the agreed business strategies.

The Group's Executive Directors are involved in leadership roles overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities. They represent the Company at the highest level and are decision makers on matters within their scope. They liaise frequently with the CEO (or MD) of the main operating companies and with each other to lead the management to drive the Company and the Group forward.

Board Roles and Responsibilities

The Board is led by the Chairman and CEO and is supported by experienced Board members with a wide range of expertise who plays an important role in the stewardship of the direction and operations of the Group.

The Board is primarily responsible for the strategic direction and control of the Group. It delegates and monitors the implementation of these directions to the management.

The responsibilities of the Board include, inter-alia, the following:-

1. Review, evaluate, adopt and approve the strategic plans and policies for the Company and the Group;
2. Oversee and monitor the conduct of the businesses and financial performance and major capital commitments of the Company and the Group;
3. Review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;
4. Review and approve any major corporate proposals, new business ventures or joint ventures of the Group;
5. Review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group;
6. Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks;
7. Establish and oversee a succession planning programme for the Company and the Group including the remuneration and compensation policy thereof;
8. Establish, review and implement corporate communication policies with the shareholders and investors, other key stakeholders and the public;

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (continued)

Board Roles and Responsibilities (continued)

9. Review and determine the adequacy and integrity of the internal control systems and management information of the Company and the Group; and
10. Develop a corporate code of conduct to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management.

The Board is supported by the committees that provide independent oversight of management and to ensure that there are appropriate checks and balances. These Board committees are:-

- i. Audit Committee
- ii. Nomination Committee
- iii. Remuneration Committee
- iv. Risk Management Committee

The Board committees have their roles and functions, written terms of reference and authorities clearly defined. The Board reviews the terms of reference of the Board committees periodically to ensure their relevance.

Other committees may be formed from time to time as dictated by business imperatives and/or to promote operational efficiency.

Formalise ethical standards through Code of Ethics

The Board has adopted a Code of Ethics for Directors ("Code"). The Code was formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

The Group also has in place a Code of Conduct covering Business Ethics, workplace safety and employee personal conduct. This is to ensure a high standard of ethical and professional conduct is upheld by all its employees in the performance of their duties and responsibilities. All employees are required to declare that they have received, read and understood the provisions of the Code of Conduct.

Strategies promoting sustainability

The Board views the commitment to sustainability and environmental, social and governance performance as part of its broader responsibility to clients, shareholders and the communities in which it operates.

The details of the sustainability effort are set out in the Corporate Social Responsibility statement of this Annual Report.

Access to information and advice

The Directors have full and timely access to information concerning the Company and the Group. The Directors are provided with the relevant agenda and Board papers in sufficient time prior to Board meetings to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers include reports on the Group's financial, operational and corporate developments and proposals.

The Board is supported by suitably qualified, experienced and competent Company Secretaries who are also members of a professional body. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution and advises the Board on any updates relating to new statutory and relevant regulatory requirements pertaining to the duties and responsibilities of Directors as and when necessary.

The Directors also have access to the advice and services of the senior Management staff in the Group and they may also obtain independent professional advice at the Company's expense in furtherance of their duties.

STATEMENT ON CORPORATE GOVERNANCE

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (continued)

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board.

The Board Charter is subject to review by the Board annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board Charter is also available on the Company's website at www.berjaya.com.

2. STRENGTHEN COMPOSITION

Nomination Committee

The role of the Nomination Committee is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, experience and personal characteristics.

The Nomination Committee comprises exclusively of Non-Executive Directors, with a majority of them being independent. Currently, the members are as follows:-

| | |
|---|--------------------------------------|
| Tan Sri Datuk Abdul Rahim Bin Haji Din | - Chairman/Independent Non-Executive |
| Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar | - Independent Non-Executive |
| Datuk Robert Yong Kuen Loke | - Independent Non-Executive |

The Chairman of the Nomination Committee, Tan Sri Datuk Abdul Rahim Bin Haji Din, has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

Develop, maintain and review criteria for recruitment and annual assessment of Directors

Appointment to the Board and Re-election of Directors

The Board delegates to the Nomination Committee the responsibility of recommending the appointment of any new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and also appointments are made on merits. In evaluating the suitability of candidates to the Board, the Nomination Committee shall ensure that the candidates selected possess the necessary background, skills, knowledge, experience and personal characteristics.

