



BERJAYA
BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

برجاي كورپوريشن برحد
成功集團有限公司



ANNUAL REPORT 2018



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.

VISION

- To be an organisation which nurtures and carries on profitable and sustainable businesses in line with the Group’s diverse business development and value creation aspirations and interests of all its stakeholders.
- To also be an organisation which maximizes the value of human capital through empowerment, growth and a commitment to excellence.

MISSION

We strive to generate profitable returns for our shareholders from investments in core business activities:

- By providing direction, financial resources and management support for each operating unit;
- Through dynamic and innovative management, teamwork and a commitment to excellence; and
- By providing a cross-functional environment and development and upskilling opportunities for our employees to develop their full potential for both personal and professional advancements.

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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").



The Club Lounge at the Ritz-Carlton Residences, Kuala Lumpur

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, Berjaya Group Berhad 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. 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;
- Telecommunication and Information Technology-related Services, Solutions and Products;
- Investment Holding and others.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Dato' Seri Vincent Tan Chee Yioun

Chief Executive Officer

Dato' Sri Robin Tan Yeong Ching

Executive Directors

Vivienne Cheng Chi Fan

Dato' Sri Azlan Meah Bin Hj Ahmed Meah

Dato' Zurainah Binti Musa

Nerine Tan Sheik Ping

Non-Independent Non-Executive Director

Chan Kien Sing

Independent Non-Executive Directors

Datuk Robert Yong Kuen Loke

Dr Jayanthi Naidu A/P G. Danasamy

Penelope Gan Paik Ling

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

Independent Non-Executive Directors

Dr Jayanthi Naidu A/P G. Danasamy

Penelope Gan Paik Ling

SECRETARIES

Tham Lai Heng Michelle (MAICSA No. 7013702)

Wong Siew Guek (MAICSA No. 7042922)

Soh Ley Moi (MAICSA No. 7049925)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd

Lot 10-04A & 10-04B

Level 10, West 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 - 5095 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

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

CIMB Bank Berhad

AmBank (M) Berhad

Affin Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJCORP (3395)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS



TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

66 years of age, Malaysian, Male
Executive Chairman

He was previously appointed to the Board of the Company on 15 September 2005 as the Chairman/Chief Executive Officer ("CEO"). Subsequently on 1 January 2011, he relinquished his position as the CEO and remained as the Chairman of the Company until his retirement on 23 February 2012.

On 1 November 2017, Tan Sri Dato' Seri Vincent Tan Chee Yioun was re-appointed as the Executive Chairman of the Company.

He is a businessman and entrepreneur with more than four decades of entrepreneurial experience and has diverse interests in property development and investment, gaming, lottery management, stockbroking, motor distribution, retailing, trading, hospitality, internet related businesses, environmental and utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies namely, Berjaya Corporation group of companies, Berjaya Media Berhad, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad, Berjaya Retail Berhad, Intan Utilities Berhad, U Mobile Sdn Bhd and MOL Ventures Pte Ltd.

Currently, he is the Executive Chairman of Berjaya Times Square Sdn Bhd and the Chairman of U Mobile Sdn Bhd, Cosway (M) Sdn Bhd and Country Farms Sdn Bhd. He is also the Managing Director/CEO of Sports Toto Malaysia Sdn Bhd. He also holds directorships in several other private limited companies and also in Berjaya Corporation group of companies.

His children, Dato' Sri Robin Tan Yeong Ching and Ms Nerine Tan Sheik Ping are also members of the Board.



DATO' SRI ROBIN TAN YEONG CHING

44 years of age, Malaysian, Male
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. Subsequently on 1 November 2017, he relinquished his position as the Chairman of the Company and continues to remain as the CEO of the Company.

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 Chairman of Berjaya Media Berhad and Informatics Education Ltd, Singapore and a Director of Atlan Holdings Bhd and KDE Recreation Berhad. He is also an Executive Director of Berjaya Golf Resort Berhad, Bukit Kiara Resort Berhad and Staffield Country Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

His father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is the Executive Chairman and a major shareholder of the Company and his sister, Nerine Tan Sheik Ping is also a member of the Board.

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

PROFILE OF DIRECTORS



VIVIENNE CHENG CHI FAN

59 years of age, Malaysian, Female
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 30 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, Cosway Corporation 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 and Sustainability Committee of the Company.



DATO' SRI AZLAN MEAH BIN HJ AHMED MEAH

62 years of age, Malaysian, Male
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 30 years of working experience in the Group and is primarily responsible for project coordination mainly in public-private partnerships across all of the Group's industry interest, which includes consumer marketing and retail businesses, automotive licensing, IT infrastructure and products, financial services, green technology and environmental services. He is also actively involved in projects related to privatization, air transportation, tourism infrastructure and recreational development, while concomitantly representing the Group in corporate and governmental relations, networking and negotiations to facilitate new business ventures.

Jointly driving the group's effective engagement, he is also responsible in creating and enhancing value from existing core businesses within the Group.

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

PROFILE OF DIRECTORS



DATO' ZURAINAH BINTI MUSA

56 years of age, Malaysian, Female
Executive Director

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

She obtained her MBA from Berjaya University College of Hospitality in year 2016, 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 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.



NERINE TAN SHEIK PING

42 years of age, Malaysian, Female
Executive Director

She was appointed to the Board on 1 January 2016 as an Executive Director. She graduated with a Bachelor of Science degree in Management (Second Class Honour) from the London School of Economics, United Kingdom, in 1998.

She has more than 16 years of experience in sales, marketing and business development in several operations. She started work as a Business Development Manager at Cosway (M) Sdn Bhd from January 1999 to September 2002 and was mainly responsible for overseeing the sales and marketing of Cosway products. From September 2000 to March 2003, she was appointed as an Executive Director of eCosway Sdn Bhd to oversee the development of the eCosway website with a software developer.

In addition, she was also appointed as Vice President in the Marketing division of Berjaya Hotels & Resorts (M) Sdn Bhd ("BHRM") in January 1999 and was appointed as Executive Director of Berjaya Hotels & Resorts (S) Pte Ltd from January 2005 until her resignation in April 2009. During her tenure at BHRM, she was overseeing the sales and marketing functions and development of spa management for different resorts.

In February 2007, she was appointed as the General Manager (Sales & Marketing) of Sports Toto Malaysia Sdn Bhd ("STMSB") and was subsequently promoted as an Executive Director of STMSB in April 2010. She is now overseeing the sales and marketing activities of STMSB including dealings with Government authorities. Currently, she is the Chief Executive Officer of Berjaya Sports Toto Berhad and also an Executive Director of Berjaya Land Berhad and Berjaya Group Berhad. She also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

Her father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is the Executive Chairman and a major shareholder of the Company and her brother, Dato' Sri Robin Tan Yeong Ching is also a member of the Board.

Nerine Tan Sheik Ping is a member of the Risk Management Committee and Sustainability Committee of the Company.

PROFILE OF DIRECTORS



CHAN KIEN SING

62 years of age, Malaysian, Male
Non-Independent Non-Executive Director

He was appointed to the Board on 15 September 2005.

He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmlInvestment Bank Berhad) specialising in corporate finance until his departure in 1989. He joined Berjaya Group Berhad in 1989 until his retirement as an Executive Director on 31 January 2017 and is currently a Non-Independent Non-Executive Director of the Company.

Currently, he is an Executive Director of Berjaya Media Berhad and a Director of Berjaya Sports Toto Berhad, Berjaya Assets Berhad and 7-Eleven Malaysia Holdings Berhad. He is also the Managing Director of Sun Media Corporation Sdn Bhd and holds directorships in several other private limited companies.



DATUK ROBERT YONG KUEN LOKE

66 years of age, Malaysian, Male
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 the 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 an 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, Berjaya Assets Berhad and Berjaya Media Berhad.

Datuk Robert Yong Kuen Loke is the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company.

PROFILE OF DIRECTORS



DR JAYANTHI NAIDU A/P G. DANASAMY

42 years of age, Malaysian, Female
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.

Dr Jayanthi Naidu A/P G. Danasamy is a member of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company.



PENELOPE GAN PAIK LING

42 years of age, Malaysian, Female
Independent Non-Executive Director

She was appointed to the Board on 30 March 2018.

She is a law graduate from University of Sheffield, United Kingdom (LLB Hons). She completed her Malaysian Certificate of Legal Practice in year 2001 and subsequently admitted to the High Court of Malaya as an advocate and solicitor in year 2003.

She has 15 years' of legal practice as an advocate and solicitor as well as in house legal advisor for a multinational company and has gained extensive experience in various areas of law from conveyance of properties to drafting of various corporate and securities agreements.

Currently, she is a Partner in Messrs Amir Toh Francis & Partners, a legal firm.

Ms Penelope Gan Paik Ling is a member of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company.

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;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

TAN THIAM CHAI

59 years of age, Malaysian, Male
Chief Financial Officer
Berjaya Corporation Berhad

He was appointed as the Chief Financial Officer of the Company on 18 July 2008. He is an Executive Director of Berjaya Land Berhad, Director of Atlan Holdings Bhd, Berjaya Food Berhad, Cosway Corporation Berhad, Indah Corporation Berhad, Tioman Island Resort Berhad, Berjaya Vacation Club Berhad, Berjaya Starbucks Coffee Company Sdn Bhd, and Cosway Corporation Limited (Hong Kong). He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

He has been a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also member of the Malaysian Institute of Accountants. He has more than 36 years' working experience in the field of finance, auditing, corporate restructuring and treasury.

DATUK PEE KANG SENG @ LIM KANG SENG

67 years of age, Malaysian, Male
Executive Director
Berjaya Land Berhad

He was appointed to the Board of Berjaya Land Berhad on 4 August 2016 as an Executive Director and subsequently appointed as the Chief Executive Officer on 18 January 2017. He holds a Bachelor of Civil Engineering (Honours) Degree from University of Glasgow, Scotland. He also holds professional qualification of Chartered Engineer C. Eng (UK) and Professional Engineer P.Eng (Malaysia).

Upon graduation in 1976, he joined Public Works Department until 1980 when he was appointed as the Chief Engineer of Kuantan Port Authority. He left the Government Services in 1984 and joined Syarikat ISDA Sdn Bhd as a Project Director for 6 years. From 1990 to 2000, he worked for Hong Leong Group holding various capacities including his appointment as the Group Managing Director of Hume Industries Berhad and C.I Holdings Berhad. In 2001, he joined Amsteel Corporation Berhad as the Group Managing Director until his retirement in 2005. Upon his retirement, he worked in senior positions for various other companies and also in the property development and construction industry.

He has accumulated over 40 years of professional experience in managing companies and creating business values. He has a host of construction and property development experience that includes the construction of high rise buildings, commercial and residential building as well as roads and bridges.

SEOW SWEE PIN

61 years of age, Malaysian, Male
Executive Director
Berjaya Sports Toto Berhad

He was appointed to the Board of Berjaya Sports Toto Berhad on 17 December 2007 as an Executive Director. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and Certified Practising Accountants, Australia. He has extensive working experience in auditing, accounting, financial management and corporate finance.

He worked with Messrs Ernst & Young from 1976 to 1984 and was appointed as an Audit Manager in 1982. Between 1984 and 1990, he held senior management positions in several major public listed groups including Group Financial Controller of Island & Peninsular Berhad, Group Chief Accountant of Sime Darby Berhad and Group Chief Accountant of Lion Corporation Berhad. He joined Berjaya Land Berhad as General Manager (Finance) in 1991. In 1994, he was appointed as General Manager (Finance & Operations) of Sports Toto Malaysia Sdn Bhd and was subsequently promoted to Senior General Manager in 1996.

Currently, he is also an Executive Director of Sports Toto Malaysia Sdn Bhd, Chairman of Philippine Gaming Management Corporation, and a Director of Berjaya Philippines Inc. and several other private limited companies.

Seow Swee Pin is a member of the Risk Management Committee and Sustainability Committee of Berjaya Sports Toto Berhad.

KEY SENIOR MANAGEMENT

SYDNEY LAWRANCE QUAYS

50 years of age, Malaysian, Male
Chief Executive Officer
Berjaya Food Berhad

He was appointed to the Board of Berjaya Food Berhad on 12 January 2017 as an Executive Director and subsequently appointed as the Chief Executive Officer on 1 June 2017. He is also the Chairman of the Employees' Share Scheme Committee and a member of the Sustainability Committee for Berjaya Food Berhad.

He graduated with Honors from the American Hotel and Lodging Association, United States of America majoring in Hospitality Management and Marketing in 1988. He started his career in the hotel industry, moving through different divisions and subsequently joined the Quick Service Restaurant industry, working for McDonald's Malaysia as a trainee manager in 1989.

He was a pioneer with Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") holding the position as Marketing and Merchandise Manager when he joined in 1998. Subsequently, he was appointed as Managing Director of BStarbucks on 31 October 2012 and Berjaya Food Supreme Sdn Bhd ("BFood Supreme") on 24 September 2013. He has been awarded "The Asia Pacific Entrepreneurship Award" in years 2014 and 2016 respectively and "The Asia Responsible Entrepreneur" in 2016.

Currently, he is overseeing the day-to-day operational decisions for BStarbucks, Berjaya Roasters (M) Sdn Bhd ("BRoasters"), Jollibean Foods Pte Ltd and BFood Supreme. He is also responsible for developing the business strategies and direction for business growth and new market expansion as well as preparing and implementing comprehensive business and marketing plans, bringing new and innovative ideas to build sales and elevate brand status. In addition, he is also responsible for the financial performance, profitability and future prospects of the business.

He is also a Director of Berjaya Food Trading Sdn Bhd ("BFood Trading") and is responsible for the growth of BFood Trading, which operates the fast-moving consumer goods ("FMCG") business, overseeing the expansion of the FMCG business into different channels and other retail sections as well as the implementation of new products. He is also a Director of BRoasters, Berjaya Jollibean (M) Sdn Bhd, Berjaya Food (International) Sdn Bhd and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

HANLEY CHEW

53 years of age, Malaysian, Male
Chief Executive Officer
Berjaya Hotels and Resorts
Division

He was appointed as the Chief Executive Officer of Berjaya Hotels and Resorts Division on 1 April 2016 to oversee the operations of the Division. He brings with him over 26 years of experience within the hospitality, travel and time-share industries.

Having held key portfolios within local and international hotel chains in Malaysia, Myanmar, Indonesia and China, his extensive experience in the industry spans a multitude of operational and strategic positions including Chief Executive Officer of Destination Resorts & Hotels, Chief Executive Officer of Hotel Integrations, Chief Executive Officer of Sunway International Hotels & Resorts, Sunway International Vacation Club, Sunway Healthy Lifestyle and Sunway Travel as well as the Director of Marketing of the Renaissance and Marriott Hotel Group.

He is a member of the Institute of Chartered Secretaries and Administrators ("ICSA").

KEY SENIOR MANAGEMENT

KHOR POH WAA

62 years of age, Malaysian, Male
President
Berjaya Vacation Club Berhad

He holds an Accounting Degree from the University of Malaya and served in the Accountant General's Office before joining the private sector in 1985.

He joined Berjaya Vacation Club Berhad ("BVC") in 1993 and has been the President of Berjaya Vacation Berhad since 1997 and the Director of Berjaya Clubs since 2012. He manages the Company's timeshare, golf and recreation club division and has vast experience in the hotel, golf and club industry.

He is the Chairman of the Malaysian Golf & Recreational Owners Association for the period from 2015 to 2018. He was also the Chairman of the Malaysian Holiday Timeshare Developer's Federation from 1995 to 2015.

Currently, he is also a Director of Berjaya Golf Resort Berhad, Berjaya Vacation Club Berhad, Bukit Kiara Resort Berhad, KDE Recreation Berhad and Staffield Country Resort Berhad.

CHOCK ENG TAH

60 years of age, Malaysian, Male
Managing Director
KUB-Berjaya Enviro Sdn Bhd

He was appointed to the Board of KUB-Berjaya Enviro Sdn Bhd as the Managing Director on 28 September 2005. He is also the Managing Director of KUB Berjaya Energy Sdn Bhd, Executive Director of Berjaya Project Management Sdn Bhd, the Chairman and Managing Director of Amita KUB-Berjaya Kitar Sdn Bhd, Managing Director of Berjaya Engineering Construction Sdn Bhd and Director of several local and overseas subsidiaries of Berjaya Corporation Berhad.

He graduated with a Bachelor of Civil Engineering and has 35 years of working experience in the civil engineering and construction industry.

Save as disclosed, none of the Key Senior Management have :-

1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

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 2018.



View of the Main Dining Hall from the Main Lobby - Four Seasons Hotel and Hotel Residences Kyoto, Japan.

FINANCIAL RESULTS

The Group registered a lower revenue of RM8.67 billion as compared to the revenue of RM9.18 billion in the previous year, mainly due to lower contribution from the property investment and development segment and marketing of consumer products and services segment.

The marketing of consumer products and services segment reported a lower revenue in the current financial year as compared to the previous year as the retail distribution business was affected by weak consumer spending sentiment particularly in the local market. In addition, the intense competition in Mainland China also contributed to the decrease in revenue in the current financial year. The motor distribution business recorded a marginal drop in revenue mainly due to the drop in sales volume of its new car sector in the current financial year. The property investment and development segment registered lower revenue in the current year as the remaining units of a property project in China were disposed of in the previous financial year. Though the marketing of consumer products and service segment were significantly impacted, the other segments showed improvement in revenue. The restaurants and cafes segment reported a higher revenue mainly due to additional Starbucks cafes operating in the current year as well as same-store-sales growth. The hotels and resorts segment reported a higher revenue mainly due to higher occupancy rates and room rates in the current financial year as well as the full year's revenue contribution from the Four Seasons Hotel and Hotel Residences Kyoto, Japan which started operations in the second quarter of the previous financial year. The higher revenue from the gaming operations was mainly due to the full year's revenue contribution from the Vietnam operations which started its operations in the second quarter of the previous financial year.

The Group incurred a pre-tax loss of RM115.90 million in the financial year under review as compared to the pre-tax profit of RM662.63 million reported in the previous year, mainly due to the lower profit contribution from the various business segments as well as some exceptional items. The lower profit contribution from the business segments was mainly due to challenging operating environments. The exceptional items are in relation to impairment provision of various assets of the Group due to market conditions. Excluding the impairment of various assets and unfavourable foreign exchange difference totalling about RM329.90 million, the pre-tax profit would have been about RM214.0 million. I am confident that a substantial portion of the impairment provision losses can be reversed in the future. The pre-tax profit in the previous financial year included the substantial gain from the disposal of an associate company of about RM98.63 million as well as the gain on settlement for surrendering certain assets and lease interests to the relevant authorities of about RM184.64 million.

DIVIDEND

The Board did not recommend any payment of dividend for the financial year ended 30 April 2018.

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 6 March 2018, BCorp announced that it had, together with the other shareholders of DSG Holdings Limited (“DSG”), namely Earthlodge Investments Limited and Elque Resources Sdn Bhd, entered into a Share Purchase Agreement with

CHAIRMAN'S STATEMENT

Besino Environment Limited ("Besino") for the disposal of a total of 100% equity interest comprising 10.00 million ordinary shares in DSG to Besino for a total cash consideration of RMB508.00 million. The disposal was completed on 25 June 2018 whereby BCorp disposed of its entire investment of 85% equity interest comprising 8.50 million DSG shares for a cash consideration of RMB431.80 million (equivalent to about RM265.99 million).

- On 2 April 2018, BCorp announced the completion of the disposal of its entire 100% equity interest in Berjaya Green Resources Environmental Engineering (Foshan) Co Ltd to Foshan Water & Environmental Investment Co Ltd for a cash consideration of about RMB78.50 million (equivalent to about RM50.87 million).
- On 15 February 2017, Berjaya Leisure (Cayman) Limited ("BLCL") entered into a capital contribution transfer agreement for the disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of VND333.25 billion (equivalent to about RM65.32 million). The said disposal is pending completion.
- On 4 June 2018, Berjaya Land Berhad announced that BLCL had entered into a Capital Transfer Agreement for the proposed disposal by BLCL of the entire resultant 32.5% of the capital contribution in Berjaya Vietnam Financial Center Limited ("BVFC") to Vinhomes Joint Stock Company and Can Gio Tourist City Corporation for a cash consideration of

VND884.93 billion (equivalent to about RM154.86 million). The said disposal is pending completion.

SUSTAINABILITY

In line with the reporting requirements from Bursa Malaysia Securities Berhad ("Bursa Malaysia"), BCorp will present its maiden Sustainability Statement for the financial year ended 30 April 2018. The Sustainability Statement (available on pages 36 to 56) highlights the Group's commitment to undertaking business in a responsible and sustainable manner and focuses primarily on the operations and management of the economic, environmental and social sustainability aspects of the Group's principal business activities in Malaysia.

From the Group's key sustainability initiatives to the community support and development programmes reaching out to various communities, the statement outlines the various practices that have been embedded into the Group's processes with the ultimate aim of bringing more value to our businesses, society and stakeholders.

FUTURE PROSPECTS

The country's gross domestic product ("GDP") is projected to grow between 5.5% to 5.6% in the second quarter of the financial year from 5.4% in the first quarter of this year, a sign that Malaysia's economy is gaining momentum under the new Government's economic policy, supported by the strengthening of private consumption and the Goods and Services Tax ("GST") being zero-rated.



Artist impression of Timur Bayu, Berjaya Park, Shah Alam, Selangor



The grand launch of Cosway's first Experience Centre in Berjaya Times Square, Kuala Lumpur

Our consumer marketing and direct-selling business, Cosway Corporation Berhad ("Cosway"), will continue to focus its efforts on revenue growth in profitable and potential markets, particularly in Malaysia and Mainland China. Cosway will focus on using digital marketing strategies to engage with and market its products to target the younger consumer group who are geared towards digital media. Cosway will also launch more high value and premium quality imported products, as well as more Halal products to target the growing market demand of Muslim consumers, with the aim of increasing profit margin and enhancing the sales performance of the Group. In addition to various cost-cutting measures such as shutting down unproductive stores, the Group is converting physical stores to online virtual stores to improve the overall profitability of the Group. This is also in line with the changing consumer behavior of the younger generation who prefer making purchases online. High achievers will also be rewarded with recognition awards and annual incentive trips.

The outlook for the property market appears to be on recovery with the new Government machinery in place. The country's property market, which has been on a downtrend over the past three years, is expected to return to growth following the implementation of the zero-rated GST and the Government's measure to look into improving the current lending guidelines. These factors will encourage buyers who have been holding back on their decision to purchase or invest in the property segment. In view of this, our Property Development Division will plan appropriate marketing strategies to capture the different segments of the market for its various projects which are currently being developed and coming on-stream.

It is expected that the zero-rated Goods and Services Tax ("GST") effective 1 June 2018 and the three-month tax holiday before the introduction of the Sales and Services Tax in September 2018 will increase discretionary income and boost consumer spending to a significant multiplier effect within the domestic economy. Against this scenario, the Group expects the hotels and resorts business segment to benefit from the positive trends within the tourism industry and make good progress in terms of profitability. The hotels and resorts business segment will continue to develop its marketing strategies to further expand its market reach and enhance guests' experiences with greater levels of hospitality.

With the intense competition from the illegal gaming activities coupled with rising costs and weaker consumer sentiments, our Number Forecast Operators ("NFO") business is expected to be challenging moving into the next financial year. Notwithstanding this, Sports Toto Malaysia Sdn Bhd ("Sports Toto") has taken a few measures to increase the efficiency of its product delivery and improve customer service. During the financial year, Sports Toto purchased eight hundred units of new lottery terminals to be deployed nationwide throughout 2018. In February this year, Sports Toto opened its first concept store in Johor Bahru which provides enhanced customer service and experience. With these enhanced measures in place, it is expected that the Group will maintain its market share in the NFO business.

In Vietnam, our lottery operations have rolled out 3,500 terminals spread over 34 provinces throughout Vietnam, offering 3 different lottery games. We will continue to expand the lottery operations to more provinces and introduce more new games progressively throughout the next financial year.