The Company's Articles of Association provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors shall retire once in every three years, and are eligible to offer themselves for re-election. The Articles of Association also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director who is over seventy (70) years of age shall retire at the AGM of the Company, and may offer himself/herself for re-appointment to hold office until the next AGM.

The Nomination Committee is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

Annual Assessment

The Nomination Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

2. STRENGTHEN COMPOSITION (continued)

Develop, maintain and review criteria for recruitment and annual assessment of Directors (continued)

Annual Assessment (continued)

During the meeting held in June 2015, the Nomination Committee reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board; the performance of each individual Director; independence of the Independent Directors; effectiveness of the Board and the Board Committees; and also the review of the Directors who are retiring and who are eligible for re-appointment and/or re-election.

Boardroom Diversity

The Board acknowledges the importance of gender, age, nationality, ethnicity and socio-economic background diversity and recognises the benefits that it can bring. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

The Company does not set any specific target for boardroom diversity but will actively work towards achieving the appropriate boardroom diversity.

Currently, the Board has of three (3) female Directors namely, Vivienne Cheng Chi Fan, Dato' Zurainah Binti Musa and Dr Jayanthi Naidu A/P G. Danasamy. The Board is comfortable with its current composition.

Remuneration policies and procedures

The Remuneration Committee currently comprises the following members:-

| | |
|---|--|
| Tan Sri Datuk Abdul Rahim Bin Haji Din | - Chairman / Independent Non-Executive |
| Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar | - Independent Non-Executive |
| Dato' Sri Robin Tan Yeong Ching | - Non-Independent Executive |

The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the executive directors. The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The determination of the remuneration for the Non-Executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package. The Board recommends the Directors' fees payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

Details of Directors' remuneration paid or payable to all Directors of the Company by the Group and categorised into appropriate components for the financial year ended 30 April 2015 are as follows:-

| | ← RM'000 → | | | | |
|---------------|------------|-------------------------------------|-------|---------------------|---------|
| | Fees | Salaries and Other Emoluments | Bonus | Benefits in-kind | Total |
| Executive | - | 11,970 | 2,707 | 419 | 15,096 |
| Non-Executive | 321 | 358 | 13 | 31 | 723 |
| | 321 | 12,328 | 2,720 | 450 | 15,819* |

* The aggregate remuneration of RM15.819 million is inclusive of, amongst others, remuneration paid or payable to the Directors by the listed subsidiaries in the Group, namely, Berjaya Land Berhad (RM1.679 million) and Berjaya Sports Toto Berhad (RM12.935 million).

STATEMENT ON CORPORATE GOVERNANCE

2. STRENGTHEN COMPOSITION (continued)

Remuneration policies and procedures (continued)

The number of Directors of the Company who served during the financial year and whose total remuneration from the Group falling within the respective bands are as follows:-

| | | Number of Directors | |
|-------------|---------------|---------------------|---------------|
| | | Executive | Non-Executive |
| RM50,001 | - RM100,000 | - | 4 |
| RM100,001 | - RM150,000 | - | 1 |
| RM300,001 | - RM350,000 | - | 1 |
| RM1,150,001 | - RM1,200,000 | 1 | - |
| RM1,250,001 | - RM1,300,000 | 1 | - |
| RM1,300,001 | - RM1,350,000 | 1 | - |
| RM1,500,001 | - RM1,550,000 | 1 | - |
| RM1,650,001 | - RM1,700,000 | 1 | - |
| RM2,300,001 | - RM2,350,000 | 1 | - |
| RM5,800,001 | - RM5,850,000 | 1 | - |
| | | 7 | 6 |

3. REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, assesses the Independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The current Independent Directors of the Company namely, Tan Sri Datuk Abdul Rahim Bin Haji Din, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar, Datuk Robert Yong Kuen Loke, Datuk Mohd Zain Bin Ahmad and Dr Jayanthi Naidu A/P G. Danasamy have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Listing Requirements of Bursa Securities. The Company also fulfils the requirement to have at least one-third (1/3) of its Board members being Independent Non-Executive Directors.