CHAIRMAN'S STATEMENT



Beach Brasserie at The Taaras Beach and Spa Resort, Redang Island



Wendy's outlet at Kota Kinabalu International Airport, Sabah

The food and beverage industry in Malaysia has become increasingly competitive due to the saturated market of food and beverage players. Consumers are also more discerning and health-conscious in their tastes and choice of food options. The Group will leverage on the strength of Starbucks' brand position as a leading premium coffee chain in Malaysia and continue with its expansion plan of opening more outlets in strategic locations across Malaysia. The Group has also introduced a new walkthrough dining concept for Kenny Rogers Roasters ("KRR") which enables customers to view and select the meal of their choice from the wide variety of KRR's menu items, providing guests with a more flexible dining experience while enabling more efficient management of resources. The Group will continue to expand further from the current 4 stores offering this walkthrough concept, moving forward.

Besides store expansion, our food and beverage companies, Starbucks Coffee, KRR, Wendy's and Krispy Kreme Doughnuts will continue to leverage on the wide reach and strong engagement power of digital platforms to interact with their customers and build a stronger customer base especially with the younger generation. This will help to enrich the respective brands' marketing initiatives and strengthen brand affiliation among customers. They will also continue to improve on their menu offerings, and increase revenue through more innovative marketing and promotional activities.

Our motor trading and distribution business is also expected to continue to contribute towards the Group's growth and revenue. Locally, our China Car Division will widen its sales network and explore opportunities to bring in new models to increase its market share. In the United Kingdom, H.R. Owen, which operates a number of vehicle franchises in the prestige and specialist car market predominantly in the London area, is also expected to drive the Group's business growth further.

APPRECIATION

On behalf of the Board, I would like to convey our sincere thanks and deepest appreciation to Datuk Mohd Zain bin Ahmad who resigned as Independent Non-Executive Director effective 18 April 2018 and Dato' Hj Md Yusoff @ Mohd Yusoff bin Jaafar who resigned as Independent Non-Executive Director on 28 June 2018. Both of them have been dedicated members of the Board since 15 September 2005 and have made valuable contributions towards the growth and success of the Group throughout the years.

I would like to welcome Ms Penelope Gan Paik Ling, who joined the Board as Independent Non-Executive Director on 30 March 2018.

To my fellow colleagues on the Board, I would like to express my gratitude for your dedication and commitment, and I look forward to your continued active participation on the Board.

To all our loyal customers, business partners, financiers, and regulatory authorities, I thank you for your support and confidence towards our Group. To the management and staff of the various operating companies within the Group, thank you for your dedicated efforts and hard work throughout the year.

After being away for five years, I am pleased to be back on the Board, participating in the deliberation and decision-making for the Group. I am working together with Dato' Sri Robin Tan and my fellow Board members to capitalise on business development opportunities in order to unlock more value for our shareholders and drive the Group forward in achieving sustainable growth and profitability.

TAN SRI DATO' SERI VINCENT TAN CHEE YOUNG

Executive Chairman

15 August 2018

MANAGEMENT DISCUSSION AND ANALYSIS



Cosway Experience Store in Berjaya Times Square, Kuala Lumpur



Cosway's range of Diamond Royale skincare products

MARKETING OF CONSUMER PRODUCTS AND SERVICES

Cosway Corporation Berhad ("Cosway")

For the financial year ended April 2018, Cosway's revenue saw a decrease of 25.6% to RM641 million compared to RM861 million in the previous financial year. A major contributing factor for this decline is the intense competition in the direct selling environment, including unfair competition from illegal schemes or money games. This resulted in suppressed purchasing appetite amongst consumers, especially for Cosway's new high value products in key markets. In addition, a range of products which were no longer attractive with Cosway's member base were discontinued. The company's cost-saving exercise of closing non-performing stores also contributed to the decline in sales revenue.

Cosway recorded a gross profit of RM198 million for the financial year under review as compared to RM261 million in the previous financial year. The gross profit margin for the financial year however, improved to 30.8% as compared to 30.3% in the previous financial year due to better results achieved in the individual country sales, which recorded a higher percentage of sales contributions from markets with better profit margins.

Operating losses increased from RM20 million to RM90 million in the financial year under review, primarily due to lower revenue, an unfavourable exchange difference of RM 20 million, expenses for recognition and incentive trips introduced during the year for members, and impairment losses of RM14 million on stock. The company managed to mitigate its pre-tax losses by ceasing the unprofitable pharmacy store model, and aggressively undertaking cost-cutting initiatives such as the closure of 265 non-performing free franchise stores, relocating high rental stores away from shopping malls, reducing catalogue printing through online alternatives, and revamping and reviewing its existing delivery network.

Moving forward, Cosway aims to improve on its revenue by focusing more on its e-Commerce Platform to capture younger members/consumers whilst still actively engaging with its loyal consumers. Wider and more encompassing digital marketing experiences and platforms will be used to promote Cosway products and create excitement to this new group. Cosway plans to launch new attractive products with higher margins during the financial year 2019. Cosway has recently launched a new range of products such as *Diamond Royale*, a premium, high quality and scientifically proven range of anti-aging skincare products from Switzerland, and *Dignita*, a new lifestyle range of hijab products developed in collaboration with famous local celebrity Neelofa. In addition, a Halal range of products will be launched to meet the increasing market demand of Muslim consumers.

Cosway will also introduce a Gift Card that will facilitate and reward members when introducing products to prospects. To assist and guide more members to achieve bonuses consistently, a new training programme called the Smart Earner Training has been recently developed and rolled out in certain markets. With more members expected to achieve bonuses, a tiered monthly qualification which commensurate with the levels of bonus earned by members will be introduced. This will increase monthly revenue through higher personal sales from members.

To drive efficiency and improve profitability, more cost-saving measures will be carried out which will not impact members' experience with the company, such as internal process reviews and improvement, and right-sizing of resources. Cosway will also enhance its store profitability where the previous store model of Leader Centre, which does not bind or burden the company with rentals and lease agreements, will be re-introduced more aggressively with an attractive package for the operator.

MANAGEMENT DISCUSSION AND ANALYSIS



Inter-Pacific Securities' Principal Office at Berjaya Times Square, Kuala Lumpur



Swimming pool at the Four Seasons Hotel and Hotel Residences, Kyoto, Japan

FINANCIAL SERVICES

Inter-Pacific Capital Sdn Bhd ("IPC")

The financial year ended 30 April 2018 started on a positive note with the FBMKLCI rallying from 1,768.06 points at the end of the previous financial year ended 30 April 2017 to 1,870.37 points on 30 April 2018, an increase of 5.8%. The stock market rally was broad-based, with almost all sectors increasing to varying degrees. A late November 2017 statement by Bank Negara Malaysia that a reassessment of the level of monetary accommodation needed was underway sparked a resumption of foreign fund inflows in December 2017. Due to their traditional focus on large capitalisation stocks, these funds triggered a rally in heavyweight sector stocks lasting until April 2018. Reflecting the increased market velocity, the overall value of transactions traded on Bursa Malaysia increased by 20.7% to RM635 billion as compared to the traded value of RM526 billion in the previous financial year.

During the year under review, Inter-Pacific Capital Sdn Bhd ("IPC") recorded operating revenue of RM47.5 million as compared to RM41.8 million in the previous financial year, an increase of 13.6% due mainly to the increased brokerage income arising from an improvement in the company's market share.

Pre-tax operating profit was RM31.7 million, an increase of 22.9% over the RM25.8 million in the previous financial year. However, the company recorded a pre-tax loss of RM7.5 million for the financial year as compared to a pre-tax profit of RM9.9 million in the previous financial year mainly due to impairments of RM39.2 million on investments during the financial year. Operating expenditure was maintained at approximately the same level as in the previous year.

Just ahead of the 14th General Elections ("GE14") on 9 May 2018, a wave of selling by foreign funds began, triggered by their withdrawal from emerging markets. The GE14 delivered a stunning victory to the Pakatan Harapan coalition and this led to further sell down in the stock market especially on stocks which are perceived

to be politically-linked to the previous Government. A sense of unease also weighed on the stock market over questions about how the policies of the new Government would impact the ongoing large infrastructure and other projects. However, IPC believes that the wave of foreign selling will eventually tail off and with the new Government's emphasis on transparency and good governance, the groundwork is being laid for a stable economy poised for growth. In view of this, IPC expects its results to improve for the financial year ending 30 April 2019.

HOTELS AND RESORTS

Berjaya Hotels and Resorts Division ("BHR")

BHR owns and operates 16 hotels and resorts locally and internationally.

For the financial year ended 30 April 2018, BHR recorded a 31.9% year-on-year increase in total gross revenue to RM537.1 million compared with RM407.2 million in the last financial year. The improvement was mainly supported by the healthy growth in both room occupancy levels and average room rates ("ARR") in the current financial year as well as the full year's revenue contribution from the Four Seasons Hotel and Hotel Residences, Kyoto, Japan, which started its operations in the second quarter of the previous financial year. With the higher total gross revenue generated and improvement in operational efficiency, the Group's profit before tax increased to RM85.2 million from RM5.9 million in the last financial year.

When compared with the previous financial year, the increase in total gross revenue was driven by higher room business due to the growth in the leisure market segment. Whilst room occupancy grew by 3.4 percentage-points to 60.9% from 57.5% in the previous year, and the significant increase of 24.1% in ARR resulted in an increase in the Revenue per Available Room ("RevPAR") by 31.8% to RM307.

MANAGEMENT DISCUSSION AND ANALYSIS



Premier Suite on Water - Berjaya Langkawi Resort, Kedah



Premier Room - Four Seasons Hotel and Hotel Residences, Kyoto, Japan

Hotels & Resorts In Malaysia

The major Malaysian-based hotels and resorts are Berjaya Langkawi Resort, Berjaya Times Square Hotel, Kuala Lumpur, ANSA Kuala Lumpur, Berjaya Penang Hotel, Berjaya Tioman Resort, The Taaras Beach & Spa Resort, Redang, as well as Colmar Tropicale and The Chateau Spa & Organic Wellness Resort at Berjaya Hills.

The overall financial results for the financial year ended 30 April 2018 reflected an improvement in the operating performance across all of the Malaysian-based properties. The Group posted an increase in total gross revenue of 9.0% to RM272.1 million compared to RM249.8 million in the previous year. With the higher room night bookings from Transient FIT, Leisure FIT and Leisure Group market segments, the combined occupancy level increased to 57.8% against 54.6% previously, and the ARR improved marginally by 2.5%. As a result, the RevPAR recorded an increase of 8.6% to RM189 as compared to RM174 in the previous financial year.

With the increase in total gross revenue, coupled with strict cost discipline, the Malaysian-based properties achieved a 229% rise in profit before tax to RM28.6 million compared with RM8.7 million in the previous financial year. The profit before tax in the financial year under review included a net non-operating income of RM7.4 million arising from the disposal of a quoted investment.

Overseas Hotels & Resorts

The major overseas hotels and resorts of the Group are Four Seasons Hotel and Hotel Residences, Kyoto, Japan, Berjaya Beau Vallon Bay Resort & Casino and Berjaya Praslin Resort in Seychelles, Berjaya Hotel Colombo, Sri Lanka, Berjaya Eden Park London Hotel and The Castleton Hotel in London, United Kingdom.

Generally, the room night bookings for the overseas properties were generated from the leisure travel market. During the financial year under review, the higher room night bookings from the Transient FIT, Leisure FIT and Commercial FIT market segments

had improved the total room occupancy levels to 71.4% compared to 68.1% in the previous year. The increase was mainly contributed by Four Seasons Hotel and Hotel Residences, Kyoto, Japan. In addition, the combined ARR showed an increase of 47.2% from last year. With the healthy growth in occupancy and ARR, the group's total revenue from its room business operations increased to RM179.7 million as compared to RM104.7 million in the previous financial year.

For the financial year ended 30 April 2018, BHR's overseas properties' total gross revenue recorded an increase of 68.3% to RM265.0 million compared to RM157.5 million in the last financial year. Whilst profit before tax significantly increased to RM56.6 million from the lost before tax of RM2.8 million incurred in the previous financial year, the significant increase was primarily attributable to the full year's revenue contribution from the Four Seasons Hotel and Hotel Residences, Kyoto, Japan which commenced its operations in the second quarter of the previous financial year.

Going forward, the market outlook for the financial year ending 30 April 2019 will be another challenging one. The slowdown of market conditions will continue to cause further uncertainties and apprehension amongst businesses, resulting in further pressure on the performance of the hotels and resorts division especially within the corporate segment. Focus will be redirected to the leisure market from China and India, the growing travellers within this region. BHR will continue strive to increase its revenue by increasing its food and beverage business, especially its banqueting business, particularly in the meeting and incentive segments from Malaysia, Singapore and China, which may not be maximized at this point. In addition, BHR will also continue to drive room yield through effective yield management strategies and improve cost efficiency so as to maximize profitability in all areas.

MANAGEMENT DISCUSSION AND ANALYSIS



Kelab Darul Ehsan, Selangor



Hotel Lobby - ANSA Kuala Lumpur

CLUBS AND RECREATION

Clubs and Recreation Division (“The Clubs”)

The Clubs operates five 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 have a total membership of 15,476 as at 30 April 2018 of which 8,141 are golf memberships and 7,335 are non-golf memberships.

During the year, Bukit Jalil Golf & Country Resort purchased a new fleet of 6 buggies and created a new Pro Shop to enhance its image. Bukit Kiara Equestrian Country Resort installed a new Olympic-sized swimming and dive pool, and other facilities to improve its services to its members.

The Clubs recorded a decrease in total gross revenue to RM56.4 million from RM60.4 million in the previous financial year, mainly due to the completion of The Clubs’ exercise to terminate long defaulting members. This was further affected by the current economic condition that resulted in softer food and beverage business and patronage of The Clubs by members.

The Clubs reported a profit before tax of RM0.65 million compared with RM9.57 million in the previous financial year. The significant drop in profit before tax was mainly due to lesser termination by defaulting members and higher depreciation resulting from the acquisition of new assets and renovation of club facilities.

The financial year ended 2019 will remain competitive and challenging for the recreation club industry. The Clubs will continue to upgrade its facilities including the golf courses as part of its strategy to enhance the quality of its services. This will enable

The Clubs to remain competitive and at the same time improve its revenue in the near future when economic conditions improve. With a strong and stable membership base, The Clubs’ performance will remain stable.

VACATION TIME SHARE

Berjaya Vacation Clubs Berhad (“BVC”)

Berjaya Vacation Clubs Berhad (“BVC”) operates and manages a vacation timeshare membership scheme which provides and coordinates holiday accommodation packages at holiday resorts in Malaysia. Through its affiliation with Resort Condominiums International, BVC also offers accommodation packages at more than 4,000 resorts in over 100 countries spanning across Asia, Europe, Middle East and Africa.

For the financial year ended 30 April 2018, BVC reported a decrease in revenue to RM10.17 million from RM10.38 million registered in the previous financial year mainly due to lower annual maintenance fees received from its much lower BVC membership base coupled with a reduction in advance license fees recognised from the termination of BVC memberships.

Operating profit increased to RM3.2 million from RM0.74 million in the previous financial year due to early termination of delinquent members, lower operating expenses and room rental income from members who required more rooms beyond their annual room entitlement.

The timeshare industry in Malaysia has generally reached its maturity stage with no new players coming into the industry. As such, most of the competitors in the timeshare industry are merely servicing their existing members with no plans to aggressively recruit more members.

MANAGEMENT DISCUSSION AND ANALYSIS



Artist impression of the Topaz Twins in HCMC, Vietnam



Swimming pool at The Link 2, Bukit Jalil, Kuala Lumpur

PROPERTY DEVELOPMENT

The property sector remained soft and challenging throughout the financial year under review. There was an evident overhang of property, particularly reflected in the huge number of unsold units in the high-end service apartments market segment. In the affordable homes sector, more schemes are being developed in various locations resulting in supply exceeding demand. The weakening of the Malaysian Ringgit against the US Dollar's rising bank interest rates, the negative effects of the Goods and Services Tax ("GST"), pre-election uncertainties and rising unemployment rates further contributed to a dampened soft property market.

The development projects at Bukit Jalil remained the main revenue contributor of the Property Development Division ("PD Division") during the financial year under review. The Link 2 comprising 539 units of residence, 22 units of shop offices and 222 units of street mall commercial lots was successfully completed and handed over to purchasers from the fourth quarter of 2017.

Construction is progressing well at Lanai Residensi, the Division's first affordable homes project at Bukit Jalil. It is also the PD Division's first project to embrace Industrialised Building System ("IBS") precast as the preferred design and construction work method over the conventional in-situ work method, aimed at improving time and cost efficiency, and consistency in workmanship quality. As at 30 April 2018, the pre-cast construction has reached Level 5 and the project is expected to be fully completed by the third quarter of 2019.

Sales and marketing initiatives are also being carried out to market the unsold stocks of the PD Division's Bukit Jalil projects. As at 30 April 2018, more than 90% of the condominium units at KM1 East and KM1 West have been sold while 60% of the shoplets and 77% of the 4-storey and 6-storey shop offices have been sold respectively. The PD Division is also working with numerous government bodies and cooperatives to market the bumiputra units at Lanai Residensi to bumiputra purchasers. As at 30 April 2018, 78% of the total units

at Lanai Residensi have been sold, generating a total sales value of RM152 million.

At Taman Kinrara Section 4, Puchong, the construction for the 29 units of IRIS and 5 units of superlink JASMINE double-storey terrace homes progressed on schedule with 97% of the total units sold as at 30 April 2018. The project is scheduled for completion by the third quarter of 2018.

The year under review saw the completion of interior fit-out works of the 288 units of exclusive and luxurious residence suites at the Ritz-Carlton Residences, Kuala Lumpur located in the second tower of Berjaya Central Park. Purchasers took vacant possession of the units in the fourth quarter of 2017 and the Ritz-Carlton team is also on-board to manage the property. The PD Division has embarked on various site events, property roadshows and exhibitions overseas, collaborated with luxury car companies to hold private events as well as participated in write-ups and sponsorships in various media such as inflight magazines of airlines and high-end magazines. The Ritz-Carlton Residences, Kuala Lumpur also garnered the Best Luxury Condo Development (Klang Valley) and Best Green Development in the 2018 PropertyGuru Asia Property Awards, Malaysia.

Kensington Gardens, the first phase of Jesselton Villas in Penang, features 69 units of bungalow lots with sizes ranging from 5,995 to 9,634 square feet and priced averagely at RM654 per square foot. As at 30 April 2018, 67% of the total units have been sold, generating a total gross sales value of RM198 million. Construction works is expected to be completed by the second quarter of 2019.

In China, the PD Division has developed and completed three residential developments in Yanjiao, Hebei Province, People's Republic of China. The latest project, OE Waterfront, generated a total sales revenue of RMB1.8 billion in the financial year 2017. The French Village, which was completed in 2004, is currently generating recurring rental income. The fourth and remaining piece of land with an area of 11,781m², is still pending local authority's detailed development policy.

MANAGEMENT DISCUSSION AND ANALYSIS

In Ho Chi Minh City, Vietnam, the Topaz Twins features 2 towers of 668 units of residential apartments and 15 lots of shop units located in the administration hub of Bien Hoa City. The total estimated gross development value is VND1,300 billion (RM227.5 million). As at 30 April 2018, there were 326 confirmed bookings for the apartment units and 13 confirmed bookings for the shop units for Tower A with a total sales value of VND629 billion (RM110.0 million). The sales launch for Tower B achieved 90% bookings as of July 2018. The substructure construction work for Topaz Twins commenced on 14 December 2017 and is expected to be completed by November 2018, with the super structure work expected to commence in September 2018.

Over in Hanoi, the PD Division is involved in the development of Hanoi Garden City, a mixed development on 78 acres of land located at Thach Ban Ward in Long Bien district. As of 30 April 2018, 53% of the total 103 units Arden Park Garden Villas have been sold with a total sales value of VND433.7 billion (RM103.6 million). As for Canal Park Apartments, 97% of the 148 units of residential apartments have been sold with a total sales value of VND328.5 billion (RM65.2 million). Construction for Phase 3 of Hanoi Garden City which consists of 72 units of shop houses and villas is expected to commence by the third quarter of 2018.

The total estimated gross development value is VND585.0 billion (RM102.0 million).

The PD Division generated a revenue of RM340.7 million as compared to RM947.8 million in the previous financial year, attributable to lower sales turnover in the current financial year as compared to the previous financial year mainly due to the remaining units of the Group's property project in China having been disposed of in the previous financial year.

The PD Division registered a pre-tax profit of RM47.36 million in the current financial year as compared to RM365.4 million in the previous financial year, in line with the lower revenue achieved.

The financial year 2019 will see the launch of The Tropika at Bukit Jalil, which is a mixed development based on the concept of "Live, Work and Play" under one development. Located opposite The Link 2, The Tropika will feature 4 blocks of 868 residential units, a 27,807 square feet commercial space, 9 units of shop office, and 11 retail outlets. The Tropika will be designed on a biophilic concept and the main highlights of the development include a full-fledged 2.9-acre deck with 68 facilities, and many other recreation amenities. The total GDV of this development is estimated at RM703 million.



KM1, Bukit Jalil, Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS



Plaza Berjaya with its annexe, Menara Cosway

Another project in the pipeline within Bukit Jalil is at the last parcel of development land with a panoramic view of the Bukit Jalil Golf Course. The project, a wellness-cum-residential development, will have a combination of low and high rise residential units of various sizes ranging from 850 square feet to 2,200 square feet spread over 12.24 acres of elevated land. With the composition of purposely-built wellness facilities and residences, this development will serve to meet the increasingly sophisticated market which seeks quality wellness and health services as a lifestyle concept.

The PD Division will be launching another high-rise residential project at Berjaya Park, Shah Alam. Timur Bayu will feature 456 high-rise condominium units within three 29-storey blocks, and 62 low-rise condominium units within eight 4-storey blocks. Slated to be launched by the fourth quarter of 2018, the total GDV for this project is estimated at RM340 million.

Malaysian purchasers are becoming more discerning due to the exposure of social media. With this, the property landscape has become more competitive. Developers need to build homes that meet market demand in terms of pricing, location with good connectivity, lifestyle facilities and amenities, as well as good potential yield. The PD Division will strive to develop and deliver products that are of the highest quality to its purchasers. The Division will endeavour to practise good corporate governance and operational excellence to ensure the sustainability and growth of its business.

PROPERTY INVESTMENT

The Property Investment Division (“PI Division”) owns 4 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur, Berjaya Megamall, Kuantan, Pahang and Wisma Cosway, Kuala Lumpur. Collectively, these properties achieved an average occupancy rate of 70% during the financial year under review compared to 84% in the previous financial year.

For the financial year under review, the PI Division registered a decline in revenue to RM31.2 million compared to RM37.9 million in the previous financial year primarily attributed to Wisma Cosway’s anchor tenant, Cosway (M) Sdn Bhd moving out of the building to Menara Cosway during the year. The occupancy ratio of Wisma Cosway was reduced from 92% in 2017 to 70% in 2018. Profit before tax declined to RM10.0 million from RM16.3 million in the previous financial year primarily due to lower revenue.

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 its strategic locations within the city centre of Kuala Lumpur and easy accessibility, the Group’s complexes will continue to perform well. The Group’s complexes will continue to promote itself in an effort to strengthen its 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 on-line lottery equipment, and the manufacture and distribution of computerised lottery and voting systems.

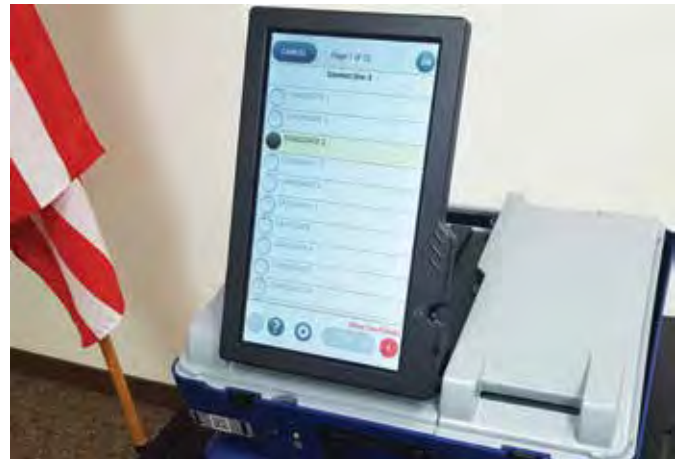


The Claim Centre at Sports Toto’s Head Office in Berjaya Times Square, Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS



Sports Toto's first concept store in Johor Bahru, Johor



ILTS FreedomVote Tablet used in elections in the USA

Malaysia

Sports Toto Malaysia Sdn Bhd (“Sports Toto”), the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 7 games namely Toto 4D, Toto 4D Jackpot, Toto 5D, Toto 6D, Star Toto 6/50, Power Toto 6/55 and Supreme Toto 6/58 which are drawn three days a week. Grand Toto 6/63 was replaced by Star Toto 6/50 during the financial year under review.