Tenure of Independent Directors

Recommendation 3.2 of the MCCG 2012 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the Independent Director as a Non-Independent Director.

Recommendation 3.3 of the MCCG 2012 also recommends that the Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

The Board does not have term limits for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrary by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

3. REINFORCE INDEPENDENCE (continued)

Tenure of Independent Directors (continued)

The Independent Directors of the Company who have served for a tenure of more than nine (9) years are Tan Sri Datuk Abdul Rahim Bin Haji Din, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar and Datuk Mohd Zain Bin Ahmad.

The Board has retained them as Independent Directors notwithstanding their service tenure of more than nine (9) years as Independent Directors after assessment and recommendation by the Nomination Committee.

Nevertheless, in line with Recommendation 3.3 of the MCCG 2012, the Board will seek approvals from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Tan Sri Datuk Abdul Rahim Bin Haji Din, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar and Datuk Mohd Zain Bin Ahmad as Independent Directors based on the following justifications:-

- i) All the three (3) Independent Directors have fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and being independent, they would be able to function as a check and balance, bringing an element of objectivity to the Board.
- ii) All the three (3) Independent Directors have been with the Company for more than nine (9) years and are familiar with the Company's business operations which enable them to participate objectively in deliberations and decision making process of the Board and Board Committees.
- iii) All the three (3) Independent Directors have exercised due care during their tenure as Independent Non-Executive Directors of the Company and they have carried out their duties proficiently in the interest of the Company and the shareholders.

Separation of positions of the Chairman and CEO

The Chairman and CEO of the Company is currently being held by the same person. The Board is aware that it is not in compliance with the best practices of the MCCG 2012 on the separation of the roles of the Chairman and CEO.

However, the Board is satisfied with the dual role held by the same person in view of his vast experience and knowledge of the businesses of the Group and the time he has spent in fulfilling all his responsibilities. The presence of the independent directors, though not forming a majority of the Board members, is sufficient to provide the necessary checks and balances on the decision making process of the Board. The significant contributions of the independent directors in the decision making process is evidenced in their participation as members of the various committees of the Board.

The Chairman/CEO will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted. He also holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. He leads the Executive Directors in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. He brings material and other relevant matters to the Board, motivates employees, and drives change/innovation and growth within the Group.

Board Composition and Balances

The Board consists of qualified individuals with various knowledge, skills and expertise, which will enable the Board to discharge its duties and responsibilities effectively. The Board currently has twelve (12) members comprising the Chairman/CEO, four (4) Executive Directors, five (5) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The details of the Board are given on pages 3 to 8.

The present composition of the Board is also in compliance with Chapter 15.02 of the Listing Requirements of Bursa Securities of at least one-third ($\frac{1}{3}$) of its members being Independent Directors.

STATEMENT ON CORPORATE GOVERNANCE

4. FOSTER COMMITMENT

Time Commitment

The Board meets regularly on a quarterly basis with additional meetings being convened as necessary. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

During the financial year ended 30 April 2015, the Board met seven (7) times and the attendances of the Directors at the Board meetings are as follows:-

| Directors | Attendance |
|--|------------|
| Dato' Sri Robin Tan Yeong Ching (Chairman/CEO) | 5/7 |
| Chan Kien Sing | 6/7 |
| Vivienne Cheng Chi Fan | 7/7 |
| Dato' Azlan Meah Bin Hj Ahmed Meah | 6/7 |
| Dato' Zurainah Binti Musa | 6/7 |
| Freddie Pang Hock Cheng ¹ | 7/7 |
| Dato' Dickson Tan Yong Loong | 7/7 |
| Tan Sri Datuk Abdul Rahim Bin Haji Din # | 6/7 |
| Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar # | 7/7 |
| Datuk Robert Yong Kuen Loke # | 5/7 |
| Datuk Mohd Zain Bin Ahmad # | 6/7 |
| Dr Jayanthi Naidu A/P G. Danasamy # | 5/7 |
| Rayvin Tan Yeong Sheik ² | 6/7 |

¹ resigned as an Executive Director on 31 March 2015 but re-designated as a Non-Executive Non-Independent Director of the Company on 1 April 2015.