For the financial year ended 30 April 2018, Sports Toto recorded a revenue of RM3.12 billion which is on par with the previous year’s revenue despite the current year having two draws less than the previous year. The company’s revenue for the financial year under review has been stated net of Gaming Tax as well as GST on gaming supply. Sports Toto continued to remain as the market leader among all the NFO in the country in terms of total revenue for the financial year under review.



A lotto outlet in the Philippines

Its profit before tax increased by 9.2% to RM363.0 million compared to RM332.5 million in the previous financial year, mainly due to a lower prize payout in the financial year under review. Consequently, this led to a higher profit before tax margin of 11.6% compared to 10.7% in the previous financial year.

Sports Toto envisages that its business will remain resilient and is confident that it will continue to maintain its market share in the NFO business for the financial year ending 30 April 2019.

The Philippines

BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. (“BPI”) which is listed on the Philippine Stock Exchange. BPI’s wholly-owned subsidiary Philippine Gaming Management Corporation (“PGMC”) operates the business of leasing online lottery equipment and providing software support in the Luzon Region to the Philippine Charity Sweepstakes Office (“PCSO”), a Philippine Government agency responsible for lotteries and sweepstakes.

PGMC recorded revenue of Peso1.64 billion, an increase of 2.5% from Peso1.60 billion in the previous financial year mainly due to an increase in lease rental income as a result of higher jackpots recorded in this financial year.

PGMC’s profit before tax decreased by 4.9% to Peso755.2 million compared to Peso794.1 million in the previous financial year mainly due to the provision made for costs and expenses for an arbitration award issued by the Makati Regional Trial Court in favour of PCSO in the financial year under review.

The Philippine economy is expected to moderate to 6.6% - 6.7% range in 2018 - 2019 from its current annual rate of 6.7% - 6.9% in 2017 - 2018. Investment growth hinges on the Government’s ability to effectively and timely implement its ambitious public investment programmes. PGMC will continue to work with PCSO to launch new games in the coming financial year to generate more revenue to support charity activities in the Philippines.

MANAGEMENT DISCUSSION AND ANALYSIS



A lottery outlet in Vietnam

The United States of America

In the United States of America (“USA”), International Lottery & Totalizator Systems, Inc. (“ILTS”) provides secure, innovative and dependable gaming and voting processing systems to the public and private organisations throughout the world. ILTS owns a voting business segment operated through Unisyn Voting Solutions, Inc. (“Unisyn”) which develops and markets the certified end-to-end OpenElect® digital optical scan election system and a full-featured Election Management Software that provides precinct tabulation, ballot review and audio voting capability to election jurisdictions.

ILTS posted a lower revenue and profit before tax for the financial year ended 30 April 2018 compared to the previous financial year. This was mainly attributable to higher revenue recognition in the previous financial year due to higher contract sales recognised for deliverables completed last year with Berjaya Gia Thinh Investment Technology Joint Stock Company.

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. One of ILTS’s corporate strategies is to pursue growth through strategic alliances to gain access to new and tactically important geographies and business opportunities, and to capitalise on existing business relationships.

Vietnam

BCorp together with its business cooperation partner, Vietnam Computerized Lottery One Member Company Limited (“Vietlott”) officially launched its lottery operation in Ho Chi Minh City, Vietnam on 18 July 2016 with the introduction of its first game, Mega 6/45 Lotto Jackpot Game, with approximately 400 terminals. A second game, the Max 4D Digit Game was introduced on 18 November 2016, followed by the launch of Power 6/55 Lotto Jackpot Game on 1 August 2017.



The Maserati Levante S distributed by H.R. Owen

As at 30 April 2018, the business operation expanded to 34 provinces (there are 63 provinces in Vietnam), with approximately 3,500 terminals.

BCorp recorded a higher fee revenue of VND410 billion in the financial year under review compared to VND266 billion in the previous financial year derives from high lottery sales.

Moving forward, the operation plans to expand to another 20 provinces and to introduce more new games to the market progressively throughout the next financial year.

MOTOR TRADING AND DISTRIBUTION

H.R. Owen Plc. (“H.R. Owen”)

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



The Ferrari 812 Superfast distributed by H.R. Owen

MANAGEMENT DISCUSSION AND ANALYSIS



The Foton View CS2 distributed by BCM



Berjaya UC's School of Communication & Media Arts nurtures essential dynamic skill sets for students to achieve a successful career in the industry

For the financial year under review, H.R. Owen recorded revenue of £423.2 million compared to £428.2 million in the previous financial year, a decrease of 1.2%, mainly due to lower sales of new car units for Bentley and Maserati marques arising from run-out of certain models and the government's negative view of diesel vehicles respectively, as well as lower used car units sold particularly in the Bentley franchise operations.

H.R. Owen sold a total of 1,185 new prestige cars in the financial year under review compared to 1,306 prestige cars sold in the previous financial year, a decrease of 9.3%. For pre-owned cars, the number of units sold decreased by 10.27% to 1,235 units compared to 1,375 units sold in the previous financial year.

H.R. Owen's profit before tax increased by 104.5% to £6 million compared to £2.9 million in the previous financial year mainly due to lower cost of sales reported for the financial year under review.

Further improvement in trading is expected in the financial year ending 30 April 2019, driven by the arrival of new vehicle models in the Aston Martin, Bentley, Ferrari, Lamborghini, and Rolls Royce franchise operations, as well as in the used car operations. Some modest improvement is expected for the after-sales operations.

Berjaya China Motor Sdn Bhd ("BCM")

BCM is in the business of distributing, retailing and providing after sales service in Malaysia for light commercial vehicles and passenger vans imported from Changan, Jinbei, Dongfeng Sokon (DFSK) and Foton Motor Group (FMG).

Presently, the vehicle models offered consists of two- to five-seater light truck below 2.5 tonnes gross vehicle weight, two- to five-seater panel van and ten- to fifteen-seater passenger van.

BCM's revenue increased to RM32.9 million for the financial year under review from RM27.6 million in the previous financial year due to higher sales of vehicles in the financial year under review. Pre-

tax profit for the financial year under review increased to RM3.5 million from RM2.6 million in the previous financial year, mainly due to higher sales and lower administration expenses.

The automotive industry in Malaysia for year 2017 remained subdued where for the second consecutive year, the Total Industry Volume had contracted 0.6% to 576,635 units. The outlook for year 2018 remains challenging due to the strict lending rules by financial institutions and the weak consumer spending sentiment.

BCM will widen its sales network and proactively engage with customers to further increase customer satisfaction. At the same time, BCM will continue to work closely with its principals and explore opportunities to increase new vehicle models to grow its market share.

EDUCATION

Berjaya Higher Education Sdn Bhd ("BHE")

Berjaya University College ("Berjaya UC") is a boutique and premier university college which operates under BHE. Formerly known as Berjaya University College of Hospitality, the university college changed its name to Berjaya UC during the year under review to reflect the wider choices of academic programmes being offered after taking into consideration market trends and demand.

The cosmopolitan city campus of Berjaya UC is strategically located at Berjaya Times Square Kuala Lumpur and offers programmes from foundation to postgraduate levels under 4 faculties:-

- 1) Berjaya Business School
- 2) Faculty of Culinary Arts
- 3) Faculty of Hospitality & Tourism
- 4) Faculty of Liberal Arts

During the year under review, BHE continued to operate under challenging market conditions with the escalation in the cost of living and competitive price wars compounded further by the entrance of

MANAGEMENT DISCUSSION AND ANALYSIS

new local and overseas players. As part of its strategy to counter these challenges, BHE employed pre-emptive measures such as widening its market territories, introducing cost maximization and cost reduction programmes, as well as having more stringent control over the award of scholarships.

For the financial year under review, BHE registered a 2.9% drop in sales revenue to RM19.6 million as compared to RM20.2 million in the previous financial year. Despite this marginal decline in sales revenue, the company recorded a lower operating loss of RM6 million against RM6.1 million in the previous financial year, as a result of the pre-emptive measures taken. At pre-tax level, BHE registered a higher pre-tax loss of RM9.3 million as compared to RM9.1 million in the previous financial year mainly due to higher inter-company loan interest.

BHE participated in the Setara rating programme and secured a 4-star rating during the year under review. The company also obtained a good rating from The Accreditation by Services for Schools, Colleges & Universities (Asic) from the United Kingdom.

BHE signed a sizeable training contract with a company from Saudi Arabia in February 2018. The training is anticipated to commence in the next financial year and spread over 3 years. This training contract is expected to contribute significantly to the revenue and profitability of the company.

The company's wholly-owned subsidiary company, Berjaya Global Professional Development Sdn Bhd, secured a RM3.85 million training contract with renowned hospitality & resorts group in Vietnam, Vinpearl Jointstock Company which is expected to contribute to the profitability of the company. The training programmes are expected to commence and be completed during the next financial year.

Moving forward, the management of BHE is cautiously optimistic in achieving its targeted results barring any unforeseen circumstances.



Chef Melvyn Lee giving a cooking demonstration to Berjaya UC students



Starbucks Bottled Frappuccino tea and coffee series

FOOD & BEVERAGE

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")

Berjaya Starbucks Coffee Company Sdn Bhd ("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 is now a 100% subsidiary of Berjaya Food Berhad.

BStarbucks' nature of business is to sell high-quality whole bean coffees, along with fresh, rich-brewed coffees, Italian-style espresso beverages, cold blended beverages, a variety of pastries and confections, coffee-related equipment and accessories, and a selection of premium teas, among others.

The first Starbucks retail store in Malaysia was opened in KL Plaza on 17 December 1998. As at 30 April 2018, BStarbucks has 260 stores located throughout Malaysia except in the state of Perlis, Kelantan and Terengganu.

BStarbucks registered an increase in revenue of RM54.1 million to RM504.9 million in the financial year under review from RM450.8 million in the previous financial year, mainly contributed by the revenue from rapid expansion, and store growth from 239 stores in the previous financial year to 260 stores in the financial year under review.

During the financial year under review, BStarbucks adopted various tactical programmes to drive sales in a competitive environment such as the production of the Starbucks Malaysia Signature Planner 2018, Chinese New Year fortune packets which featured a modern design inspired by the Starbucks Siren tail, Starbucks' 19th Anniversary merchandise, launch of the Malaysia exclusive designed reusable cup and the "You Are Here" mug series, launch of the Vanilla Sweet Cream Cold Brew and Nitro Cold Brew, as well as the introduction of the Black Eagle Espresso Coffee Machine in conjunction with the latest expansion of 2 more Starbucks Reserve Stores during the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

The Starbucks Card Programme - My Starbucks Rewards (MSR) - registered its highest ever tender rate at 53% since its launch in 2011, contributing a total of RM312.6 million for the financial year under review as compared to RM271.2 million last year. During the year, three limited edition cards were introduced i.e. the Starbucks Gawai Kaamatan Card, the Malaysia National Day Card and the Malaysia D'wali Card. BStarbucks also introduced a Special Edition Starbucks Card, limited to 6,000 pieces, with an activation amount of RM250 each.

As at 30 April 2018, there are more than 2 million registered MSR members and a total of 7.8 million Starbucks Cards in active circulation nationwide.

BStarbucks recorded a higher gross margin of RM25.9 million to RM240.3 million in the financial year under review from RM214.4 million in the previous financial year. The improvement in GP margin was due to more store openings, constant cost management strategies, and the strengthening of the Malaysian Ringgit against the US Dollar (1 USD to 4.35 MYR as at 30 April 2017 to 1 USD to 3.92 MYR as at 30 April 2018) during the financial year under review.

BFood recorded a higher profit before tax of RM58.7 million as compared to RM53.3 million in the previous financial year, mainly attributed to additional revenue generated from stores opened during the financial year, coupled with effective cost management strategies.

In the financial year 2019, BStarbucks plans to open 25 new stores with an additional 2 Reserve concept stores. In order to create affinity and strengthen its brand presence, BStarbucks will use unique and elevated store designs with relevant local motifs as its main focus for its new stores. In addition, it will also continue to introduce innovative food and beverage items which resonate with its customers' tastes and expectations of Starbucks as a premium coffee company.

To drive loyalty and frequency, BStarbucks will continue to promote the Starbucks Card, which already has a good performance record, offering more card designs and attractive benefits, with plans to introduce MSR Tier rewards in the near future.

BStarbucks will also continue to leverage on digital innovations as well as strengthen its IT capabilities and improve on its Point Of Sales system and Inventory Management system, in order to provide a more efficient and better customer experience at its stores.

As part of its commitment towards empowering Malaysian communities, BStarbucks will continue to obtain raw materials from the local communities to develop food products and merchandise for sale in Starbucks' stores, such as its banana food products and range of Mengkuang merchandise. Through its Signing Store, BStarbucks will continue to support the deaf community by creating job opportunities and encouraging career development.

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

Incorporated in 1994, BRoasters is the master franchisee of Kenny Rogers Roasters' ("KRR") chain of restaurants in Malaysia. It offers a mid-casual dining setting equipped with complimentary Wi-Fi service in its table service restaurants or its newly-introduced walkthrough concept restaurant. As at 30 April 2018, there are 81 KRR restaurants across Malaysia.

KRR's core products include its signature rotisserie-roasted chicken, Outrageous, Mouth-watering, Guiltless (OMG) Unfried Fried Chicken, and the famous Kenny's Home-made Muffins, a staple favourite. Other wholesome selections include a wide array of hot and cold dishes, salads, pastas, and soups as well as a healthy list of beverages.

During the financial year under review, KRR also introduced several side dishes such as Sunny Corn Rice, Triple Bean Salad, Smokey



Starbucks Nitro Cold Brew is available at its Reserve stores



KRR SkyAvenue, Genting Highlands

MANAGEMENT DISCUSSION AND ANALYSIS

Corn Bites, and Kimchi Macaroni to complement the signature rotisserie chicken and OMG Unfried Fried Chicken ensuring that guests get a balanced and wholesome meal when they dine at KRR.

KRR also introduced the Take Me Home Package, giving its customers value-for-money options for takeaway wholesome meals for four which is easy on the wallet. KRR's ROASTERS On The Move (ROTM) mobile restaurant truck made a comeback in the beginning of the financial year to make wholesome meals more accessible to customers. KRR's new walkthrough concept allows guests to view and select their meal from a wide variety of appetizers, side dishes, main course dishes, desserts, and beverages just like a complete menu found at KRR's table service restaurants. As at 30 April 2018, 4 KRR restaurants - Awana SkyCentral, Genting SkyAvenue, JB Paradigm & AEON Kuching - have adopted the walkthrough concept. This has improved KRR's guest servicing, reduced wastage and helped the company manage its resources more efficiently.

For the financial year ended 30 April 2018, BRoasters recorded a revenue of RM92.7 million, a decrease of 4.8% compared to RM97.3 million in the previous financial year. This was mainly due to the closure of 8 non-performing stores during the year and a reduction in menu pricing in October 2017.

For the financial year ended 30 April 2018, BRoasters recorded a higher loss before tax of RM6.7 million compared to the loss before tax of RM4.2 million in the previous financial year, mainly due to an increase in operating expenses and depreciation, as well as a reduction in interest income.

BRoasters will continue to introduce enticing seasonal dishes and valued promotions, while further expanding its new walkthrough dining concept to encourage consumer spending and engagement. BRoasters has also refreshed its KRR Reload Card to offer limited edition designs and attractive promotions regularly, which rewards valued guests and encourages brand loyalty.



KRR store in Dubai, UAE

To engage with the younger generation, KRR actively leveraged on online marketing and social platforms to advocate healthy living and promote its latest offerings.

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

RAP is a wholly-owned subsidiary of BCorp and the holding company of KRR International Corp. which owns the worldwide franchise rights of the KRR brand.

For the financial year ended 30 April 2018, RAP registered a decrease in revenue to RM2.2 million from RM2.6 million in the previous financial year, mainly due to the decrease in Territory fees. During the financial year under review, there are 179 KRR stores operating in Malaysia, Philippines, Singapore, Indonesia, UAE, India and Thailand.

Over the years, RAP has been able to find a niche market within the food and beverage industry, given the entrance barriers are relatively high. The company has been able to sustain its growth and remain competitive in markets that are saturated with new and existing food and beverages players, with a reasonable amount of brand recognition.

RAP will continue to improve its sales performance through the growth of new stores in its existing markets, as well as penetrate new markets for the financial year 2018. Moving forward, RAP plans to expand KRR's presence into Maldives, Sri Lanka and Myanmar which will contribute positively to the growth of RAP. RAP will also continue to increase brand awareness in its existing markets through aggressive marketing campaigns and new product innovations.

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". As at 30 April 2018, Jollibean Foods has 31 outlets under the three brands in Singapore.



Jollibean outlet at Singapore Changi Airport Terminal 3

MANAGEMENT DISCUSSION AND ANALYSIS



Wendy's at Sunrise, Penang

The “Jollibean” brand has become a household name in Singapore since its inception in 1995. It started with the philosophy of bringing back nostalgic childhood memories of Singapore through providing nutritious and healthy traditional snacks, suitable for all ages.

For the financial year ended 30 April 2018, Jollibean Foods recorded a decrease in revenue to RM28.2 million from RM33.9 million in the previous financial year, mainly due to the closure of 14 non-performing stores in the financial year 2017.

For the financial year ended 30 April 2018, Jollibean Foods recorded a lower loss before tax of RM751,000 compared to a loss before tax of RM2.9 million in the financial year 2017 after controllable expenses. Besides the closure of non-profitable stores, the management undertook a staff-restructuring exercise and increased labour productivity and efficiency which contributed to lower losses.

For the financial year 2019, Jollibean Foods will concentrate on expanding its revenue stream and driving sales growth for its existing operations in Singapore. One of its key focus areas would be to continue with its store expansion plan, with the target of opening 6-10 new stores during the financial year.

Jollibean Foods will continue to strengthen its brand presence among the younger generation through digital and social media channels, and also develop innovative food and beverage products to attract and retain public interest.

Berjaya Burger Sdn Bhd (“Berjaya Burger”)

Berjaya Burger is a wholly-owned subsidiary of BCorp. Berjaya Burger owns and operates the Wendy's franchise in Malaysia, with its first store officially opened in Sunway Pyramid in 2008. Berjaya Burger opened 7 new stores during the financial year under review, namely, Genting Highlands Premium Outlet (“GHPO”), Genting SkyAvenue, Juru Penang, Ikano Power Centre, Paradigm Mall, Johor Bahru, Berjaya WaterFront, Johor Bahru, and Kota Kinabalu International Airport, Sabah, bringing the total number to 15 stores nationwide as at 30 April 2018.

For the financial year ended 30 April 2018, Berjaya Burger recorded an increase of 20.8% in revenue to RM19.7 million from RM16.3 million in the previous financial year. The higher revenue was attributed to additional 7 new stores opened during the financial year under review, with notable sales contribution from GHPO and Paradigm Mall, JB stores. Wendy's penetration into the southern region and east Malaysia market has created more brand awareness and was well received by their respective consumers.

For the financial year ended 30 April 2018, Berjaya Burger recorded a higher loss before tax of RM 5.7 million as compared to RM4.7 million in the previous financial year due to the softening retail environment in Malaysia which is also affecting the food and beverage industry.

Moving into the financial year 2019, Berjaya Burger will launch more localised products, which also have lower cost of goods, and will continue to strengthen its position and brand awareness through more creative and cost-effective advertising and promotional channels and strategies. In the near future, Berjaya Burger will

MANAGEMENT DISCUSSION AND ANALYSIS



KKD's seasonal promotion

continue to move aggressively in its expansion plan to dominate the Quick Service Restaurant market in strategic locations nationwide.

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

BKrispy Kreme is the franchise holder of Krispy Kreme Doughnuts ("KKD") stores in Malaysia. BKrispy Kreme opened its flagship store in Berjaya Times Square on 29 April 2009. As at 30 April 2018, there are 11 KKD stores, with the latest two locations being at Genting Highlands, Pahang Darul Makmur.

For the financial year ended 30 April 2018, BKrispy Kreme's revenue decreased 21% to RM5.4 million from RM6.9 million mainly due to the closure of 7 non-performing stores during the financial year under review. In the third quarter of the financial year, BKrispy Kreme opened 4 new outlets at Sunway Putra Mall, Pavilion Elite, Genting SkyAvenue, and Genting Premium Outlet.

BKrispy Kreme registered a lower loss before tax of RM3.4 million during the financial year under review as compared to RM4.7 million in the previous year. The 49% improvement was due to the reduction of operating expenses, including the closure of non-performing stores.

In the financial year 2019, BKrispy Kreme will initiate more aggressive marketing campaigns in line with the current marketing trends. It will continue to leverage on online marketing including social media to increase brand awareness among the young generation. The company will also regularly introduce new doughnuts flavours consistently including pairing with global confectionary brands to entice customers with a good range of

premium doughnuts. In addition, BKrispy Kreme will look at opening stores in strategic locations with higher foot traffic and lower capital expenditure to increase brand visibility and expand its customer base.

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 30-year agreement from the Government.

BTSL currently receives an average of 2,700 tonnes of municipal solid waste per day from Kuala Lumpur, and the Selayang and Hulu Selangor districts in the state of Selangor.

For the financial year ended 30 April 2018, KBE recorded a marginal increase in revenue by 0.4% to RM46.3 million against the RM46.2 million recorded in the previous financial year, mainly due to higher waste tonnage received.

Profit before tax decreased to RM15.2 million compared to RM19.7 million in the previous financial year, mainly due to the escalating treatment costs and higher financing costs resulting from heavy capital expenditure.

In light of the new political scenario, KBE will engage with the Selangor State Government to seek new waste sources from state municipalities. KBE will also continue to focus on securing more private waste customers to increase waste volume, improve on operational efficiency to achieve a higher profit margin, explore additional income streams from the existing business.



Aerial view of the leachate treatment plant at Bukit Tagar Sanitary Landfill

MANAGEMENT DISCUSSION AND ANALYSIS



AKBK Sustainable Resource Management Centre at Bukit Tagar, Selangor

KUB-Berjaya Energy Sdn Bhd (“KBEnergy”)

KBEnergy is a wholly-owned subsidiary of KBE and is involved in the generation and sale of electricity from landfill gas. KBEnergy commenced its commercial operations on 1 June 2011.

KBEnergy is commissioned by KBE, a concessionaire of the Bukit Tagar Sanitary Landfill (“BTSL”) to manage the landfill gas. This is achieved by using the landfill gas to power the 4 gas engines to produce a total of 6.4 MW of electricity.

The electricity generated is sold to Tenaga Nasional Malaysia (“TNB”) under the Feed-in Tariff (“FiT”) scheme.

For the financial year ended 30 April 2018, KBEnergy reported a revenue of RM12.0 million, representing an increase of 3.5% compared to RM11.6 million in the previous financial year mainly due to higher volume of electricity generated by the 2MW gas engines.

On the back of higher revenue, profit before tax increased marginally by 1.57% to RM6.8 million as compared to RM6.7 million in the previous financial year.

Amita KUB-Berjaya Kitar Sdn Bhd (“AKBK”)

On 8 October 2015, KUB-Berjaya Energy Sdn. Bhd. (“KBEnergy”) entered into a Joint Venture Agreement with Amita Environmental Strategic Support (Malaysia) Sdn. Bhd. (“Amita”) to subscribe for 60% stake in a new joint-venture company, Amita KUB-Berjaya Kitar Sdn. Bhd. (“AKBK”), to undertake a scheduled waste recycling project. AKBK is principally engaged in the production of alternative raw material (“ARM”) and alternative fuel (“AF”) from recycling industrial wastes. AKBK commenced its commercial operation on 24 May 2017.

AKBK is licensed by the Department of Environment Malaysia (“DOE”) to receive and manage scheduled waste, as well as transportation of scheduled waste under the Environmental Quality Act 1974. AKBK is approved by DOE to manage 15 categories of scheduled wastes. AKBK adopts a “Cradle to Cradle” principle which recycles 100% of the scheduled waste into ARM and AF as substitute for natural raw materials and fossil fuel for the production of cement in the cement industry.

For the financial year ended 30 April 2018, AKBK reported a revenue of RM3.4 million and total waste tonnage received was 7,586.06 tonnes.

Moving forward, the future prospects of the industry is very encouraging as the level of ARM usage in the cement plants as replacement of natural raw materials in the country is relatively low at less than 1% of the total natural raw materials consumed, compared to Japan where the ARM usage is over 40% in relation to natural raw materials used. This provides tremendous growth potential for AKBK in Malaysia.

AWF Limited (“AWF”)

AWF is a wholly-owned subsidiary of the Group and the main shareholder of the Longxi Water Projects (“The Project”) which runs three potable water treatment plants in Boluo County Longxi Town, Guangdong Province under three wholly-owned subsidiaries, Boluo Longxi Water Supply Co. Ltd. (“Boluo Longxi”), Boluo Longxi Zhiwang Water Supply Co. Ltd. (“Zhiwang”) and Boluo Longxi Pengfa Water Supply Co. Ltd. (“Pengfa”), in Longxi Town, Boluo County, Huizhou City of the Guangdong Province in the People’s Republic of China. The Project was acquired by AWF in 2014 and commenced operations on 1 October 2014. The total production capacity of The Project is 100 million litres per day (“MLD”) of treated potable water.

MANAGEMENT DISCUSSION AND ANALYSIS

For the financial year under review, AWF recorded a higher revenue of RMB22.97 million, an increase of 4% compared to RMB22.12 million in the previous financial year, attributed to higher water supply volume by the three potable water treatment and supply plants. The residential and non-residential sales volume increased by 9% and 2% respectively in the financial year under review.

AWF recorded a gross profit of RMB6.57 million, an increase of 6% from RMB6.16 million in the previous financial year in line with the increase in revenue during the financial year under review.

AWF recorded a loss before tax of RMB3.94 million in the financial year under review as compared to the loss before tax of RMB3.16 million recorded in the previous financial year, mainly due to a slight increase in operating expenses, depreciation and finance cost during the financial year.

In view of the prevailing challenging economic environment faced by local industries and developers, and the Boluo County Government's special emphasis on infrastructure development in the LongXi region, AWF expects its performance to grow modestly in the financial year 2019 via an increase of water demand by at least 10%, and an increment of water tariff.

DSG HOLDINGS LIMITED ("DSG")

DSG Holdings has three water concessions in the People's Republic of China. Two of the concessions are in Shandong Province comprising a potable water treatment plant and a wastewater treatment plant, and the concession in Anhui Province is for a potable water treatment plant. It also has a construction company registered in Shandong Province.

During the financial year under review, DSG's revenue decreased by 10% to RMB108 million while its profit after tax decreased by 8% to RMB30 million.

On 25 June 2018, BCorp completed the disposal of its entire investment of 85% equity interest comprising 8.50 million DSG shares for a cash consideration of RMB431.80 million (equivalent to about RM265.99 million).

TELECOMMUNICATIONS

REDtone International Berhad ("REDtone")

Listed on Bursa Malaysia in 2004, REDtone is a leading digital infrastructure and services provider and offers an extensive range of services under three main categories:-

- a) Telecommunications Services – REDtone offers data and voice services to the Government, enterprises, and small and medium enterprises ("SMEs") and is the only service provider in the industry to provide infrastructure integration expertise. Its access to a unique suite of last mile technologies also enables it to offer Long Term Evolution ("LTE") services.
- b) Managed Telecommunications Network services ("MTNS") – this includes building, maintaining and operating large scale WiFi hotspots, radio access network ("RAN") infrastructure and fibre optic infrastructure.
- c) Industry Digital Services ("IDS") – this includes data centre services, Internet of Things ("IoT") services, cloud services and applications, and healthcare solutions to enterprises, government and the healthcare industry.

For the financial year ended 30 April 2018, REDtone registered a revenue of RM118.1 million, which was 25% lower than the RM156.5 million reported in the previous financial year. However, the decrease in revenue was 22% when compared to the revenue from continuing operations of the preceding financial year of RM150.6 million. The year-on-year decrease in revenue from continuing operations was mainly attributed to lesser project activities in the MTNS segment.

REDtone recorded a higher gross profit of RM52.5 million for the financial year under review as compared to the gross profit of RM44.4 million in the preceding financial year, mainly driven by the growth in data services and higher profit margin from its MTNS projects.

REDtone achieved a turnaround and registered a profit before tax of RM6.5 million in the financial year under review compared to the previous financial year's loss before tax of RM9.3 million from continuing operations in the previous financial year. The loss before tax including result from discontinued operations was RM4.2 million in previous financial year.

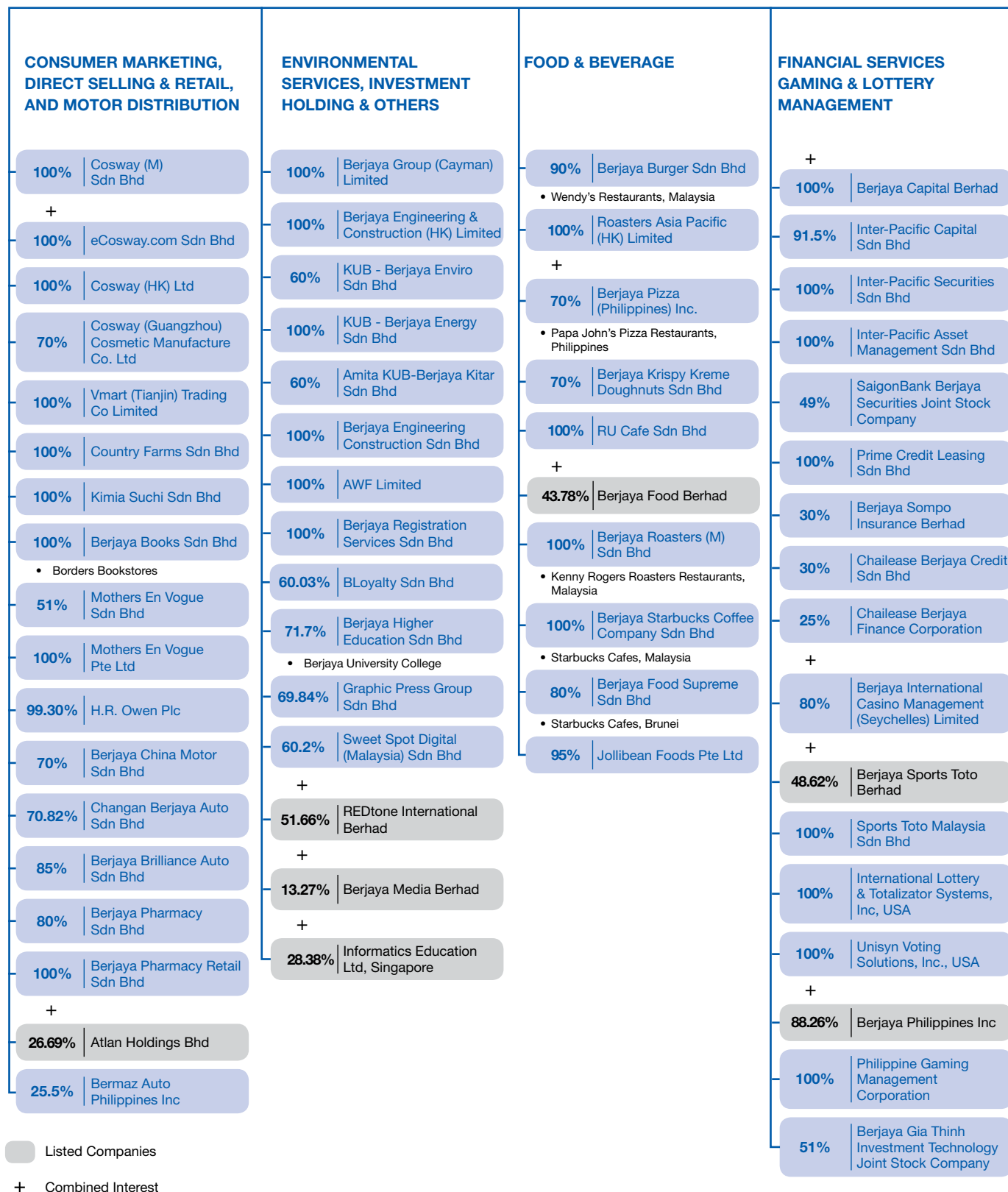
The improvement in the Group's results for the financial year ended 30 April 2018 was mainly due to the higher gross profit margin achieved from its MTNS projects, growth in the data services segment as well as operational efficiencies.

REDtone's operating performance for the financial year ending 30 April 2019 will remain challenging and competitive. The company will continue to focus on measures to improve operational efficiencies and to improve profitability in its core businesses. Barring any unforeseen circumstances, REDtone expects significant contribution from its MTNS segment while data services for the enterprise market will continue to lead the growth of the telecommunications services segment.

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures
as at 1 August 2018

BERJAYA CORPORATION BERHAD



■ Listed Companies

+ Combined Interest

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures
as at 1 August 2018

BERJAYA CORPORATION BERHAD

HOTELS, RESORTS, VACATION TIMESHARE, AND RECREATION

100% | BTS Hotel Sdn Bhd

- Berjaya Times Square Hotel, Kuala Lumpur

100% | ANSA Hotel KL Sdn Bhd

- ANSA Hotel, Kuala Lumpur

100% | Berjaya Vacation Club Berhad

- Berjaya Penang Hotel

100% | Berjaya Vacation Club (Cayman) Limited

- Berjaya Eden Park Hotel, London, United Kingdom

100% | BHR (Cayman) Limited

- The Castleton Hotel, London, United Kingdom

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

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

50% | Berjaya Hotay Joint Venture Company Limited

- Sheraton Hanoi Hotel, Hanoi, Vietnam

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

- InterContinental Hanoi Westlake, Hanoi, Vietnam

100% | Perdana Hotel Philippines Inc

- Berjaya Makati Hotel, Makati, Philippines

100% | Kyoto Higashiyama Hospitality Assets TMK

- Four Seasons Hotel and Hotel Residences, Kyoto, Japan

100% | Bukit Kiara Resort Berhad

- Bukit Kiara Equestrian & Country Resort, KL

100% | KDE Recreation Berhad

- Kelab Darul Ehsan, Selangor

100% | Berjaya Hills Resort Berhad

- Berjaya Hills Golf & Country Club, Pahang
- Colmar Tropicale, Berjaya Hills, Pahang
- The Chateau Spa & Organic 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

100% | Berjaya Air Sdn Bhd

51% | Asia Jet Partners Malaysia 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 @ Bukit Jalil, KL
- Lanai Residensi @ Bukit Jalil, KL

100% | BerjayaCity Sdn Bhd

- Oil Palm Plantation

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, People's Republic of China
- Les OE Residence, Hebei Province, People's Republic of China

72.28% | Berjaya Land Berhad

100% | Taman TAR Development Sdn Bhd

- The Peak @ Taman TAR, Ampang, Selangor

100% | Berjaya Tagar 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

75% | Berjaya-D2D Company Limited

- Bien Hoa City Square, Dong Nai Province, Vietnam

72.6% | Berjaya Jeju Resort Limited

100% | Berjaya Okinawa Development Co. Ltd

+

100% | Cosway Corporation Limited

100% | Stephens Properties Sdn Bhd

- Wisma 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

+

10.72% | 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, United Kingdom
- Berjaya Assets Food (BAF) Sdn Bhd – Greyhound Cafe
- Berjaya Assembly Sdn Bhd (formerly known as Oriental Assemblers Sdn Bhd)

GROUP FINANCIAL SUMMARY

Description	2018	2018	2017	2016	2015	2014
	USD'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,212,471	8,665,141	9,182,394	9,016,774	9,514,106	8,729,027
(Loss)/Profit Before Tax	(29,593)	(115,902)	662,628	293,737	1,601,733	523,866
(Loss)/Profit After Tax	(93,414)	(365,856)	317,420	(117,089)	1,242,256	127,899
(Loss)/Profit Attributable To Shareholders	(94,524)	(370,203)	149,285	(177,223)	890,582	(148,920)
Share Capital	1,258,919	4,930,556	4,930,556	4,673,180	4,330,614	4,300,648
Equity Component of ICULS	78,320	306,739	306,848	253,608	409,972	442,417
Reserves	410,364	1,607,189	1,951,570	1,784,013	2,034,142	1,042,263
Equity Funds	1,747,603	6,844,484	7,188,974	6,710,801	6,774,728	5,785,328
Treasury Shares	(8,597)	(33,669)	(33,669)	(130,399)	(130,399)	(82,882)
Net Equity Funds	1,739,006	6,810,815	7,155,305	6,580,402	6,644,329	5,702,446
Non-controlling Interests	897,350	3,514,472	3,663,364	4,476,304	4,317,697	5,293,442
Total Equity	2,636,356	10,325,287	10,818,669	11,056,706	10,962,026	10,995,888
ICULS	32,732	128,193	152,278	158,731	192,743	272,926
Long Term Liabilities	1,325,987	5,193,230	4,910,654	6,319,858	6,372,721	4,485,281
Current Liabilities	1,322,808	5,180,779	5,650,947	5,823,756	4,778,579	4,839,376
Total Equity and Liabilities	5,317,883	20,827,489	21,532,548	23,359,051	22,306,069	20,593,471
Property, Plant and Equipment	883,730	3,461,128	3,722,983	3,766,965	3,514,521	3,329,174
Intangible Assets	1,454,121	5,695,064	5,853,796	6,582,857	6,432,372	6,183,305
Investments and Long Term Receivables	1,484,154	5,812,690	5,806,019	5,573,201	5,875,121	5,346,809
Current Assets	1,495,878	5,858,607	6,149,750	7,436,028	6,484,055	5,734,183
Total Assets	5,317,883	20,827,489	21,532,548	23,359,051	22,306,069	20,593,471
Total number of shares with voting rights in issue	4,875,583	4,875,583	4,875,583	4,491,180	4,246,914	4,221,348
Net Assets Per Share (USD/RM)	0.34	1.33	1.40	1.41	1.50	1.25
Net (Loss)/(Earnings) Per Share (Cents/Sen)	(1.63)	(6.40)	2.93	(3.22)	18.09	(2.65)
Dividend (Sen/Share)	–	–	–	2.10	1.00	1.00
Total Net Dividend Amount (USD'000/RM'000)	–	–	–	99,580	42,003	41,187

Notes:

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

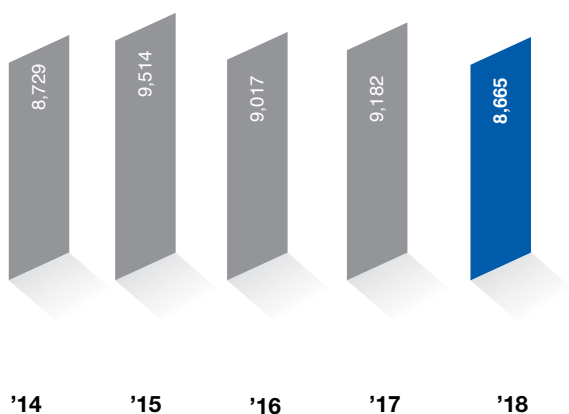
Where additional shares are issued, the (loss)/earnings per share is calculated based on a weighted average number of shares with voting rights in issue (Inclusive of mandatorily convertible instruments).

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.

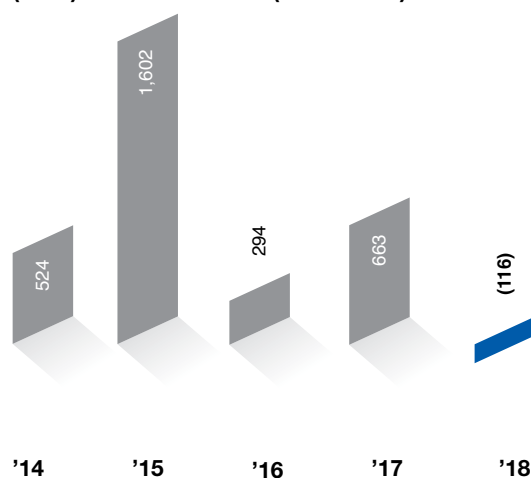
Exchange rate as at 30 April 2018: US\$1.00=RM3.9165

GROUP FINANCIAL HIGHLIGHTS

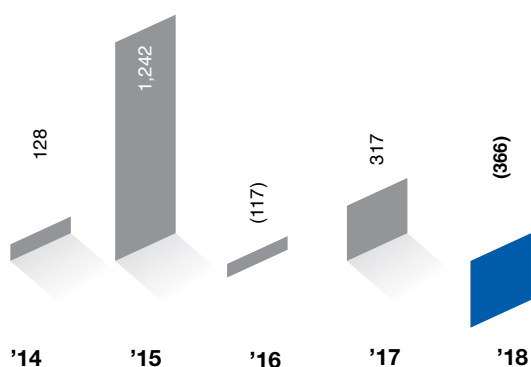
Revenue (RM' Million)



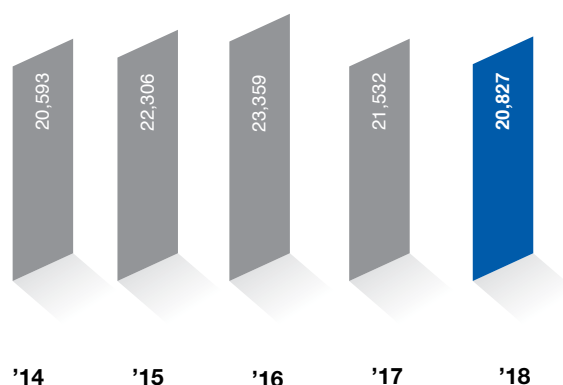
(Loss)/Profit Before Tax (RM' Million)



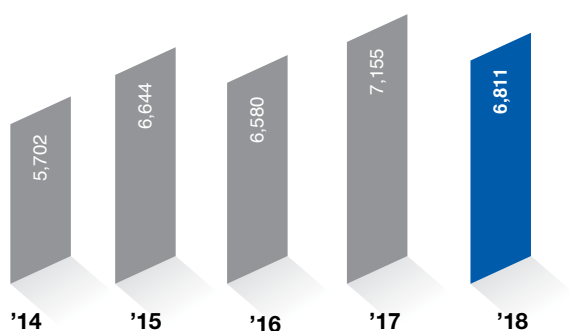
(Loss)/Profit After Tax (RM' Million)



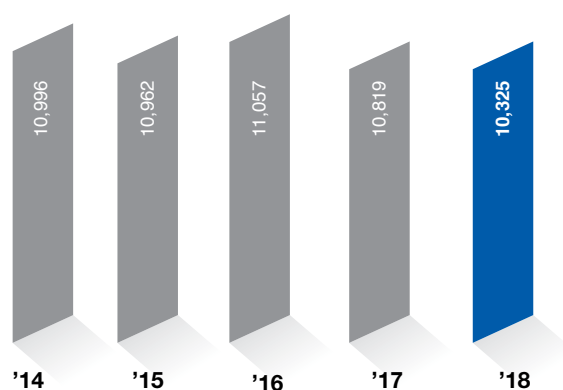
Total Assets (RM' Million)



Net Equity Funds (RM' Million)



Total Equity (RM' Million)



SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

The maiden sustainability statement for Berjaya Corporation Berhad (“BCorp”) is prepared in accordance with the Sustainability Reporting Guide from Bursa Malaysia Securities Berhad (“Bursa Malaysia”) which highlights the Group’s commitment to undertaking business in a responsible and sustainable manner. The information in this section focuses primarily on the operations and management of the economic, environmental and social sustainability of BCorp for the financial year ended 30 April 2018.

Due to the diverse business nature of the Group, the scope of this maiden sustainability statement covers material issues arising from its principal business activities in Malaysia, operated under the following subsidiaries - Cosway (M) Sdn Bhd, KUB-Berjaya Enviro Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Berjaya Higher Education Sdn Bhd, Berjaya Starbucks Coffee Company Sdn Bhd, Berjaya Roasters (M) Sdn Bhd, Berjaya Burger Sdn Bhd, Berjaya Krispy Kreme Doughnuts Sdn Bhd, Property Investment and Development Division, Berjaya Hotels and Resorts, Berjaya Clubs, Sports Toto Malaysia Sdn Bhd, and REDtone International Berhad.

BCorp recognises the challenges of its operating environment as well as the expectations of its various stakeholders and is committed to evolving and developing a sustainable business that has a positive impact on the community, economy and environment. This statement outlines the various practices that have been embedded into the Group’s processes with the ultimate aim of bringing more value to its businesses, society and stakeholders.

The information and data disclosed in this statement were derived from internal reporting processes, systems and records. The structure and write-up of this statement are guided by Bursa Malaysia’s Sustainability Reporting Guide and Toolkits.



The awards won by BCorp are testimony to the strength of the Berjaya brand

2. APPROACH TO SUSTAINABILITY

BCorp believes that with sustainability at the core of its business operations, it will drive the Group’s long-term business growth strategy, build a strong workplace culture, and establish mutually beneficial relationships with its stakeholders.

The Group strives to incorporate sustainable business practices in order to minimise adverse environmental and social impacts arising from its daily operations. To this end, it is guided by a long-term sustainability strategy comprising 3 main aspects:



ECONOMIC SUSTAINABILITY

The creation of long-term value for shareholders and added value for all the stakeholders of the Group



ENVIRONMENTAL SUSTAINABILITY

Striving towards reducing the Group’s environmental footprint by improving on efficiency of resources and supporting conservation efforts; and



SOCIAL SUSTAINABILITY

Dealing with customers and the public according to good market practices and regulatory requirements, conducive workplace practices and community engagement through a variety of initiatives involving the Group’s monetary and non-monetary resources.

SUSTAINABILITY STATEMENT

2. APPROACH TO SUSTAINABILITY (CONTINUED)

BCorp pursues sustainability goals according to the following sustainability principles:-



- Giving emphasis to sustainability in every part of the value chain of its business operations;



- Considering the interests and positions of all stakeholders involved during the planning and implementation process; and



- Continuously reviewing and assessing its sustainability approaches and practices while keeping them aligned with its business objectives.

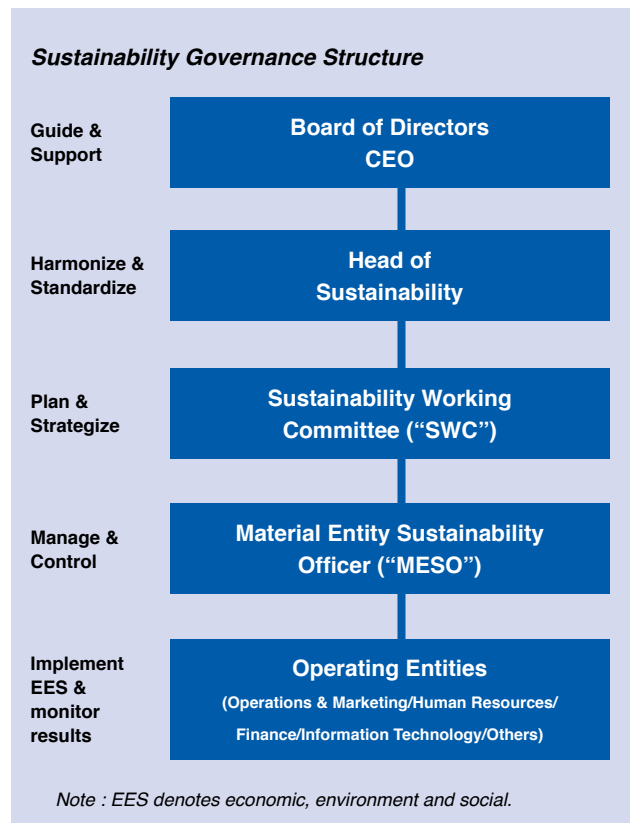
3. GOVERNANCE

BCorp has in place a corporate governance structure and processes which are detailed in the Statement on Corporate Governance and Statement on Risk Management and Internal Control sections of this Annual Report.

For the year under review, BCorp’s sustainability commitment is governed by its Board of Directors and representatives from the various businesses in the Group who oversee the overall planning and implementation of sustainability practices across its businesses.