² resigned as Director on 15 July 2015.

denotes Independent Non-Executive Director.

All Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

Directors' Training

All the Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training programmes, conferences, seminars and/or forums so as to keep abreast with the current developments in the various industries as well as the current changes in laws and regulatory requirements.

During the year, the seminars and conferences attended by the Directors are as follows:-

| Directors | Seminars / Conferences / Forum |
|---------------------------------|---|
| Dato' Sri Robin Tan Yeong Ching | <ul style="list-style-type: none">- Forbes Asia Forum - The Next Tycoons - A Generation Emerges- Customised Advocacy Session For Directors by Bursa Malaysia Securities Berhad |
| Chan Kien Sing | <ul style="list-style-type: none">- Customised Advocacy Session For Directors by Bursa Malaysia Securities Berhad- MIA Conference 2014- CEO Forum 2014 – Perdana Leadership Foundation- Advocacy Session on Corporate Disclosure |

STATEMENT ON CORPORATE GOVERNANCE

4. FOSTER COMMITMENT (continued)

Directors' Training (continued)

| Directors | Seminars / Conferences / Forum |
|---|---|
| Vivienne Cheng Chi Fan | <ul style="list-style-type: none"> - Khazanah Megatrends Forum 2014 - Guessing Game - What's in Store for 2015 - Asean Capital Market CEO Forum 2015 - Invest Malaysia 2015 |
| Dato' Azlan Meah Bin Hj Ahmed Meah | <ul style="list-style-type: none"> - Customised Advocacy Session For Directors by Bursa Malaysia Securities Berhad |
| Dato' Zurainah Binti Musa | <ul style="list-style-type: none"> - Financials Essentials for Non-Professionals - Asean Corporate Governance Scorecard |
| Freddie Pang Hock Cheng ¹ | <ul style="list-style-type: none"> - Customised Advocacy Session For Directors by Bursa Malaysia Securities Berhad - Invest Malaysia 2015: Asean's Multinational Marketplace |
| Dato' Dickson Tan Yong Loong | <ul style="list-style-type: none"> - In-house training conducted by Pricewaterhousecoopers Taxation Services Sdn Bhd which covered the topic on GST Implementation |
| Tan Sri Datuk Abdul Rahim Bin Haji Din | <ul style="list-style-type: none"> - Asean Corporate Governance Scorecard - Effective Board Evaluations |
| Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar | <ul style="list-style-type: none"> - Asean Corporate Governance Scorecard |
| Datuk Robert Yong Kuen Loke | <ul style="list-style-type: none"> - Customised Advocacy Session For Directors by Bursa Malaysia Securities Berhad |
| Datuk Mohd Zain Bin Ahmad | <ul style="list-style-type: none"> - Implementation of GST by Custom Department - Overview of Proposed Projects under Rancangan Malaysia Ke II - MIDA – Role, Function of MIDA |
| Dr Jayanthi Naidu A/P G. Danasamy | <ul style="list-style-type: none"> - Financials Essentials for Non Professionals - ESG Seminar for FTSE4 Good Bursa Malaysia Index - Global Economic Symposium (GES) 2014 - Perdana CEO Leadership Forum - Capitalising on Diversity – Managing Generation and Gender Gaps in the Workplace at (MIA Conference 2014) |
| Rayvin Tan Yeong Sheik ² | <ul style="list-style-type: none"> - The Power of Giving – Defining a Legacy and Influencing The World Through Philanthropy - The Power to Control Entry Hong Kong Insights - The Power of Social Media – News Reporting Transformed |

¹ resigned as an Executive Director on 31 March 2015 but re-designated as a Non-Executive Non-Independent Director of the Company on 1 April 2015.

² resigned as Director on 15 July 2015.

The Board will, on a continuous basis, evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

STATEMENT ON CORPORATE GOVERNANCE

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board strives to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, through the annual audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements of Bursa Securities.

The Board is also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable financial reporting standards in Malaysia.

The Board is also assisted by the Audit Committee in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and a high quality financial reporting. A full Audit Committee Report detailing its composition, terms of reference and a summary of activities during the financial year is set out on pages 54 to 56 of the Annual Report.

Statement of Directors' Responsibility in respect of the Financial Statements

The Companies Act 1965 ("the Act") requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Act and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Assessment of external auditors

The Audit Committee is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed their performance, the Audit Committee will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The external auditors are required to declare their independence annually to the Audit Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have provided the declaration in their annual audit plan presented to the Audit Committee of the Company.

6. RECOGNISE AND MANAGE RISKS

Sound framework to manage risks

The Risk Management Committee oversees the enterprise risk management of the Group, reviews the risk management policies formulated by the respective local management and makes relevant recommendations to the Board for approval.

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

6. RECOGNISE AND MANAGE RISKS (continued)

Internal Audit Function

The Board acknowledges its overall responsibility for the Group's system of internal control and its effectiveness as well as reviewing its adequacy and integrity to safeguard shareholders' investments and the Group's assets.

The Group has an established Internal Audit Division which reports directly to the Audit Committee.

The Statement on Risk Management and Internal Control set out on pages 52 to 53 of this Annual Report provides an overview of the state of internal controls within the Group.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board will ensure that it adheres to and comply with the disclosure requirements of the Main Market Listing Requirements of Bursa Securities as well as the Corporate Disclosure Guide issued by Bursa Securities.

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. As such, the Group accords a high priority in ensuring that information is made available and disseminated as early as possible.

The Group maintains a website at www.berjaya.com where shareholders as well as members of the public can access the latest information on the Group. Alternatively, they may obtain the Group's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders participation at General Meetings

The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the Company's general meetings. The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Group's businesses.

The Company dispatches its notice of meeting at least 21 days before the AGM together with a copy of the Annual Report in CD-ROM.

At the AGM, the Chief Financial Officer provides a brief financial overview of the financial year's performance to the shareholders. The shareholders are also invited to raise questions pertaining to the business activities of the Group during the AGM. The external auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

Poll voting

In line with the MCGG 2012, all the resolutions passed by the shareholders at the previous AGM held on 29 October 2014 were voted by way of a poll. The shareholders were briefed on the voting procedures by the Share Registrar while the results of the poll were verified and announced by the independent scrutineer, Ernst & Young.

Effective communication and proactive engagements with shareholders

The Company recognises the importance of being transparent and accountable to its shareholders and, as such, maintains an active and constructive communication policy that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, meetings with analysts and fund managers, general meetings of shareholders and through the Group's website at www.berjaya.com where shareholders can access corporate information, annual reports, press release, financial information and company announcements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY

The Board of Directors of Berjaya Corporation Berhad ('BCorp' or 'the Group') recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group.

The Group's system of internal control is designed to manage the principal business risks that may impede the Group from achieving its business objectives. Due to the limitations that are inherent in any system of internal control, the Group's internal control system cannot completely eliminate the risk of failure to achieve its business objectives. The system can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has undertaken a review of the adequacy and effectiveness of the risk management and internal control system and concluded that the risk management and internal control system is adequate and effective. Further, the Board has obtained assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

The Group is involved in various business interests. These business interests are operated by the subsidiaries of the Group. Management of the day-to-day affairs of the Group's various subsidiaries are assigned to local management, comprising Managing Directors / Chief Executive Officers / Executive Directors of the main operating companies, who are accountable for the conduct and performance of their subsidiaries within agreed business strategies. Local management sits at various management and operations meetings, and review financial and operations reports, in order to monitor the performance and profitability of the business of their respective subsidiaries. Paramount to this process is the role played by the Group's Executive Directors and senior management personnel who, by virtue of their presence on the Boards of both listed and unlisted subsidiaries of the Group, supervise the subsidiaries' activities, and regularly update the Boards of the respective listed and unlisted subsidiaries of the Group.

The Group also prides itself with its 'open-door' and 'hands-on' approach, practised by the Executive Directors, senior management and executives of the Group. This culture allows for any matters arising to be promptly and efficiently dealt with, drawing from the experience and knowledge of employees throughout the Group.

The above monitoring and reporting processes present the platform for the timely identification of the Group's principal business risks, as well as systems to manage them. The Group also has in place various support functions, such as secretarial, legal, tax, treasury, human resource, communication, procuring, investing, accounting and internal auditing, and these support functions are centralised at BCorp. The centralisation of the support functions is intended to maintain consistency in the setting and application of policies and procedures relating to these functions, and reduce duplication of efforts, thereby providing synergy to the Group.