In line with the Group’s belief that corporate governance and creation of value for stakeholders are mutually dependent as both are critical components for business continuity and sustainability, a Sustainability Working Group (“SWG”) was formed in 2017. The significant findings on the economic, environmental and social aspects of sustainability for BCorp and its subsidiaries were submitted to the Sustainability Working Group for evaluation and subsequently the sustainability statement was presented to the Sustainability Committee for review, followed by the Board’s approval.

Each of the Group’s operating divisions have been charged with the fiduciary duty to take into consideration sustainability in their business strategy planning, operations and processes. In doing so, the Group strives to develop systems to monitor the implementation of its internal control and sustainability measures as well as the completeness and reliability of information regarding the financial, operational, safety, health and environmental management aspects of the Group. The Board and management are committed to continually refining and improving these processes over time.



For more detailed information on the Company’s Statement on Corporate Governance and Statement on Risk Management and Internal Control, please refer to pages 57 to 74 of the BCorp Annual Report 2018.








SUSTAINABILITY STATEMENT

4. STAKEHOLDER ENGAGEMENT

Operating as an effective and sustainable business entity, the Group believes that maintaining a good degree of communication and understanding through continuous dialogue and sharing of information with all its internal and external stakeholders are highly essential.

BCorp has established a series of engagement initiatives with various stakeholders through its respective operating divisions. The input and perspectives gathered from all the relevant stakeholders specialised in their respective fields have been beneficial for the long-term collaboration with the stakeholders, and also the development of the Group's business strategy and operations in respect of the trends, impacts, risks and opportunities that the Group has to take into account.

The Group's key stakeholders and engagement platforms are listed below:

Stakeholder Group	Engagement Platforms
Government and Regulators 	<ul style="list-style-type: none"> Meetings with Government bodies and regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters concerning the customers and the general public.
Customers 	<ul style="list-style-type: none"> Regular networking activities and gatherings. Formal and informal meetings to collect feedback, attend to grievances and disseminate information on the Group's products and services. Customer surveys are conducted periodically to keep updated with the customers' needs and expectations for the Group's products and services. Regular outlet/store visits are made to keep tabs on customer behaviour and satisfaction. Online reservation / purchase channels. Company websites, printed material, telecommunication companies' messages, and other communication channels to disseminate information / updates on products and services.
Employees 	<ul style="list-style-type: none"> Internal engagement channels such as the intranet and corporate newsletters to communicate information on events, activities, staff promotions as well as messages from the Group's Executive Chairman and Chief Executive Officer. Orientation for new staff. Training and development programmes. Synergy meetings attended by representatives of the various operating companies.
Suppliers 	<ul style="list-style-type: none"> Tender and procurement process. Regular review of major suppliers to provide feedback on service delivery and areas of improvement for the mutual benefit of both parties.
Communities and non-governmental organisations 	<ul style="list-style-type: none"> Focus groups and consultative meetings. Community programmes in collaboration with non-governmental organisations ("NGOs") and charitable organisations.
Media 	<ul style="list-style-type: none"> Regular engagement and updates with the mainstream media. Press conferences, media releases, and media visits relating to key business development and CSR activities.
Investors, shareholders and stock analysts 	<ul style="list-style-type: none"> Communication via announcements to Bursa Malaysia, General Meetings, the Group's Annual Report and Corporate Website, as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.

5. ECONOMIC SUSTAINABILITY

i. Financial Performance



Amidst the challenging and evolving business landscape, the Group continues to operate effectively through stringent and prudent cost management whilst enhancing the productivity and efficiency of its businesses.

For more information on the Group's financial performance, please refer to the Group Financial Summary and Highlights on pages 34 and 35 of the BCorp Annual Report 2018.

ii. Economic Impact and Creating Value

Contributing to the local economy

One of BCorp's growth strategies is to add value by contributing to the local economy through its various businesses which range from consumer marketing and retail, property investment and development, hotels and resorts, clubs, food and beverage, motor trading, financial services, and education, among others.

Recognising that innovation is a critical driver of sustainable growth, REDtone International Berhad ("REDtone") is spearheading the adoption of Malaysian research and development and new technologies in the areas of Cloud, Big Data, Smart Cities, Internet of Things (IoT) technologies and Smart Communities. REDtone has an established partnership with MIMOS Berhad - a research and development centre in Kuala Lumpur under the purview of the Malaysian Ministry of Science, Technology and Innovation (MOSTI), to cross leverage on their respective strengths to promote Malaysian-developed products and services. This collaboration has resulted in an increase in the utilisation of local technologies as well as the number of new customers. REDtone also regularly collaborates with global companies and subject-matter experts to drive cloud, big data adoption and digital transformation for enterprises.

Berjaya Higher Education Sdn Bhd is committed towards cultivating leaders who are academically outstanding, practically grounded and socially responsible. The BERJAYA University College ("BERJAYA UC") provides a holistic educational environment through its Immersion Methodology, encourages industry collaboration in the design and delivery of its programmes, uses experiential and service learning to develop 21st century skills, and leverages on technology-enabled models for more personalised learning, to create graduates who play a vital role in shaping the future and developing societies, economies and industries that are prosperous and sustainable.

Providing employment to Malaysians

BCorp and its subsidiaries also promote local economic growth by providing ample employment opportunities to Malaysians. The Group embraces the diversity of its employees who possess varied skillsets and expertise for the many job functions within its different businesses. As at 30 April 2018, BCorp has approximately 14,000 employees working in its various businesses across Malaysia and overseas.

SUSTAINABILITY STATEMENT

5. ECONOMIC SUSTAINABILITY (CONTINUED)

ii. Economic Impact and Creating Value (Continued)

Providing employment to Malaysians (Continued)

BCorp believes in supporting the local communities in which it operates its business activities and to provide them employment opportunities. At the Bukit Tagar Sanitary Landfill, more than 90% of the employees working on the landfill site are from the nearby towns and villages including Bukit Beruntung, Batang Berjuntai, Bukit Tagar Estates and Felda Sungai Tenggi. Similarly, there are 24 orang asli employees working in the Group's hotel properties in Bukit Tinggi as at 30 April 2018.

Innovation and development of new products and services

Consumers needs are constantly changing and BCorp subsidiaries need to continuously innovate and respond to these changes through their products and services.

Inter-Pacific Securities Sdn Bhd ("IPS") started offering Islamic Stockbroking Services effective 1 August 2017 to its clients who wish to invest in Shariah compliant securities listed on the Main Market and ACE Market of the Exchange through the Bursa Malaysia-i platform.

Aware that the traditional business model is evolving with the emergence of the digital era which is changing consumer spending behaviour, Cosway (M) Sdn Bhd ("Cosway") launched its Virtual Online Store to meet the demands of the digital sphere, generating business opportunities for the youth segment in particular, who are

seen as future key entrepreneurs, and capturing market share from the growing segment of online shoppers. This online business model inadvertently sees a reduction in operational costs as it does not require a physical store set-up and a large staff force. As at 30 April 2018, Cosway has recruited a total of 38,458 young Entrepreneurs, amongst which 87% are aged from 25 to 34 and 13% are aged from 18 to 24.

iii. Indirect Economic Impact

BCorp and its subsidiaries also create indirect economic impact through supporting and contributing to their local communities. For instance, Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") is committed to empowering Malaysian communities through its Connecting Communities in Malaysia programme, which is a scalable community project that contributes to small villages in support of local sourcing. BStarbucks has been purchasing bananas and *mengkuang* leaves from local communities in Kuala Selangor and Pahang respectively for banana-based food items and products made from woven *mengkuang* leaves, which are sold in Starbucks stores nationwide.

BStarbucks opened the world's first Starbucks Signing Store in Bangsar Village 2, which provides a platform and the opportunity for deaf partners (employees) to have a meaningful career and aim for self-sustainability. Deaf partners (employees) serve customers a uniquely uplifting Starbucks experience and the store celebrates their contributions and raises awareness of people with disabilities in the workplace.



Signing workshops are conducted at the Starbucks Signing Store in Bangsar Village 2, Kuala Lumpur

5. ECONOMIC SUSTAINABILITY (CONTINUED)

iii. Indirect Economic Impact (Continued)

Recognising the economic potential of rural areas, REDtone has prioritised improving the digital connectivity for these rural communities, which in turn has helped to boost their household income. REDtone provides communications access to underserved areas in Malaysia and advocates the use of Information and Communications Technology in building a knowledge-based economy through its participation in Universal Service Provision projects such as Kampung Tanpa Wayar, Time-3, Pusat Internet 1Malaysia, and WiFi Komuniti. The development of a broader use of licensed spectrums has enabled a more efficient network infrastructure, allowing REDtone to provide connectivity services to rural communities and SMEs at fair prices.

iv. Procurement

BCorp also seeks local suppliers for its procurement requirements to generate direct economic value in the local community. Priority is given to locally produced items and responsibly sourced products and services to support the local economy and reduce transportation-related emission, while taking into account the need to ensure that the products conform to high standards of quality and delivery. All procurements also adhere to strict standard operating procedures to ensure fair and reliable business transactions. BCorp companies endeavour to procure their products from responsible and reputable manufacturers or suppliers who are ISO, GMP or HACCP certified.

Cosway acknowledges the importance of contributing to the growth of the local economy and society, hence it gives priority to procuring “Made in Malaysia” products. As at 30 April 2018, 68% of its procurements are from local suppliers or manufacturers.

BCorp’s food and beverage businesses ensure that 100% of their food products adhere to the “Halal” requirements from JAKIM. Suppliers are required to self-declare and provide an updated certification. Audits and compliance are conducted regularly to ensure that local regulatory hygiene practices are in place and adhered to at all times.

Sports Toto Malaysia Sdn Bhd’s (“Sports Toto”) local procurement of products and services needed for its Toto lottery operations is largely conducted through a tender process managed by a tender committee, taking into consideration the need to establish a secure, reliable and cost-effective supply chain that adheres to high standards of quality and delivery.

IPS procures products required for its business operations i.e. contract statements, computer forms, stationery, ribbons, and cartridges from local vendors, some of which are within the Group. Approximately 98% of its yearly service subscriptions, such as for system maintenance, are from local service providers. The service quality of these suppliers is evaluated on a half-yearly basis.

The Group’s Property Development Division (“PD Division”) practises a fair and stringent tendering process which involves evaluation of tenderers based on past project track records, project references and company financial background. Interview sessions are conducted to clarify all ambiguities in relation to design, technical, commercial and work methodology embracing buildability in terms of deployment of innovation and technology to reduce overall cost. The PD Division has successfully achieved 100% local procurement for awarding of contractors and appointment of consultants for three of its on-going projects namely, Lanai Residensi and The Link 2 of Phase 1 at Bukit Jalil, Kuala Lumpur and Kensington Gardens @ Jesselton Villas, Penang.

Where local procurement is not possible, BCorp and its subsidiaries will look for opportunities to procure products and services from other entities within the Group or collaborate with reputable local business partners to introduce the product or technology from abroad. For instance, Sports Toto procures its lottery terminals, central system and system software from its subsidiary company, International Lottery & Totalizator Systems, Inc. (“ILTS”), which is a leading supplier of lottery systems in the United States of America with more than three decades of operations.

v. Design Efficiency Through Value Engineering

The PD Division is always mindful of the economic sustainability of its development projects and continuously reviews design concepts, material selections and work methodology with the aim of reducing the overall project costs through value engineering and alternative material selection or substitution without compromising on quality and delivery.

The PD Division’s affordable homes project, Lanai Residensi at Bukit Jalil, Kuala Lumpur has intentionally embraced the industrialised building system (“IBS”) precast as the preferred design and construction work method over conventional in-situ work method to improve efficiency and repeatable workmanship quality. The adoption of the latest innovation and technologies in design, prefabrication construction, installations and building systems such as Bubbledeck Lightweight blocks for partition walls and application of precast design

SUSTAINABILITY STATEMENT

5. ECONOMIC SUSTAINABILITY (CONTINUED)

v. Design Efficiency Through Value Engineering (Continued)

software such as Planbar and Tekla have enhanced the shop drawings production with precise accuracy and mitigate human errors in back-checking works.



Lanai Residensi - construction in progress

6. ENVIRONMENTAL SUSTAINABILITY

BCorp and its subsidiaries endeavour to incorporate ways to reduce the negative impact on the environment through the efficient use of resources and minimising wastage in the course of conducting its businesses.

i. Efficient Energy Management

Energy is one of the largest cost components for a commercial property. As such, the subsidiaries under BCorp regularly monitor their electricity consumption and any unusual deviations are investigated and immediately addressed. Various energy saving initiatives were implemented to encourage employees to adopt various energy conservation practices at the workplace and sustainable use of energy in business operations by minimising energy consumption. Efforts to reduce energy consumption include daily monitoring of air conditioning usage and adjusting the settings to ensure optimal efficiency. Light-emitting diode (“LED”) lighting and energy efficient equipment are installed where possible.

The PD Division aims to achieve optimum energy efficiency in its development projects by focusing on increased use of natural lighting and cross ventilation through design and layout of the units such as providing sufficient glass panelled windows and glass sliding doors at the balcony for ample natural sunlight and cross ventilation. Phase

1 of the Link 2 and Lanai Residensi at Bukit Jalil, Kuala Lumpur integrated green building features in terms of energy saving light fittings, smart lighting with automated intelligent control switching features, mechanical and electrical equipment with emphasis on green energy and control systems. The energy efficient efforts for Phase 1 of the Link 2, Bukit Jalil, Kuala Lumpur has successfully gained the “GreenRE Bronze” certification for both residential and non-residential development. Other energy conservation measures include the implementation of LED street lights and compound lightings at Timur Bayu @ Berjaya Park, Shah Alam and Jesselton Villas, Penang.

Berjaya Hotels and Resorts (“BHR”) manages its energy consumption through the installation of solar water heating systems and capacitor banks for efficient power systems and replacement of fluorescent lights with low-energy LED lights, among others. To further conserve energy and water usage, guests are also offered linen and towel reuse options.

Berjaya Krispy Kreme Doughnuts Sdn Bhd (“BKrispy Kreme”) has implemented energy savings in its operations through fully utilising operating hours by running 1 Commissary line for 7 hours, instead of its previous practice of running 2 lines for 5 hours. This exercise has given the company a 21.9% savings in its monthly electricity consumption.

BStarbucks tracks the consumption of electricity in all its Starbucks stores and has replaced the conventional lighting in the stores with LED type halogen and metal halide bulbs with 5W LED and 50Q LED floodlights which have reduced its energy consumption by 20%. BStarbucks has also installed solar panels at Starbucks Drive-Thru Tanjung Tokong, Penang. Solar energy has the least negative impact on the environment compared to any other energy source.

In its continuing efforts to raise awareness on reducing the consumption of electricity, Starbucks stores nationwide have been celebrating Earth Hour over the past 11 years and encouraging customers to switch off non-essential lights.

Cosway has more than 400 physical stores located throughout Malaysia. To rationalise the business travel and store visits by Head Office staff, Cosway has set up Regional Offices located in Penang, Kuala Lumpur, Johor Bahru, and Sabah. Through the setup of these Regional Offices, Cosway has managed to achieve a more efficient and sustainable management strategy in terms of saving on travelling time and reducing petrol consumption and carbon monoxide emission. This has resulted in more efficient utilisation of its human resources and provided more efficient and responsive support to its customers within each region.

6. ENVIRONMENTAL SUSTAINABILITY (CONTINUED)

i. Efficient Energy Management (Continued)

As part of its continuous efforts to mitigate the environmental impact of its operations, REDtone has adopted an integrated approach to achieving sustainability in the workplace. This includes developing the digital capabilities of its employees as well as streamlining and automating work processes in order to improve resource efficiency and accelerate its move towards a paperless working environment. To this end, REDtone has developed online portals and applications to create multiple touchpoints for its customers, vendors and employees, and aims to continue expanding on the usage of digital assets to help reduce wastage, maximise productivity, increase efficiency and enhance its brand experience.

The Bukit Tagar Sanitary Landfill (“BTSL”) employs a comprehensive landfill gas management strategy which harnesses the landfill gas (generated by the decomposition of buried waste) to generate electricity. The landfill gas is collected through a network of landfill gas extraction pipes which is then treated before it is used as fuel for the biogas engines to generate electricity at the Bukit Tagar Renewable Energy Centre on site. The electricity is then fed into the grid under the Government’s feed-in-tariff programme that is administered and implemented by the Sustainable Energy Development Authority (SEDA). At present, BTSL is the largest grid-connected biogas (landfill gas) renewable energy facility under the Feed-in-Tariff programme in Malaysia. In addition to the landfill gas facility, BTSL has solar power generation of 125kW capacity.

ii. Waste Management

BCorp adopts the 5R practices of Refuse, Reduce, Reuse, Repair and Recycle as part of its environmental conservation initiatives whereby waste is segregated based on individual categories and materials which can be reused, repaired or recycled will be converted into items of various functions. For example, bins to segregate recyclable materials from general waste have been placed within the premises of its various offices to create awareness and encourage employees to recycle. The use of plastic and polystyrene-based materials are minimised and various measures are incorporated to recycle and reduce paper consumption in the offices. Employees are encouraged to adopt simple practices such as reusing envelopes for internal mailing, printing on both sides of the paper, and printing on paper already printed on one side.

BCorp subsidiaries are also using online and digital channels as alternative modes of communication with their various stakeholders to reduce paper consumption. IPS has introduced e-statements and the Auto-Trust Payment (“ATP”) e-payment service whereby proceeds payable to clients are automatically credited into their trust accounts with IPS, in line with Bank Negara Malaysia’s move to reduce the usage of cheques. 40.88% of IPS’ clients have signed up for ATP as of 30 April 2018. IPS has also set up a panel of waste management agencies to handle the disposal of non-biodegradable material, to prevent contamination of the environment.

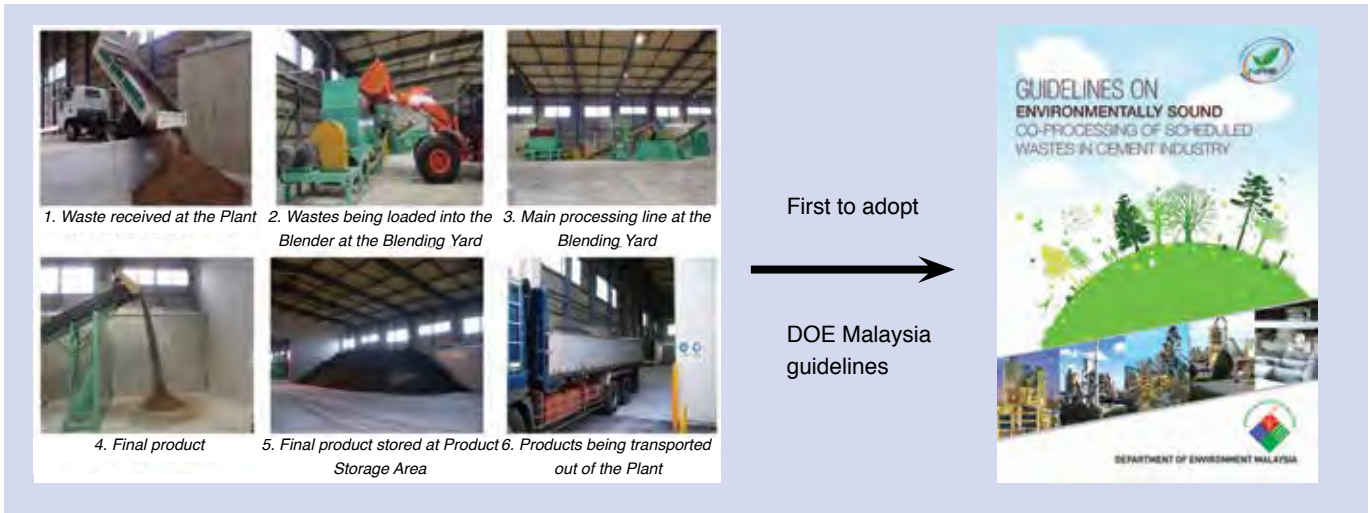
The distribution of thermal paper for bet tickets to Sports Toto outlets is closely monitored by Sports Toto’s Logistics Department with a computerised ticket roll and inventory tracking system to minimise wastage and to also optimise the length of each ticket printed to ensure efficient paper consumption. Promotional materials and forms are discarded responsibly and the disposal process of used paper and betting slips are done in an organised manner through selected disposal contractors.

Cosway has introduced a strict ordering and delivery policy to ensure optimisation of its logistic services for product deliveries from its centralised warehouse to its physical stores and uses a recyclable and durable plastic tote for the consignments, reducing the usage of corrugated boxes.

BCorp’s food and beverage companies are also working to shrink their environmental footprint by increasing their efforts to reduce waste associated with their business practices. BStarbucks has a Bring Your Own Tumbler programme which rewards its customers with a RM2 discount when they bring their personal Starbucks tumbler to purchase coffee in Starbucks stores. BStarbucks has also introduced reusable cups. Berjaya Roasters (M) Sdn Bhd (“BROasters”) has introduced the i.Care Box as its ongoing environmental initiative to manage waste better. BROasters provides a special discount to KRR customers who use the i.Care Box for their purchases.

In addition, BCorp companies are more mindful of the materials used for their packaging and other products and have switched to using biodegradable materials where possible. For instance, the Starbucks napkin is made with 100% recycled content with a minimum of 40% post-consumer fiber, the Starbucks hot cup sleeve is made with 60% post-consumer fiber, and the Starbucks To Go Hot and Cold Cups and Lids are all recyclable. Wendy’s has reduced the usage of an average of 1,000 pieces of plastic bags per store per day since it introduced paper bags in November 2017 in all its stores. BKrispy Kreme has switched to using bio-degradable plastic bags.

SUSTAINABILITY STATEMENT



100% Scheduled Waste Recycling Technology

6. ENVIRONMENTAL SUSTAINABILITY (CONTINUED)

ii. Waste Management (Continued)

Food waste is a major known destructive environmental problem not only in Malaysia but in many other countries. As part of its initiative to improve on food waste management, BKrispy Kreme has created a bite-sized by-product called 'Doughnut Bites' from the excess doughnut dough. This initiative alone has shown a significant drop of 20% per annum in its doughnut dough wastage and has been well-received by its customers.

Berjaya Hills Resort Berhad ("BHRB") has procured a composting machine since year 2011 to compost and ferment the food waste from its hotels which in turn, becomes natural fertilizers for use at its Organic Farm. Food wastes are collected on daily basis for this purpose and as such, this eliminates the need to transport the food waste to the landfill and indirectly reduces air pollution.

BTSL has implemented measures to ensure that carbon emissions from the landfill is minimised. This is primarily achieved through the landfill gas management system at BTSL which includes the generation of renewable energy through the use of landfill gas as fuel. BTSL has in place a 'Zero Discharge' Policy with regards to the leachate that is generated within the site. Treated leachate is not released into open courses but is irrigated to the surrounding 120 acres area consisting of oil palm plantation and forest vegetation. A system of collection pipes ensures that all leachate generated is channelled into collection ponds for treatment by the state-of-the-art leachate treatment plant installed on site. The plant is based primarily on biological reaction with a series of chemical dosing to achieve the required leachate treatment standards.

Treated leachate is sent to the reed beds consisting of phragmites plants for final polishing. The phragmites plants are capable of absorbing residues in the treated leachate to further improve its quality. BTSL is the first landfill in the region to implement this reed bed polishing process. The treated effluent meets the strict standards required by the Department of Environment for discharge into open watercourses. Nonetheless, as part of BTSL's commitment to ensure maximum protection to the environment, the treated leachate is not discharged to open watercourses. Since the commencement of operations in 2005 to the end of 2017, a total of 11,050,780 tonnes of municipal solid waste has been safely disposed at BTSL.

BTSL is a registered Clean Development Mechanism (CDM) project having the most units of certified emission reductions (CERs) issued for a landfill project in South East Asia. The Clean Development Mechanism allows for carbon emission reduction projects in developing countries to earn certified emission reductions (CERs) which can be traded and sold and used by industrialised countries to meet their carbon targets under the Kyoto Protocol. Each unit of CER is equivalent to 1 tonne of carbon dioxide. To date, BTSL has a total of 1,763,506



Leachate Treatment System at Bukit Tagar Sanitary Landfill

6. ENVIRONMENTAL SUSTAINABILITY (CONTINUED)

iii. Water Conservation

CERs issued, averaging about 350,000 CERs per year which is equivalent to 350,000 tonnes of carbon dioxide.

In 2017, the Amita KUB-Berjaya Sustainable Resource Management Centre was established to cater for the treatment of scheduled waste. The facility was conceived to promote the use of waste as a resource rather than something to be discarded, fully embracing the concept of a circular economy. Industrial scheduled waste is processed and recovered as raw materials which can be used by the cement industries. The company is the first in Malaysia to adopt Malaysian Government guidelines for the co-processing of scheduled waste in cement industries.

In upholding its environmental consciousness, BCorp and its subsidiaries also endeavour to engage suppliers who adopt environmentally and socially responsible practices. Some BCorp subsidiaries also collaborate with various stakeholders on campaigns to raise awareness on the importance of recycling and responsible waste management.

The PD Division's development projects in Bukit Jalil, Kuala Lumpur, namely Phase 1 of the Link 2 and Lanai Residensi have been utilising rain water for landscaping and construction cleaning purposes, thus reducing the consumption of treated potable water. To further minimise water usage, water closets with dual flush options and water taps with push-buttons were selected for the projects. At Timur Bayu @ Berjaya Park, Shah Alam, the PD Division proposed a water mist firefighting system which is more environmentally friendly and sustainable as it uses less quantity of water compared to the conventional sprinkler system.

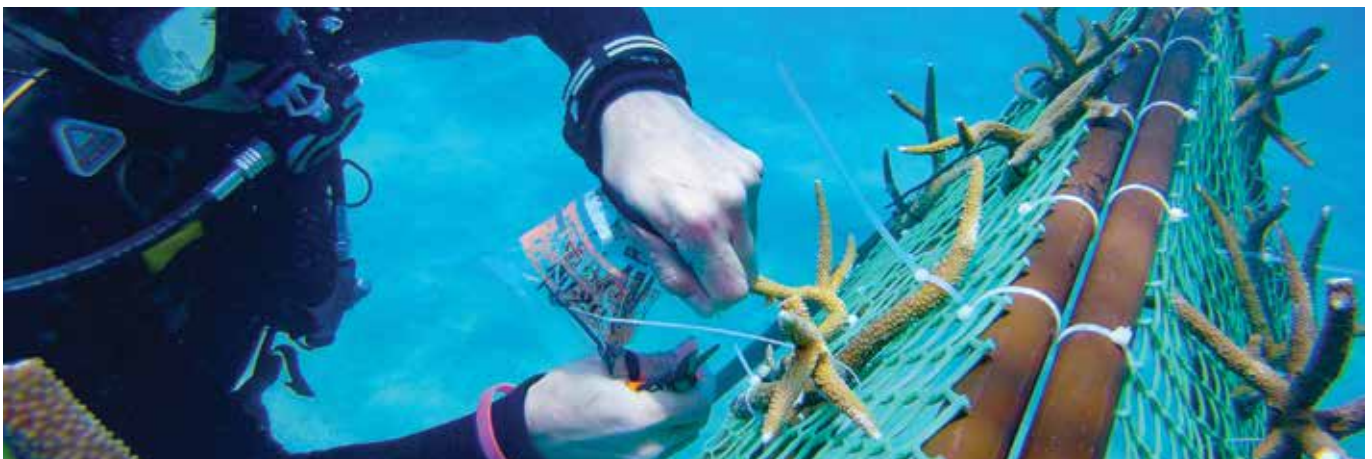
BHR continued to focus on its water conservation efforts through several measures such as installing water-saving devices in its hotels' guestroom bathrooms and common area washrooms, installing water sub-meters and daily sub-meters to improve monitoring of water consumption as well as early detection of leaks and providing information for guests on reusing towels and linen.

Over at the Group's Clubs and Recreation Division ("The Clubs"), water from flowing river and rain water are being used for watering the golf course greens, landscaping and outdoor cleaning thus minimizing the usage of treated potable water.

iv. Conservation of Natural Environment & Marine Ecosystem

In its effort to conserve the natural environment, the PD Division advocates the preservation of natural habitats of flora and fauna on the land that it develops. During the year under review, the PD Division successfully relocated and replanted a total of 45 matured trees at Kensington Gardens @ Jesselton Villas in Penang. The PD Division also places great emphasis on providing ecological and functional landscaping in its development projects to encourage residents to enjoy a healthy lifestyle amidst natural and built surroundings.

BHR continued to spread awareness on marine ecosystem preservation through its annual Tioman World Ocean Day with activities such as a clean-up dive to remove sea debris and crown-of-thorns starfish from the sea beds and regular beach cleaning activities to manage waste and debris around the resort. BHR also supports the "I'm FINished with FINs" campaign with a complete ban on shark fin dishes in its hotels and resorts.



Coral planting during the Tioman Island Clean Up Day 2017

SUSTAINABILITY STATEMENT



Kingfisher at Bukit Jalil Golf and Country Resort

6. ENVIRONMENTAL SUSTAINABILITY (CONTINUED)

iv. Conservation of Natural Environment & Marine Ecosystem (Continued)

The Clubs recognises that its golf courses are home to numerous wetland animals and bird species such as the Guinea Fowl, White-breasted Water Hen, Egrets, Kingfishers and Yellow-billed Storks, to name a few. Organic wastes from its golf course maintenance (“GCM”) are used to nourish the local ecosystem by feeding the fishes in the river and pond with the green clippings, and the horse manure from the stables are utilised for the landscaping plants. The GCM team works closely with the Department of Environment for any anomalies or pollutions discovered in the water source. The trees around the golf courses are preserved unless they pose an imminent danger to the public. The Clubs ensures that only the appropriate amount of fertilisers and approved chemicals are used to avoid harm to these century-old trees. Chemicals are applied prudently on the greens rather than spraying on a large scale to avoid water contamination and river pollution.

BStarbucks’ “Grounds For Your Garden” programme provides interested customers with complimentary 1kg bags of soil-enriching used coffee grounds to take home for their gardens. The coffee grounds make an excellent garden fertilizer and provide much-needed nutrients to the soil. As at 30 April 2018, 92% of Starbucks stores gave away 237,919kg of used coffee grounds under the programme.

BHRB is committed towards the preservation of the natural surroundings of the environment around its two resorts as well as the Japanese Teahouse Garden and

Botanical Garden. Specific trees at the Botanical Garden are tagged with their scientific names for the knowledge of visitors to the area. BHRB is also cultivating approximately 3 acres of organic vegetation and fruits at its hotel vicinity. Besides providing fresh produce for its hotels’ food and beverage needs, the organic farming contributes to the conservation of natural environment.

The swimming pool at The Chateau Spa and Organic Wellness Resort uses salt instead of chlorine to sterilize the pool. As such, the water discharged into the river during its cleaning process is not harmful to the environment.

7. SOCIAL SUSTAINABILITY

BCorp and its subsidiaries have put in place various practices which encompass matters relating to responsible marketing and communication practices, information security and privacy, public policy and social integration and community development, among others.

i. Responsible Marketing and Communication Practices

The Group ensures that all its products and services offered to its customers are in compliance with all regulatory guidelines and takes the responsibility to ensure that all information disseminated through its marketing channels and materials are conveyed in a clear and concise manner. The various companies within the Group constantly review and update their marketing materials and websites to ensure that their products and services are accurately presented to prevent any misinformation or misrepresentation of information.

In the process of marketing its development projects, the PD Division ensures information such as floor plans, technical specifications and finishes, facilities and amenities are properly presented across its marketing channels and materials.



The Salt Pool at The Chateau Spa and Organic Wellness Resort, Berjaya Hills

7. SOCIAL SUSTAINABILITY (CONTINUED)

i. Responsible Marketing and Communication Practices (Continued)

All media messages and gaming operations under Sports Toto are in compliance with the applicable regulations, particularly the Pool Betting Act 1967 as well as government laws regulated by the Ministry of Finance (“MOF”). Sports Toto has made available a reminder message for its customers to practise responsible betting on its website, and every Sports Toto outlet has in place a public notice to prohibit minors and Muslims from betting.

ii. Information Security and Privacy

The Group acknowledges the importance of respecting and protecting the privacy of its customers and takes stringent measures to safeguard customers’ confidential information at all times. In compliance with the Personal Data Protection Act 2010, a privacy policy has been published on the websites of each operating company, which states clearly the use, methods and purposes of customers’ personal information collected via the various channels of communication with the company.

iii. IT Integrity and Cyber Security

The exponential development and advancement of technology presents various opportunities as well as challenges for both business and operational processes. In this context, the Group takes imperative measures to prioritise information technology integrity and cyber security to ensure business continuity. Various security measures are put in place to continuously identify, evaluate, monitor, manage and respond to any IT integrity or cyber security issue.

The Group has incorporated preventive measures in its operating systems to minimise to the lowest level possible any exposure to cyber security risk and constantly worked to identify potential vulnerabilities in its operating environment and ensure timely response and recovery in the event of a cyber-breach. Intensive system testing and review measures are conducted regularly to prevent unauthorised physical access to its computer systems, keeping track of the hardware support lifecycle to ensure that the system operation is up-to-date to counter any new or potential threats which may cause malicious or deliberate damage of data and information.

Recognising the importance of enhancing awareness of data security among employees, the Group organises training programmes by industry experts on a regular basis to educate employees on the latest data security threats and protection measures.

iv. Good Governance, Product Safety and Business Conduct

The Group’s employees are required to adhere to the Employee Code of Conduct to ensure that they observe good work practices to avoid any legal infringement or non-compliance in its business operations.

The Group’s Risk Management Committee acts as the guardian in safeguarding its interest against any possible risk which may occur within or outside the company.

The PD Division is constantly engaging with the Government agencies and regulatory bodies on matters relating to policies that govern the PD Division’s business in property development. The PD Division takes heed of the policies and keep abreast of the changes to ensure that its developments conform to the stipulated requirement for sustainable planning and growth.

Sports Toto continues to work closely and maintain good relationships with the Government authorities and agencies including Bank Negara Malaysia (“BNM”), MOF, local councils and district police departments and meet with their requirements to ensure public interests are safeguarded in carrying out its daily business and operations. The company ensures that it is always in compliance with relevant laws including anti-money laundering laws and pool betting laws. The successful annual renewal of gaming licences by MOF, zero negative feedback from BNM or Bursa Malaysia and clean reports from external auditors are some testimonies to Sports Toto’s constant compliance and fulfilment of its responsibility as a leading licensed number forecast operator (“NFO”).

Being a multilevel marketing company, Cosway adhere to the laws and regulations set by Ministry of Domestic Trade, Co-operatives and Consumerism and strictly abide by the code of conducts from Direct Sales Association Malaysia. Cosway engages with and maintains good relationships with the Government authorities and agencies related to its business operations, local councils and district police departments. It also ensures that it is always in compliance with the relevant laws including Direct Selling and Anti Pyramid Act 1993, Price Control and Anti-Profiteering laws, to name a few.

In strict compliance with the label requirements set by the National Pharmaceutical Regulatory Agency under the Ministry of Health Malaysia, Cosway’s product labelling discloses the required details such as Manufacturer, Distributor, Product Ingredients, Product Registration Serial Code (MAL Licence) and Usage Directions for its healthcare supplement, skin care and personal care products.

SUSTAINABILITY STATEMENT



The 31st Sports Toto Chinese New Year Ang Pow Donation Campaign

7. SOCIAL SUSTAINABILITY (CONTINUED)

iv. Good Governance, Product Safety and Business Conduct (Continued)

Cosway adheres strictly to health and product safety regulations and is subjected to regular inspections by the relevant authorities. Its Quality Control Department conducts rigorous product checks and quality audits by batch on an ongoing basis. Cosway sources its products from reputable and quality suppliers with certification standards as ISO, GMP or HACCP to ensure its products are consistently of high quality.

KUB-Berjaya Enviro Sdn Bhd (“KBE”), which operates BTSL, is ISO9001:2015 certified. To ensure that all the standards and requirements of ISO9001:2015 is understood and complied with at KBE, annual trainings are conducted in various technical and administration areas for all levels of its employees.

BTSL is designed to the highest standards and provide maximum protection according to requirements of the United States Environmental Protection Agency (EPA) Resource Conservation and Recovery Act (RCRA) Regulations Subtitle D. BTSL can be classified as a Level 4 landfill under the Technical Guideline for Sanitary Landfill, Design and Operation published by the Ministry of Urban Wellbeing, Housing and Local Government. BTSL is designed and operated to provide the highest level of protection to the environment. The site has in place a comprehensive environmental monitoring plan and is in full compliance with the Department of Environment regulations for water, air, noise and odour emissions.

As testament to its high standards of quality and efficient management, BTSL has been awarded many notable awards such as the ASEAN Energy Awards in 2012 and 2016, and the CDL Outstanding Singapore Environmental Achievement Awards 2013 and DFS Singapore Environmental Achievement Awards 2013 (Regional) from the Singapore Environment Council, to name a few.

v. Key Supply Chain

BCorp and its subsidiaries have established a key supply chain for key materials and delivery services to ensure sustainable operations. To ensure continuity of the key supply chain, its core products are secured by supply agreements with suppliers who are financially sound and have a track record of uninterrupted supply, together with a few prominent third-party logistics transporters (3PL) to provide smooth and efficient delivery services.

vi. Social Integration and Community Development

It is noteworthy to mention that the PD Division supports the national agenda in addressing the need for affordable housing through its investment in various affordable housing projects, which is an act of corporate citizenship in the area of social sustainability.

7. SOCIAL SUSTAINABILITY (CONTINUED)

vi. Social Integration and Community Development (Continued)

Social integration and community development is an aspect which is given considerable importance from the start of the PD Division's project development process. Its development projects are constructed with emphasis on safety, good accessibility and connectivity, excellent standard of workmanship as well as adequate public amenities. The PD Division also ensures that the development projects are adequately equipped with facilities and amenities that encourage strong community spirit among the residents and the surrounding neighbourhood. The PD Division also collaborated with "park-and-ride" bicycle companies to reduce dependency on motorised vehicles.

As security is a foremost priority to purchasers, the PD Divisions has implemented various security measures including a gated and guarded environment, sensor card access system, intercom system and 24 hours surveillance via Close-Circuit-Tele-Vision (CCTV) in its development projects. Panic buttons have been installed at carpark areas for its development projects at Bukit Jalil, Kuala Lumpur as a security and crime prevention measure. These security measures give comfort to the residents that they are able to live and commune in a safer and better environment.

vii. Customer Care and Experience

BCorp and its subsidiaries have various communication channels to engage with their customers. Customers are able to get in touch with the respective companies via telephone, email or mail, and via the respective companies' websites.

BCorp subsidiaries also have periodic electronic communication with their customers and followers on social media to provide regular product information updates, seasonal greetings, as well as marketing and promotional offers/activities.

viii. Community Support and Involvement

Beyond building sustainability in its business operations, BCorp also recognizes the importance of being a responsible corporate citizen. In this aspect, the Group has been providing financial and non-financial support to those in need, with a special focus on providing assistance to programmes targeted at the younger generation and the less privileged in society.

Community

During the financial year under review, BCorp and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate communities by hosting various festive gatherings for more than 20,000 Malaysians nationwide. The 31st Sports Toto Chinese New Year Ang Pow Donation Campaign was one of the biggest festive donation campaigns in the country reaching out to more than 18,000 needy senior citizens in 50 cities and towns. During the festive celebrations of Hari Raya, Deepavali and Christmas, BCorp and its subsidiaries also hosted various festive gatherings with sumptuous treats, gifts, and entertainment for the underprivileged communities.

Under the "Helping Hands" CSR programme with its tagline – Sharing, Giving and Caring, Sports Toto carried out numerous projects which benefitted underprivileged communities during the financial year under review. Efforts to engage the community were made by way of offering monetary and non-monetary aid, learning and education opportunities, community sports as well as popular entertainment and cultural activities.



BCorp contributed to the Penang Flood Relief Efforts in November 2017



BCorp supported Eat X Dignity which provides the opportunity for youth to learn employability and entrepreneurial skills in the food and beverage industry

SUSTAINABILITY STATEMENT



470 youth volunteers came together to pack 100,000 meals at BCorp's Rise Against Hunger meal-packing event at Berjaya Times Square KL

7. SOCIAL SUSTAINABILITY (CONTINUED)

viii. Community Support and Involvement (Continued)

Community (Continued)

BCorp and its subsidiaries also provide humanitarian aid to communities affected by natural disasters. In responding to the plight of the flood victims in Penang, BCorp and its subsidiaries organised various efforts to contribute in cash and in kind. BCorp contributed RM250,000 each through Mercy Malaysia and Taiwan Buddhist Tzu Chi Foundation towards various flood relief efforts in Penang.

In October 2017, more than 470 youth volunteers came together to help pack 100,000 meals worth RM100,000 for the 4th Berjaya Youth – Rise Against Hunger meal packing event held at Berjaya Times Square KL. The meals were packed and handed over to the beneficiaries - Malaysia Red Crescent Society (RM30,000 worth of meals) where RM20,000 worth of meals were distributed to those affected by the Penang floods; Rotary Club of Kota Kinabalu South (RM40,000 worth of meals) to the flood victims in Kota Belud, Sabah as well as the poor communities in the interior of Sabah; MyKasih Foundation (RM20,000 worth of meals) for needy Orang Asli communities in some parts of Peninsular Malaysia; and Alliance Chin Refugees (RM10,000 worth of meals) who need a continual flow of meals for their 7 schools and clinic operation.

Sports

Apart from providing substantial annual financial contributions to the National Sports Council, Sports Toto also supported numerous community sports activities such as the Go For It! – FTKLAA Cross Country 2018 and provided sponsorship for Kuching Festival's 3 on 3 Basketball Jamboree, Sports Toto High School Basketball Tournament, KRR ROASTERS Chicken Run 2017, Seremban Half Marathon, Sungai Petani Half Marathon, Sutera Harbour 7K Charity Run, Kota Kinabalu City Cycling Challenge 2017 and Penang Bridge International Marathon.

REDtone is committed to giving back to the communities in which it operates by supporting youth sports programmes to foster positive development. REDtone has been the title sponsor of the Kuala Lumpur International Junior Open Squash Championships organised by the Squash Racquets Association of Federal Territory for six consecutive years starting in 2012.

Under the KRR Community Chest programme, BRoasters continued to contribute to the communities in which it operates with its annual ROASTERS Chicken Run. Since its inception, the ROASTERS Chicken Run has garnered a total contribution of RM716,000 and provided 5,340 wholesome KRR meals to 58 homes and organisations.

7. SOCIAL SUSTAINABILITY (CONTINUED)

viii. Community Support and Involvement (Continued)

Sports (Continued)

The annual Krispy Kreme Joy Run is a community initiative held in partnership with the local University Malaya to engage with youths to organise CSR programmes. The partnership started in year 2016 and has raised RM30,000 to date. The funds, channelled through NGOs such as Pit Stop Café, Umie Aktif and CADS Enhancement Centre benefit marginalised segments such as communities with disabilities such as autism, and feeding the homeless.

Education

In line with the objective of promoting literacy and education, BCorp and its subsidiaries supported the operation costs of 10 community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country. During the financial year under review, approximately 2,200 students have benefitted from the programme.

Sports Toto continued to support the “Reading My Companion” learning programme for the 6th consecutive year with storybooks and storytelling sessions for students in 20 micro-sized Chinese primary schools in Perak, Negeri Sembilan, Melaka, Pahang and Johor. Since its inception in 2012, it has benefitted more than 10,000 students in 86 sub-urban micro-sized Chinese primary schools in Selangor, Perak, Negeri Sembilan, Melaka, Pahang and Johor.



KRR's Muffins @ School Programme with SK (P) Pudu students



Sports Toto's Reading My Companion project in schools



Participants in the Berjaya Teen Star Challenge Grand Finals 2018

SUSTAINABILITY STATEMENT

7. SOCIAL SUSTAINABILITY (CONTINUED)

viii. Community Support and Involvement (Continued)

Education (Continued)

Through its KRR Muffins @ School Programme, BRoasters spreads the importance of healthy living through its 'Healthy Me, Happy Me' workshops as it believes in fostering healthy eating habits from a young age. The workshops educate students on the importance of a balanced diet and what a nutritional meal is so that they can make good eating decisions.

BTSL conducts training sessions for officers from local authorities and government departments such as the Department of Environment as well as students from institutions of higher learning. BTSL also hosts site visits for non-governmental organisations (NGOs), environmentalists, stakeholders, industry players, and institutions. Since 2005, more than 12,000 visitors have visited BTSL.

Arts & Culture

In support of the preservation of local arts and culture, BCorp and its subsidiaries contributed to various arts and culture projects during the financial year under review. BCorp organised the Berjaya Teen Star Challenge ("BTSC") for the third consecutive year, conducting a series of roadshows in more than 130 secondary schools in Kuala Lumpur, Putrajaya, Selangor, Negeri Sembilan and Melaka and garnering interest from more than 10,000 students. BTSC is a platform for young aspiring performers to express their creativity through the categories of solo singing, cultural dancing, and modern dancing.

Sports Toto supported various cultural festivals during the financial year under review, such as Pesta Tanglung in Muar, Johor, Penang Chingay Parade 2017, Hungry Ghost Month Festival and the Nine Emperor God Festival.



8. HUMAN CAPITAL

BCorp centres on its guiding principles of a strong foundation and the constant synergy that exists among its diverse businesses. These pillars depict the Group's past achievements and future growth.

BCorp recognises that its employees are its most valuable asset and form the foundation of the organisation. As such, BCorp strongly believes in investing and developing its human capital to support the continued expansion and growth of the Group.

To this end, BCorp puts immense effort in driving people strategies, focusing on talent acquisition and development, and employee engagement and retention programmes. The Group aims to ensure that its employees are engaged, productive and competitive, while enriching its work culture and environment, distinguishing the organisation as an "Employer of Choice".

DELIVERABLES

	Attracting the Best Talents through Talent Acquisition Strategies
	Building a Talent Pipeline
	Developing a Performance Driven Culture
	Progressively Review and Improve Human Resource Policies, Work Environment and Work Systems
	Creating an Employee Engagement Culture
	Capitalising on HR Technology

i. Workplace

For BCorp to meet its strategic objectives, attracting and retaining the right people and developing their potential skills and knowledge becomes a critical aspect of its HR recruitment policy. BCorp's employment practices uphold its beliefs for fair employment, diversity and inclusion, rewarding employees appropriately and helping them to achieve their current and future career aspirations and goals through customised training and development programmes.

Talent Acquisition

BCorp aims to strike a balance among its many diverse industries and their human capital needs and requirements, thus it is important for its Group Human Resource Division to consider the many business units and the different positions within those units. A thorough understanding of each company's business objectives, and the skills, knowledge, experiences and competencies that each position requires for success is essential.

In seeking proactive, talented and highly motivated individuals, BCorp's employee selection process takes into consideration the candidates' skills and experience through a competency-based interview process and online assessments to short-list the "right people for the right job", ensuring the best fit.

8. HUMAN CAPITAL (CONTINUED)

i. Workplace (Continued)

Talent Acquisition (Continued)

BCorp also collaborates with universities and Government agencies to participate in on-campus fairs and host company visits that are geared to building lasting relationships in anticipation of its future hiring needs and to create a sustainable pool of talents.

Talent Attraction

Berjaya's employer brand also helps to convey to internal and external talents what distinguishes the Group from its competitors. In November 2017, BCorp won a Gold Award in the prestigious "Employer of Choice" Award, conferred by the Malaysian Institute of Human Resource Management (MIHRM). Winning this award further propels the Berjaya brand to the forefront locally as well as globally.

"Striving for Excellence" – BCorp's Awards and Recognition for 2017 and 2018

- Malaysia Best Employer Brand Award 2017 – 3rd Edition
- Asia's Best Employer Brand Awards 2017 – 8th Edition
- Malaysia's 100 Leading Graduate Employers 2017
- Graduan Brand Awards 2016
- MIHRM Employer of Choice Award – Private Sector (Gold)
- MIHRM HR Leader Award 2017 – Gold
- 100 Most Influential Global HR 2018
- Malaysia Best Employer Brand Award 2018 – Hospitality Sector
- HR Leadership Award 2018 (For Excellence in HR Leadership)
- Randstad 20 Most Attractive Companies in Malaysia 2018

Diversity and Inclusion

BCorp embraces and values diversity and inclusion, leading to a better understanding of and engagement with the people it works with, the customers it serves and the communities in which it operates. Furthermore, a diverse workforce and an inclusive workplace culture are attractive to potential talents and provide the Group with a competitive edge in its talent attraction and retention initiatives.



Berjaya Hills Run on 20 April 2018

BCorp also encourages an inclusive workplace where its employees feel safe and confident to contribute their views towards delivering more innovative and effective business outcomes.

In recent years, the Group has implemented workplace improvements which benefit its employees by allowing them more flexible work hours through its "Staggered Work Hours Arrangement" ("SWHA"). The Group has also renovated a nursing room, providing returning mothers a private, safe and clean environment to help them ease back to work and balance their new work-life priorities.

ii. Employee Engagement

Employee engagement is an important indicator which identifies how employees are connected to the organisation and the extent which they contribute to the long-term health and success of the Group. Maintaining a high level of employee engagement is increasingly important for the Group in order to attract and retain talented employees and, ultimately, deliver business success.

BCorp also strongly believes in driving better local communication among its business units and functional units through townhall meetings, synergy meetings and capitalising on communication channels which keep employees abreast of what is happening across the Group.

The employee engagement initiatives conducted during the year were focused on celebrating diversity, bringing together employees from varied backgrounds and levels and building camaraderie through activities that celebrate the major festivals in Malaysia, health-related activities, and sports tournaments to boost employee motivation and team work.

SUSTAINABILITY STATEMENT



Graduates of the Berjaya Advanced Leadership Development Programme 2017 with the senior management of BCorp

8. HUMAN CAPITAL

ii. Employee Engagement (Continued)

Culture of Volunteerism

BCorp strongly believes in giving back to society and fosters the spirit of volunteerism by encouraging its employees to participate in the Group's many CSR projects such as visitations and festive celebrations with the less fortunate. The Group also organises and participates in various community-based programmes and activities which aims to create awareness on health-related, environmental protection and community issues.

iii. Training and Development

Every employee in the organisation plays an integral role in building the Group's success and meeting its business objectives. As such, BCorp provides equal opportunity for employees to move up the career ladder. The Group believes that through continuous learning and upskilling of their competencies and knowledge, employees would be able to unleash their potential to perform better.

Talent Management

BCorp has a formal talent management framework which focuses on providing the appropriate learning and development opportunities for all employees, and especially its future leaders.

Berjaya's Talent Management Programmes focus on meeting its future talent needs and building opportunities for current talent growth. The programmes are targeted to address the following areas:

- a) Succession Planning
 - * Ensures that all senior critical roles have a succession plan in place for the sustainability of the Group's significant business functions. It is essential that the Group proactively identifies its potential leaders and develops them in the capability areas required.
- b) Building a Talent Pipeline
 - * Aims to identify key talents ready for a new role (long-term/short-term).
- c) Leadership Development Programmes
 - * A competency-based learning approach offered to executives, middle and senior management levels respectively to equip them with the right tools and knowledge for their career success.

Development Programmes

BCorp introduced its own leadership development programmes for different levels of employees – the Berjaya Advanced Leadership Programme (B.ALP), the Berjaya Manager Development Programme (B.MDP) and the Berjaya Executive Development Programme (B.EDP) with the aim of helping its employees to develop their full potential and build a successful career within the Group. During the year, a total of 72 employees graduated from these development programmes.

8. HUMAN CAPITAL (CONTINUED)

iii. Training and Development (Continued)

Individual Development Plans

To track the progress of graduates of Berjaya's development programmes as well as the effectiveness of the programmes, every graduate is required to plan and craft out their short term and long term individual development plans. With these, the organisation will be able to gauge each graduates' potential further and to understand their career goals and development needs which will enable customised learning and development programmes to be developed for them.

Other Training Programmes

Besides development programmes, various learning programmes, lunch talks and customised training programmes were conducted throughout the year. During the year under review, in line with the Group's aim of building a high performance driven culture, 5 training sessions on Performance Management based on the Balanced Scorecard Concept were conducted for 102 employees. The Group also embarked on the implementation of an e-Appraisal system, and 24 training sessions on the e-Appraisal system were conducted for 222 employees during the year under review.

The Group's Food and Beverage Division also conducted training programmes which focused on coaching, skills training, supervisory and manager training programmes, as well as retail management and customer service programmes for each level of operations staff. As at 30 April 2018, a total of 9,657 employees from the Division participated in various training programmes.

REDtone sets an annual training target of 40 hours of training per employee. All REDtone employees are required to complete this training requisite as part of their KPI measurement. The average training hours per employee stood at 46 hours in the financial year 2018.

Apart from upskilling programmes, several cyber awareness and security talks were also conducted to educate employees to be alert of and to prevent them from becoming victims of email phishing or cyber threats and ransomware.

iv. Employee Wellbeing

BCorp provides a range of initiatives aimed to create awareness and encourage employees to make informed choices that will enhance their overall health and well-being.

Health Promotion and Prevention

To inculcate a healthy lifestyle among employees and to promote health and wellness in the workplace, BCorp employees enjoy the privilege of utilising a full facility gym at a subsidised rate at Berjaya's very own fitness centre which is conveniently located at Berjaya Times Square.

Besides the fitness centre, free fitness and wellness activities are organised during lunch hour for the employees based at Corporate Office. Some of the activities organised during the year were mini bootcamp and Zumba sessions which attracted participation from about 119 employees, as well as informative health talks on various health issues and prevention measures. During the year, 5 health talks were organised and attended by 435 employees.

As for prevention and early detection of any sicknesses, BCorp employees are encouraged to perform yearly health screenings / health checks by utilising the balance of their yearly clinical outpatient entitlement at selected panel clinics at a special staff rate.

Employee Benefits

As a caring employer, BCorp strives to provide better benefits and welfare to its employees. Thoughtful consideration is given to employees' needs, starting from their basic needs such as health care to their lifestyle needs such as hotel stay privileges. The Group has increased the daily room and board rate for its Group Hospitalisation and Surgical Insurance policy, and employees enjoy special staff rates for stays in the Group's hotels and resorts.



Les Mills RPM Express session 6 April 2018

SUSTAINABILITY STATEMENT



BStarbucks organised The Biggest Loser challenge to encourage its employees to live a healthy lifestyle



Body combat session on 28 February 2018

8. HUMAN CAPITAL (CONTINUED)

iv. Employee Wellbeing (Continued)

Employee Benefits (Continued)

The Group also conducts periodic surveys on staff benefits in order to enhance and align its existing benefits with employees' needs.

Staff Welfare Fund

BCorp provides financial assistance to employees and their immediate family members to alleviate their financial burden in times of crisis, i.e. to cover medical expenses incurred by the employee/employee's immediate family members or in the event the residence of an employee is affected by fire or a natural disaster.

v. Employee Health and Safety

BCorp strives to continuously improve and fully integrate health, safety and environmental sustainability in all aspects of its operations.

In ensuring compliance with legal requirements and its commitment to provide its staff, contractors and other visitors a healthy and safe environment, BCorp promotes a proactive safety, occupational, health and environment philosophy and adopts best practices in building and maintaining a safe working environment.

As part of the Group's continuous efforts in communicating the importance of health, safety and environmental awareness to its employees, various awareness talks and training programmes were organised on relevant topics such as prevention of fire, prevention of falls, emergency

preparedness, and response and training on CPR, use of a fire extinguisher, and first aid kit maintenance in the workplace.

In July 2017, a 24-hour OSHE hotline was launched at the Corporate Office to report emergencies, as well as safety, hazard and maintenance issues. During the year, a total of 49 employees from various Head Office departments were certified as First Aiders by St. John Ambulance.

The health and safety of the employees who are based at external sites are also of prime concern. At the Group's Bukit Tagar Sanitary Landfill, various measures have been implemented to ensure that the landfill site is a safe workplace for employees. These include implementation of health and safety policies, monthly site safety meetings and annual immunisation programmes for site staff. Various control measures such as Hazard Identification, Risk Assessment & Risk Control and Chemical Health Risk Assessment are also implemented in the sanitary landfill operation. The landfill project site is approved by the Department of Occupational Safety and Health.

REDtone makes it mandatory for all its field employees to undergo safety induction training before they are assigned to their respective sites. They are also required to obtain a Construction Industry Development Board Malaysia card as validation of their understanding and knowledge in the area of workplace safety. To reduce its field employees' exposure to workplace hazards, REDtone strives to ensure that they are furnished with the necessary personal protective equipment. Additionally, its safety personnel are certified by the National Institute of Occupational Safety and Health and kept up to date on the latest industry safety regulations, policies and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Berjaya Corporation Berhad (or “the Company”) recognises the importance of corporate governance towards promoting business prosperity and corporate accountability to realise long term shareholders’ value and the interests of other stakeholders.

This Corporate Governance (“CG”) Overview Statement provides a summary of the corporate governance practices of the Company during the financial year ended 30 April 2018 (“FYE 2018”) with reference to the three (3) key Principles of good corporate practices as set out in the Malaysian Code on Corporate Governance (“MCCG”) as follows:-

- a) Principle A : Board Leadership and Effectiveness;
- b) Principle B : Effective Audit And Risk Management; and
- c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Company’s Corporate Governance Report (“CG Report”) for FYE 2018 which is available on Bursa Securities website at www.bursamalaysia.com.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the FYE 2018. The Board considers that the Company has substantially complied with the MCCG throughout FYE 2018 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for the performance and affairs of the Company and its subsidiaries (collectively “the Group”). It also provides leadership and guidance for setting the strategic direction and the control systems of the Group. It then delegates the implementation and monitoring of these set directions and control systems to the management.

The Board has assigned the day-to-day affairs of the Group’s businesses within the various divisions 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 businesses within the agreed business strategies.

The Board is led by the Executive Chairman and is supported by the Chief Executive Officer (“CEO”) and other Board members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group.

The positions of Executive Chairman and the CEO are held by different individuals. The roles and responsibilities of Executive Chairman and CEO are distinct and separated to ensure that there is a balance of power and authority. The Executive Chairman is responsible for providing leadership to the Board and ensuring the smooth and effective functioning of the Board. The CEO is responsible for overseeing the day-to-day management of the Group’s businesses and implementing Board’s policies and decisions.

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 are also responsible for implementing strategic plans and policies set by the Board and to assist CEO in discharging his duties. They represent the Company at the highest level and are decision makers on matters within their scope. They liaise frequently with the CEO (or the Managing Director as the case may be) and with each other to lead the management to drive the Company and the Group forward.

The Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their particular expertise and experience in assisting the development of business strategy of the Group and to make insightful contribution to the Board’s deliberations. They also assist and ensure the Board adopts a good corporate governance practice within the group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Committees

The Board has established the following Board Committees which consist of majority Independent Non-Executive Directors to provide independent overights of management and to ensure that there are appropriate checks and balances in discharging of its oversight function:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- Sustainability Committee

These Committees play a significant part in reviewing matters within each Committee's Terms of Reference ("TOR") and facilitating the Board's discharge of its duties and responsibilities. Each of these Committees has specific TOR, scope and specific authorities to review matters and report to the Board with their recommendations. The Board may also form such other committees from time to time as dictated by business imperatives and/or to promote operational efficiency. Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board.

Company Secretary

The Board is supported by the Company Secretaries, who are members of the professional body namely, The Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified under the Companies Act 2016. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

In order to discharge their roles effectively, the Company Secretaries have been continuously attending the necessary trainings programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest developments in corporate governance realm and changes in regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

Board Meeting and Meeting Materials

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters that require the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

In the intervals between Board meetings, any matters requiring urgent Board decisions or approvals will be sought via circular resolutions of the Directors and these are supported with all the relevant information and explanations required for an informed decision to be made.

Prior to the Board and Committee Meetings, the Directors will be provided with the relevant agenda and Board papers five (5) business days' notice or such shorter period as agreed by the Board 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 provide, among others, the minutes of preceding meetings of the Board and Committees, summary of dealings in shares by the directors or affected persons and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Meeting and Meeting Materials (continued)

Further, there is a schedule of matters reserved for Board's deliberations and decision, including among others, to review, evaluate, adopt and approve the policies and strategic plans for the Company and the Group. The Board will ensure that the strategic plans of the Company and the Group supports long term value creation, including strategies on economic, environmental and social considerations underpinning sustainability as well as to review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group and any new major ventures.

Access to information and advice

The Directors have unrestricted access to the advice and services of the Company Secretaries and Senior Management staff in the Group to assist them in carrying out their duties. They may also obtain independent professional advice at the Company's expense in furtherance of their duties whenever the need arises.

Board Charter, Ethical Standards through Code of Ethics, Code of Conduct and Whistleblowing Policy and Procedures

The Board has the following in place:-

a) 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, Board Committees and individual Directors.

The Board Charter is subject to review by the Board annually to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. The Board Charter is available on the Company's website at www.berjaya.com.

b) Code of Ethics for Director

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

c) Code of Conduct and Business Ethics

The Group has established and adopted a Code of Conduct covering business ethics, workplace safety and employees' personal conduct for all employees of the Company and all of its subsidiaries and associates. This is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation. All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its terms throughout their employment or tenure with the Company.

The Board will periodically review the Code of Conduct and the Code of Conduct is available on the Company's website at www.berjaya.com.

d) Whistleblowing Policy and Procedures

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Group has in place a Whistleblowing Policy which serves as an internal disclosing channel in relation to whistleblowing at work place which enable employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis and pursuant to the Malaysian Whistleblower Protection Act 2010 or other similar laws prevailing in other countries where the subsidiary companies are located, without fear of any form of victimization, harassment, retribution or retaliation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Board Charter, Ethical Standards through Code of Ethics, Code of Conduct and Whistleblowing Policy and Procedures (continued)

d) Whistleblowing Policy and Procedures (continued)

Employees also have free access to the Senior Independent Director and the CEO of the Company and may raise concerns of non-compliance to them.

The Whistleblowing Policy is available on the Company's website at www.berjaya.com.

Sustainability Strategies

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a sustainable long term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

Board Composition

The current Board composition of the Company represents a mix of knowledge, skills and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board of the Company currently has ten (10) members comprising the Executive Chairman, CEO, four (4) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The profiles of each of the Directors are set out on pages 3 to 7 of the Annual Report.

The present composition of the Board is in compliance with Chapter 15.02 of the Listing Requirements of Bursa Securities which requires at least one third (1/3) of the Board members of a listed issuer to be Independent Directors. However, the Company is not in compliance with Practice 4.1 of the MCGG as the Board does not have a composition which comprises of 50% Independent Directors.

The presence of the Independent Directors, though not forming half (50%) 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. They are able to carry out their duties and responsibilities and to provide an unfettered and unbiased independent judgement.

Boardroom Diversity

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.

The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. Thus, the Company does not set any specific target for boardroom diversity but will actively take the necessary measures towards promoting a corporate culture that embraces gender diversity in the Boardroom.

Furthermore, the Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically contributing to a well-functioning organisation and sustainable development of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Boardroom Diversity (continued)

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

Currently, the Board has five (5) female Directors namely, Ms Vivienne Cheng Chi Fan, Dato' Zurainah Binti Musa, Ms Nerine Tan Sheik Ping, Dr Jayanthi Naidu A/P G. Danasamy and Ms Penelope Gan Paik Ling and they represent 50% of the total Board members. They are part of the Board's gender diversity that serves to bring value to the Board discussions from different perspectives and approaches of the female Directors.

The Board Diversity Policy of the Company is available on the Company's website at www.berjaya.com.

Time Commitment

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 FYE 2018, the Board met five (5) times and the attendances of the Directors at the Board meetings were as follows:-

Directors	Attendance
Tan Sri Dato' Seri Tan Chee Yioun (Executive Chairman)	2/2**
Dato' Sri Robin Tan Yeong Ching (CEO)	4/5
Vivienne Cheng Chi Fan	5/5
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	5/5
Dato' Zurainah Binti Musa	5/5
Nerine Tan Sheik Ping	4/5
Chan Kien Sing	5/5
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar #	5/5 ***
Datuk Robert Yong Kuen Loke #	5/5
Datuk Mohd Zain Bin Ahmad #	5/5^
Dr Jayanthi Naidu A/P G. Danasamy #	4/5
Penelope Gan Paik Ling #	@

** Reflects the attendance and the number of meetings held during the financial year since the Director held office.

@ Ms Penelope Gan Paik Ling was appointed as an Independent Non-Executive Director of the Company on 30 March 2018. There was no Board Meeting held subsequent to the date of her appointment up to 30 April 2018.

Denotes Independent Non-Executive Director.

^ During the financial year, Datuk Mohd Zain Bin Ahmad resigned as an Independent Non-Executive Director of the Company on 18 April 2018.

*** Subsequent to the FYE 2018, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar resigned as an Independent Non-Executive Director of the Company on 28 June 2018.

All the Directors of the Company do not hold more than five (5) directorships in listed issuers pursuant to Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities. They are required to notify the Executive 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 Executive Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Directors' Training

All the Directors of the Company including the newly appointed Directors, have completed the Mandatory Accreditation Programme as required by Bursa Securities. The Board and/or the Directors individually will, on a continuous basis, evaluate and determine their respective training needs to assist them in the discharge of their duties as Directors.

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 were as follows:-

Directors	Seminars / Conferences / Forum
Tan Sri Dato' Seri Vincent Tan Chee Yioun (TSVT)*	- Four Seasons Global Partner meeting in Seoul
Dato' Sri Robin Tan Yeong Ching	- Forbes Asia Forum: The Next Tycoons – A Generation Emerges - Corporate Governance Briefing Session: MCCG Reporting & CG Guide
Vivienne Cheng Chi Fan	- Invest Malaysia 2017- The Capital Market Conversation - Global Treasury Economic & Product Update - Khazanah Megatrend Forum 2017 – Cerebrum X Algorithm - Women Power Talk 2017– Advancing U Through Media
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	- SDG Business Summit 2017- Business as a Force for Good. The Role of the Private Sector in Achieving the Sustainable Development Goals - CFA Society Malaysia Talk 2018
Dato' Zurainah Binti Musa	- Fraud Risk Management Workshop
Nerine Tan Sheik Ping	- Corporate governance breakfast series: Thought leadership session for Directors: “Leading Change @ The Brain”
Chan Kien Sing	- MIA International Accountants Conference 2017
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar (DMY)**	- Audit Committee Institute Breakfast Roundtable 2018
Datuk Robert Yong Kuen Loke	- He kept himself abreast with the latest development on the various magazines and journals and serving as a council and executive committee member of the Malaysian Institute of Certified Public Accountants.
Dr Jayanthi Naidu A/P G. Danasamy	- Corporate Governance Briefing Session: MCCG Reporting & CG Guide
Penelope Gan Paik Ling***	- The Companies Act 2016: Post Implementation Challenges, New Corporate Rescue Mechanism Rules 2018 & Malaysian Code of Corporate Governance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Directors' Training (continued)

Notes:

- * TSVT was appointed as the Executive Chairman on 1 November 2017.
- ** DMY has resigned as an Independent Non-Executive Director of the Company on 28 June 2018.
- *** Ms Penelope Gan was appointed as an Independent Non-Executive Director of the Company on 30 March 2018.

Appointment to the Board

Subsequent to the FYE 2018, changes to the composition of the Nomination Committee were made, whereby Datuk Robert Yong Kuen Loke was re-designated as the Chairman of the Nomination Committee following the resignation of Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar as a Director of the Company on 28 June 2018. Further, Dr Jayanthi Naidu A/P G. Danasamy and Ms Penelope Gan Paik Ling were also appointed as members of the Nomination Committee on 28 June 2018.

The members of the Nomination Committee, which comprises exclusively of Independent Non-Executive Directors, as at the date of this Statement are as follows:-

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar <i>(Resigned on 28 June 2018)</i>	- Chairman/ Senior Independent Non-Executive Director
Datuk Robert Yong Kuen Loke <i>(Re-designated on 28 June 2018)</i>	- Chairman/ Senior Independent Non-Executive Director
Dr Jayanthi Naidu A/P G. Danasamy <i>(Appointed on 28 June 2018)</i>	- Member/ Independent Non-Executive Director
Penelope Gan Paik Ling <i>(Appointed on 28 June 2018)</i>	- Member/ Independent Non-Executive Director

Datuk Robert Yong Kuen Loke has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

The composition, authority as well as the duties and responsibilities of the Nomination Committee are set out in its TOR which is available on the Company's website at www.berjaya.com.

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.

The process for the appointment of a new director is summarised in the sequence as follows:-

1. The candidate is identified upon the recommendation by the existing Directors, Senior Management staff, major shareholders and/or other independent source such as external consultants;
2. In evaluating the suitability of candidates to the Board, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
3. Recommendation to be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

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 criteria for the evaluation are guided by the Corporate Governance Guide issued by Bursa Securities. 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.

During the FYE 2018, the Nomination Committee has carried out the following activities:-

- recommended to the Board the appointment of new Directors, namely Tan Sri Dato' Seri Vincent Tan Chee Yioun as Director and Executive Chairman and Ms Penelope Gan Paik Ling as an Independent Director;
- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director, independence of the Independent Directors, effectiveness of the Board and Board Committees;
- reviewed the performance of the Audit Committee and its members;
- recommended to the Board, the Directors who are retiring and being eligible, for re-election;
- recommended to the Board, the retention of Independent Directors; and
- reviewed the Board Diversity Policy.

Re-election of Directors

The Nomination Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM") in accordance with the provisions of the Articles of Association of the Company and the relevant provisions of the Companies Act 2016.

Article 94 of the Company's Articles of Association provides that at least one-third of the Directors are subject to retirement by rotation at each AGM and that all Directors shall retire once in every three years, and are eligible to offer themselves for re-election. Further, Article 100 of the Company's 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.

The Nomination Committee is also responsible for recommending to the Board those Directors who are retiring and are eligible to stand for re-election at the AGM.

At the forthcoming AGM of the Company, the following Directors are due for retirement and are eligible for re-election pursuant to Article 94 and Article 100 of the Company's Articles of Association are as follows:-

Directors	Retiring pursuant to
i) Dato' Sri Robin Tan Yeong Ching	Article 94
ii) Dato' Zurainah Binti Musa	Article 94
iii) Chan Kien Sing	Article 94
iv) Dr Jayanthi Naidu A/P G. Danasamy	Article 94
v) Tan Sri Dato' Seri Vincent Tan Chee Yioun (Appointed on 1 November 2017)	Article 100
vi) Penelope Gan Paik Ling (Appointed on 30 March 2018)	Article 100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years. However, the retention of Independent Directors who have served a cumulative term of nine (9) years shall be subject to annual shareholders' approval in line with the best practice of MCGG.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily 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/her responsibilities in the best interest of the Company should be the predominant factors to determine 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.

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 stakeholders in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, has assessed the Independence of its Independent Non-Executive Directors on an annual basis based on criteria set out in the Main Market Listing Requirements of Bursa Securities.

The current Independent Directors of the Company namely, Datuk Robert Yong Kuen Loke, Dr Jayanthi Naidu A/P G. Danasamy and Penelope Gan Paik Ling have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Main Market Listing Requirements of Bursa Securities. None of the Independent Directors have served the Board for a term of more than nine (9) years.

Remuneration policies and procedures

The Company has a Remuneration Committee which comprises a majority of Independent Non-Executive Directors. The members of the Remuneration Committee as at the date of this Statement are as follows:-

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar (Resigned on 28 June 2018)	- Chairman/ Senior Independent Non-Executive Director
Datuk Robert Yong Kuen Loke (Appointed on 28 June 2018)	- Chairman/ Senior Independent Non-Executive Director
Dato' Sri Robin Tan Yeong Ching	- Member/ Chief Executive Officer
Dr Jayanthi Naidu A/P G. Danasamy (Appointed on 28 June 2018)	- Member/ Independent Non-Executive Director
Penelope Gan Paik Ling (Appointed on 28 June 2018)	- Member/ Independent Non-Executive Director

The composition, authority as well as the duties and responsibilities of the Remuneration Committee are set out in its TOR which is available on the Company's website at www.berjaya.com.

The Board has in place a Remuneration Policy that supports the Directors' and Key Senior Management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Directors and key senior management who will manage and drive the Company's success. The Remuneration Policy has been reviewed by the Remuneration Committee and approved by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

The Board has delegated to the Remuneration Committee to implement its Remuneration Policy.

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 enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The remuneration of Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and level of responsibilities.

Both the remuneration of Executive Directors and Key Senior Management are structured so as to link rewards to the achievement of individual and corporate performance.

The Remuneration Committee is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommended that the level of remuneration should reflect the experience and the level of responsibilities undertaken by each Non-Executive Director. The Board will then recommend the Directors' fees and other benefits payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the Annual General Meeting in accordance with Section 230(1) of the Companies Act 2016.

The Board will periodically review the Remuneration Policy and a copy is available on the Company's website at www.berjaya.com.

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorized into appropriate components for the FYE 2018 were as follows:-

a) Individual Directors on a named basis

Company

	<----- RM'000 ----->					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
<u>Executive</u>						
Tan Sri Dato' Seri Vincent Tan Chee Yioun ^a	-	-	-	-	-	-
Dato' Sri Robin Tan Yeong Ching	-	-	-	-	-	-
Vivienne Cheng Chi Fan	-	339	56	25	76	496
Dato' Sri Azlan Meah Bin Hj Ahmad Meah	-	84	7	21	11	123
Dato' Zurainah Binti Musa	-	360	30	25	47	462
Nerine Tan Sheik Ping	-	-	-	-	-	-
<u>Non-Executive</u>						
Chan Kien Sing	48	-	6	20	86	160
Datuk Robert Yong Kuen Loke	48	-	-	-	13	61
Dr Jayanthi Naidu A/P G. Danasamy	48	-	-	-	5	53
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar ^b	48	-	-	-	16	64
Penelope Gan Paik Ling ^c	4	-	-	-	-	4
Datuk Mohd Zain Bin Ahmad ^d	46	-	-	-	14	60
	242	783	99	91	268	1,483

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

a) Individual Directors on a named basis (continued)

Group

	RM'000					Total
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	
<u>Executive</u>						
Tan Sri Dato' Seri Vincent Tan Chee Yioun ^a	–	9,000	–	195	1,350	10,545
Dato' Sri Robin Tan Yeong Ching	–	2,896	496	279	3,451	7,122
Vivienne Cheng Chi Fan	–	1,607	264	25	357	2,253
Dato' Sri Azlan Meah Bin Hj Ahmad Meah	–	861	81	21	311	1,274
Dato' Zurainah Binti Musa	–	1,080	90	25	142	1,337
Nerine Tan Sheik Ping	–	960	225	14	143	1,342
<u>Non-Executive</u>						
Chan Kien Sing	48	–	26	20	362	456
Datuk Robert Yong Kuen Loke	129	–	13	18	203	363
Dr Jayanthi Naidu A/P G. Danasamy	48	–	–	–	5	53
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar ^b	48	–	–	–	16	64
Penelope Gan Paik Ling ^c	4	–	–	–	–	4
Datuk Mohd Zain Bin Ahmad ^d	46	–	–	–	14	60
	323	16,404	1,195	597	6,354	24,873

Notes:

- a Appointed as the Executive Chairman on 1 November 2017.
- b Resigned as an Independent Non-Executive Director of the Company on 28 June 2018.
- c Appointed as an Independent Non-Executive Director of the Company on 30 March 2018.
- d Resigned as an Independent Director on 18 April 2018.

b) The remuneration of top five (5) Key Senior Management in bands of RM50,000 on an aggregate basis

The number of top five (5) Key Senior Management and their total remuneration from the Group are categorised into the various bands as follows:-

Number of Key Senior Management	
RM1,200,001 - RM1,250,000	1
RM1,450,001 - RM1,500,000	1
RM1,500,001 - RM1,550,000	1
RM1,700,001 - RM1,750,000	1
RM1,800,001 - RM1,850,000	1
	<u>5</u>

Although the MCCG has recommended that the Company should disclose on a named basis, the detailed remuneration of the top five (5) Senior Management, the Board has opined that it is inappropriate to make such disclosure on the remuneration of Senior Management due to sensitivity of the remuneration package, privacy, security and issue of staff poaching.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee (“AC”) is established by the Board and comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of AC are as follows:-

Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar <i>(Resigned on 28 June 2018)</i>	- Chairman/ Senior Independent Non-Executive Director
Datuk Robert Yong Kuen Loke <i>(Re-designated on 28 June 2018)</i>	- Chairman/ Senior Independent Non-Executive Director
Dr Jayanthi Naidu A/P G. Danasamy <i>(Appointed on 28 June 2018)</i>	- Member/ Independent Non-Executive Director
Penelope Gan Paik Ling <i>(Appointed on 28 June 2018)</i>	- Member/ Independent Non-Executive Director

The Chairman of AC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the AC are set out in its TOR approved by the Board and is available on the Company’s website at www.berjaya.com.

Collectively, the members of the AC possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the AC. In addition, the AC members are financially literate and are able to understand, analyse and challenge matters under the purview of the AC including the financial reporting process.

The Board is assisted by the AC to oversee the Group’s and Company’s financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act 2016 (“CA 2016”) and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group’s and Company’s financial performance and prospects and ensure that the financial statements reviewed and recommended by the AC for Board’s approval are prepared in accordance with the provisions of the CA 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

In addition, the AC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

Besides overseeing the Group’s accounting and financial reporting process, AC is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, to oversee and monitor the Group internal audit functions, reviews any related party transactions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. An AC Report detailing its composition and a summary of activities during the financial year is set out on pages 75 to 79 of this Annual Report.

The performance of the AC is reviewed annually by the Nomination Committee. The evaluation covered aspects such as the members’ financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings.

Based on the evaluation, the Nomination Committee concluded that the AC has been effective in its performance and has carried out its duties in accordance with its TOR during the FYE 2018

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

Assessment of External Auditors

The Board maintains a transparent and professional relationship with the External Auditors through the AC. Under the existing practice, the AC invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Company's yearly financial statements. In addition, the AC also have private meetings with the External Auditors without the presence of the Chief Financial Officer and Senior Management to enable exchange of views on issues requiring attention.

The AC has adopted an External Auditors Policy ("EA Policy") which outlines the policies and procedures for the AC to govern the assessment and to monitor the External Auditors. The EA Policy covers, among others, the appointment of External Auditors, assessment of External Auditors, independence of External Auditors, non-audit services including the need to obtain approvals from the Chief Financial Officer (if any)/ Executive Director/ Head of Group Accounts or the AC for non-audit work up to a certain threshold and the annual reporting and rotation of the External Audit Engagement Partner. In addition, the EA policy also included a requirement for a former audit partner to observe a cooling-off period for at least two (2) years before they can be considered for appointment as a member of the AC and/or the Board.

The Board has delegated to the AC to perform an annual assessment on the quality of the audit which encompassed the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The assessment process involves identifying the areas of assessment, setting the minimum standards and devising tools to obtain the relevant data. The areas of assessment include among others, the External Auditors' calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees. Assessment questionnaires were used as a tool to obtain input from the Company's personnel who had constant contact with the external audit team throughout the year.

To support the AC's assessment of their independence, the External Auditors will provide the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are required to declare their independence annually to the AC as specified in 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 AC of the Company.

The AC also ensures that the External Auditors are independent of the activities they audit and will review the contracts for provision of non-audit services by the External Auditors. The recurring non-audit services were in respect of tax compliance and the annual review of the Statement on Risk Management and Internal Control. The non-recurring non-audit services are acting as reporting accountants for any corporate exercises as well as technical advisory fees in preparation for adopting of new accounting standards.

During the financial year, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the FYE 2018 were as follows:-

	Company		Group	
	FYE2018 RM'000	FYE2017 RM'000	FYE2018 RM'000	FYE2017 RM'000
Statutory audit fees paid/payable to:-				
-Ernst & Young ("EY") Malaysia	150	150	4,676	4,757
-Affiliates of EY Malaysia	–	–	1,867	1,909
Total (a)	150	150	6,543	6,666
Non-audit fees paid/payable to:-				
-EY Malaysia	292	292	1,605	1,611
-Affiliates of EY Malaysia	–	–	290	294
Total (b)	292	292	1,895	1,905
% of non-audit fees (b/a)	195	195	29	29

In considering the nature and scope of non-audit fees, the AC was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

Assessment of External Auditors (continued)

Upon completion of the assessment, the AC will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

The details of the AC's functions are set out in the AC Report on pages 75 to 79 of this annual report.

Risk Management and Internal Control Framework

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. Accordingly, the Directors are required to ensure that an effective system of internal control, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines are in place within the Group.

While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding the Company's assets and the shareholders' investments, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the AC provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of the risk management process is carried out by the Risk Management Committee of the Group.

The Risk Management Committee currently comprises a majority of Independent Directors as follows:-

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar <i>(Resigned on 28 June 2018)</i>	- Chairman/ Senior Independent Non-Executive Director
Datuk Robert Yong Kuen Loke <i>(Re-designated on 28 June 2018)</i>	- Chairman/ Senior Independent Non-Executive Director
Vivienne Cheng Chi Fan	- Member/ Executive Director
Nerine Tan Sheik Ping	- Member/ Executive Director
Dr Jayanthi Naidu A/P G. Danasamy <i>(Appointed on 28 June 2018)</i>	- Member/ Independent Non-Executive Director
Penelope Gan Paik Ling <i>(Appointed on 28 June 2018)</i>	- Member/ Independent Non-Executive Director

A Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal controls within the Group is set out on pages 72 to 74 of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company strives to maintain an open and transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. The provision of timely information is important to the shareholders and investors for informed decision making. However, whilst the Company endeavours to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Currently, the Company's various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, general meetings of shareholders and through the Company's website at www.berjaya.com where shareholders can have easy access to the Company's corporate information such as the Board Charter, TOR of the Board Committees, Company Policies, press releases, financial information, Company announcements and others.

The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.

Conduct of General Meetings

The Company's AGM remains the principal forum for dialogue with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the shareholders. At each AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The Chairman, the CEO and the Chief Financial Officer will respond to shareholders' questions at the AGM. The Executive Directors and other Directors will also respond when required. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate a better understanding and evaluation of issues involved.

Poll Voting

All the resolutions passed by the shareholders at the previous AGM held on 26 October 2017 were voted by way of a poll in accordance with the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities. The shareholders were briefed on the voting procedures by the Share Registrar namely, Berjaya Registration Services Sdn Bhd while the results of the poll were verified and announced by the independent scrutineer, Messrs LT Lim & Associates.

The Company Secretaries will announce the poll results of the AGM with details on the number of votes cast for and against for each resolution and the respective percentage on the same day to Bursa Securities. The minutes of the AGM will also be made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM.

The Company may consider adopting the electronic voting moving forward to facilitate a more efficient voting process and to ensure that the voting results are transparent and accurate. Pursuant to Practice 12.3 of the MCCG, the Company will also explore the use of technology to facilitate the voting in absentia and/or remote shareholders' participation at general meetings, taking into consideration the number of shareholders, the accuracy and stability of such technologies, applicable laws and regulations and the cost and resources required vis-à-vis the benefits.

This CG Overview Statement was approved by the Board of Directors of the Company on 15 August 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Berjaya Corporation Berhad (‘BCorp’ or ‘the Group’) is committed to maintaining a sound system of risk management and internal controls to provide for a platform for Group’s business objectives to be achieved. The Board sets out below the nature and scope of the risk management and internal controls of the Group.

RESPONSIBILITY

The Board of BCorp recognises that the Board 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 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.

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.

INTERNAL CONTROL PROCESSES

The key aspects of the internal control process are as follows:

- The business units identify the areas of control relevant to their business, design the internal control procedures and document the procedures in manuals.
- The internal auditors of the Group establish the annual audit plan and table the plan to the Audit Committee (“AC”) for approval.
- The internal auditors perform the audit and present their audit reports to the AC, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ASSURANCE MECHANISM

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

The internal auditors of the Group furnish the AC 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 ACs of the respective listed subsidiaries.

The Board also reviews the minutes of the meetings of the AC. The Report of the AC is set out on Pages 75 to 79 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

WHISTLEBLOWING POLICY

The Group has in place a whistleblowing policy, designed to enable all its employees (including Directors) with the appropriate mechanisms to confidentially provide information in an independent and unbiased manner, on any genuine concerns, without fear of recrimination so as to enable prompt corrective action to be taken where appropriate.

RISK MANAGEMENT

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 Datuk Robert Yong Kuen Loke (Chairman), Vivienne Cheng Chi Fan, Nerine Tan Sheik Ping, Dr Jayanthi Naidu A/P G. Danasamy and Penelope Gan Paik Ling.

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 2018, the Risk Management Committee held four meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. RU Café Sdn Bhd, Berjaya HR Café Ltd, BLOYalty Sdn Bhd, Berjaya Pharmacy Sdn Bhd and Berjaya Pharmacy Retail Sdn Bhd), and recommended certain measures to be adopted to mitigate their business risk exposures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT PROCESS

The key aspects of the risk management process are as follows:-

- The business units are required to identify the risks relevant to their businesses.
- The risks are then assessed based on the probability of their occurrence and are evaluated as Low, Medium or High. The level of residual risk is determined after evaluating the effectiveness of controls and mitigating measures.
- The business units develop control procedures or action plans to either prevent the occurrence or reduce the impact upon its occurrence.
- The business units are required to update their risk profiles and review their processes in monitoring the risks periodically.
- On a quarterly basis, the business units are required to prepare a report summarising the significant risks and status of action plan. Selected reports will be submitted to the RMC for review and deliberation.

REVIEW BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control (“SRMIC”) pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3 (previously the Recommended Practice Guide 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the year ended 30 April 2018, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. AAPG 3 does not require the auditors to consider whether the Directors’ SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

CONCLUSION

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 types of businesses 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 2018

The Board of Directors of Berjaya Corporation Berhad (“BCorporation”) is pleased to present the report of the Audit Committee for the financial year ended 30 April 2018.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee (“AC”) during the financial year and up to the date of this AC report are as follows:-

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

Dr Jayanthi Naidu A/P G. Danasamy
Independent Non-Executive Director

Penelope Gan Paik Ling
Independent Non-Executive Director

Subsequent to the financial year ended 30 April 2018, Datuk Robert Yong Kuen Loke was re-designated as the Chairman of AC following the resignation of Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar as a Director of the Company on 28 June 2018. In addition, Dr Jayanthi Naidu A/P G. Danasamy and Ms Penelope Gan Paik Ling were appointed as members of AC on 28 June 2018.

The AC held five (5) meetings during the financial year ended 30 April 2018. The details of attendance of the AC members are as follows:-

Directors	Attendance
Datuk Robert Yong Kuen Loke ¹	5/5
Dr Jayanthi Naidu A/P G. Danasamy *	*
Penelope Gan Paik Ling *	*
Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar ²	5/5
Datuk Mohd Zain Bin Ahmad ³	5/5

¹ *Datuk Robert Yong Kuen Loke was re-designated as the Chairman of AC on 28 June 2018 following the resignation of Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar as a Director of the Company on 28 June 2018.*

² *Subsequent to the financial year ended 30 April 2018, Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar ceased to be a member of AC of the Company following his resignation as a Director of the Company on 28 June 2018.*

³ *During the financial year ended 30 April 2018, Datuk Mohd Zain Bin Ahmad had ceased to be a member of AC of the Company following his resignation as a Director of the Company on 18 April 2018.*

* *Subsequent to the financial year ended 30 April 2018, Dr Jayanthi Naidu A/P Danasamy and Penelope Gan Paik Ling were appointed as members of AC with effect from 28 June 2018.*

The AC meetings were convened with proper notices and agenda and these were distributed to all members of the AC with sufficient notification. The minutes of each of the AC meetings were recorded and tabled for confirmation at the next AC meeting and tabled at the Board Meeting for the Directors’ review and notation.

The General Manager - Group Internal Audit and the Chief Financial Officer of the Company were also invited to attend the AC Meetings. The External Auditors were also invited to attend three (3) of these meetings. The AC members also met with the External Auditors without the presence of executive Board members and the Management. In addition, the senior management of the relevant operations was also invited to provide clarification on the follow-up audit review and the adequacy on internal controls of the issues arising from the audit reports.

AUDIT COMMITTEE REPORT 2018

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE

The duties and responsibilities of the AC are set out in its Terms of Reference, a copy of which is available at the Company's website at www.berjaya.com.

In discharging its duties and responsibilities, the AC had undertaken the following activities and work during the financial year ended 30 April 2018:-

1) Financial Reporting

- (a) Reviewed the quarterly financial statements including the draft announcements pertaining thereto and made recommendations to the Board for approval of the same as follows:-

Date of Meetings	Review of Quarterly Financial Statements
29 June 2017	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 April 2017
28 September 2017	First quarter results for financial year ended 30 April 2018
28 December 2017	Second quarter results for financial year ended 30 April 2018
30 March 2018	Third quarter results for financial year ended 30 April 2018

The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 34 - Interim Financial Reporting as well as applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

- (b) Reviewed and made recommendations to the Board for approval in respect of the audited financial statements of the Company and the Group for the financial year ended 30 April 2017 at its meeting held on 3 August 2017 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with all disclosure and regulatory requirements. Prior to that, the AC had reviewed the status report on the Audit Plan for financial year ended 30 April 2017 prepared by the External Auditors at the meeting held on 29 June 2017.
- (c) Considered and reviewed the integrity of information in the financial statements and quarterly reports, focus particularly on any changes in accounting policies and practices, significant adjustments resulting from the audit, going concern assumption, completeness of disclosures and compliance with accounting standards.

2) External Audit

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 April 2017 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The AC, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young ("EY"), recommended to the Board, the re-appointment of EY as External Auditors for the ensuing financial year of 30 April 2018 at its meeting held on 3 August 2017 for approval.
- (b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The AC also had a private discussion with the External Auditors on 3 August 2017 without the presence of Management to review on the issues relating to financial controls, operational efficiencies and material litigations involving its subsidiaries.
- (c) Reviewed with the External Auditors at the meeting held on 30 March 2018, their audit plan for the financial year ending 30 April 2018, outlining the audit scope, methodology and timetable, audit materiality, areas of audit emphasis, fraud considerations and the risk of management override, Financial reporting developments and prior year key audit matters.

SUMMARY OF ACTIVITIES AND WORK OF THE AC (CONTINUED)

3) Internal Audit

- (a) Reviewed sixteen (16) Internal Audit reports on various non-listed operating subsidiaries of the Group that are involved in the different activities such as:-
- (i) Provision of mobile digital media.
 - (ii) Treatment of waste, operation and maintenance of sanitary landfill and construction activities.
 - (iii) Generation and sale of electricity.
 - (iv) Production of alternative raw material and alternative fuel from recycling industrial wastes.
 - (v) To operate a chain of bookstores.
 - (vi) Dealers in organic food.
 - (vii) Development and operation of the “Krispy Kreme Doughnuts” chain of doughnuts stores in Malaysia and “RASA UTARA” chain of restaurants in Malaysia.
 - (viii) Printing.
 - (ix) Production and selling of motor vehicles.
 - (x) Managing customers loyalty schemes, maintain customers’ databases and to provide information services to customers in respect of loyalty points and/or rewards.
 - (xi) Provision of marketing services and to grant franchises to operate restaurants under the “Kenny Rogers Roasters” name and related trademarks in Malaysia only.
 - (xii) Investment holding and operating a private university college.
 - (xiii) To provide logistics, warehousing, transportation and courier services.

The AC reviewed the Internal Audit reports which covered the following areas:-

- (1) Sales & Marketing
- (2) Product/Operation
- (3) Finance
- (4) Information Technology
- (5) Landfill Operations
- (6) Safety, Security and Health
- (7) Purchasing
- (8) Warehouse Operations
- (9) Production and Quality Assurance
- (10) Human Resources
- (11) After Sales Services
- (12) Inventory Management
- (13) Franchise Operations
- (14) Educational Issues
- (15) Restaurant Operations

The AC also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance, and the respective Management’s responses thereto. The Internal Audit monitored the implementation of Management action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

- (b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2019 to ensure there is adequate scope and comprehensive coverage over the activities of the non-listed operating subsidiaries in the Group and that all the risk areas are audited annually.

AUDIT COMMITTEE REPORT 2018

SUMMARY OF ACTIVITIES AND WORK OF THE AC (CONTINUED)

4) Recurrent Related Party Transactions

- (a) Reviewed the Circular to Shareholders in connection with the Recurrent Related Party Transactions (“RRPT”) that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

The framework set up for identifying and monitoring the RRPT includes inter-alia the following:-

- (i) The transactions prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) The Related Parties and interested Directors will be notified of the method and/or procedures of the RRPT for the Group;
- (iii) Records of the RRPT will be retained and compiled by the Group accountant for submission to the AC for review;

The AC is to provide a statement that it has reviewed the terms of the RRPT to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;

- (iv) Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any Person(s) Connected with them will also abstain from voting on the resolution at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose;
- (v) The AC also reviewed the procedures and processes with regards to the RRPT on a half yearly basis to ensure that the transactions are within the approved mandate;
- (vi) Directors who have any interests in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any Person Connected with them will also abstain from voting on the resolution at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of RRPT during the financial year, amongst others, based on the following information:-
 - (a) the type of the RRPT made; and
 - (b) the names of the Related Parties involved in each type of the RRPT made and their relationships with the Group.

5) Other activities

- (a) Reviewed and recommended to the Board for approval, the AC Report, Statement of Corporate Governance and Statement on Risk Management and Internal Control for inclusion in the 2017 Annual Report.
- (b) Reviewed and took note of the changes and amendments to the Companies Act 2016, the new Malaysian Code of Corporate Governance (“MCCG”), Malaysian Financial Reporting Standards and other regulatory requirements tabled by the Company Secretary and External Auditors.
- (c) Reviewed the analysis of the MCCG prepared by the Company Secretary on the Practices of the MCCG which related to the roles and responsibilities of the AC in carrying out their duties in preparing the Corporate Governance Report and the action plan to improve the gap of the Practices of MCCG.
- (d) Reviewed and approved the External Auditors Policy of the Company which encompassed the appointment of External Auditors, assessment of External Auditors, independence of the External Auditors, non-audit services, annual reporting, rotation of external audit engagement partner and appointment of a former key audit partner as member of AC and/or Director in order to govern the assessment and monitor the External Auditors.

5) Other activities (continued)

- (e) Reviewed and recommended to the Board for approval the revised Terms of Reference of the AC following the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad which took effect on 2 January 2018 and the MCCG as follows:-
- (i) Inclusion of a statement that requires a former audit partner to observe a two-year cooling-off period before being appointed as a member of AC;
 - (ii) Inclusion of responsibilities of the Chairman of the AC; and
 - (iii) Enhancement of authority and duties of the AC.

In discharging the above duties and responsibilities of AC effectively, the AC had undertaken continuous professional development by having attended various seminars, training programs and conferences during the financial year. They were also briefed by the External Auditors of the latest accounting and audit standards applicable to the Group and topics on changes in regulatory environment. The list of training attended is disclosed in the Corporate Governance Overview Statement as set out in this Annual Report.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has an established Internal Audit Division whose primary function is to assist the AC in discharging its duties and responsibilities. Their role is to provide the 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 Internal Audit's activities are guided by the Group's Internal Audit Charter and the Internal Audit Division adopts a risk-based approach focusing on high risk areas. All high risk activities in each auditable area are audited annually. The principal activity of the Internal Audit Division is to conduct regular and systematic review 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, automobile distribution, sales of spare parts and workshop services, printing, customer loyalty programme, logistic/transportation, Berjaya University College, distribution and retailing of pharmaceutical/non-pharmaceutical and organics products, operation of book stores, sanitary landfill, generation and sales of electricity, recycling industrial waste and manufacturing/trading of industrial/household cleaning products.

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2018 included the following:-

1. Tabled Internal Audit Plan for the AC 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 AC and the respective operations management.
6. Presented internal audit reports to the AC 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 2018 was approximately RM2,789,783.

TERMS OF REFERENCE OF AC

The Terms of Reference of the AC which laid down its duties is accessible via the Company's website at www.berjaya.com.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable;
- ensured that applicable accounting standards have been complied with; and
- applied the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy on the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect other irregularities.