The Board does not regularly review the internal control system of its associated companies and joint ventures, as the Board does not have any direct control over their operations. The Group's interests are served through representations on the boards of the respective associated companies and joint ventures and the review of their management accounts, and enquiries thereon. These representatives also provide the Board with information and timely decision-making on the continuity of the Group's investments based on the performance of the associated companies and joint ventures.

ASSURANCE MECHANISM

The Board has assigned the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The Audit Committee receives reports from the internal auditors.

The internal auditors of the Group furnish the Audit Committee with reports from visits conducted at various unlisted subsidiaries. The internal audit of the subsidiaries and business units of the respective listed subsidiaries are conducted regularly and the internal audit reports are presented directly to the Audit Committees of the respective listed subsidiaries.

The external auditors form an opinion on the financial statements of the Group based on their annual statutory audit. Further, any areas for improvement identified during the course of the statutory audit by the external auditors are brought up to the attention of the Audit Committee through management letters, or are articulated at Audit Committee meetings.

The Board also reviews the minutes of the meetings of the Audit Committee. The Report of the Audit Committee is set out on Pages 54 to 56 of the Annual Report.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

The Group has an extensive system of internal control that enables the management to ensure that established policies, guidelines and procedures are followed and complied with. Some key features of BCorp's system of internal control, include:

1. Clear organisation structure with delineated reporting lines.
2. Defined levels of authority.
3. Capable workforce with ongoing training efforts.
4. Centralised human resource function which outlines procedures for recruitment, training, appraisal and the reward system.
5. Timely financial and operations reports.
6. Scheduled operations and management meetings.
7. Centralised procurement function that ensures approval procedures are adhered to, as well as to leverage on the Group's purchasing power.
8. Payment functions controlled at Head office.
9. Regular visits to the operating units of the Group's businesses by the Executive Directors and senior management personnel.
10. Independent assurance on the system of internal control from regular internal audit visits.

In line with the Malaysian Code of Corporate Governance, and as part of the Company's plans to further enhance the Group's system of internal control, it has established a Risk Management Committee ("RMC"). The Board entrusts the RMC with the overall responsibility to regularly review and monitor the risk management activities of the Group, in accordance with the Internal Control Guidance, and to approve appropriate risk management procedures and measurement methodologies. The members of the RMC are Tan Sri Datuk Abdul Rahim Bin Haji Din (Chairman), Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar, Chan Kien Sing, Freddie Pang Hock Cheng, Datuk Robert Yong Kuen Loke and Vivienne Cheng Chi Fan.

The RMC terms of reference include, inter alia:

- To ensure that the strategic context of the risk management strategy is complete.
- To determine the overall risk management processes.
- To ensure that the short and long term risk management strategy, framework and methodology are implemented and consistently applied by all business units.
- To ensure that risk management processes are integrated into all core business processes.
- To establish risk reporting mechanism.
- To ensure alignment and coordination of assurance activity across the organisation.
- To act as steering committee for the group wide risk management programme.

For the financial year ended 30 April 2015, the RMC held four meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. Changan Berjaya Auto Sdn Bhd, Berjaya Brilliance Auto Sdn Bhd, Berjaya Channel Sdn Bhd, Berjaya Sanhe Real Estate Development Co. Ltd. and Country Farms Sdn Bhd), and recommended certain measures to be adopted to mitigate their business risk exposures.

The Board remains committed towards operating a sound system of internal control and recognises the need for the system to continuously evolve to support the type of business and size of operations of the Group. The Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Group's system of internal control.

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Corporation Berhad is pleased to present the report of the Audit Committee for the financial year ended 30 April 2015.

MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee are as follows:-

Tan Sri Datuk Abdul Rahim Bin Haji Din
Chairman/Independent Non-Executive Director

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar
Independent Non-Executive Director

Datuk Robert Yong Kuen Loke
Independent Non-Executive Director

Datuk Mohd Zain Bin Ahmad
Independent Non-Executive Director

The Audit Committee held nine (9) meetings during the financial year ended 30 April 2015. The details of attendance of the Audit Committee members are as follows:-

| Directors | Attendance |
|---|-------------------|
| Tan Sri Datuk Abdul Rahim Bin Haji Din | 8/9 |
| Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar | 8/9 |
| Datuk Robert Yong Kuen Loke | 8/9 |
| Datuk Mohd Zain Bin Ahmad | 7/9 |

The General Manager - Group Internal Audit and the Chief Financial Officer of the Company were also invited to attend the Audit Committee Meetings. The External Auditors were also invited to attend three (3) of these meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities undertaken by the Audit Committee during the financial year ended 30 April 2015 included the following:-

1. Reviewed the quarterly and year-to-date unaudited financial results of the Group before submission to the Board for consideration and approval;
2. Reviewed the External Auditors' scope of work and audit plan for the year;
3. Reviewed and discussed the External Auditors' audit report and areas of concern in the management letter thereof;
4. Reviewed the internal audit reports presented and considered the major findings of internal audit in the Group's operating subsidiaries through the review of internal audit reports tabled and management responses thereto and ensuring significant findings were adequately addressed by management;
5. Reviewed and recommended for Board's approval, the Audited Financial Statements of the Company;
6. Reviewed and recommended for Board's approval, the Statement on Corporate Governance, the Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in the Annual Report;
7. Reviewed the Internal Audit Plan for financial year 2015;
8. Reviewed the related party transactions and the circular to shareholders in connection with the recurrent related party transactions; and
9. Reported to the Board on its activities and significant findings and results.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group has an established Internal Audit Division whose primary function is to assist the Audit Committee in discharging its duties and responsibilities. Their role is to provide the Audit Committee with independent and objective reports on the adequacy and effectiveness of the system of internal controls and procedures in the operating units within the Group and the extent of compliance with the Group's established policies, procedures and guidelines, and also compliance with applicable laws, regulations, directives and other external enforced compliance requirements.

The principal activity of the Internal Audit Division is to conduct regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.

For the financial year under review, the Internal Audit Division conducted audit assignments on various operating units in the Group involved in lifestyle restaurants and franchising business, retailing and distribution of organic products, hotel, resort and golf club operations, Berjaya University College of Hospitality, automobile distribution, sales of spare parts and workshop services, textile manufacturing operations, BCard loyalty programme, digital media advertisement, property development, sanitary landfill, wastewater treatment plant, plantation, hire purchase/leasing, logistic/transportation, share registration, printing and mailing services and operation of book stores.

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2015 included the following:-

1. Tabled Internal Audit Plan for the Audit Committee's review and endorsement.
2. Reviewed the existing systems, controls and governance processes of various operating units within the Group.
3. Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
4. Provided recommendations to assist the various operating units and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes.
5. Issued internal audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the Audit Committee and the respective operations management.
6. Presented internal audit reports to the Audit Committee for review.
7. Followed up review to ensure that the agreed internal audit recommendations are effectively implemented.

The cost incurred for the Group's Internal Audit function in respect of the financial year ended 30 April 2015 was approximately RM2,524,790.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Membership

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, all of whom shall be non-executive Directors. The majority of the Committee Members shall be Independent Directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and/or experience as approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

A quorum shall consist of two members and a majority of the members present must be Independent Directors.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Chairman

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

3. Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board.

AUDIT COMMITTEE REPORT

4. Frequency of Meetings

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibility of the Group's finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

5. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors, internal auditors, or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

6. Duties

The duties of the Committee shall be:-

- a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;
- b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;
- c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:
 - going concern assumption
 - compliance with accounting standards and regulatory requirements
 - any changes in accounting policies and practices
 - significant issues arising from the audit
 - major judgemental areas
- d) To prepare Audit Committee Report at the end of each financial year;
- e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);
- f) To review the external auditors' management letter and management's response;
- g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- h) To do the following in relation to the internal audit function:
 - review the adequacy of scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;
 - review internal audit programme;
 - ensure coordination of external audit with internal audit;
 - consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
 - to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;
- i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Committee and the Board of Directors from time to time;
- j) In compliance with Paragraph 15.16 of the Main Market Listing Requirements of Bursa Securities, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities.