



BERJAYA
BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

برجاي كورپوريشن برحد
成功集團有限公司



**ANNUAL
REPORT
2019**



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 maximises 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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Berjaya Langkawi Resort - Executive Suites On Water.

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

In October 1988, following a major restructuring, Berjaya Group Berhad (then known as Inter-Pacific Industrial Group Berhad) became the holding company of Reka Pacific Berhad. Inter-Pacific Industrial Group Berhad (formerly known as Raleigh Berhad) was incorporated in 1967 as a bicycle manufacturer. In 1969, 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 Yıoun

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 G. Danasamy
Penelope Gan Paik Ling

AUDIT COMMITTEE

Chairman/Senior Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

Independent

Non-Executive Directors

Dr Jayanthi Naidu 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
Affin Bank Berhad
Bank of China (Malaysia) 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

67 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 Office ("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 Sdn Bhd, Intan Utilities Sdn Bhd, 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 Berjaya Capital Berhad, 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 the 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

45 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, Ms 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

60 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 an Executive Director of Berjaya Group Berhad and a Director of Cosway Corporation Berhad and several other private limited companies in the Berjaya Corporation group of companies.

Ms 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

63 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 35 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, education, financial services, green technology and environmental services. He is also actively involved in projects related to privatization and government incentives, 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.

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

PROFILE OF DIRECTORS



DATO' ZURAINAH BINTI MUSA

57 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. She has more than 15 years of experience in the field of Human Resource Management and Development and is well skilled in the art of Networking, Negotiations and Human Relationship Management. Her experience includes inter-alia, the designing, developing, managing, organising and conducting training program and courses as well as providing 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.

Previously, she was a Director of Berjaya Food Berhad from May 2010 to January 2017 and Federal Agricultural Marketing Authority (FAMA) from September 2013 to July 2018.

Currently, she is a Director of Uzma Berhad and Tioman Island Resort Berhad. She also holds directorships in 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

43 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 20 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. Currently, she is 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 YOUN 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.

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

PROFILE OF DIRECTORS



CHAN KIEN SING

63 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 AmInvestment 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 also holds directorships in several other private limited companies.



DATUK ROBERT YONG KUEN LOKE

67 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 G. DANASAMY

43 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).

She 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 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

43 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 was subsequently admitted to the High Court of Malaya as an advocate and solicitors 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, she 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 period.

KEY SENIOR MANAGEMENT

ERNEST LAU LUB DING

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

He was appointed as Chief Financial Officer of Berjaya Corporation Berhad on 1 January 2019.

He has a Bachelor of Accounting (Hons) degree from University Malaya. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Chartered Tax Institute of Malaysia.

He started his career with KPMG and during his tenure there, he was involved in the audit of companies in the various financial sectors such as banking, stock broking and insurance.

In 1993, he joined Berjaya Group Berhad in the Group Accounts division. He has been with the Berjaya Group for more than 25 years and has been involved in group reporting and various corporate exercises of the Group.

SYED ALI SHAHUL HAMEED

48 years of age, Indian, Male
Chief Executive Officer
Berjaya Land Berhad

He was appointed to the Board of Berjaya Land Berhad ("BLand") on 20 March 2019 as an Executive Director and subsequently re-designated as the Chief Executive Officer on 8 August 2019. He holds a Bachelor of Engineering degree from Institute of Road & Transport Technology, Bharathiar University at Coimbatore.

He began his career as a lecturer in a Technical Institution for a short stint of 2 years before embarking on his journey in the Hospitality Industry. He joined BLand on 4 September 1997 as an Assistant Engineer at Berjaya Tioman Resort and rose to the position of Chief Engineer on 4 September 2003. He held the position of Director of Engineering & Technical Services since 20 January 2009 before his appointment as Corporate Director, Engineering & Technical Services of Berjaya Hotels & Resorts Division on 1 April 2009. He was subsequently appointed as Director, Property Development and Complexes, Property Division on 11 March 2019. On the engineering field, he oversees the maintenance aspects of the properties and was entrusted to spearhead various in-house renovation projects in BLand's hotels and properties. His experience in the hospitality business spans over 22 years in managing interior design projects as well as corporate purchasing ranging from designer's products, construction items and food & beverage goods.

During his stint of over 22 years in BLand, he has a myriad of exposure in the area of due diligence and technical involvement with BLand's joint venture hotels, InterContinental Hanoi Westlake and Sheraton Hotel in Hanoi as well as Four Seasons Hotel and Hotel Residences in Kyoto, Japan. Currently, he is responsible for overseeing all the engineering aspects of all BLand's properties in Malaysia and overseas; leading the development of Four Seasons Resort Okinawa, Japan and ANSA Okinawa Resort, Japan and the operations of Kota Raya Complex, Plaza Berjaya and Berjaya Megamall, Kuantan. He is also responsible for managing all the local and overseas property development projects.

Currently, he is also a Director of Berjaya Vacation Club Berhad, KDE Recreation Berhad and Tioman Island Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

SEOW SWEE PIN

62 years of age, Malaysian, Male
Non-Independent 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 and the Malaysian Institute of Accountants. He worked with Ernst & Young from 1976 to 1984 where he last held the position of an Audit Manager. Between 1984 and 1990, he held senior management positions in several major public listed groups.

He joined Berjaya Group in 1991 and was subsequently appointed as General Manager (Finance) of Sports Toto Malaysia Sdn Bhd in 1993. He was promoted to Senior General Manager in 1996 and Executive Director in 2008.

Currently, he is also Chairman of Philippine Gaming Management Corporation and a Director of Berjaya Philippines Inc. and several other private limited companies.

He is a member of the Risk Management Committee and the Sustainability Committee of Berjaya Sports Toto Berhad.

SYDNEY LAWRENCE QUAYS

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

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

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 ("JFPL") and BFood Supreme. He is responsible for developing the business strategies and directions 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 responsible for the financial performance, profitability and future prospects of the businesses.

He is a Managing 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, JFPL, Berjaya Food (International) Sdn Bhd, and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

KEY SENIOR MANAGEMENT

FOO TOON KEE

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

He was appointed as Chief Operating Officer of Berjaya Hotels and Resorts on 1 January 2013.

He holds a Bachelor's Degree in Business from University of Southern Queensland, Australia. He is a member of the Malaysian Institute of Accountants. Upon his graduation, he started his career with Ernst & Young, a public accounting firm before joining a public listed company, working at various levels of management.

He held positions that include Management Accountant for Berjaya Land Berhad, Finance & Administration Manager for Berjaya Hotels and Resorts, Group Financial Controller for Swiss Garden Hotels, Resorts and Inns, General Manager - Finance and Control for MOL.com Sdn Bhd. Finance General Manager for Berjaya Hotels and Resorts, and Acting Head of Berjaya Hotels, Resorts & Clubs, a division of Berjaya Land Berhad.

Currently, he is also a Director of Bukit Kiara Resort Berhad, KDE Recreation Berhad and Redang Island Golf and Country Club Berhad.

KHOR POH WAA

63 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 BVC 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 was the Chairman of the Malaysian Holiday Timeshare Developer's Federation from 1995 to 2015 and is the Chairman of the Malaysian Golf & Recreational Owners Association for the term from 2015 to 2021.

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

61 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 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 37 years of working experience in the civil engineering and construction industry.

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

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.

EXECUTIVE CHAIRMAN'S MESSAGE

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 period ended 30 June 2019.

FINANCIAL RESULTS

The Group registered a revenue of RM9.79 billion for the cumulative 14 months ended 30 June 2019, with the gaming and motor distribution business segments being the main contributors to the Group's revenue.

The Group's pre-tax profit of RM423.54 million for the 14-month period includes the substantial gain realised on disposal of a joint venture of RM195.74 million, and gain on disposal of subsidiary companies of RM95.71 million. However, these gains were set back by the impairment in associated companies, unfavourable fair value changes of investment properties, and impairment of goodwill in a subsidiary company.

DIVIDEND

The Board did not recommend any payment of dividend for the financial period ended 30 June 2019.

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 18 February 2019, Berjaya Land Berhad ("BLand") announced that its wholly-owned subsidiary, Berjaya Reykjavik Investment Limited ("BRIL") had entered into an agreement with Fiskitangi EHF ("FEHF") and Utgerdarfelag Reykjavikur HF ("URHF") to acquire 100% of the shares of Geirsgata 11 EHF ("GE11") for a cash consideration of USD1,399,000 (about RM5.75 million) from FEHF. In addition, BRIL will repay the outstanding loan of USD12.59 million (about RM51.79 million) obtained by GE11 from URHF to purchase a piece of leasehold land in Iceland. On 14 October 2019, BLand announced that the said acquisition was completed.



Ferrari SF 90 Stradale and Monza SP1 in the Ferrari Mayfair dealership.

2. On 1 March 2019, BLand announced that TPC Development Ltd ("TPCDev"), a wholly-owned subsidiary company of Berjaya Leisure (Cayman) Limited ("BLCL"), which in turn, is a wholly-owned subsidiary company of BLand, completed the disposal of its entire 75% stake in TPC Nghi Tam Village Ltd ("TPCVillage") to Hanoi Hotel Tourism Development Limited Liability Company for a cash consideration of VND1,244.59 billion (or about RM222.18 million).
3. On 28 June 2019, BLCL completed 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 (about RM66.32 million).
4. On 8 July 2019, Berjaya Sports Toto Berhad announced that Berjaya Philippines Inc. ("BPI"), had on 1 July 2019 disposed of 1,000,000 common shares representing 20% equity interest in Philippine Gaming Management Corporation ("PGMC") for a cash consideration of Peso117.15 million (or about RM9.49 million). Subsequently on 3 July 2019, BPI waived its rights to subscribe for the additional 5 million ordinary shares issued by PGMC. This diluted BPI's shareholding in PGMC to 39.99% and PGMC ceased as a subsidiary of BPI and hence, BCorp.

EXECUTIVE CHAIRMAN'S MESSAGE



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

- On 13 July 2019, Berjaya Property Ireland Limited (“BPIL”), a wholly-owned subsidiary of BLand, entered into a Share Purchase Agreement (“SPA”) with Icelandair Group hf. (“Seller”) for the proposed acquisition of 75% stake in Icelandair Hotels ehf, which will acquire 100% of Hljomalindarreitur ehf and certain hotels and real estate assets in Iceland (“New Icelandair Hotels Group”) for a total cash consideration of approximately USD53.63 million (or about RM222.03 million).

SUSTAINABILITY

In line with the reporting requirements from Bursa Malaysia Securities Berhad (“Bursa Malaysia”), BCorp’s Sustainability Statement for the financial period ended 30 June 2019 is available on pages 34 to 58. The Sustainability Statement 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.

The statement outlines the various practices that have been embedded into the Group’s processes with the ultimate aim of bringing more value to the Group’s businesses, society and stakeholders.

FUTURE PROSPECTS

The Malaysian economy grew by 4.7% in the first half of 2019, supported by higher household spending and private investment. Underpinning the growth are sound fundamentals which include strong and trustworthy public institutions, a healthy labour market, and a well-diversified economy.

Cosway Corporation Berhad (“Cosway”) will continue to focus its efforts on revenue growth in Malaysia and Mainland China, using digital marketing strategies to engage with and market its products to the younger generation of consumers who are geared towards digital media. Cosway will also continue marketing more high value and premium quality products, as well as more products targeted at the growing market of Muslim consumers, to increase its profit margin.

The Government has introduced some measures to overcome the residential supply overhang in the property market such as initiating discounts and waiver on stamp duties for residential units via the Home Ownership Campaign, lowering of the threshold for foreign buyers of high-rise properties, as well as the introduction of a Rent-to-Own (RTO) scheme for first-time buyers. Projects in good strategic locations will still be in demand at the right pricing. Leveraging on this scenario, the Group’s Property Development Division will focus on strategically marketing its properties to the right market segments.

EXECUTIVE CHAIRMAN'S MESSAGE

The market outlook for the hotel industry is expected to remain challenging for the financial year 2020 as market conditions continue to cause uncertainties amongst businesses. The Visit Malaysia 2020 campaign, targeted to receive 30 million tourist arrivals, is expected to encourage growth in the tourism sector and the hospitality industry. Capitalizing on this, the Group's hotels and resorts division will continue to expand its market reach and improve on its customer touchpoints to provide a more distinctive customer experience. The division will also continue to initiate more effective yield management strategies to drive room yield and improve cost efficiency so as to maximize profitability in its key business areas.

With competing gaming activities, rising costs and weaker consumer sentiments, the NFO business is expected to be challenging moving into the next financial year. The authorities are expected to take stern measures to curb illegal competition. Notwithstanding this, Sports Toto has added a new game, the 4D Zodiac, the first of its kind in Malaysia, to increase customers' interest, and improved on its customer service facilities. As such, it is expected that the Group will maintain its market share in the NFO business.

The food and beverage industry in Malaysia has become increasingly competitive due to the saturated market of food and beverage players as well as the mushrooming of online delivery services. 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 grab-and-go dining concept store for Kenny Rogers Roasters ("KRR"), the KRR Express, providing on-the-go customers with well-balanced delicious meals in a fast and convenient manner.

The introduction of new products for the retail market through Berjaya Food Trading Sdn Bhd such as the range of bottled Joybean soybean drinks, and Starbucks Doubleshot Espresso canned drinks, as well as the reintroduction of Jollibean food and beverage products under the brand name "Joybean", is creating additional revenue streams for the Group.

The Group's motor trading and distribution business is also expected to continue to contribute towards the Group's revenue. Locally, the China Car Division has recently increased its distribution of commercial vans in Malaysia with

the introduction of selected Golden Dragon van models from one of the largest luxury bus and light van manufacturers in China, Xiamen Golden Dragon Bus Co. Ltd. The China Car Division will continue to widen its sales network and explore further 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, remains vigilant on the uncertainty around Brexit but is optimistic that the healthy future order bank on upcoming models and the robust performance from its main franchises will continue to drive the company's profitability. The Bentley, Bugatti, Ferrari, Lamborghini and Rolls-Royce London operations retained their position as the United Kingdom's largest dealer for the supply of new cars.

APPRECIATION

On behalf of the Board, I would like to thank all our loyal customers, business partners, financiers, and regulatory authorities, for your ongoing support and trust towards our Group.

To the management and staff of the various operating companies within the Group, I would like to express my sincere thanks and appreciation for your hard work and dedicated efforts in executing our business objectives.

I would like to extend my gratitude and appreciation to my fellow colleagues on the Board for your valuable contributions and commitment towards ensuring that the Group continues to achieve sustainable growth.

TAN SRI DATO' SERI VINCENT TAN CHEE YOUN

Executive Chairman

23 October 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Berjaya Corporation Berhad (“BCorp”) changed its financial year end from 30 April 2019 to 30 June 2019 during the current financial period. Given this change, the Company’s financial information presented below covers a 14-month period from 1 May 2018 to 30 June 2019 for the current financial period. Accordingly, the financial performance for the current financial period ended 30 June 2019 is not comparable with the previous financial year ended 30 April 2018.

MARKETING OF CONSUMER PRODUCTS AND SERVICES

Cosway Corporation Berhad (“Cosway”)

For the financial year ended 30 June 2019, Cosway registered a revenue of RM576 million as compared to RM641 million in the previous financial year, mainly due to intense competition from other competitors and significant decline in sales from its China market. The biggest challenge for the China market is that China has the largest e-commerce market in the world which is still growing and has significant impact on consumer buying behaviour.



Cosway’s range of home care products.

Despite the drop in sales, Cosway’s gross profit margin has shown an increase of 3.5%. Cosway now focuses on launching key products with higher margins.

Cosway’s operating losses decreased from RM89 million in the previous financial year to RM43.8 million in the financial period under review. This is due to the shift of its business focus to online sales, coupled with the launch of its mobile app to attract millennials. Besides that, Cosway also focused more on the expansion of its leader centers.



Cosway’s range of health and fitness products.

Moving into the financial year 2020, Cosway will continue its rebranding strategies in terms of store concept, expansion into the younger demographic market and revamping its training strategies. Cosway will also continue to expand its Muslim-friendly product lines such as trendy scarfs, shawls and cosmetics.

Cosway introduced new ranks for its ranking system, i.e. Senior Elite, Junior Elite, Rising Star, Supernova and Nova, to motivate its networkers. In order to incentivize the stockists, Cosway has introduced the “High Flyer Prestige Club”. In addition, the “Generation A” movement will be launched officially in the first quarter of year 2020 to attract young entrepreneurs.

Cosway will also establish a merchant partner relationship mainly with overseas companies.

FINANCIAL SERVICES

Inter-Pacific Capital Sdn Bhd (“IPC”)

REVIEW OF PERFORMANCE FOR THE FOURTEEN MONTH PERIOD ENDED 30 JUNE 2019

Market Overview

During the financial period ended 30 June 2019, the FBMKLCI declined from 1,870.07 points at the end of the previous financial year ended 30 April 2018 to 1,672.13 points on 30 June 2019, a decrease of 10.6%. The shock fall from power of the Barisan Nasional Government in the 14th General Elections gave rise to a selldown in the stock market which lasted until early July 2018. The KLCI won a short reprieve from further selldown on the announcement of the resumption of work for major construction projects and elicited a temporary cessation of what was until then,

MANAGEMENT DISCUSSION AND ANALYSIS



IPS' head office in Berjaya Times Square, Kuala Lumpur.

continuous foreign selling until February 2019. A major upward movement in the stock market remains elusive in spite of gradually improving liquidity conditions and a tentative end to foreign selling. The growth of narrow money supply suggests that liquidity remains tight relative to transaction needs. Retail investors have more money in the bank than the slow-paced growth in narrow money suggests. This has contributed to the relatively better performance of small and medium capitalisation stocks than the blue chips.

Reflecting the decreased market velocity, the overall value of transactions traded on Bursa Malaysia was RM672 billion for the financial period ended 30 June 2019. This represents a decrease of 9.3% based on an annualised traded value of RM576 billion as compared to the traded value of RM635 billion in the previous financial year ended 30 April 2018.

Financial Performance

During the financial period under review, IPC recorded operating revenue of RM48.8 million compared to RM47.5 million recorded in the previous financial year. Pre-tax operating profit was RM27.7 million for the financial period under review, a decrease of 12.7% compared to the RM31.7 million in the previous financial year. However, the pre-tax profit was reduced to RM10.5 million due to impairment on investments of RM17.2 million. Operating expenditure was maintained at approximately the same level as in the previous year.

Prospects and Outlook

A successfully negotiated end to the US/China trade war will be a necessary condition for the normalisation of equity market sentiments globally. IPC continues to expect global stock market volatility for the approaching quarters. In the meantime, world trade has plummeted and this has dampened enthusiasm in stock markets in export-dependent Asia.

Growth data for recent quarters are trickling in. Early reports indicate some economies have begun to contract on a sequential quarter basis. It is heartening to note that Malaysia's better diversified economy is most likely able to weather global economic storms better than most. Where exports are concerned, Malaysia fared remarkably well, with growth holding up, though in single digit percentage territory. As a result, IPC believes that the foreign funds that exited the local stock market will not fail to eventually take notice of this. In view of this, IPC expects its results for the financial year ending 30 June 2020 to be satisfactory.

HOTELS AND RESORTS

Berjaya Hotels and Resorts Division ("BHR")

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

For the financial period ended 30 June 2019, the combined gross revenue of BHR remained stable, recording RM645.4 million, with the Four Seasons Hotel and Hotel Residences, Kyoto, Japan as the main revenue contributor, accounting for 39% of the total gross revenue. Group profitability was affected by ongoing increase in costs, which included payroll, utilities and property repair and maintenance. As a result, BHR reported a profit before tax of RM77.2 million for the financial period under review.



Aerial view of Berjaya Tioman Resort.

MANAGEMENT DISCUSSION AND ANALYSIS



The Chateau Spa & Organic Wellness Resort, Berjaya Hills.

BHR's room night bookings were mainly driven by the leisure individual and group segments. Overall, the Average Room Rate ("ARR") showed a marginal improvement with room occupancy of 56.2%, resulting in a Revenue per Available Room ("RevPAR") of RM322.

Hotels and Resorts in Malaysia

BHR's 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 softer market conditions, stiff competition in the market and continued pricing pressures resulted in almost all of BHR's city hotels in Malaysia experiencing a negative growth in revenue. BHR's Malaysian-based properties registered a total gross revenue of RM306.0 million for the financial period under review. Declining top-line performance was worsened by rising costs which led to an adverse impact on flow through. Consequently, the Malaysian-based properties incurred a small pre-tax loss of RM218,000.

A slowdown in the leisure individual and corporate group markets demand in BHR's city hotels led to a slightly lower occupancy of 52.1%, while the RevPAR registered RM183.

Overseas Hotels and Resorts

BHR's major overseas hotels and resorts 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 period under review, the combined occupancy for the period remained stable at 70.6%. With a healthy growth in ARR, the overseas properties achieved a combined RevPAR of RM799.

For the financial period ended 30 June 2019, BHR's overseas properties achieved a total gross revenue of RM339.4 million. The positive growth in revenue came largely from the Four Seasons Hotel and Hotel Residences, Kyoto, Japan. In tandem with the increased revenue, BHR's overseas properties recorded a profit before tax of RM77.5 million.

Going forward, the market outlook for BHR in the next financial year 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 BHR properties, especially within the corporate segment. Focus will be redirected to the leisure markets from China and India, as well as to its banqueting business for the meeting and incentive segments. The Visit Malaysia 2020 campaign which targets to receive 30 million tourist arrivals, is expected to provide added revenue for BHR's local hotel properties.

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, Negri 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.



Bukit Jalil Golf and Country Resort, Kuala Lumpur.

MANAGEMENT DISCUSSION AND ANALYSIS



Bukit Kiara Equestrian & Country Resort has a dedicated swimming pool for scuba diving lessons.

The Clubs have a total membership of 14,794 as at 30 June 2019 of which 7,833 are golf memberships and 6,961 are non-golf memberships.

During the financial period under review, Bukit Kiara Equestrian & Country Resort completed the construction of an Olympic-sized swimming pool, dedicated for scuba diving and other facilities, to improve its services to its members. The Clubs expects the new facilities to improve its revenue in the long term.

The Clubs' revenue for the financial period ended 30 June 2019 increased to RM68.9 million from RM56.4 million in the previous financial year mainly due to the change of financial year end and increase of annual subscription fees, horse-riding packages and golf rounds for visitors, as well as the effects from the adoption of the Malaysian Financial Reporting Standard 15 ("MFRS 15").

Following the adoption of MFRS 15, the revenue from sale of club and vacation time share memberships are now recognised over the tenure of the respective memberships on a straight-line basis.

For the financial period ended 30 June 2019, The Clubs reported a loss before tax of RM3.68 million compared to the profit before tax of RM0.65 million in the previous financial year mainly due to the decrease in banqueting and event functions, a one-off adjustment for backpay on the renewal of a collective agreement, and the absence of income generated from a refundable membership scheme in the under review financial period.



The Castleton Hotel, United Kingdom.

The financial year ending 30 June 2020 will remain competitive and challenging for the recreation club industry. The Clubs will continue to upgrade its facilities, including the golf course, as part of its strategy to enhance its service quality in order to remain competitive. With a strong and stable membership base, The Clubs' performance will remain encouraging.

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, among others.

BVC recorded a revenue of RM24.77 million for the financial period ended 30 June 2019 and operating profit increased significantly to RM15.14 million mainly attributed to the early termination of delinquent members and higher room rental income from members who required more rooms above their annual room entitlement.

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

MANAGEMENT DISCUSSION AND ANALYSIS



Artist impression of The Tropika at Bukit Jalil, Kuala Lumpur.

PROPERTY DEVELOPMENT

The property development business segment (“PD Division”) of the Group is primarily involved in the development of the Group’s land bank locally and abroad.

The financial period under review was challenging for the PD Division as the level of residential overhang in the country continued to rise even with many developers holding back new launches due to the soft property market. The new Government has introduced some measures to overcome the overhang by initiating discounts and waiver on stamp duties for residential units priced between RM300,000 and RM1 million via the Home Ownership Campaign to make financing for home buyers more affordable.

The PD Division registered a revenue of RM356.5 million for the financial period under review while the revenue for the previous financial year was RM340.7 million.

The PD Division registered a pre-tax loss of RM39.22 million as compared to the pre-tax profit of RM47.36 million in the preceding financial year.

During the financial period under review, the PD Division launched Tower A of The Tropika comprising 229 units of 2- and 3-bedroom apartments. The Tropika, a mixed development project occupying 2.6 hectares of freehold land, features 9 units of shop offices, 11 retail outlets and 868 units of apartment with sizes ranging from 732 square feet to 1,318 square feet in four towers. Surrounding the four towers is a 1.17-hectare biophilic-designed deck equipped with 68 types of facilities, grouped under eight lifestyle categories. The commercial component will have a 23,695 square feet grocer apart from the dual frontage office lots and retail spaces. The total gross development value of this



The main lobby at the Ritz-Carlton Residences, Kuala Lumpur.

project is estimated at RM782 million. As at 30 June 2019, The Tropika recorded a total sale of 57 units of Tower A apartments, totaling RM36.2 million.

Despite the challenging market, the PD Division has managed to sell the remaining unsold units of shop offices at Link 2 and KM1 East for a total sales value of RM28.6 million.

Construction is progressing on schedule for Lanai Residences, the Division’s first affordable homes project in Bukit Jalil, which comprises 648 units of 3-bedroom units with built-up of 800 square feet at the selling price of RM300,000 per unit. The project is expected to be completed for handing over to purchasers by the first quarter of 2020.

At The Peak @ Taman TAR, the PD Division is continuing with its efforts to market the remaining 16 unsold bungalow lots. The freehold exclusive gated and guarded bungalow lots are priced averagely at RM320 per square foot.

The final phase of the landed residential units at Taman Kinrara Section 4, Puchong was completed and handed over to purchasers in the fourth quarter of 2018. This final phase features 29 units of IRIS (20 feet x 65 feet) and 5 units of JASMINE superlink (24 feet x 97 feet) double storey terrace homes. As at 30 June 2019, 97% of the total units have been sold, with a total sales value of RM25.5 million.

During the financial period under review, the PD Division was kept busy handing over the completed units of the Ritz-Carlton Residences Kuala Lumpur to purchasers as well as continuing its marketing efforts for the unsold units. The PD Division participated in a series of marketing events in Indonesia, Singapore, Hong Kong and Japan to reach out to potential overseas investors. The PD Division also collaborated with interior designer, Blaine Roberts to

MANAGEMENT DISCUSSION AND ANALYSIS



Artist impression of Bayu Timur Condominiums, Shah Alam, Selangor.

design one of the larger unit types. As at 30 June 2019, the PD Division sold 79 units generating a total sales value of RM288.2 million.

In Penang, the PD Division has been actively marketing Phase 1 of Jesselton Villas, Kensington Gardens, which features 69 units of bungalow lots with sizes ranging from 5,995 square feet to 9,634 square feet, priced averagely at RM671 per square feet. As at 30 June 2019, 70% of the total units have been sold with a total sales value of RM212 million. The project is nearing completion and is expected to be handed over to purchasers in the first quarter of 2020.

In Ho Chi Minh City, Vietnam, the Topaz Twins features 2 towers of 668 units of residential apartments and 15 units of shop lots located in the administration hub of Bien Hoa City. Its total estimated gross development value is VND1,395 billion (approximately RM251.0 million). As at 30 June 2019, 661 apartment units and all 15 units of shop lots were sold with a total sales value of VND1,253 billion (approximately RM226.0 million). Currently, the construction progress of the super structure work is 30% completed with full completion expected by 31 July 2020.

Over in Hanoi, Vietnam, the PD Division is involved in the development of Hanoi Garden City, a joint venture mixed development on 78 acres of land located at Thach Ban Ward in Long Bien district. As at 30 June 2019, 97 units of the total 103 units of Arden Park Garden Villas have been sold with a total sales value of VND757.3 billion (approximately RM136.5 million). For Canal Park Apartments, all 148 units of the residential apartments have been sold with a total sales value of VND388.1 billion (RM69.9 million). As for Phase 3 Eastern Park, all 72 units of shop houses with gross development value of VND625.0 billion (RM112.6 million)

have been sold and construction of Eastern Park is expected to be completed by December 2019. In view of the positive property market outlook in Vietnam, Hanoi Garden City is expected to launch another new phase of shophouses, 88 Central, comprising 86 units of trendy style shophouses by the first quarter of 2020. The total estimated gross development value is VND850.0 billion (RM153.2 million).

Moving into the financial year 2020, the PD Division has slated 3 property launches.

The final phase of its development project in Bukit Jalil, Kuala Lumpur is currently in its planning stage. The project sited on 12.24 acres of elevated land with an unobstructed golf view will feature four towers of condominiums. Barring any unforeseen circumstances, the project is expected to be unveiled by the fourth quarter of 2020.

Another project coming on-stream is Bayu Timur at Berjaya Park, Shah Alam. Bayu Timur will feature 518 units of high and low-rise residential units with a total gross development value of RM318.0 million. The PD Division is looking into the final touches of the design and layout of the units. Bayu Timur is anticipated to be launched in the third quarter of 2020.

In Penang, the PD Division is planning the development of Phase 2 of Kensington Gardens which will comprise 222 units of bungalows, courtyard villas and link-villas with a total gross development value of RM590 million. The Division is targeting to launch Phase 2 in the third quarter of 2020.

The property market is anticipated to remain challenging in the upcoming financial year. The property market is expected to undergo a consolidation phase with the Government putting in place measures to reduce the property overhang due to the mismatch between supply and demand. Projects in good strategic locations will still be in demand at the right pricing.

The turbulent scenario over in Hong Kong may provide an opportunity for the market segment of properties in the price range of RM1 million to RM2.5 million as the Hong Kong investors seek opportunities overseas. Leveraging on this scenario, the PD Division will focus on marketing properties in this price range to this market segment.

The domestic demand for properties in the price range of RM400,000 to RM600,000 is anticipated to remain stable, supported by a healthy growing population looking to purchase homes.

The PD Division will be mindful of the various challenges and will focus on ensuring that projects rolled out will meet market demands in terms of pricing, quality, design and lifestyle requirements.

MANAGEMENT DISCUSSION AND ANALYSIS



Berjaya Megamall, Kuantan.

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 57% during the financial period under review compared to 70% in the previous financial year.

The PI Division registered revenue of RM24.0 million for the 14-month period ended 30 June 2019 compared to RM31.2 million in previous financial year. The decline in revenue was due to the loss of the anchor tenants in Berjaya Megamall and Wisma Cosway respectively.

For the financial period under review, the PI Division reported a loss before tax of RM12.4 million compared with a profit before tax of RM10.0 million in the previous financial year. Loss after tax was RM23.0 million compared to RM7.4 million in the previous financial year. The loss before tax and after tax was due to the loss of the anchor tenants in Berjaya Megamall and Wisma Cosway respectively.

The Group’s complexes in Kuala Lumpur are expected to remain resilient despite stiff competition from the growing number of complexes in the Klang Valley. With their strategic locations within the city centre of Kuala Lumpur and easy accessibility, the Group’s complexes will continue to perform well. Efforts to entice anchor tenants will be intensified to improve overall occupancy rate.



A Sports Toto draw in progress.

GAMING

The toto betting and related activities business segment of the Group is operated via Berjaya Sports Toto Berhad (“BToto”). BToto is principally engaged in the operations of Toto betting, leasing of online lottery equipment, the development, manufacturing and distribution of computerized wagering and voting systems.

Malaysia

Sports Toto Malaysia Sdn Bhd (“Sports Toto”), the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 8 games namely Toto 4D, Toto 4D Jackpot, Toto 5D, Toto 6D, Star Toto 6/50, Power Toto 6/55, Supreme Toto 6/58, and Toto 4D Zodiac. Launched in June 2019, the Toto 4D Zodiac is a 4D variant game with a combination of 4D results and a Zodiac number. All the games are drawn three days a week.

For the financial period under review, Sports Toto registered a revenue of RM3.64 billion as compared to the revenue of RM3.12 billion in the previous financial year. Sports Toto continued to remain as the market leader among all the Number Forecast Operators (“NFO”) in the country in terms of total revenue for the financial period under review. On a per draw basis, revenue increased by 1.8%.

Profit before tax for the financial period under review was RM453.3 million, compared to RM363.0 million for the previous financial year, mainly due to lower operating expenses incurred and the effects of the 3-month Goods and Services Tax (“GST”) tax holiday in the financial period under review.

Sports Toto anticipates that its performance moving into the financial year 2020 will be satisfactory and is confident that it will continue to retain its market share in the NFO

MANAGEMENT DISCUSSION AND ANALYSIS

PRIZE CATEGORY *	MATCH	WINNINGS ** <small>(gross per RM1 bet)</small>
1ST PRIZE	1ST PRIZE 4D + ZODIAC	RM 18,000
2ND PRIZE	2ND PRIZE 4D + ZODIAC	RM 6,000
3RD PRIZE	3RD PRIZE 4D + ZODIAC	RM 3,000
4TH PRIZE	SPECIAL PRIZE + ZODIAC	RM 900
5TH PRIZE	CONSOLATION PRIZE + ZODIAC	RM 300
6TH PRIZE	ANY 4D NUMBER DRAWN	RM 60

*** EACH WINNING NUMBER IS ENTITLED TO ONE PRIZE ONLY. ** TERMS & CONDITIONS APPLY.

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SCAN ME

Promotional poster for STM's 4D Zodiac game.

business. The company will continue its effort to educate the public about the negative social impact of illegal gaming and continue to advocate responsible gaming. The company has been engaging with the authorities on a regular basis on ways to combat illegal gaming.

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 lottery and sweepstakes. Following the completion of the deemed disposal, on 3 July 2019, BPI reduced its ownership in PGMC to 39.99% and PGMC ceased to be a subsidiary and became an associated company of BPI.

PGMC recorded revenue of Peso1.46 billion for the financial period under review mainly due to lower equipment lease agreement rate applied for the financial period under review. The company recorded revenue of Peso1.64 billion in the previous financial year.



A lottery outlet in Vietnam.

PGMC registered a pre-tax profit of Peso611.3 million for the financial period under review, while it reported pre-tax profit of Peso755.2 million in the previous financial year.

The Philippine economy showed signs of resurgence in the second quarter of 2019 as exports continued to recover in May. Business confidence improved in the quarter and public spending increased to achieve the growth target for 2019. The economic momentum should strengthen in the second half of the year from fiscal stimulus and more accommodative monetary conditions. PGMC will continue to partner with PCSO to generate more revenue to support charity activities in the Philippines.

The United States of America

In the United States of America, International Lottery & Totalizator Systems, Inc. ("ILTS"), a subsidiary of BToto, provides computerized wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide. ILTS also has a voting business segment operated through Unisyn Voting Solutions, Inc. ("Unisyn") which develops and markets the OpenElect® digital optical scan election system to election jurisdictions. The OpenElect® election system is the only digital optical scan voting system built with Java on a streamlined and hardened Linux platform.

ILTS posted a higher revenue and profit before tax for the 14-month financial period ended 30 June 2019 compared to the previous 12-month financial period ended 30 April 2018. This was mainly attributable to higher revenue from its voting business segment.

ILTS will continue to research and develop new and emerging technologies, with the intention to increase its market share and improve competitiveness in the gaming and voting sector. A key strategy of ILTS is to pursue growth through strategic alliances to gain access to new and tactically important geographical locations and business opportunities, and capitalize on existing business relationships.

MANAGEMENT DISCUSSION AND ANALYSIS



A voter in Jackson County, Missouri, U.S.A. using Unisyn's OpenElect® Voting Optical Scan (OVO) to cast a vote.

Vietnam

BCorp together with its business cooperation partner, Vietnam Computerized Lottery One Member Company Limited has been operating a computerized lottery business since 18 July 2016. Apart from the Mega 6/45 Lotto Jackpot Game, Power 6/55 Jackpot Games and Max 4D Digit Game, a new Max 3D+Digit Game was introduced in the financial period under review. As at 30 June 2019, the business operation expanded to 49 provinces (there are 63 provinces in Vietnam), with approximately 4,700 terminals.

BCorp recorded a lower fee revenue of VND315 billion in the financial period under review compared to VND410 billion in the previous financial year, due to lower accumulated jackpot amounts during the financial period. The lottery sales were dominated by the Lotto Jackpot Games which in turn, were driven by the jackpot value.

On 23 August 2019, the first fast draw game, Keno, was introduced. The Keno game has a draw every 10 minutes during operating hours.

In the following financial year 2020, the operation plans to fully expand to the remaining 14 provinces to cover all provinces nationwide, introduce more lottery products, and expand its distribution channel to include selling via mobile phones.



A lotto outlet in the Philippines.

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.



Bugatti Chiron Sport 110th anniversary edition distributed by H.R. Owen.

For the financial period under review, H.R. Owen recorded revenue of £531.95 million compared to £423.16 million in the previous financial year, due to higher volumes of new and pre-owned cars sold. H.R. Owen sold a total of 1,646 new prestige cars as compared to 1,185 prestige cars in the previous financial year. The number of pre-owned cars sold increased to 1,435 units compared to 1,235 units sold in the previous financial year.

H.R. Owen's pre-tax profit increased to £8.25 million for the financial period under review from £5.95 million in the previous financial year attributed to new and pre-owned vehicle sales.

MANAGEMENT DISCUSSION AND ANALYSIS



A Golden Dragon van distributed by BCM.



Berjaya UC students with guest chef, David Rocco.

H.R. Owen remains cautiously optimistic about the future prospects of the company. The company continues to be dependent on a high volume of new car sales as the cost of getting to market in one of the most expensive cities in the world remains high. The company is supported by robust performance by its main franchises and the Bentley, Bugatti, Ferrari, Lamborghini and Rolls-Royce London operations retain their position as UK's largest dealer outlets for the supply of new cars. This is despite the company being sensitive to any deterioration in trading conditions combined with a lack of new model introductions.

Berjaya China Motor Sdn Bhd ("BCM")

BCM is in the business of assembling, distributing, retailing and providing after sales service in Malaysia for light commercial vehicles and passenger vans imported from China under the brand names of Changan/Chana (2- and 5-seater pick-up truck and panel van), Jinbei (15-seater passenger van) and Foton Motor Group (FMG) (10- to 14-seater passenger van and 2-seater panel van).

On 12 December 2018, BCM entered into a sole distributorship with one of the largest luxury bus and light van manufacturers in China, Xiamen Golden Dragon Bus Co. Ltd, for the distribution and provision of after sales service of certain van models. With this, BCM has widened its distribution of commercial vans in Malaysia.

For the financial period under review, BCM's revenue increased to RM36.4 million from RM32.9 million recorded in the previous financial year due to the 14-month financial period for 2019. The pre-tax profit for the financial period under review decreased to RM1.8 million mainly due to higher vehicle cost, in addition to advertisement and administration expenses.

The automotive industry in Malaysia for year 2018 and 2019 remained subdued. The moderation in consumer spending is expected due to uncertainties in the domestic and global

economy, the rising cost of living, and the weakening of the Malaysian Ringgit.

With the newly acquired brand, Xiamen Golden Dragon, BCM will widen and strengthen its sales network especially in the Klang Valley. BCM will also strengthen its after sales services to increase customer satisfaction. Concurrently, BCM will continue to work closely with the principals and introduce new models to keep up with the ever-changing needs of its customers in Malaysia.

EDUCATION

Berjaya Higher Education Sdn Bhd ("BHE")

Berjaya University College ("Berjaya UC") is a boutique and premier university college which operates under BHE while its wholly-owned subsidiary company, Berjaya Global Professional Development Sdn Bhd, specialises in corporate training and non-academic programmes.

The cosmopolitan city campus of Berjaya UC is strategically located in Berjaya Times Square, within the Golden Triangle of Kuala Lumpur, and offers 24 programmes approved by MQA (Malaysian Qualification Agency) ranging from foundation, diploma, degree and postgraduate Masters 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 financial period under review, Berjaya UC continued to operate under challenging market conditions with cost escalation and competitive price wars, further compounded by the increase in household debt per GDP resulting in certain households having difficulty in funding tertiary education. In order to counter these challenging conditions and improve sales revenue, BHE implemented

MANAGEMENT DISCUSSION AND ANALYSIS

strategic actions to rationalise and streamline its operations such as internationalisation through franchising, and setting up regional centers and online distance learning (ODL). Berjaya UC also leveraged on the Belt & Road Initiative by collaborating with certain public and private universities in China for mobility, overseas studies, franchising and articulation programmes.

BHE registered a marginal increase in sales revenue of RM20.1 million for the financial period ended 30 June 2019 as compared to RM20 million in the previous financial year. Despite this marginal increase in sales revenue, BHE recorded a pre-tax loss of RM11.7 million mainly due to the incorporation of an extra 2 months of results.

The sizeable training contract signed with a company from Saudi Arabia in February 2018 was suspended temporarily in 2018 due to political uncertainty in that country. As a result, BHE has re-negotiated with the relevant parties and is expected to sign the contract directly with a GLC (government linked company) from Saudi Arabia by the 4th quarter of this year. All other major terms and conditions are expected to remain status quo.

BHE's wholly owned subsidiary company, Berjaya Global Professional Development Sdn Bhd, achieved a pre-tax profit of RM1.8 million against sales revenue of RM4 million during the period under review, mainly due to the corporate training programmes secured with a renowned hospitality and resorts group in Vietnam towards the end of the last financial period. This contract contributed significantly to the profitability and cashflow of the Group. The balance contract value worth about RM2 million is expected to be completed in the financial year 2020.

FOOD & BEVERAGE

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") was incorporated in Malaysia on 7th May 1998 under the name of Berjaya Coffee Company (M) Sdn. Bhd. and assumed its present name on 16 September 2004. BStarbucks is a wholly-owned 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.

As at 30 June 2019, BStarbucks has 291 stores located throughout Malaysia, except in the state of Perlis and Terengganu.

For the financial period ended 30 June 2019, BStarbucks registered an increase in revenue to RM650.2 million from RM504.9 million in the previous financial year, mainly



The Starbucks Reserve store at Berjaya Times Square, Kuala Lumpur.

contributed by the revenue from rapid expansion and store growth from 260 stores in the previous financial year to 291 stores in the financial period ended 30 June 2019. Among BStarbucks' various tactical programmes to drive sales in a competitive environment were the launch of new Cold Foam beverages, the introduction of the 20th Anniversary series of merchandise, the collaboration with local talents such as Neelofa and Rico Rinaldi, and the introduction of new almond milk and coconut milk options into its menu.

During the financial period under review, BStarbucks opened four more Starbucks Reserve Stores, including the first ever Starbucks Reserve Drive-Thru store in Setia Alam, Selangor. BStarbucks also expanded its business into the state of Kelantan in August 2018 with the opening of Starbucks Tesco Kota Bharu. Starbucks opened another store in Kota Bharu Mall, Kelantan in January 2019.

The Starbucks Card Programme - My Starbucks Rewards (MSR) - registered a tender rate at 51%, contributing a total of RM374.1 million for the financial period ended 30 June 2019 as compared to RM312.5 million for the financial year ended 30 April 2018. During the year, MSR Malaysia featured three limited edition 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 10,000 pieces with an activation amount of RM150 each. As at 30 June 2019, there are more than 2.8 million (30 April 2018: 2 million) registered MSR members and a total of 10 million (30 April 2018: 7.8 million) Starbucks Cards in active circulation nationwide.

MANAGEMENT DISCUSSION AND ANALYSIS



A Starbucks Reserve Partner using the siphon brewing method.

BStarbucks recorded a growth of RM14.7 million in operating profit from RM63.8 million in the previous financial year to RM78.6 million in the financial period ended 30 June 2019. BStarbucks recorded an increase in profit before tax to RM71 million as compared to RM58.6 million in the previous financial year attributed to additional revenue generated from stores opened during the financial period, coupled with effective cost management strategies.

BStarbucks registered an increase in store count from 260 in the previous financial year to 291 in the financial period ended 30 June 2019. The number of drive-thru stores increased from 39 in the previous year to 46 for the financial period under review.

In the financial year 2020, BStarbucks plans to open 25 new stores with an additional 3 Reserve concept stores. In order to create affinity and strengthen its brand presence, BStarbucks will focus on unique and elevated store designs with relevant local elements for its new stores. In addition, it will also continue to introduce innovative food and beverage offerings which resonate with its customers' tastes and expectations of Starbucks as a premium coffee company.

BStarbucks will continue to promote the My Starbucks Rewards loyalty programme to continue to drive customers' loyalty and frequency, offering more card designs and attractive benefits. BStarbucks will also leverage on digital innovations as well as strengthen its IT capabilities and improve on its Inventory Management system, in order to provide more efficiency and cater for future growth.



KRR's Kenny's Quarter Meal.

As part of its commitment towards empowering Malaysian communities, BStarbucks will continue to obtain raw materials from 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 Starbucks Signing Store, BStarbucks will continue to support the deaf community by creating job opportunities and encouraging career development. There are plans for a second Signing Store in Penang in the near future.

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

BRoasters is a wholly-owned subsidiary of Berjaya Food Berhad ("BFood"), and the master franchisee of restaurant chain, Kenny Rogers Roasters ("KRR") in Malaysia. It offers a mid-casual dining setting with rotisserie-roasted chicken as its main core item complemented by a rich variety of hot and cold side dishes. Its menu also comprises Kenny's famous home-made muffins, vegetable salads, pasta, soups, desserts and beverages.

For the financial period under review, BRoasters recorded a revenue of RM96.7 million compared to RM92.7 million in the previous financial year. During the financial period under review, BRoasters opened 8 new stores and closed 9 non-performing stores. It also opened its first drive-thru store in Juru, Penang.

BRoasters recorded a similar loss before tax of RM6.9 million as compared with the previous financial period, mainly due to effective control of administrative expenses.

MANAGEMENT DISCUSSION AND ANALYSIS



Jollibean's range of product offerings.

To bring greater convenience to guests and for more cost effectiveness, BRoasters will focus on expansion by opening more of its grab-and-go concept stores, the KRR Express, at highway rest stop areas and commercial hubs which have substantial footfalls.

BRoasters will also aggressively capitalise on online and e-commerce opportunities such as driving its online delivery business through partnerships with leading food delivery companies as well as embarking on B2B e-voucher businesses. In addition, BRoasters will implement more marketing and promotional activities on social media and various e-commerce platforms, and make available e-wallet payment systems such as RazerPay, AliPay and WeChat Pay as alternative modes of cashless payments.

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

Roasters Asia Pacific (HK) Limited was incorporated in Hong Kong in June 1993. 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. RAP is to grant franchises to operate restaurants under the "Kenny Rogers Roasters" name and related trademarks.

As at 30 June 2019, there are 183 KRR outlets operating in Malaysia, Philippines, Singapore, UAE, India, Thailand and Kuwait.

For the financial period ended 30 June 2019, RAP recorded a revenue of RM3.36 million as compared to RM2.4 million in the previous financial year ended 30 April 2018. The increase in revenue was mainly due to Territory fees of Maldives franchises and franchise fees received from a newly opened outlet, coupled with an extra 2 months revenue arising from the change in financial year end from 30 April to 30 June.

Over the years, RAP 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 2020. Moving forward, RAP will expand KRR's presence into Bangladesh, Bangkok and Vietnam 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 Pte Ltd ("Jollibean Foods") holds the sole and exclusive worldwide rights to develop, franchise, operate and manage all outlets, stalls, kiosks and holds the distribution rights for the products under the brand names of "Jollibean" ("Joybean" in Malaysia), "Sushi Deli" and "Kopi Alley". As at 30 June 2019, Jollibean Foods operates 32 outlets under the 3 brands in Singapore. During the financial year, Jollibean opened 3 new outlets and closed 2 non-performing outlets.

For the financial period ended 30 June 2019, Jollibean Foods revenue increased to SGD9.4 million as compared to SGD9.3 million in the previous financial year mainly due to the 2 additional months of year end closing.

Jollibean Foods recorded a lower gross profit of SGD3.5 million in the financial period under review compared to SGD3.7 million in the previous financial year, mainly due to additional spending on a rebranding exercise to enhance food visualisation and preparations to grow the brand internationally for overseas franchising.

Moving into the next financial year, Jollibean Foods will concentrate on rebranding, expanding its revenue stream and driving sales growth for existing operations in Singapore. One of its key focus areas is to continue with its store expansion plan, with the target of opening 5 new stores in the financial year 2020. Jollibean Foods will also strengthen its brand presence among the younger generation by engaging with them through digital channels. Jollibean Foods will also focus on expanding its franchise business and grant franchise to operate outlets under the "Joybean" brand and related trademarks both nationwide and overseas. The first overseas market retailing Joybean products is the Philippines.

MANAGEMENT DISCUSSION AND ANALYSIS



Krispy Kreme Doughnuts kiosk at Berjaya Times Square, Kuala Lumpur.

Berjaya Krispy Kreme Doughnuts Sdn Bhd (“BKKD”)

BKKD is the franchise holder of Krispy Kreme Doughnuts stores in Malaysia. As at 30 June 2019, BKKD has a total of 18 stores, with 2 stores located out of Kuala Lumpur in Genting Highlands, Pahang.

For the financial period under review, BKKD registered a revenue of RM9.8 million mainly due to the opening of 7 new stores, namely Sunway Pyramid, DPulze Cyberjaya Shopping Center, KLIA2, SkyPark Subang Terminal, R&R Sg Buloh OBR Northbound, Wangsa Walk Mall and 163 Retail Park, Mont Kiara. The store expansion has helped the brand to reach out to previously untapped areas and give accessibility for more new customers. In addition, consistent efforts in marketing and promotion via partnerships with well-known banks and telecommunication players also boosted business. BKKD is also consistently creating new premium doughnuts using well-known global confectionary brands for each festive season which appeals well to its customers.

BKKD recorded a loss before tax of RM1.9 million during the financial period under review as compared to RM2.8 million loss before tax in the previous financial year, due to incremental sales growth and reduction of operating expenses.

In the financial year 2020, BKKD will seek to increase market reach via more aggressive marketing initiatives such as via external events using a booth or its Joy Patrol Food Truck and collaborating with influential partners for marketing campaigns. It will also increase brand awareness via social media channels, especially to the younger generation. BKKD will also keep introducing new doughnut flavours, including pairing with global confectionary brands, to entice customers with a good range of premium doughnuts. In addition, BKKD will look at expanding to good and strategic locations with high traffic and lower capital expenditures, in order to increase its market share.

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 (“MSW”) per day from Kuala Lumpur, and the Selayang and Hulu Selangor districts in the state of Selangor.

BTSL is located approximately 55km from Kuala Lumpur and is accessible from the North-South Expressway through the purpose-built Bukit Tagar interchange. KBE constructed the interchange together with a new 9km 4-lane access road to enable direct and easy access to the BTSL from Kuala Lumpur and Selangor.

For the financial period ended 30 June 2019, KBE recorded an increase in revenue by RM9.6 million to RM55.8 million against the RM46.2 million recorded in the previous financial year mainly due to higher waste tonnage received and an additional two months’ revenue recorded due to change in financial year end from 30 April to 30 June.

KBE registered a profit before tax of RM17.1 million for the 14-month period under review as compared to RM15.2 million in the previous financial year.

In light of the new political scenario, KBE will engage with the Selangor state government to seek new waste sources



Aerial view of the Leachate Treatment Plant at Bukit Tagar Sanitary Landfill, Selangor.

MANAGEMENT DISCUSSION AND ANALYSIS

from state municipalities. KBE will also continue to focus on securing more private waste customers to increase waste volume, improving on operational efficiency to achieve higher profit margin, exploring additional income streams from the existing business, and sourcing for new landfill projects.

KUB-Berjaya Energy Sdn Bhd (“KBEnergy”)

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

KBEnergy is commissioned by KBE to manage the landfill gas at BTSL. 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 scheme.

For the financial period ended 30 June 2019, KBEnergy reported a revenue of RM8.7 million, against RM12.0 million in the previous financial year due to higher repair and maintenance costs and internal shutdown programme to accommodate upgrading and modifying electrical works for business expansion by an additional 2 gas engines with 4MW generation capacity. As a result, profit before tax was RM1.9 million in the financial period ended 30 June 2019 against RM7.0 million in the preceding financial year. With the completion of the additional 2 gas engines in July 2019, KBEnergy is set to register a higher profit in future.

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

AKBK’s 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 offers a sustainable alternative to conventional method of managing Scheduled Waste. Its proprietary technology enables Scheduled Waste to be 100% recycled without any residue by turning Scheduled Waste into Alternative Raw Material (“ARM”) and Alternative Fuel (“AF”) as substitute for natural raw material and fossil fuel in cement making. AKBK is approved by the DOE to manage 15 codes of scheduled wastes.

For the financial period ended 30 June 2019, AKBK recorded an increased revenue to RM7.4 million from RM4.3 million in the previous year mainly due to higher waste tonnage received and additional two months’ revenue recorded due to the change in financial year end from 30 April to 30 June. On the back of higher revenue, AKBK recorded a profit before tax of RM1.1 million during the financial period under review.



AKBK Sustainable Resource Management Centre at Bukit Tagar, Selangor.

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 material in the country is relatively low at approximately 2% of total natural raw materials consumed, compared to Japan where the ARM usage is over 40% in relation to natural raw material used. This provides tremendous growth potential for AKBK in the coming years.

AWF Limited (“AWF”)

AWF is a wholly-owned subsidiary of the Group and the main shareholder of the Longxi Water Projects (“The Project”) which manages and operates 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.

For the financial period under review, the 3 companies under AWF recorded a consolidated revenue of RMB26.77 million as compared to RMB22.97 million in the previous financial year, attributed to higher water supply volume and water tariff adjustment effective from 1 May 2019 onwards. The average water tariff had increased by RMB0.38/m³ or 21.5%, from RMB1.77/m³ to RMB2.15/m³. The sales volume from residential and non-residential consumers increased by 32% and 8%, respectively, for the financial period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

AWF registered a gross profit of RMB5.18 million for the financial period under review from RMB6.57 million in the previous financial year, due to the increase of RMB0.18/m³ in the water resources fee charged by the China Government from RMB 0.02/m³ to RMB 0.2/m³ in 2019.

For the financial period under review, AWF recorded a loss before tax of RMB6.94 million as compared to the loss before tax of RMB3.94 million recorded in the previous financial year due to the increase in water resources fee, depreciation and finance cost during the financial period.

In line with the China Government's policies to restructure its local economy for development of clean industrial cities in Longxi region, Guangdong Provincial Government and Huizhou Municipality Government have upgraded the Government administration of Longxi towns into sub-district level. The Provincial and Municipality Governments have concluded and endorsed several mega-scaled infrastructure projects in the Longxi sub-district such as:

- High speed railway station projects in Longxi for ease of accessibilities into Huizhou, Guangzhou and Shenzhen;
- High Technologies Industrial Parks in Longxi sub-districts to attract investors from electrical and electronic and automobile sectors;

With these development plans in place by the China Government, The Project expects better financial performance in the next financial year via the increase of potable water demand and water tariff.

TELECOMMUNICATIONS

REDtone International Berhad ("REDtone")

Listed on the ACE Market of Bursa Malaysia Securities Berhad 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 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 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.



REDtone was awarded the prestigious MSC Malaysia APICTA Award 2019.

- c) Industry Digital Services ("IDS") – this includes data centre services, Internet of Things ("IoT") smart cities and smart farming services, cloud services and applications.

REDtone registered a revenue of RM211.4 million for the financial period ended 30 June 2019 compared to RM118.1 million in the previous financial year, mainly contributed by the MTNS segment and the additional two-month results recorded as a result of the change in financial year end.

REDtone recorded a gross profit of RM85.2 million for the financial period under review as compared to RM52.5 million or a gross profit margin of 44% in the preceding financial year, mainly driven by its MTNS projects.

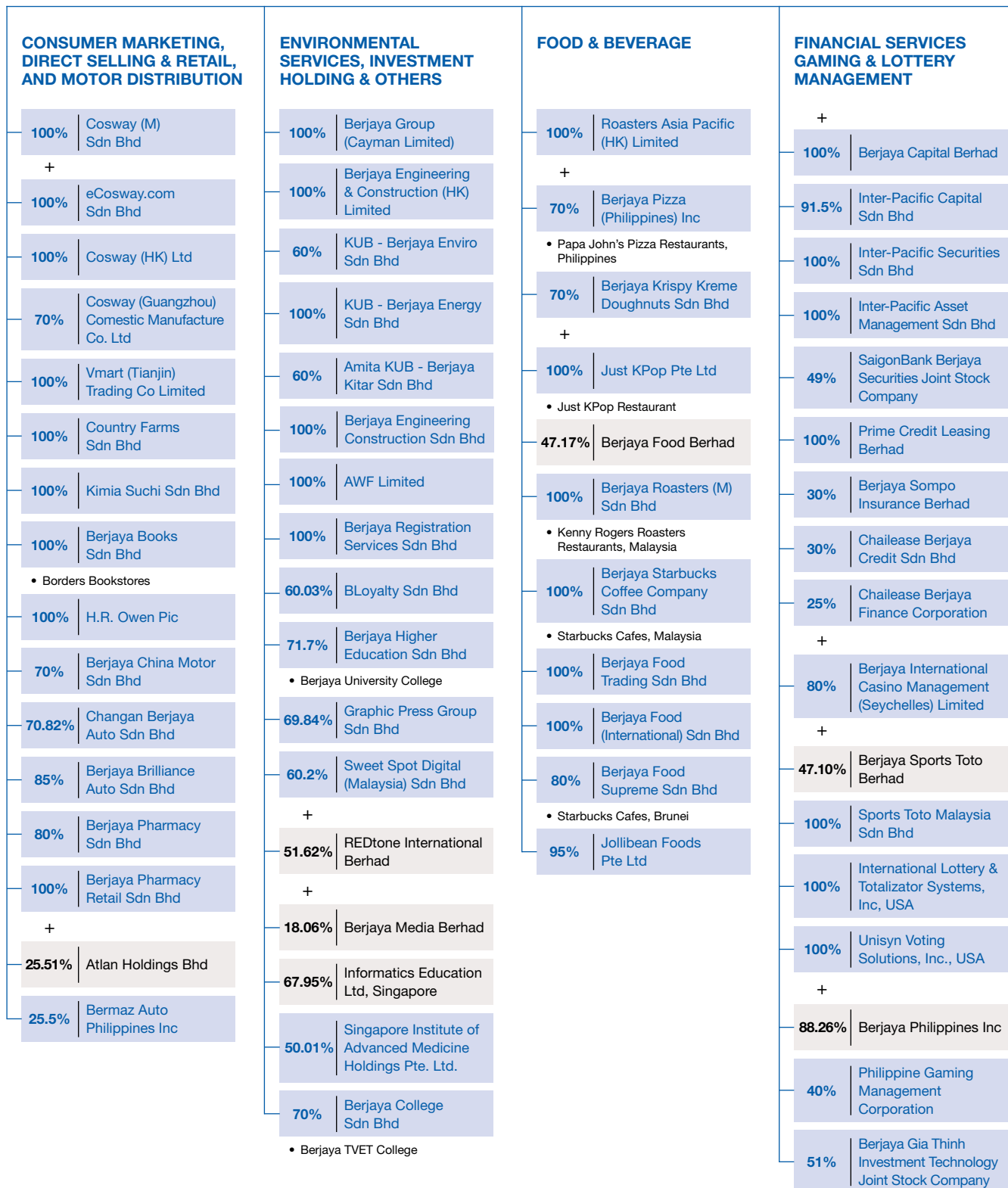
REDtone registered a profit before tax of RM33.6 million for the financial period under review as compared to the profit before tax of RM6.5 million in the preceding financial year, mainly due to the higher revenue and gross profit contributed by its MTNS projects and lower financing costs, coupled with the additional two-month results recorded as a result of the change in financial year end.

REDtone will continue to focus on measures to improve operational efficiencies and profitability in its core businesses. The contributions from its MTNS segment will remain significant while data services for enterprise market would continue to be the main focus in extracting growth from recurring businesses.

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures
as at 1 October 2019

BERJAYA CORPORATION BERHAD



■ Listed Company + Combined Interest

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures
as at 1 October 2019

BERJAYA CORPORATION BERHAD



GROUP FINANCIAL SUMMARY

Description	2019	2019	2018	2017	2016	2015
	USD'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,363,527	9,793,275	8,694,348	9,182,394	9,016,774	9,514,106
Profit/(Loss) Before Tax	102,217	423,535	(90,162)	662,628	293,737	1,601,733
Profit/(Loss) After Tax	29,331	121,534	(345,287)	317,420	(117,089)	1,242,256
(Loss)/Profit Attributable To Shareholders	(26,972)	(111,757)	(357,867)	149,285	(177,223)	890,582
Share Capital	1,211,043	5,017,956	4,930,556	4,930,556	4,673,180	4,330,614
Equity Component of ICULS	74,029	306,739	306,739	306,848	253,608	409,972
Reserves	337,547	1,398,628	1,503,099	1,835,144	1,784,013	2,034,142
Equity Funds	1,622,619	6,723,323	6,740,394	7,072,548	6,710,801	6,774,728
Treasury Shares	(8,267)	(34,253)	(33,669)	(33,669)	(130,399)	(130,399)
Net Equity Funds	1,614,352	6,689,070	6,706,725	7,038,879	6,580,402	6,644,329
Non-controlling Interests	734,603	3,043,826	3,482,257	3,622,916	4,476,304	4,317,697
Total Equity	2,348,955	9,732,896	10,188,982	10,661,795	11,056,706	10,962,026
ICULS	24,518	101,591	128,193	152,278	158,731	192,743
Long Term Liabilities	1,235,642	5,119,881	5,365,883	5,121,625	6,319,858	6,372,721
Current Liabilities	1,174,435	4,866,271	5,173,349	5,650,819	5,823,756	4,778,579
Total Equity and Liabilities	4,783,550	19,820,639	20,856,407	21,586,517	23,359,051	22,306,069
Property, Plant and Equipment	840,128	3,481,071	3,465,051	3,727,176	3,766,965	3,514,521
Intangible Assets	1,267,326	5,251,165	5,695,064	5,853,796	6,582,857	6,432,372
Investments and Long Term Receivables	1,369,140	5,673,031	5,880,826	5,849,136	5,573,201	5,875,121
Current Assets	1,306,956	5,415,372	5,815,466	6,156,409	7,436,028	6,484,055
Total Assets	4,783,550	19,820,639	20,856,407	21,586,517	23,359,051	22,306,069
Total Number Of Shares With Voting Rights						
In Issue	5,164,924	5,164,924	4,875,583	4,875,583	4,491,180	4,246,914
Net Assets Per Share (USD/RM)	0.30	1.24	1.31	1.38	1.41	1.50
Net (Loss)/Earnings Per Share (Cents/Sen)	(0.44)	(1.81)	(6.18)	2.93	(3.22)	18.09
Dividend (Sen/Share)	-	-	-	-	2.10	1.00
Total Net Dividend Amount						
(USD'000/RM'000)	-	-	-	-	99,580	42,003

Notes:

Due to the change of financial year end from 30 April to 30 June, the Group financial results presented for 2019 is for a 14-month period ended 30 June 2019. The financial results for 2015-2018 are for a 12-month period ended 30 April.

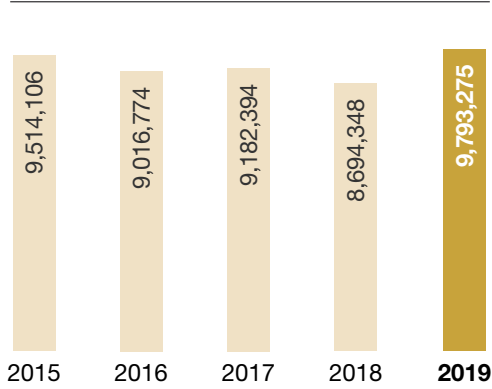
Where additional shares are issued, the (loss)/earnings per share is calculated based on a weighted average number of shares with voting rights in issue (inclusive of mandatorily convertible instruments).

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.

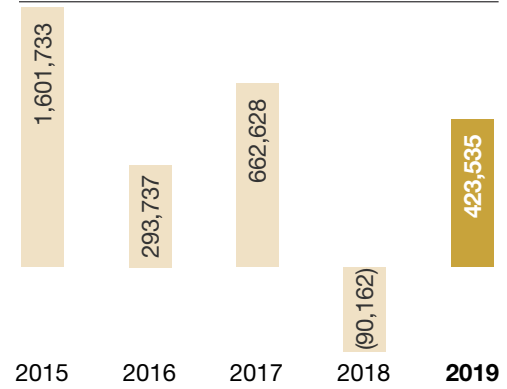
Exchange rate as at 30 June 2019: US\$1.00=RM4.1435

GROUP FINANCIAL HIGHLIGHTS

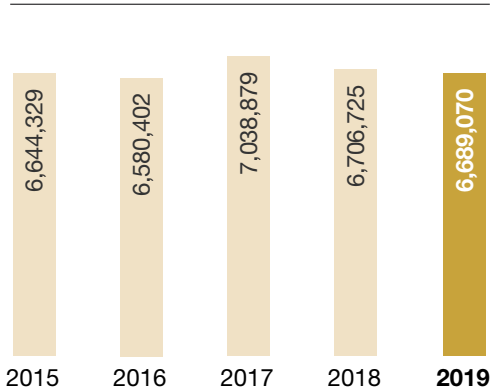
REVENUE (RM'000)



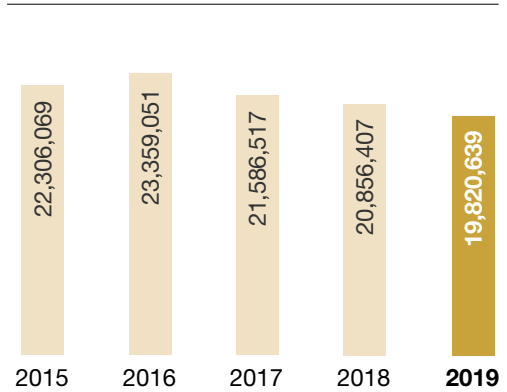
PROFIT/(LOSS) BEFORE TAX (RM'000)



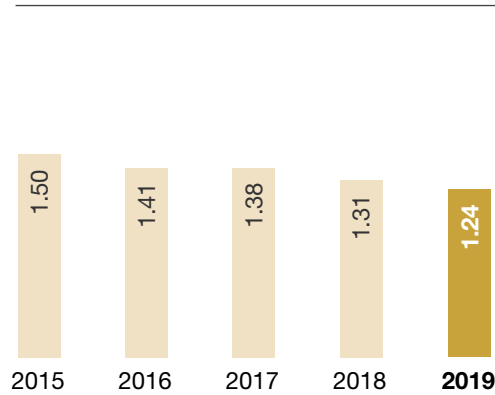
NET EQUITY FUNDS (RM'000)



TOTAL ASSETS (RM'000)



NET ASSETS PER SHARE (RM)



SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

This 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 period ended 30 June 2019.

Due to the diverse business nature of the Group, the scope of this 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, Property and Investment 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 structure and write-up of this statement are guided by Bursa Malaysia’s Sustainability Reporting Guide and Toolkits. The information and data disclosed in this statement were derived from internal reporting processes, systems and records.






The Taaras Beach and Spa Resort, Redang Island – Ocean Front Suites.

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:

	<p>ECONOMIC SUSTAINABILITY the creation of long-term value for shareholders and value add for all the stakeholders of the Group;</p>
	<p>ENVIRONMENTAL SUSTAINABILITY Striving towards reducing the Group’s environmental footprint by improving on efficiency of resources and supporting conservation efforts; and</p>
	<p>SOCIAL SUSTAINABILITY Dealing with the customers and 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.</p>

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.

SUSTAINABILITY STATEMENT

3. GOVERNANCE

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

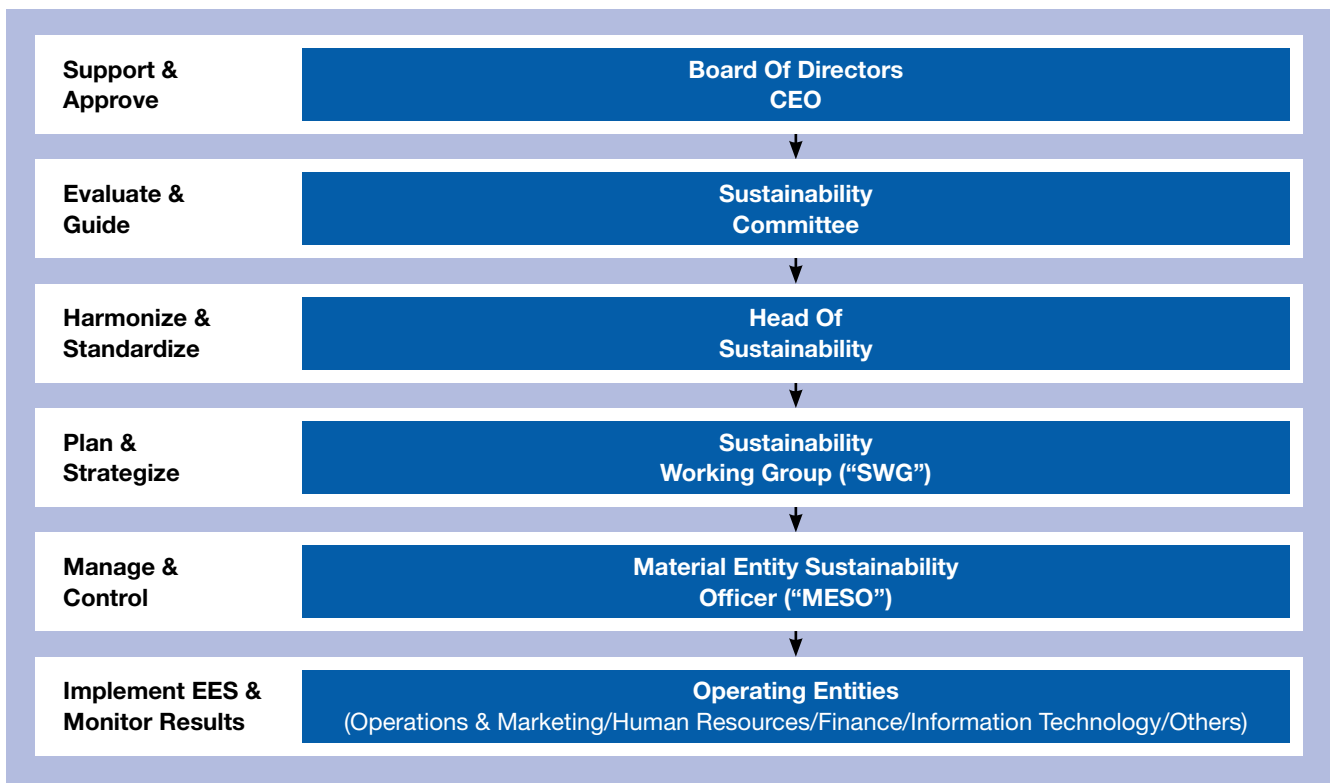
For the financial period under review, BCorp’s sustainability commitment is governed by its Board of Directors and representatives from the various businesses in the Group who oversee the overall planning and implementation of sustainability practices across its businesses.

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 are submitted to the Sustainability Working Group for evaluation and subsequently the sustainability statement is 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.

SUSTAINABILITY GOVERNANCE STRUCTURE



Note: EES denotes Economic, Environmental and Social.

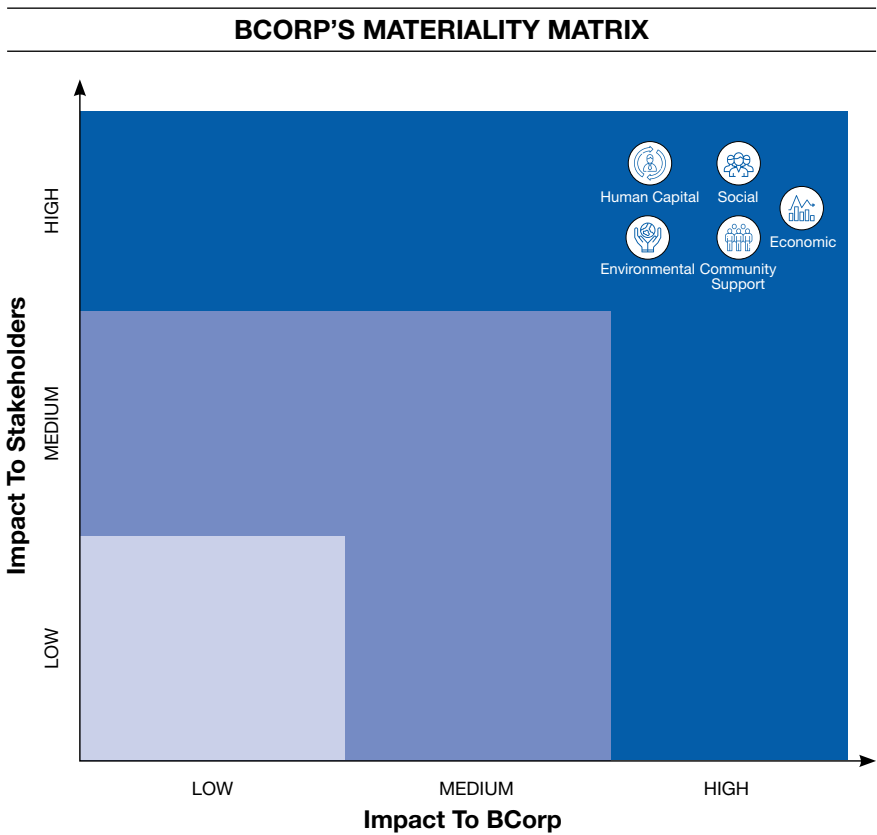
For more detailed information on the Group’s Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, please refer to pages 59 to 76 of the BCorp Annual Report 2019.

SUSTAINABILITY STATEMENT

4. MATERIALITY

Determining materiality aids the Group in identifying and categorising prevalent issues to focus its efforts on and chart its direction in sustainability. Material issues are defined as elements that are expected to have a significant effect on and are related to the Group's various stakeholders.

The materiality assessment for the Group is based on its engagement with the relevant stakeholders in its daily operations which resulted in the identification of material issues which impact the economic, environmental, and social sustainability of the Group.



5 SUSTAINABILITY PILLARS

 ECONOMIC	 ENVIRONMENTAL	 SOCIAL	 HUMAN CAPITAL	 COMMUNITY SUPPORT
<ul style="list-style-type: none"> Financial Performance Economic Impact and Creating Value Indirect Economic Impact Procurement Design Efficiency Through Value Engineering 	<ul style="list-style-type: none"> Efficient Energy Management Waste Management Water Conservation Conservation of Natural Environment and Marine Ecosystem 	<ul style="list-style-type: none"> Marketing and Communication Practices Information Security and Privacy IT Integrity and Cyber Security Good Governance, Product Safety and Business Conduct Key Supply Chain Social Integration and Community Development Customer Care and Experience Community Support and Involvement 	<ul style="list-style-type: none"> Workplace Employee Engagement Training and Development Employee Wellbeing Employee Health and Safety 	<ul style="list-style-type: none"> Community Sports Education Arts and Culture








5. 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 ENGAGEMENT MATRIX

<p>Government and Regulators</p> 	<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.
<p>Customers</p> 	<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.
<p>Employees</p> 	<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.
<p>Suppliers, consultants, vendors</p> 	<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.
<p>Communities, non-governmental organisations, industry groups</p> 	<ul style="list-style-type: none"> • Focus groups and consultative meetings. • Community programmes in collaboration with non-governmental organisations ("NGOs") and charitable organisations.
<p>Media</p> 	<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.
<p>Investors, shareholders and stock analysts</p> 	<ul style="list-style-type: none"> • Communication via announcements to Bursa Securities, General Meetings, the Group's website as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.

SUSTAINABILITY STATEMENT

6. ECONOMIC SUSTAINABILITY

i. Financial Performance



Revenue

RM9.79 billion

(FYE 2018 RM8.69 billion)



Profit/(Loss) Before Tax

Profit RM423.54 million

(FYE 2018 loss of RM90.16 million)



Loss On Equity

-1.4%

(FYE 2018 -5.3%)



Net Assets Per Share

RM1.24

(FYE 2018 RM1.31)

Note: Certain comparative figures have been adjusted to conform with the current period's presentation.

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 32 and 33 of the BCorp Annual Report 2019.

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 determined to remain as an innovative leader in the areas of Smart Farming, Smart Cities, IoT Technologies, Cloud and Big Data. REDtone was named "The Most Innovative Telecom Company 2018" by

International Finance Magazine, an award that recognises industry talent, leadership skills, industry net worth and capabilities on an international platform. REDtone has been appointed to the committee of the Digital Johor Advisory Board, which is tasked with facilitating the roll-out of initiatives to digitalise key economic sectors in the state of Johor and establish new digital-driven industries in line with the Fourth Industrial Revolution (4IR) and evolution of smart cities.

REDtone's Smart Farming solutions include systems for Smart Greenhouses, Smart Aquafarming, Smart Fertigation and Smart Pesticide Misting. All these solutions are aimed at digitalising the agriculture sector. This in turn helps increase farming productivity and quality, while maintaining the affordability and sustainability of the value chain.

REDtone also collaborated with other 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 various skill sets and expertise for the many job functions within its different businesses. As at 30 June 2019, BCorp has approximately 14,000 employees working in its various businesses across Malaysia and overseas.

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.

Innovation and development of new products and services

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

BERJAYA UC supports the research solutions to current and future issues related to sustainability and delivery of innovation to the community through this research. Its Centre for Institutional Research is continuously promoting research and publication among the academic team. Three projects were undertaken by BERJAYA UC during the financial period under review:

Project 1 : Blended oils

This 2-year project, undertaken by staff from the Faculty of Culinary Arts and the School of Hospitality and funded by the Malaysian Oil Scientists and Technologists (MOSTA), looks into the blending of palm oil and olive oil to create a new cooking oil.

Project 2 : Oil palm kernel chips

This 1-year innovative project, undertaken by the Faculty of Culinary Arts, looks into the innovation of creating chips using oil palm kernels and palm oil. The project is funded by BERJAYA UC at a total value of RM21,000. The raw materials such as oil palm kernels and palm heart are sponsored by Sime Darby Research Centre and the MOSTA.

Project 3 : Palm heart mocktail

This project is undertaken by the School of Hospitality and is valued at RM20,000. The project involves the innovation of creating a new mocktail using palm heart as the main ingredient. The palm heart is sponsored by Sime Darby Research Centre and the MOSTA.

BERJAYA UC adapts to new ways of student learning and communication through digital disruption and innovation. Some assessments and assignments are delivered via its course network ("CN"). Through this network, academic staff and students can share learning resources, knowledge and ideas through posts, polls and events. Students are able to access the CN from anywhere, which allows flexibility of learning.

BERJAYA UC's College Management System ("CMS") enables it to manage enrolment, admissions, attendance, fees, grades and all aspects related to students. Students can access information and updates

via the CMS. Invoices and receipts for fee payment are posted on the CMS. Information from the CMS can also be emailed directly to students via the system. BERJAYA UC does not issue invoices and / or receipts in hardcopy to reduce usage and wastage of paper. This system also allows for the generation of automated reports on all aspects for data-driven decision-making.

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. Amongst others, a large local financial institution has opened an Islamic trading account with IPS and has been actively trading since then.

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 June 2019, Cosway recruited more than 38,000 young Entrepreneurs, with 78% being 25-34 years of age. Bumiputra members accounted for 32% of this membership base.

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 selected Starbucks stores nationwide.

SUSTAINABILITY STATEMENT

This year, BStarbucks has empowered Silent Teddies Bakery by purchasing the Starbucks Jumbo Chocolate Chip Cookie and retailing it in all Starbucks stores in Malaysia. For every cookie purchased, BStarbucks will donate RM1 to the Silent Teddies. Since August 2018 until June 2019, a total of approximately RM22,816.00 has been raised. The Starbucks Jumbo Chocolate Chip Cookie is a preservative-free cookie which is freshly made with love by Silent Teddies Bakery. The Silent Teddies Bakery is an initiative by the Community Service Centre for the Deaf (“CSCD”) to equip deaf youths with entrepreneurial skills that will enable them to be independent. Proceeds from this cookie will be used to support the CSCD programmes and its school for deaf children.

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.

Recognising the economic potential of rural areas, REDtone has prioritised improving the digital connectivity for these rural communities, which in turn helps 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 Starbucks Jumbo Chocolate Chip Cookie from Silent Teddies Bakery.

IPS reduced its Berjaya Times Square office space to 18,584 sq. ft from 32,496 sq. ft. in February 2019. The reduction of approximately 42.8% of office space resulted in savings in rental amounting to RM0.77 million



Starbucks Deaf Partners with Deputy Minister of Women, Family and Community Development, YB Puan Hannah Yeoh and Berjaya Food Berhad CEO, Sydney Quays at the Starbucks Signing Store in Bangsar Village II.

per annum. The move also improved workflow and operational efficiency. At the same time, IPS replaced old lightings with LED lights, reused workstations, office equipment and other furniture and ensured that the new interior design was in line with the eco-friendly concept.

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 June 2019, 70% 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. Compliance audits are conducted regularly to ensure that local regulatory hygiene practices are in place and adhered to at all times.

SUSTAINABILITY STATEMENT

During the financial period under review, BStarbucks implemented the Inventory Management system to increase efficiency for BStarbucks' stores and warehouse. With the system, BStarbucks stores are able to plan and forecast their inventory orders which would reduce wastages in the long run.

Following the global direction, BStarbucks is serving sustainable coffee in its stores. For more than two decades, Starbucks International has partnered with Conservation International on Coffee And Farmer Equity ("C.A.F.E.") Practices and 99% of Starbucks' coffee are verified as ethically sourced under C.A.F.E. Practices, promoting quality, economic transparency and social and environmental impact with a vision to make coffee the world's first sustainable agricultural product.

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. These suppliers have to comply to IPS' standard procurement procedures and the service quality of these suppliers is evaluated on a half-yearly basis.

KUB-Berjaya Enviro ("KBE") employs an open concept whereby all tenders for contract works are carried out through pre-qualified tenderers on an open tendering process following a standard operating procedure established in 2006 to ensure fair practices and promotes responsibility for all interested parties involved. Priority is given to local suppliers who are reputable and responsible in this niche market, have good working relationships with KBE, and are responsive to the Company's sustainability requirements. KBE's tender selection and evaluation process emphasises on "Made-in-Malaysia" products with competitive pricing and good quality.

For the past 3 years, KBE has successfully achieved a 100% local procurement for awarding to contractors/suppliers and also appointment of consultants for Phase 3 of Bukit Tagar Sanitary Landfill and 4MW power generation projects.



The Renewable Energy Centre at Bukit Tagar Sanitary Landfill, Selangor.

KBE maintains a group of well qualified and trained professionals to ensure effective contract administration and management of work. Any variation of work is kept to a minimum to maintain cost control within the allocated budget and the project is completed within the specified time frame.

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 by awarding local construction and consultancy firms contracts for its projects in Kuala Lumpur, Shah Alam, Selangor and 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 Malaysia Sdn Bhd ("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.

SUSTAINABILITY STATEMENT

v. Design Efficiency Through Value Engineering

The PD Division and PI Division are always mindful of the economic sustainability of their development projects and continuously review their 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 Residences 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 Autoclave Aerated Concrete Lightweight blocks for partition walls and the application of precast design software such as Autodesk Revit has enhanced the design and shop drawing production with precise accuracy and mitigated human errors in back-checking works.

Kensington Gardens in Penang, which sits on the site of Penang Hill, focuses mainly on earthworks and infrastructure works for its bungalow lots. By engaging geotechnical engineers, detailed soil investigation and slope analysis works are able to be carried out in order to procure the best construction method.

The PI Division's renovation projects at Plaza Berjaya and Kota Raya Complex have intentionally adopted the design of same wall and floor tiles in the public toilets over the conventional design of different tiles to improve efficiency and repeatable workmanship quality.

The adoption of this design has reduced construction wastage up to 10% and saved on project cost and time. For instance, the refurbishment of the public toilets at Plaza Berjaya used only 11,630 pieces of tiles as compared to the original design of 13,283 pieces, a reduction of 14% in materials. The PI Division has also further reduced the project cost by utilizing its supply chain to obtain the best offer for construction materials such as tiles, sanitary ware and fittings.

7. 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.



Lanai Residences at Bukit Jalil, Kuala Lumpur - construction in progress.

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, cross ventilation and sun shading in the designs of its buildings to reduce the impact of heat from the sun. Phase 1 of The Link 2, Lanai Residences at Bukit Jalil, Kuala Lumpur and Berjaya Property Gallery at Berjaya Park, Shah Alam 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 Bayu Timur @ Berjaya Park, Shah Alam and Jesselton Villas, Penang.

The PI Division has also implemented energy saving features in the refurbishment of Plaza Berjaya and Kota Raya complex in terms of LED lights and electronic ballast over the conventional fluorescent light tubes at the car park area, which saved up to 50% of energy without compromising on the lumens. PI Division also implemented the VVVF in lifts and escalator motors. With that, the lift replacement of Plaza Berjaya has reduced the energy consumption from a fix rating of 32.1kw to a maximum of 21kw or lower per lift, a minimum of 35% energy saving.

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 light bulbs with low-energy LED lights, among others. To further conserve energy and water usage, guests are also offered linen and towel reuse options.

In its continuing efforts to raise awareness on reducing the consumption of electricity, Starbucks stores nationwide have been celebrating Earth Hour over the past 12 years and encouraging customers to switch off non-essential lights.

Through the setup of Regional Offices in Penang, Kuala Lumpur, Johor Bahru, and Sabah, Cosway has managed to achieve a more efficient and sustainable management strategy in terms of saving on staff 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.

Among REDtone’s key efforts to minimise the environmental impact of its operations is the adoption of green technologies for its data centre facilities. REDtone’s data centres are designed with sustainability in mind and incorporated with green technologies that offer energy efficient services, power usage optimisation and cooling capacity enhancement. All of which, collectively, contribute to greater savings for its customers.

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 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. In the financial period under review, the total renewable energy generated by all of the power generation assets installed at BTSL was 17,341,351 kWh.

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.



BStarbucks organised a DIY soap-making workshop.



Pouches upcycled from used Starbucks Flavorlock coffee bags.

SUSTAINABILITY STATEMENT

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. 57% of IPS’ clients have signed up for ATP as of 30 June 2019. The number of transactions made via JomPAY by clients as of 30 June 2019 are 676 transactions as compared to 154 transactions as of 15 March 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.

REDtone has adopted an integrated approach to achieving sustainability in the workplace which includes developing the digital capabilities of its employees as well as streamlining and automating work processes 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, creating long-term value for its brand.

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.

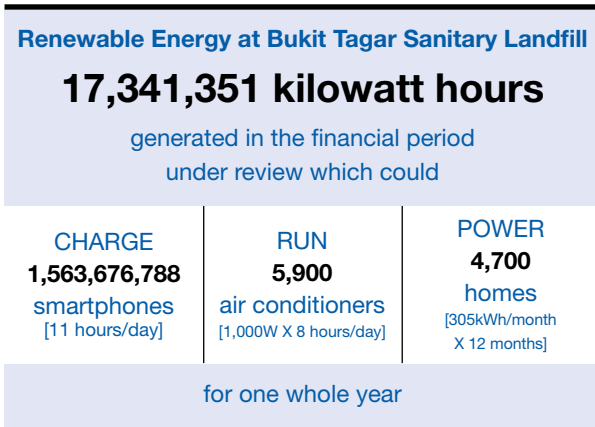
BCorp’s food and beverage companies are also working to shrink their environmental footprint by increasing their efforts to reduce waste associated with their business practices. BStarbucks has a Bring Your Own Tumbler programme which rewards its customers with a RM2 discount when they bring their personal Starbucks tumbler to purchase coffee in Starbucks stores. BStarbucks also introduced strawless lids in selected Starbucks stores. In December 2018, BStarbucks launched green reusable straws in all Starbucks stores, in support of the Government’s efforts to eliminate single-use plastics. Berjaya Roasters (M) Sdn Bhd (“BROasters”) has introduced the i.Care Box and i.Care Bag as its ongoing environmental initiative to manage waste better. BROasters provides a special discount to Kenny Rogers Roasters’ (“KRR”) customers who use the i.Care Box for their purchases. For the financial period under review, 1,186,273 (last year 862,517) customers used Starbucks tumblers when purchasing their beverages, and 17,113 (last year 12,415) customers supported KRR’s i.Care Box programme.



YB Zuraida Binti Kamaruddin, the Minister of Housing and Local Government (centre) visited BTSL in September 2019.

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.

BTSL is designed, engineered and operated to provide the highest level of environmental protection and a safe waste disposal solution which mitigates associated detrimental environmental impacts. Since its commencement of operations in 2005 to the end of 2018, a total of 12,056,868 tonnes of municipal solid waste has been safely disposed at BTSL. BTSL has in place a “Zero Discharge” policy whereby treated leachate is not released into open watercourses but is irrigated to the surrounding 120 acres area consisting of oil palm plantation and forest vegetation.



Amita KUB-Berjaya Kitar’s (“AKBK”) proprietary technology enables Scheduled Waste to be 100% recycled without any residue by turning Scheduled Waste into Alternative Raw Material (“ARM”) and Alternative Fuel (“AF”) as substitutes for natural raw material and fossil fuel in the cement making industry. In the financial period under review, a total of 3,318 tonnes of ARM and AF have been produced from the 16,204 tonnes of Scheduled Waste received at AKBK. This is a significant contribution towards the conservation of natural resources which would have otherwise been mined and consumed in the cement-making industry. The reuse and recycling of these Scheduled Waste has resulted in a reduction of approximately 12,000 sq.m of land which would have been used to securely dispose of these hazardous wastes in a landfill.

The PD Division promotes efficient usage of natural resources in its projects through innovative construction methods such as IBS precast system, prefabricated door frames and medium-density fibreboard door leaves to reduce building waste materials. At Lanai Residences at Bukit Jalil, Kuala Lumpur, waste materials such as rebars and timber are being collected and recycled. Residents at the PD Division’s projects are also encouraged to partake in its recycling efforts by

segregating their household waste into colour coded bins placed at strategic locations.

BHR continues to improve on waste management in its daily operations through several initiatives. BHR has replaced single-use plastic items with biodegradable options in phases. Plastic wrappers for in-room amenities have been replaced with recycled paper wrapping. In addition, BHR is proactively replacing single-use plastic straws with biodegradable paper straws or serving beverages without straws at all the food and beverage outlets in its properties. BHR is also working to identify and partner with organisations that are able to reprocess used and discarded guest soap and to distribute these new soap bars to communities in need, thereby eliminating waste and improving hygiene.

iii. Water Conservation

The PD Division’s project development sites at Phase 1 of The Link 2, Lanai Residences and The Tropika at Bukit Jalil, and Berjaya Property Gallery at Berjaya Park, Shah Alam, Selangor use water collected from rainwater harvest tanks for landscaping irrigation and construction cleaning purposes. The projects are also installed with self-closing pillar tap fittings and dual flush cistern. The PI Division’s refurbishment projects at Plaza Berjaya and Kota Raya Complex have also put in place self-closing pillar tap fittings and dual flush cistern, as well as hand dryers to reduce usage of toilet paper.

BHR’s water conservation efforts include 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 Clubs’ golf course greens, landscaping and outdoor cleaning thus minimizing the usage of treated potable water.



Participants of the Tioman Island Clean-up Day.

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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. At the development in Kensington Gardens at Penang, a licensed arborist is appointed to examine existing trees and to submit a recommendation report to the local council for approval before the tree transplanting activity takes place with approved methodology and sequence. During the financial period under review, the PD Division has successfully relocated a total of 63 matured trees at the Kensington Garden in Penang. As for the Berjaya Property Gallery at Berjaya Park, Shah Alam, the PD Division has rehabilitated the brownfield site with lush green landscaping and mature trees to return the site to a green ecosystem. The PD Division also provides functional landscaping features to encourage residents to live a healthy lifestyle. In line with the authorities' requirements, the PD Division will maintain 10% of the plot area for greenery and landscape.

BHR continued to spread awareness on marine ecosystem preservation in Tioman Island and Redang Island through its annual 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.

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



Bukit Jalil Golf and Country Resort is home to a number of bird species.

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 June 2019, 93% of Starbucks stores gave away 248,286kg of used coffee grounds under the programme.

Berjaya Hills Resort Berhad ("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. BHRB strives to maintain environmental protection of the eco-system by planting crops using water from the river source, and non-harmful organic pesticides.

As a tertiary institution, BERJAYA UC is very conscious of minimizing its environmental footprint and developing business in a safe and sustainable manner for its staff and students. BERJAYA UC has also rolled out information programmes on health and safety which has been included in its Orientation programmes, information on environmental management have been incorporated into various areas of teaching and learning and green cleaning solutions are being used for its culinary and hospitality learning laboratories.

BERJAYA UC is the only local Malaysian institution of higher learning to be awarded an international certification related to environmental sustainability in December 2018.

The ISO 14001, developed by the International Organisation for Standardisation, specifies requirements for an effective environmental management system (EMS) and maps out frameworks that BERJAYA UC follows to enhance its environmental performance: minimize environmental footprint, diminish the risk of pollution accident, provide operational improvements, ensure compliance with relevant environmental legislation and develop the business in a sustainable manner. By achieving the ISO 14001 certification, BERJAYA UC is setting a robust example for tertiary education institutions in relation to the impact on the environment.



New 'concept store style' look at the customer service area at Sports Toto's headquarters in Berjaya Times Square, Kuala Lumpur.

8. 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.

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 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.

In view of the mounting cyber security threats around the world, REDtone has increased its efforts to drive awareness of the risks they pose to its enterprises and businesses. Using a holistic approach to cyber security, REDtone's solutions are incorporated with security and compliance features that enables the company to provide comprehensive solutions to match its customers' specific requirements.

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iv. Good Governance, Business Conduct and Product Safety

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 meets 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 adheres 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. 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.

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.

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 Division 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.



Sports Toto's Ang Pow Donation Campaign 2019.

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.



BCorp CEO, Dato' Sri Robin Tan with the children of House of Love, Klang.

Community

During the financial period 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 32nd 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 KRR Community Chest programme, BRoasters continued to contribute to the communities in which it operates with its annual Wishing Tree Programme, fulfilling 1,600 wishes from 44 non-governmental organisations (NGOs) nationwide. To date, the KRR Wishing Tree initiative has fulfilled more than 20,000 simple yet meaningful wishes.

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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 period 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.



Bukit Kiara Equestrian & Country Resort initiated RDA-Bukit Kiara (Riding for the Disabled Association) since 1994, run by a core team of volunteers, mainly members of the Club.

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 2019, KL-Maran Big Walk, Kuching Festival's 3 on 3 Basketball Jamboree, Sports Toto High School Basketball Tournament, Seremban Half Marathon, Sungai Petani Half Marathon, Sutera Harbour 7K Charity Run and Penang Bridge International Marathon.



The Go For It FTKLAA Cross Country Run 2019.

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 seven consecutive years since 2012.

During the financial period under review, REDtone won an award in the “Social Empowerment” category at the Asia Responsible Enterprise Awards 2019, held in Taiwan on 24 May 2019, for its concerted efforts in facilitating youth development through the sport of squash.

REDtone also supports local community events through the provision of Internet connectivity, free WiFi services and other forms of assistance.



Sports Toto's Reading My Companion Programme.

Education

In line with the objective of promoting literacy and education, Sports Toto supported the “Reading My Companion” learning programme for the 7th consecutive year with storybooks and storytelling sessions for students in 20 micro-sized Chinese primary schools in Perak, Negri Sembilan, Melaka, Pahang and Johor. Since its inception in 2012, it has benefitted more than 14,000 students in 132 rural Chinese primary schools in Selangor, Perak, Negri Sembilan, Melaka, Pahang and Johor.

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. To-date, BRoasters has organised 22 Muffins@School events, attended by 7,179 students.

BStarbucks awarded the Opportunity for Youth Grant of RM52,200 (USD12,168) to the Society of Interpreters for Deaf (SID) for the 2nd year to run the Starbucks Outreach Community Programme at the Starbucks Signing Store, Bangsar Village 2 from November 2017 until December 2018. The project provided learning in an environment that is open and informal, accessible and inclusive, benefitting 1,500 people comprising Starbucks Partners (employees), individuals who are deaf and hard of hearing and the neighbourhood community.

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BStarbucks awarded the Opportunity for Youth Grant of RM34,200 (USD 7,972) to Ecoknights to run the Starbucks Green Outreach Programme and to engage with the community in PPR Ikan Emas. The grant enabled the community to form their own edible garden from a piece of abandoned land in the community. There was a tremendous physical and social-economic improvement of the surrounding area with a reduction of visible rubbish within the once-abandoned area. The community now works together to plant and harvest crops such as bananas, chili peppers, brinjals, spinach, okra and many more, which are consumed by the community. The Green Outreach Programme conducted 14 workshops for the residents within the area, with a total of 410 participants.

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 period under review. BCorp organised the Berjaya Teen Star Challenge (“BTSC”) for the fourth 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.



BCorp Executive Chairman, Tan Sri Dato' Seri Vincent Tan with the winners of the Berjaya Teen Star Challenge Grand Finals.

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Sports Toto supported various cultural festivals during the financial period under review, such as Pesta Tanglung in Muar, Johor, Penang Chingay Parade 2018, Hungry Ghost Month Festival and the Nine Emperor God Festival.

9. HUMAN CAPITAL

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

BCorp recognises that human capital is one of the key contributors towards the Group’s success and growth. 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 and Leadership Pipeline through Talent Management and Succession Planning Strategies
-  Developing a Performance Driven Culture
-  Cultivating a Knowledge Workforce through learning and development programmes
-  Progressively Review and Improve Human Resource Policies, Work Environment and Work Systems
-  Creating an Employee Engagement Culture
-  Capitalising on HR Technology

i. Workplace

BCorp’s employment practices uphold its beliefs for equal opportunity, fair employment, diversity and inclusion, rewarding employees appropriately and providing upskilling and development opportunities for employees to reach their full potential in both their personal and professional development.

Employee Value Proposition

In February 2019, BCorp launched its Employee Value Proposition (EVP) with the purpose of distinguishing the Group from its competitors and to create a compelling employee experience in the workplace. The various blends of voices from employees obtained through an EVP survey, the convergence of ideas between various business unit heads, human resource leaders, graphic designers and copywriters in the Group led to the creation of the Berjaya EVP.

The Berjaya EVP is represented by 3 vibrant icons, **B.Connects**, **B.Inspires** and **B.Empowers**, which resemble the efflorescence of positive energy, strength and determination in each employee to pursue their professional development and career growth whilst leveraging on the broad spectrum of opportunities within the Group.

	<p>B.CONNECTS Connecting you to a broad spectrum of opportunities and people from our diversified businesses.</p>
	<p>B.INSPIRES Inspiring you to make positive changes and achieve greater impact together.</p>
	<p>B.EMPOWERS Empowering you to grow and develop to become your best in creating a better future.</p>

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.

BCorp seeks to get the "right people for the right job" through robust recruitment and selection methods which include the use of a competency-based interview process and behavioural assessment. The Group continues to leverage on using social media channels such as LinkedIn and Instagram to reach more talents.

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

In November 2018, BCorp launched the Employee Referral Programme for the Corporate Office and Property Division, offering referral incentives to encourage employees to introduce suitable candidates from their social network to the Group.

Talent Attraction & Retention

Berjaya's employer brand also helps to convey to internal and external talents what distinguishes the Group from its competitors.

In July 2018, BCorp was awarded the premium awards of Best Employer Brand, HR Strategy and Talent Management at the 9th Asia's Best Employer Brand Awards 2018. The awards ceremony was jointly hosted by Employer Branding Institute, World HRD Congress and Stars of the Industry Group, supported by CHRO Asia as strategic partner and endorsed by the Asian Confederation of Businesses. The awards acknowledged more than 100 organisations across Asia that demonstrated excellence in building their brands and identities as employers of choice visible through their human resource practices, policies and strategies, honouring exemplary work in employer branding in more than 30 Asian countries. These awards were presented to organisations and individuals who have surpassed several levels of excellence and set as a role model and exemplary leader.



"STRIVING FOR EXCELLENCE"

- BCorp's Awards and Recognition for 2018 and 2019

2018

- 9th Asia's Best Employer Brand Awards 2018
 - Best Employer Brand Award
 - Award for Talent Management
 - Award for HR Strategy
- Malaysia's 100 Leading Graduate Employer 2018
- The Asia HRD Awards 2018
 - Contribution to HR Community

2019

- 5th Malaysia Best Employer Brand Awards 2019
- Malaysia Most Fabulous HR Leaders 2019

Diversity and Inclusion

BCorp embraces and values diversity and inclusion in the workplace as the Group promotes a collaborative, supportive and respectful environment among its employees.

BCorp believes that its practice of fair treatment to all employees and equal access to opportunity is the key to achieve competitive advantage through its diverse workforce.

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 working hours through the "Staggered Work Hours Arrangement" ("SWHA"). The Group has also introduced a nursing room, providing nursing mothers a private, safe and clean environment to help them ease back to work and balance their new work-life priorities.

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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.

Employees from different business units uphold the practice of constant synergy, collaboration and partnership through participation in the Group’s various activities and initiatives. Through varied communication platforms such as the Berjaya intranet (Bfamily), the quarterly newsletter (Beritajaya), synergy meetings and townhall meetings, employees within the Group are constantly kept abreast of happenings across the Group.

During the financial period under review, BCorp formed its first Employee Engagement Committee (EEC) with 14 committee members from various divisions in the Corporate Office and Property Division. The objective of forming the EEC is to promote and encourage greater interactions and teamwork among employees through fun-filled engagement activities. The committee was divided into 4 bureaus, i.e. education, welfare, sports and entrepreneurship. The engagement activities organised

by the EEC during the period were focused on health-related activities, sports tournaments and activities which foster entrepreneurship such as festival bazaars.



EEC Charity Bazaar 2019.

REDtone organises regular communication and interactive activities to increase interaction between employees. Intranet portals have been set up to encourage employee feedback and disseminate company-related information.

REDtone employees, together with the Management, formed the “RED FORCE” team to initiate employee welfare events and celebrations for employees and their



Tan Sri Dato’ Seri Vincent Tan checking out one of the exhibits at the “Make a Difference for a Sustainable Future” exhibition at Berjaya Times Square, Kuala Lumpur.

families. The initiatives include various activities, ranging from festive celebrations and fellowships to hiking activities and family day events. This creates a more positive work environment and enhances camaraderie and team spirit among employees.

Culture of Volunteerism

BCorp embraces the values of corporate social responsibility (CSR) and encourages its employees to make a difference, to bring about positive change and to give back to society.

During the financial period under review, a total of 2,964 employees from BCorp's subsidiaries participated in the Group's many CSR projects such as visits and festive celebrations with the less fortunate, charity campaigns and various other programmes to create awareness on health-related, community and environmental issues.

In October 2018, BCorp collaborated with Tzu Chi Foundation Malaysia and Berjaya Youth to organise a conference and 4-day exhibition with the theme "Make a Difference for a Sustainable Future" to raise awareness on issues related to environmental protection and sustainability. More than 1,000 participants from various non-governmental organisations and education institutions as well as employees from the Corporate Office and subsidiaries of BCorp attended the conference while employees from various subsidiaries within the Group volunteered their time and effort in building the exhibits and being on duty during the 4-day exhibition at Berjaya Times Square Kuala Lumpur.

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, the Group aims to foster a learning culture among its employees and to encourage them to undertake new challenges by providing a cross-functional environment and development.

BCorp provides opportunity to all employees to enhance their skills and knowledge through various training and development programmes, to assist and support them in moving up the career ladder.

Talent Management

BCorp has in place a formal talent management framework which focuses on providing the best tailored programmes to cater to its different pools of talents, especially for employees holding key positions, potential successors and high potential talents.

Berjaya's Talent Management Programmes were designed to meet its future talent needs and to build opportunities for current talent growth. These programmes are targeted to address the following areas:

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.

Building a Talent Pipeline

- * Aims to identify key talents ready for a new or expanded role in their career development.

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

With the successful track record of the Group's very own leadership development programmes, namely the Berjaya Advanced Leadership Programme (B.ALP), the Berjaya Manager Development Programme (B.MDP) and the Berjaya Executive Development Programme (B.EDP), BCorp continues to offer these programmes to develop its employees to reach their full potential and support them in building a successful career within the Group. During the financial period under review, a total of 53 employees graduated from the B.MDP and B.EDP.

Individual Development Plans

To track the progress of graduates of Berjaya's leadership 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 management will be able to gauge each graduates' potential further and to understand their career goals and development needs which will enable customized learning and development programmes to be developed for them.

Other Training Programmes

Apart from the development programmes, various learning programmes, lunch talks and customised training programmes were conducted throughout the financial period under review. The Group continued with the implementation of the Performance Management based on Balance Scorecard concept and the

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implementation of the e-Appraisal system for employees within the Group in line with the Group's aim of building a high performance-driven culture. During the financial period under review, 25 training sessions on Performance Management based on Balanced Scorecard Concept were conducted for 337 employees. As for the training on the e-Appraisal system, 28 training sessions were conducted for 244 employees.

In line with the Group's vision to build a coaching culture to drive high performance, during the financial period under review, BCorp organised 3 coaching workshops with 16 participants from the Berjaya Advanced Leadership Programmes (B.ALP) alumni and Business Unit Heads within the Group. Through the coaching workshops, the participants were equipped with solution-focused coaching skills to boost productivity at the workplace.

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 of 30 June 2019, a total of 5,625 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. As at 30 June 2019, the average training hours per employee stood at 33.64 hours.

To ensure sustainable technical development and competitiveness of its staff, KBE conducts various technical knowledge trainings and programmes yearly to enhance or upgrade staff knowledge in their respective fields in order to keep abreast with external changes and new requirements or skills to face future challenges.

iv. Employee Wellbeing

Employees who are in good health, physically and emotionally, will generate positive energy which leads to higher productivity and a better working environment. The Group provides a range of initiatives aimed at creating awareness and encourages employees to make informed choices that will enhance their overall health and wellbeing.

Health Promotion and Prevention

BCorp continues to inculcate a healthy lifestyle among employees by organising awareness talks and various health and wellness activities at the workplace. Besides

encouraging employees to use the gym facilities at Berjaya's very own fitness centre at a subsidised rate, various fitness activities during lunch hour were organised for employees based at the Corporate Office.

To attract more participation, the Group designed fitness and workout sessions which allowed employees to relax their minds and to enjoy a combination of various types of exercises in one session. Some of the activities organised were Booty Barre, Les Mills Sh'Bam, Yoga, Sprint and Zumba fitness sessions which attracted participation from about 95 employees from the Corporate Office.



Booty Barre session on 14 March 2019.



Les Mills Sh'Bam session on 16 August 2018.

In celebration of International Women's Day, BCorp collaborated with the Royal Malaysia Police to organise a talk on self-defence techniques for its female employees on how to prevent and deal with any potential sexual harassment.


In conjunction with World Health Day on 7 April 2019, the Group celebrated the occasion by distributing fruits and its very own EVP-design tote bag to all employees in the Corporate Office.

For the 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 continuously enhance the benefits and well-being of its employees. The Group continues to provide attractive remuneration and benefit packages to employees in order to stay competitive in the market. The Group takes into consideration the needs of different level of employees and endeavours its best to ensure that employees' well-being are well taken care of regardless of their job category in the best possible way.

BERJAYA FLEXI BENEFITS SCHEME




Healthcare

- 1) Preventive Vaccinations
- 2) Pap Smear
- 3) Chiropractic



Wellness

- 1) Optical
- 2) Dental



Health Insurance

B-Health Insurance Scheme Top Up

As part of its talent attraction and retention programmes, the Group implemented the Flexi Benefits Scheme to all employees from the Corporate Office and the Property Division in March 2019. With the implementation of the Flexi Benefits Scheme, employees are able to select the type of benefits they need from a package of benefits offered by the Group. The Flexi Benefits Scheme was rolled out to participating subsidiaries in phases from May 2019.

Staff Welfare Fund

BCorp is always ready to assist its employees in times of need. During the financial period under review, the Group continued to provide 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 that the home of an employee is affected by fire or a natural disaster.

v. Employee Health & Safety

Occupational Health and Safety at the workplace

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, Safety and Health at Work and training on CPR. As of 30 June 2019, a total of 1,443 employees from the Group's subsidiaries participated in various training and awareness programmes.

At the Corporate Office, employees and contractors are encouraged to play an active role to create a positive, safe and healthy working environment by reporting hazards, unsafe work practices and accidents immediately through the OSHE hotline.

Occupational Health, Safety and Environmental (OHSE) Management System was implemented at the Corporate Office on 29 November 2018 in compliance with Occupational Health and Safety Management System (OHSAS 18001:2007) and Environmental Management System (ISO14001:2004). At the Corporate Office, the OHSE Committee represented by all levels together with its OHSE Support Team of 113 employees trained

SUSTAINABILITY STATEMENT



Fire safety training at BTSL.

for critical OHSE roles such as Fire Marshals, First Aider and Environmentalist are tasked to ensure that the OHSE best practices are well communicated and adopted at the workplace. To build a strong OHSE culture, BCorp has also embarked on energy saving, resource conservation (electricity, water and product) and minimisation of carbon footprint through replacement of High Frequency Lighting with Light Emitting Diode (LED) at the Corporate Office.

The health and safety of 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, chemical spillage training, fire drills and annual immunisation programmes for site staff. To ensure every individual's safety at the landfill site, safety briefings were also conducted for Alam Flora workers and third party drivers. 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



BERJAYA UC was awarded the OHSAS : 18001 certification in December 2018.

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 the 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.

BERJAYA UC was awarded the OHSAS 18001: Occupational Health and Safety Management Certification which recognizes that BERJAYA UC has put in place a rigorous health and safety policy for employees, students and the public and has also adopted international best practices in relation to risk management.

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 period ended 30 June 2019 (“FPE 2019”) 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 FPE 2019 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 FPE 2019. The Board considers that the Company has substantially complied with the MCCG throughout FPE 2019 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 CEO are held by two 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

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 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 facilitate 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 ("CA 2016"). The Company Secretaries play an important role in facilitating the overall compliance with the CA 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 training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable 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/or proposals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 periodically to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. The Board Charter was recently reviewed on 28 August 2019 and a copy 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 a copy 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 workplace which enables 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

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, the 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 03 to 07 of the Annual Report.

The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least two (2) or one third (1/3) of the Board members of a listed issuer whichever is the higher, are Independent Directors. However, the Company is not in compliance with Practice 4.1 of the MCCG 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 attributing to a well-functioning organisation and sustainable development of the Company.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Currently, the Board has five (5) female Directors namely, Vivienne Cheng Chi Fan, Dato' Zurainah Binti Musa, Nerine Tan Sheik Ping, Dr Jayanthi Naidu G. Danasamy and 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 FPE 2019, the Board met seven (7) 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)	6/7
Dato' Sri Robin Tan Yeong Ching (CEO)	7/7
Vivienne Cheng Chi Fan	7/7
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	7/7
Dato' Zurainah Binti Musa	7/7
Nerine Tan Sheik Ping	7/7
Chan Kien Sing	7/7
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar #	1/1*^
Datuk Robert Yong Kuen Loke #	6/7
Dr Jayanthi Naidu G. Danasamy #	7/7
Penelope Gan Paik Ling #	7/7

* Reflects the attendance and the number of meetings held during the FPE 2019 since the Director held office.

Denotes Independent Non-Executive Director.

^ During the FPE 2019, 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FPE 2019, the seminars and conferences attended by the Directors were as follows:-

Director	Seminars / Conferences / Forum
Tan Sri Dato' Seri Vincent Tan Chee Yioun	<ul style="list-style-type: none"> - 24th International Conference on the Future of Asia in Japan
Dato' Sri Robin Tan Yeong Ching	<ul style="list-style-type: none"> - Forbes Asia Forum, Singapore: The Next Tycoons – A Generation Emerges - For Asia Exclusive Dialogue, Singapore - Leaders in Trust Talk, Kuala Lumpur - Berjaya 1st HR Conference, Kuala Lumpur - CEO Forum 2019, Kuala Lumpur
Vivienne Cheng Chi Fan	<ul style="list-style-type: none"> - Affin Hwang Capital Conference Series 2018 - Ambank - Budget 2019 – Doing Business in the New Malaysia - 2019 Economic Outlook by OCBC Global Treasury - Investment Malaysia 2019 – The Capital Market Forum
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	<ul style="list-style-type: none"> - Minister's Dialogue with Corporate Sustainability Managers
Dato' Zurainah Binti Musa	<ul style="list-style-type: none"> - Senior Leaders of Berjaya Corporation Berhad: Leaders in Trust Talk - English-Speaking Union of Malaysia (ESUM) Luncheon by Tan Sri Rafidah Aziz - Woman Day Conference 2018 - Sarajevo Halal Fair 2018 - Anti-Corruption Summit 2018: Good Governance and Integrity for Sustainable Business Growth - International Tourismus Borse, Berlin - Empowerment, Economic Progress & Growth in the New Malaysia - Critical thinking Masterclass
Nerine Tan Sheik Ping	<ul style="list-style-type: none"> - Business Transformation – Going to the Next Performance Level
Chan Kien Sing	<ul style="list-style-type: none"> - MIA International Accountants Conference 2018 - Anti-Corruption Summit 2018: Good Governance and Integrity for Sustainable Business Growth
Datuk Robert Yong Kuen Loke	<ul style="list-style-type: none"> - BDO Tax Budget Seminar 2018 – Keeping Ahead of Tax Reforms - Minister's Dialogue with Corporate Sustainability Managers
Dr Jayanthi Naidu G. Danasamy	<ul style="list-style-type: none"> - Sustainability Engagement Series for Directors/CEOs - Minister's Dialogue with Corporate Sustainability Managers - Breakfast Talk Series #3: Sustainability and Business - ESG Seminar for FTSE4Good Bursa Malaysia Index - MIA's Engagement Session with Audit Committee Members on Integrated Reporting
Penelope Gan Paik Ling	<ul style="list-style-type: none"> - Independent Directors' Programme : The Essence of Independence - Anti-Corruption Summit 2018 : Good Governance and Integrity for Sustainable Business Growth - CG Watch : How Does Malaysia Rank? - CFO Conference 2019 : Leading in the Digital Age - Thought Leadership Series : Leadership Greatness in Turbulent Times – Building Corporate Longevity

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Appointment to the Board

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

Datuk Robert Yong Kuen Loke	-	Chairman/ Senior Independent Non-Executive Director
Dr Jayanthi Naidu G. Danasamy	-	Member/ Independent Non-Executive Director
Penelope Gan Paik Ling	-	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.

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 FPE 2019, the Nomination Committee carried out the following activities:-

- 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;
- reviewed the financial literacy assessment for each of the Audit Committee 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;
- reviewed the Board Diversity Policy and TOR of Nomination Committee;
- approved the resignation of Director; and
- approved the reconstitution of the Board Committees and appointment of Senior Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 CA 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 the Director’s 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 of the Company’s Articles of Association are as follows:-

Directors	Retiring Pursuant to
i. Vivienne Cheng Chi Fan	Article 94
ii. Dato’ Sri Azlan Meah Bin Hj Ahmed	Article 94
iii. Nerine Tan Sheik Ping	Article 94

Tenure of Independent Directors

The MCGG recommends that the tenure of an Independent Director should not exceed a cumulative terms of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors’ re-designation as a Non-Independent Non-Executive Director. The MCGG also sets out a recommendation that the Board must justify and seek shareholders’ approval in the event it retains an Independent Director who has served in that capacity for more than nine (9) years.

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.

As at the FPE 2019, none of the tenure of Independent Directors has exceeded a cumulative term of nine (9) years except Datuk Robert Yong Kuen Loke.

Datuk Robert Yong Kuen Loke was appointed as an Independent Non-Executive Director of the Company on 1 December 2009 and he has served the Company as the Independent Director for a cumulative term of more than nine (9) years.

The Nomination Committee (save for Datuk Robert Yong Kuen Loke who had abstained from deliberation on his own retention) has assessed the independence of Datuk Robert Yong Kuen Loke for the FPE 2019 based on criteria set out in the Main Market Listing Requirements of Bursa Securities. The Nomination Committee concluded that Datuk Robert Yong Kuen Loke has satisfied the independence criteria and he is able to provide independent judgment and act in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Following the assessment and recommendation by the Nomination Committee, the Board (save for Datuk Robert Yong Kuen Loke who had abstained from deliberation on his own retention) concluded that pursuant to Practice 4.2 of the MCCG, the Board will seek approval from shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director of the Company based on the following justifications:-

- i) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and being independent, he would be able to function as a check and balance, bringing an element of objectivity to the Board.
- ii) He has been with the Company for more than nine (9) years and is familiar with the Company's diversified business operations in multiple jurisdiction.
- iii) He remains independent in expressing his views and participating in deliberations and decision making processes of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company.
- iv) He has exercised due care during his tenure as Independent Non-Executive Director of the Company as well as the Chairman of Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company. Even as the Senior Independent Non-Executive Director, he has carried out his duties proficiently in the interest of the Company and the shareholders.

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 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 except Datuk Robert Yong Kuen Loke.

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:-

Datuk Robert Yong Kuen Loke	-	Chairman/Senior Independent Non-Executive Director
Dato' Sri Robin Tan Yeong Ching	-	Member/Chief Executive Officer
Dr Jayanthi Naidu G. Danasamy	-	Member/Independent Non-Executive Director
Penelope Gan Paik Ling	-	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

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 AGM in accordance with Section 230(1) of the CA 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 financial FPE 2019 were as follows:-

a) Individual Directors on a named basis

Company	RM'000					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive						
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	-	-	-	-
Dato' Sri Robin Tan Yeong Ching	-	-	-	-	-	-
Vivienne Cheng Chi Fan	-	412	56	29	112	609
Dato' Sri Azlan Meah Bin Hj Ahmad Meah	-	98	7	26	13	144
Dato' Zurainah Binti Musa	-	420	30	29	55	534
Nerine Tan Sheik Ping	-	-	-	-	-	-
Non-Executive						
Chan Kien Sing	56	-	6	24	105	191
Datuk Robert Yong Kuen Loke	56	-	-	-	18	74
Dr Jayanthi Naidu G. Danasamy	56	-	-	-	14	70
Penelope Gan Paik Ling	56	-	-	-	14	70
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar **	8	-	-	-	6	14
	232	930	99	108	337	1,706

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group	RM'000					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive						
Tan Sri Dato' Seri Vincent Tan						
Chee Yioun	-	21,000	-	240	3,151	24,391
Dato' Sri Robin Tan Yeong Ching	-	3,138	378	309	2,437	6,262
Vivienne Cheng Chi Fan	-	1,971	277	29	530	2,807
Dato' Sri Azlan Meah Bin Hj Ahmad						
Meah	-	1,034	84	26	384	1,528
Dato' Zurainah Binti Musa	-	1,272	90	29	165	1,556
Nerine Tan Sheik Ping	-	1,320	270	14	192	1,796
Non-Executive						
Chan Kien Sing	108	-	26	24	428	586
Datuk Robert Yong Kuen Loke	150	-	13	19	239	421
Dr Jayanthi Naidu G. Danasamy	56	-	-	-	14	70
Penelope Gan Paik Ling	56	-	-	-	14	70
Dato' Hj Md Yusoff @ Mohd Yusoff						
Bin Jaafar **	8	-	-	-	6	14
	378	29,735	1,138	690	7,560	39,501

Note:

** Resigned as an Independent Non-Executive Director of the Company on 28 June 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
RM250,001 - RM300,000	1
RM750,001 - RM800,000	1
RM1,850,001 - RM1,900,000	1
RM2,100,001 - RM2,150,000	1
RM2,150,001 - RM2,200,000	1
	5

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:-

Datuk Robert Yong Kuen Loke	-	Chairman/Senior Independent Non-Executive Director
Dr Jayanthi Naidu G. Danasamy	-	Member/Independent Non-Executive Director
Penelope Gan Paik Ling	-	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 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 period is set out on pages 77 to 82 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 FPE 2019.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 and reappointment of External Auditors, annual 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.

During the FPE 2019, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial FPE 2019 were as follows:-

	Company		Group	
	FPE2019 RM’000	FYE2018 RM’000	FPE2019 RM’000	FYE2018 RM’000
Statutory audit fees paid/payable to:-				
- Ernst & Young (“EY”) Malaysia	160	160	3,326	3,052
- Affiliates of EY Malaysia	-	-	1,034	1,548
Total (a)	160	160	4,360	4,600
Non-audit fees paid/payable to:-				
- EY Malaysia	275	275	1,319	1,135
- Affiliates of EY Malaysia	-	-	291	272
Total (b)	275	275	1,610	1,407
% of non-audit fees (b/a)	172	172	37	31

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.

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 77 to 82 of this annual report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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:-

Datuk Robert Yong Kuen Loke	-	Chairman/ Senior Independent Non-Executive Director
Vivienne Cheng Chi Fan	-	Member/ Executive Director
Nerine Tan Sheik Ping	-	Member/ Executive Director
Dr Jayanthi Naidu G. Danasamy	-	Member/ Independent Non-Executive Director
Penelope Gan Paik Ling	-	Member/ Independent Non-Executive Director

A Statement of 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 74 to 76 of the Annual Report.

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 a 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 Chief Executive Officer 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 22 October 2018 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 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 21 October 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of Berjaya Corporation Berhad (‘BCorp’ or ‘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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.

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 77 to 82 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 on 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 G. Danasamy and Penelope Gan Paik Ling.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 period ended 30 June 2019, the RMC held five (5) meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. Berjaya Higher Education Sdn Bhd, BLoyalty Sdn Bhd, Cosway Corporation group of companies, Berjaya Books Sdn Bhd, Berjaya China Motor Sdn Bhd, Changan Berjaya Auto Sdn Bhd, Berjaya Brilliance Auto Sdn Bhd, Securexpress Services Sdn Bhd and Inter-Pacific Securities Sdn Bhd), and recommended certain measures to be adopted to mitigate their business risk exposures.

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 period ended 30 June 2019, 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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

The Board of Directors of Berjaya Corporation Berhad (“BCorporation”) is pleased to present the report of the Audit Committee for the financial period ended 30 June 2019.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee (“AC”) are as follows:-

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

Dr Jayanthi Naidu G. Danasamy
Independent Non-Executive Director

Penelope Gan Paik Ling
Independent Non-Executive Director

The AC held eight (8) meetings during the financial period ended 30 June 2019. The details of attendance of the AC members are as follows:-

Name	Attendance
Datuk Robert Yong Kuen Loke #	8/8
Dr Jayanthi Naidu G. Danasamy	6/6 @
Penelope Gan Paik Ling	6/6 @
Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar #	2/2 @

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.

@ *reflects the attendance and the number of meetings held during the financial period since the Director held office.*

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, Financial Advisor and the Chief Financial Officer of the Company were invited to attend the AC Meetings. The External Auditors were also invited to attend three (3) of these meetings and having private session with the AC members 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

SUMMARY OF ACTIVITIES AND WORK OF THE AC

The duties and responsibilities of the AC are set out in its Terms of Reference, a copy of which is available on 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 period ended 30 June 2019:-

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
27 June 2018	Fourth quarter results as well as the unaudited results of the Company and Group for financial year ended 30 April 2018
28 September 2018	First quarter results for financial period ended 30 June 2019*
27 December 2018	Second quarter results for financial period ended 30 June 2019*
28 March 2019	Third quarter results for financial period ended 30 June 2019*
27 June 2019	Fourth quarter results for financial period ended 30 June 2019*

* *The Board of Directors of the Company had on 30 April 2019 approved and announced on the change of the Company's financial year end from 30 April to 30 June. This is to enhance administrative efficiency and to enable the quarterly results to be in line with the calendar quarters and the market practice of having a financial year end either at mid or end of the calendar year. Therefore, the financial year end of the Company shall end on 30 June for each financial year.*

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 Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards, requirements of the Companies Act 2016 and the provisions of the Main Market 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 2018 at its meeting held on 15 August 2018 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 2018 prepared by the External Auditors at the meeting held on 27 June 2018.
- (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 2018 covering areas such as calibre of the audit firm, quality processes/performance, audit team, independent and objectivity, audit scope and planning, audit fees and audit communications with 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 period of 30 June 2019 at its meeting held on 15 August 2018 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 private discussions with the External Auditors on 28 June 2018 and 15 August 2018 without the presence of Management to review on the issues relating to manpower, operations performance, debt covenants and material litigations involving its subsidiaries.
- (c) Reviewed with the External Auditors at the meeting held on 28 March 2019, their audit plan for the financial period ended 30 June 2019, outlining the audit team, timetable and timeline, communication through EY client portal, Group scoping, involvement on internal audit and others, areas of audit emphasis, fraud considerations and the risk of management override, internal control considerations, EY digital audit, cybersecurity updates, Sales and Service Tax and Income Tax, auditors' independence, engagement letters for the year 2019 statutory audit and review of Directors' Statement on Risk Management and Internal Control, Financial reporting developments and prior year key audit matters.

3) Internal Audit

- (a) Reviewed twenty (20) Internal Audit reports on various non-listed operating subsidiaries of the Group that are involved in the different activities such as:-
 - (i) Distribution and retail sales of pharmaceutical and non-pharmaceutical products, and provision of professional pharmacy services.
 - (ii) Treatment of solid waste, involving, the development, design, construction, management, operation and maintenance of the Bukit Tagar Sanitary Landfill.
 - (iii) Generation and sale of electricity from biogas and solar sources.
 - (iv) Management of scheduled waste, as well as transportation of schedule waste.
 - (v) Development and operation of "Wendy's" chain of restaurant in Malaysia.
 - (vi) Operation of a chain of Borders book stores in Malaysia.
 - (vii) Production of detergents for Cosway group.
 - (viii) Trading of industrial cleaning products for hotels, resorts, clubs, laundries and restaurants.
 - (ix) Repacking and trading of imported organic and natural products.
 - (x) Development and operation of the "Krispy Kreme Doughnuts" chain of doughnuts stores in Malaysia.
 - (xi) To provide the full range of share registration services, printing and mailing services.
 - (xii) To provide hire purchase, lease and loan financing, and serves as a division of treasury department that support the main activities of the Group.
 - (xiii) Provision of after sales services and selling of spare parts for Chana Era Star pick-up trucks, new Chana Star series of commercial trucks and vans.
 - (xiv) To assemble and distribute "Jinbei Haise" multipurpose van (Petrol and Diesel) and the Jinbei H2L (Petrol and Diesel) van in Malaysia for 20 years.
 - (xv) Production and selling of China brands of vehicles, namely Chana, Jinbei, Foton View and Dong Feng.
 - (xvi) Provision of Online to Offline engagement platform for merchants and brands to engage with potential customers.
 - (xvii) To rent commercial grade digital screens with content management system and sell digital airtime advertisements.
 - (xviii) Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.
 - (xix) To provide logistics/transportation, warehousing and courier services.

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

- (1) Procurement
- (2) Inventory Management
- (3) Store Operations and Store Development
- (4) Human Resource
- (5) Information Technology
- (6) Finance
- (7) Landfill Management and Operations
- (8) Billing and Collection
- (9) Safety & Security

AUDIT COMMITTEE REPORT

- (10) Supply Chain & Inventory Management
- (11) Production and Quality Assurance
- (12) Inventory Management
- (13) Merchandising
- (14) Sales & Marketing
- (15) Machinery Maintenance
- (16) Warehouse Operations
- (17) Security & Health
- (18) Share Registration, Printing and Mailing Operations
- (19) Credit Evaluation and Loan Processing
- (20) Credit Administration and Credit Control
- (21) After Sales Services
- (22) Fleet Management

The AC also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance, and the respective Management's responses thereto and the timeline taken by Management to ensure the deficiencies are addressed promptly. The Internal Auditors monitored the implementation of Management's 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 June 2020 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.

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;
- (iv) 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;
- (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(s) 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 period, 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) Related Party Transactions

The AC also considered transactions with a related party and/or interested persons to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Company's business practices and policies, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

During the financial period, the AC had reviewed, the following Related Party Transaction, prior to their recommendation to the Board for approval and to make the relevant announcement thereof:-

- (a) Proposed acquisitions of shares in 7-Eleven Malaysia Holdings Berhad ("SEM Shares") by the Company and/or unlisted subsidiaries within a period of twelve (12) months from the open market and/or via direct business transaction based on the then prevailing market prices of SEM Shares during the time of transactions for a total consideration of up to RM14.50 million.

6) Other activities

- (a) Reviewed and recommended to the Board for approval, the AC Report, Corporate Governance Report and Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- (b) Assessed the adequacy of the scope, competency and performance of the internal audit function and its effectiveness of the audit processes for the financial year ended 30 April 2018.
- (c) Reviewed the financial literacy of the AC members for the financial year ended 30 April 2018.
- (d) Reviewed, discussed and took note of the new accounting standards and amendments that came into effect during the financial period and other regulatory requirements with the External Auditors and the Management and its impact on the Company's financial statements.
- (e) Reviewed the proposed new business venture of BLoyalty Sdn Bhd, a subsidiary company.

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 period. 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.

AUDIT COMMITTEE REPORT

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 period under review, the Internal Audit Division conducted audit assignments on various operating units in the Group involved in lifestyle restaurants and franchising business, hotel, resort and golf club operations, customer loyalty programme and mobile digital media/application, share registration services, printing and mailing services, automobile distribution, sales of spare parts and workshop services, logistic/transportation, warehousing and courier services, distribution and trading of organics products, direct selling business, Berjaya University College and Berjaya TVET College, stock and share broking business, hire purchase, lease and loan financing, property investment and management.

The activities undertaken by the Internal Audit Division during the financial period ended 30 June 2019 included the following:-

1. Reviewed and endorsed the Internal Audit Plan.
2. Reviewed the existing systems, controls and governance processes of various operating units within the Group.
3. Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.
4. Provided recommendations to assist the various operating units and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes.
5. Issued internal audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the Audit Committee and the respective operations management.
6. Reviewed the internal audit reports by Audit Committee.
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 period ended 30 June 2019 was approximately RM3,279,361.

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 of the Company at the end of each financial period and of their results and cash flows for the financial period 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 Group and of the Company and to prevent and detect other irregularities.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services and lottery operations.

The principal activities of the subsidiary companies consist of:

- (i) Financial services;
- (ii) Marketing of consumer products and services;
- (iii) Motor trading and distribution and provision of after-sales services;
- (iv) Environmental and clean technology services;
- (v) Food and beverage;
- (vi) Property development and investment;
- (vii) Development and operation of hotels, resorts and other recreational activities;
- (viii) Gaming operations comprising lottery operations, Toto betting, leasing of online lottery equipment, provision of software support and the manufacture and distribution of computerised lottery and voting systems;
- (ix) Telecommunication and information technology related services, solutions and products; and
- (x) Investment holding and others.

CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company changed its financial year end from 30 April 2019 to 30 June 2019. The current financial statements of the Group and of the Company are prepared for the period of fourteen (14) months from 1 May 2018 to 30 June 2019. As a result, the comparative information stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes to the financial statements, which were prepared for a twelve (12) month-period ended 30 April 2018, are not comparable.

RESULTS

	Group RM'000	Company RM'000
Profit for the period	<u>121,534</u>	<u>98,249</u>
Attributable to:		
Owners of the parent	(111,757)	98,249
Non-controlling interests	<u>233,291</u>	-
	<u>121,534</u>	<u>98,249</u>

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

DIRECTORS' REPORT

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 31 to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial period.

DIRECTORS

The names of the directors of the Company in office during the financial period and during the period from the end of financial period to the date of this report are:

Tan Sri Dato' Seri Vincent Tan Chee Yioun
Dato' Sri Robin Tan Yeong Ching
Nerine Tan Sheik Ping
Vivienne Cheng Chi Fan
Dato' Sri Azlan Meah Bin Haji Ahmed Meah
Dato' Zurainah Binti Musa
Chan Kien Sing
Datuk Robert Yong Kuen Loke
Dr. Jayanthi Naidu G. Danasamy
Penelope Gan Paik Ling

The names of directors of subsidiary companies are set out in the respective subsidiary company's statutory accounts and the said information is deemed incorporated herein by such reference and made a part hereof.

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 32 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 36 to the financial statements.

The Company maintained a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium effected for any director and officer of the Company and of the Group as at the financial period end was RM420,495. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares, warrants, options and debentures of the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares			At 30.6.2019
	At 1.5.2018	Acquired	Disposed	
The Company (or "BCorp")				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,113,850,808	11,649,121	-	1,125,499,929
(a)	8,604,910	-	-	8,604,910
Δ	1,203,424,148	151,569,807	11,255,201	1,343,738,754
Dato' Sri Robin Tan Yeong Ching	2,289,532	-	-	2,289,532
(a)	5,150	-	-	5,150
Δ	645,107,122	-	-	645,107,122
Vivienne Cheng Chi Fan	12,360	-	-	12,360
Dato' Sri Azlan Meah Bin Haji Ahmed Meah	5,703	-	-	5,703
Chan Kien Sing	49,118	-	-	49,118
Datuk Robert Yong Kuen Loke	1,051,545	-	-	1,051,545

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			At 30.6.2019
	At 1.5.2018	Acquired	Converted	
The Company				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	174,713,065	-	-	174,713,065
(a)	101,031,649	-	18,262,700	82,768,949
Δ	121,741,700	2,255,000	-	123,996,700
Dato' Sri Robin Tan Yeong Ching	2,620,500	-	-	2,620,500
(a)	1,000	-	-	1,000
Δ	66,329,000	245,000	-	66,574,000
Nerine Tan Sheik Ping	132,000	-	-	132,000
Vivienne Cheng Chi Fan	2,000	-	-	2,000
Chan Kien Sing	10,000	-	-	10,000
Datuk Robert Yong Kuen Loke	2,516,508	-	-	2,516,508

	Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			At 30.6.2019
	At 1.5.2018	Acquired	Disposed	
The Company				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	102,627,780	-	-	102,627,780

DIRECTORS' REPORT

		Number of Warrants 2012/2022			
		At 1.5.2018	Acquired	Disposed	At 30.6.2019
The Company					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	211,082,731	-	-	211,082,731
	Δ	156,043,500	260,000	-	156,303,500
	(a)	1,500,000	-	-	1,500,000
	Dato' Sri Robin Tan Yeong Ching	2,620,500	-	-	2,620,500
	(a)	1,000	-	-	1,000
	Δ	87,029,000	-	-	87,029,000
	Vivienne Cheng Chi Fan	2,000	-	-	2,000
	Chan Kien Sing	10,000	-	-	10,000
	Datuk Robert Yong Kuen Loke	170,108	-	-	170,108

		Number of Warrants 2016/2026			
		At 1.5.2018	Acquired	Disposed	At 30.6.2019
The Company					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	353,135,340	-	-	353,135,340

Subsidiary companies:

		Number of ordinary shares			
		At 1.5.2018	Acquired	Disposed	At 30.6.2019
Berjaya Land Berhad					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	68,550,400	600,000	-	69,150,400
	Δ	3,902,182,272	318,224,450	64,319,850	4,156,086,872
	Dato' Sri Robin Tan Yeong Ching	600,000	-	-	600,000
	Δ	56,600,000	-	-	56,600,000
	Nerine Tan Sheik Ping	2,000,000	-	-	2,000,000
	Dato' Zurainah Binti Musa	680,000	-	-	680,000
	Datuk Robert Yong Kuen Loke	360,808	-	-	360,808

		Number of ordinary shares			
		At 1.5.2018	Acquired	Disposed	At 30.6.2019
Berjaya Sports Toto Berhad					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	10,305,641	-	-	10,305,641
	Δ	667,183,566	8,000,000	8,000,000	667,183,566
	Dato' Sri Robin Tan Yeong Ching	1,007,142	-	-	1,007,142
	Vivienne Cheng Chi Fan	41,211	-	41,211	-
	Chan Kien Sing	3,610	-	-	3,610
	Datuk Robert Yong Kuen Loke	123,667	-	-	123,667
	Penelope Gan Paik Ling	10,000	-	-	10,000

DIRECTORS' REPORT

		Number of ordinary shares			
		At 1.5.2018	Acquired	Disposed	At 30.6.2019
Berjaya Food Berhad					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,000,000	-	-	1,000,000
	(a) 180,691,520		14,550,200	-	195,241,720
	Dato' Sri Robin Tan Yeong Ching	2,570,000	72,000 *	-	2,642,000

		Number of ordinary shares under Employees' Share Scheme ("ESS")			
		At 1.5.2018	Granted	Exercised/ vested	At 30.6.2019
Berjaya Food Berhad – ESS Options					
	Dato' Sri Robin Tan Yeong Ching	1,224,000	-	-	1,224,000
Berjaya Food Berhad – ESS Shares					
	Dato' Sri Robin Tan Yeong Ching	306,000	-	72,000	234,000

		Number of ordinary shares			
		At 1.5.2018	Acquired	Disposed	At 30.6.2019
REDtone International Berhad					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	7,000,000	-	-	7,000,000
	Δ 386,812,912		-	-	386,812,912
	Penelope Gan Paik Ling	100,000	-	-	100,000

		Number of 2.75% Irredeemable Convertible Unsecured Loan Stocks 2010/2020 of RM1.00 nominal value each			
		At 1.5.2018	Acquired	Exercised	At 30.6.2019
REDtone International Berhad					
	Tan Sri Dato' Seri Vincent Tan Chee Yioun	Δ 45,129,450	-	-	45,129,450

Notes:

- Δ Indirect interests pursuant to Section 8 of the Companies Act 2016.
- (a) Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.
- * Shares arising from the vesting of Berjaya Food Berhad's ESS shares.

By virtue of his interests in the shares of BCorp, Tan Sri Dato' Seri Vincent Tan Chee Yioun is also deemed interested in the shares of all the subsidiary companies of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial period had any interest in shares, warrants, options and debentures of the Company or its related corporations during the financial period.

ISSUE OF SHARES

During the financial period, the Company increased its issued and fully paid-up share capital from RM4,930,556,943 to RM5,017,956,943 by way of:

- (i) the issuance of 291,333,333 new ordinary shares pursuant to the acquisition of 230.0 million ordinary shares in Berjaya Land Berhad ("BLand"), representing equity interest in BLand, for a total purchase consideration of RM87.4 million.

The ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

DIRECTORS' REPORT

TREASURY SHARES

The number and carrying amount of treasury shares as at 30 June 2019 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Balance as at 30 April 2018	0.70	48,008,152	33,669
Acquisition of treasury shares	0.29	1,991,848	584
Total treasury shares as at 30 June 2019	0.69	50,000,000	34,253

As at 30 June 2019, the issued ordinary share capital of the Company with voting rights was 5,164,924,527 (30.4.2018: 4,875,583,042) ordinary shares.

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position and statements of profit or loss of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
 - to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - any contingent liability of the Group or of the Company which has arisen since the end of the financial period.
- (f) In the opinion of the directors:
- no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during the financial period are disclosed in Note 43 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to the end of the financial period are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

The remuneration of the auditors is disclosed in Note 31 to the financial statements.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during the financial period and since the end of the financial period.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 October 2019

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

DATO' SRI ROBIN TAN YEONG CHING

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN and DATO' SRI ROBIN TAN YEONG CHING, being two of the directors of BERJAYA CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 93 to 325 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of the financial performance and the cash flows of the Group and of the Company for the financial period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 October 2019

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

DATO' SRI ROBIN TAN YEONG CHING

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, ERNEST LAU LUB DING, being the officer primarily responsible for the financial management of BERJAYA CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 93 to 325 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
ERNEST LAU LUB DING at Kuala Lumpur in the Federal)
Territory on 23 October 2019) ERNEST LAU LUB DING
MIA No.: 7788

Before me:

YM TENGKU FARIDDUDIN BIN TENGKU SULAIMAN
(No. W533)

Commissioner for Oaths

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	Group			Company		
		30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000	1.5.2017 RM'000
ASSETS							
Non-current assets							
Property, plant and equipment	3	3,481,071	3,465,051	3,727,176	120,374	111,707	113,988
Investment properties	4	859,094	877,871	840,177	-	-	-
Inventories - land held for development	5	1,931,657	1,855,155	2,036,359	-	-	-
Subsidiary companies	6	-	-	-	5,734,295	5,344,523	1,666,563
Associated companies	7	1,137,140	1,189,135	1,215,343	248,510	257,732	257,732
Joint ventures	8	98,302	105,586	119,707	-	-	-
Other investments	9	132,315	148,954	152,409	-	-	-
Other long term receivables	10	1,406,951	1,592,824	1,360,707	64,654	83,987	-
Intangible assets	11	5,251,165	5,695,064	5,853,796	107,066	115,347	122,446
Deferred tax assets	26	107,572	111,301	124,434	-	-	-
		<u>14,405,267</u>	<u>15,040,941</u>	<u>15,430,108</u>	<u>6,274,899</u>	<u>5,913,296</u>	<u>2,160,729</u>
Current assets							
Inventories - property development costs	5	196,621	195,070	875,911	-	-	-
Inventories - others	5	1,750,432	1,764,324	1,156,715	-	-	-
Contract cost assets	12	97,951	109,518	102,670	-	-	-
Trade and other receivables	13	1,302,692	1,469,187	2,041,704	1,303,963	1,662,524	5,125,727
Contract assets	14	137,121	39,398	98,991	-	-	-
Short term investments	15	33,040	44,362	11,927	-	-	-
Tax recoverable		66,573	72,473	90,732	-	-	-
Deposits with financial institutions	16	688,129	710,830	636,024	98,817	116,036	49,825
Cash and bank balances	17	881,706	920,816	1,098,273	8,607	37,439	37,897
		<u>5,154,265</u>	<u>5,325,978</u>	<u>6,112,947</u>	<u>1,411,387</u>	<u>1,815,999</u>	<u>5,213,449</u>
Assets of disposal group/ Non-current assets classified as held for sale	18	261,107	489,488	43,462	-	77,910	-
		<u>5,415,372</u>	<u>5,815,466</u>	<u>6,156,409</u>	<u>1,411,387</u>	<u>1,893,909</u>	<u>5,213,449</u>
TOTAL ASSETS		<u>19,820,639</u>	<u>20,856,407</u>	<u>21,586,517</u>	<u>7,686,286</u>	<u>7,807,205</u>	<u>7,374,178</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

Note	Group			Company		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000	1.5.2017 RM'000
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Share capital	19	5,017,956	4,930,556	4,930,556	5,017,956	4,930,556
Equity component of irredeemable convertible unsecured loan stocks	20	306,739	306,739	306,848	306,739	306,848
Reserves	21	1,398,628	1,503,099	1,835,144	1,022,391	927,148
		6,723,323	6,740,394	7,072,548	6,347,086	6,159,822
Treasury shares	22	(34,253)	(33,669)	(33,669)	(34,253)	(33,669)
		6,689,070	6,706,725	7,038,879	6,312,833	6,126,153
Non-controlling interests		3,043,826	3,482,257	3,622,916	-	-
Total equity		9,732,896	10,188,982	10,661,795	6,312,833	6,126,153
Non-current liabilities						
Liability component of irredeemable convertible unsecured loan stocks	20	67,259	93,861	117,946	67,259	93,852
Long term borrowings	23	3,491,437	3,587,054	3,304,466	510,948	832,153
Other long term liabilities	24	114,209	135,682	148,224	84,303	88,324
Contract liabilities	14	240,206	264,734	286,729	-	-
Provisions	25	23,125	24,034	23,189	-	-
Deferred tax liabilities	26	1,250,904	1,354,379	1,359,017	11,530	14,598
		5,187,140	5,459,744	5,239,571	674,040	1,028,927
Current liabilities						
Liability component of irredeemable convertible unsecured loan stocks	20	34,332	34,332	34,332	34,307	34,307
Trade and other payables	27	2,000,670	2,110,844	2,017,876	224,112	178,725
Contract liabilities	14	395,478	323,089	265,195	-	-
Provisions	25	5,988	7,161	11,650	-	-
Short term borrowings	28	2,412,990	2,633,185	3,308,755	440,944	433,899
Taxation		39,052	52,690	42,360	50	573
Derivative liability		-	-	2,208	-	-
		4,888,510	5,161,301	5,682,376	699,413	647,504
Liabilities directly associated with disposal groups classified as held for sale	18	12,093	46,380	2,775	-	-
		4,900,603	5,207,681	5,685,151	699,413	647,504
Total liabilities		10,087,743	10,667,425	10,924,722	1,373,453	1,248,025
TOTAL EQUITY AND LIABILITIES		19,820,639	20,856,407	21,586,517	7,686,286	7,374,178

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE PERIOD ENDED 30 JUNE 2019

	Note	Group		Company	
		1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000 (Restated)	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Revenue	29	9,793,275	8,694,348	76,328	95,767
Cost of sales		(7,003,799)	(6,068,697)	(67,380)	(75,000)
Gross profit		<u>2,789,476</u>	<u>2,625,651</u>	<u>8,948</u>	<u>20,767</u>
Other income		614,098	292,048	288,321	103,994
Administrative expenses		(1,743,262)	(1,750,660)	(40,804)	(22,784)
Selling and distribution expenses		(581,853)	(513,318)	-	-
Other expenses		(234,691)	(383,316)	(12,276)	(14)
		<u>843,768</u>	<u>270,405</u>	<u>244,189</u>	<u>101,963</u>
Finance costs	30	(423,557)	(379,959)	(127,596)	(101,882)
Share of results of associates		(811)	16,602	-	-
Share of results of joint ventures		4,135	2,790	-	-
Profit/(Loss) before tax	31	<u>423,535</u>	<u>(90,162)</u>	<u>116,593</u>	<u>81</u>
Taxation	33	(302,001)	(255,125)	(18,344)	(269)
Profit/(Loss) for the period/year		<u>121,534</u>	<u>(345,287)</u>	<u>98,249</u>	<u>(188)</u>
Attributable to:					
Owners of the parent		(111,757)	(357,867)	98,249	(188)
Non-controlling interests		233,291	12,580	-	-
		<u>121,534</u>	<u>(345,287)</u>	<u>98,249</u>	<u>(188)</u>
Loss per share attributable to owners of the parent (sen)	34				
- Basic, for the period/year		<u>(1.81)</u>	<u>(6.18)</u>		
- Diluted, for the period/year		<u>(1.81)</u>	<u>(6.18)</u>		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2019

	Note	Group		Company	
		1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000 (Restated)	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Profit/(Loss) for the period/year		121,534	(345,287)	98,249	(188)
Other comprehensive income:					
<u>Items that may be reclassified</u>					
<u>subsequently to profit or loss</u>					
Net changes on available-for-sale ("AFS")					
financial assets					
- Changes in fair value of AFS investments		-	(2,728)	-	-
- Transferred to profit or loss due to:					
- Disposal of AFS investments		-	4,140	-	-
- Impairment of AFS investments		-	2,762	-	-
Foreign currency translation		24,632	(165,431)	(3,006)	4,918
Foreign currency reserve transfer to					
profit or loss due to disposal of subsidiaries		-	817	-	-
Foreign currency reserve transfer to profit or					
loss due to dilution of interests in subsidiaries		(26,947)	31,710	-	-
Share of other comprehensive items of associates		(2,169)	(6,461)	-	-
Taxation relating to components					
of other comprehensive income	33	-	4,919	-	-
<u>Items that will not be reclassified</u>					
<u>subsequently to profit or loss</u>					
Net changes in fair value reserve of equity					
investments classified as fair value					
through other comprehensive income ("FVTOCI")		(22,168)	-	-	-
Share of associated companies' changes					
in fair values of FVTOCI investments		(5,552)	-	-	-
Changes in fair value reserve:					
- (Impairment)/Reversal of impairment					
in value of gaming rights		(417,406)	95,752	-	-
- Reversal/(Recognition) of deferred tax					
liabilities on impairment/reversal of					
impairment of gaming rights	33	100,177	(22,980)	-	-
Revaluation of land and buildings		7,167	17,767	-	-
Actuarial (loss)/gain recognised in					
defined benefit pension scheme		(673)	4,051	-	-
Tax effects relating to					
- Revaluation of building	33	6,191	(2,640)	-	-
- FVTOCI investment	33	1,785	-	-	-
- Defined benefit pension scheme	33	134	(756)	-	-
		(334,829)	(39,078)	(3,006)	4,918
Total comprehensive income for the period/year		(213,295)	(384,365)	95,243	4,730
Total comprehensive income					
Attributable to:					
- Owners of the parent		(239,417)	(384,011)	95,243	4,730
- Non-controlling interests		26,122	(354)	-	-
		(213,295)	(384,365)	95,243	4,730

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

Attributable to the equity holders of the Company

Non-distributable

GROUP	Share capital RM'000	ICULS - equity component # RM'000	AFS reserves* RM'000	FVTOCI reserves+ RM'000	Reserve of disposal group classified as held for sale RM'000	Employees' share plan reserve RM'000	Warrant reserves* RM'000	Consolidation reserve RM'000	Fair value reserve RM'000	Capital reserves RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 May 2018	4,930,556	306,739	2,832	-	111,775	1,524	258,797	(626,840)	167,227	224,820	87,665	1,379,389	(33,669)	6,810,815	3,514,472	10,325,287
Effect of transition from FRSS to MFRS	-	-	-	-	-	-	-	-	-	-	-	100	-	100	38	138
Effect of adoption of MFRS 15	-	-	-	-	-	-	-	-	-	-	-	(104,190)	-	(104,190)	(32,253)	(136,443)
At 30 June 2018	4,930,556	306,739	2,832	(152,288)	111,775	1,524	258,797	(626,840)	167,227	224,820	87,665	1,275,239	(33,669)	6,706,725	3,482,257	10,188,982
Effect of adoption of MFRS 9	-	-	(2,832)	(152,288)	-	-	-	-	-	-	-	155,120	-	-	-	-
At 1 May 2018 (as restated)	4,930,556	306,739	-	(152,288)	111,775	1,524	258,797	(626,840)	167,227	224,820	87,665	1,430,419	(33,669)	6,706,725	3,482,257	10,188,982
Loss for the period	-	-	-	(20,786)	(26,947)	-	-	(2,287)	(91,202)	-	-	(111,757)	-	(111,757)	233,291	121,534
Other comprehensive income	-	-	-	(20,786)	(26,947)	-	-	(2,287)	(91,202)	-	13,628	(66)	-	(127,660)	(207,169)	(334,829)
Total comprehensive income for the period	-	-	-	(20,786)	(26,947)	-	-	(2,287)	(91,202)	-	13,628	(111,823)	-	(239,417)	26,122	(213,295)
Share of an associated company's effect arising from disposal of FVTOCI investment	-	-	-	773	-	-	-	-	-	-	-	(773)	-	-	-	-
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,154	-	1,154	-	1,154
Transactions with owners:																
Issuance of ordinary shares (Note 19)	87,400	-	-	-	-	-	-	-	-	-	-	-	-	87,400	-	87,400
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	-	(584)	(584)	-	(584)
Transfer of reserves	-	-	-	20,963	(83,902)	30	-	(747)	(12,638)	1,446	(2,599)	77,447	-	-	-	-
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	(228)	-	(9,302)	-	-	-	3	-	(9,527)	933	(8,594)
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	-	-	150,471	-	-	-	(7,903)	-	142,568	(270,289)	(127,721)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	350
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,352)	(42,352)
Share based payment - ESS options	-	-	-	-	-	1,042	-	-	-	-	-	-	-	1,042	-	1,042
Share based payment - ESS shares	-	-	-	-	-	(291)	-	-	-	-	-	-	-	(291)	-	(291)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(153,195)	(153,195)
At 30 June 2019	87,400	306,739	-	20,963	(83,902)	553	258,797	(488,705)	63,387	226,266	98,694	1,388,524	(34,253)	6,689,070	3,043,826	9,732,896

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

Attributable to the equity holders of the Company Non-distributable

GROUP	Share capital RM'000	ICULS - equity component # RM'000	AFS reserves* RM'000	Reserve of disposal group classified as held for sale RM'000	Employees' share plan reserve RM'000	Warrant reserve^ RM'000	Consolidation reserve RM'000	Fair value reserve RM'000	Capital reserves RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 May 2017	4,930,556	306,848	1,079	-	243	258,797	(660,083)	130,788	230,150	180,868	1,809,728	(33,669)	7,155,305	3,663,364	10,818,669
Effect of adoption of MFRS 15	-	-	-	-	-	-	-	-	-	-	(116,426)	-	(116,426)	(40,448)	(156,874)
At 1 May 2017 (as restated)	4,930,556	306,848	1,079	-	243	258,797	(660,083)	130,788	230,150	180,868	1,693,302	(33,669)	7,038,879	3,622,916	10,661,795
Loss for the year	-	-	-	-	-	-	-	-	-	-	(357,867)	-	(357,867)	12,580	(345,287)
Other comprehensive income	-	-	1,797	-	-	-	(1,974)	38,372	-	(65,562)	1,223	-	(26,144)	(12,934)	(39,078)
Total comprehensive income for the year	-	-	1,797	-	-	-	(1,974)	38,372	-	(65,562)	(356,644)	-	(384,011)	(354)	(384,365)
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	17,192	-	17,192	-	17,192
Transactions with owners:															
Reclassification from BCorp ICULS equity component to BCorp ICULS liability component	-	(100)	-	-	-	-	-	-	-	-	-	-	(100)	-	(100)
Deferred tax effects on liability component of BCorp ICULS 2016/2026	-	(9)	-	-	-	-	-	-	-	-	-	-	(9)	-	(9)
Transfer of reserves	-	-	(44)	111,775	88	-	-	(297)	(5,330)	(27,641)	(78,551)	-	-	-	-
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	1,603	(1,636)	-	-	-	-	(33)	(334)	(367)
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	-	33,614	-	-	-	-	-	33,614	(57,938)	(24,324)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	12,512	12,512
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	18,571	18,571
Share based payment - ESS options	-	-	-	-	1,484	-	-	-	-	-	-	-	1,484	1,905	3,389
Share based payment - ESS shares	-	-	-	-	(291)	-	-	-	-	-	-	-	(291)	(364)	(655)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,657)	(114,657)
At 30 April 2018	4,930,556	306,739	2,832	111,775	1,524	258,797	(626,840)	167,227	224,820	87,665	1,275,299	(33,669)	6,706,725	3,482,257	10,189,982

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

Notes:

- # This comprises the equity components of 5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022 (“BCorp ICULS 2012/2022”) and 2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026 (“BCorp ICULS 2016/2026”).
- * This represents available-for-sale reserves.
- + This represents fair value through other comprehensive income reserves.
- ^ This comprises the fair values of 10-year Warrants 2012/2022 (“Warrants 2012/2022”) and 10-year Warrants 2016/2026 (“Warrants 2016/2026”).

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

COMPANY	Share capital RM'000	ICULS - equity component# RM'000	Warrant reserve ^A RM'000	Foreign currency translation reserves RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total RM'000
At 1 May 2018	4,930,556	306,739	260,057	4,188	662,903	(33,669)	6,130,774
Total comprehensive income	-	-	-	(3,006)	98,249	-	95,243
Transactions with owners:							
Issuance of ordinary shares (Note 19)	87,400	-	-	-	-	-	87,400
Treasury shares acquired	-	-	-	-	-	(584)	(584)
	87,400	-	-	-	-	(584)	86,816
At 30 June 2019	5,017,956	306,739	260,057	1,182	761,152	(34,253)	6,312,833

COMPANY	Share capital RM'000	ICULS - equity component# RM'000	Warrant reserve ^A RM'000	Foreign currency translation reserves RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total RM'000
At 1 May 2017	4,930,556	306,848	260,057	(730)	663,091	(33,669)	6,126,153
Total comprehensive income	-	-	-	4,918	(188)	-	4,730
Transactions with owners:							
Reclassification from BCorp ICULS equity component to BCorp ICULS liability component	-	(100)	-	-	-	-	(100)
Deferred tax effects on liability component of BCorp ICULS 2016/2026	-	(9)	-	-	-	-	(9)
	-	(109)	-	-	-	-	(109)
At 30 April 2018	4,930,556	306,739	260,057	4,188	662,903	(33,669)	6,130,774

Notes:

This comprises equity components of BCorp ICULS 2012/2022 and BCorp ICULS 2016/2026.

^ This comprises the fair values of Warrants 2012/2022 and 2016/2026.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2019

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	10,361,624	9,588,098	57,298	76,573
Payment to suppliers, prize winners and operating expenses	(9,437,521)	(8,575,204)	(59,098)	(74,526)
Development expenditure incurred	(148,262)	(287,507)	-	-
Tax refund	12,795	61,231	-	-
Payment of taxes	(295,544)	(235,198)	(21,871)	(2,192)
Other receipts (Note a)	20,301	12,699	-	-
Net cash flow generated from/(used in) operating activities	<u>513,393</u>	<u>564,119</u>	<u>(23,671)</u>	<u>(145)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	16,477	37,664	40	147
Sales of investment properties and other non-current assets	267	2,896	-	-
Sales of investments in subsidiary companies (Note b)	228,397	45,610	273,890	48,899
Sales of investments in associated companies	474	58,891	-	-
Sales of investments in a joint venture	191,900	-	-	-
Sales of other investments	13,993	46,016	-	-
Acquisition of property, plant and equipment (Note c)	(232,837)	(141,974)	(248)	(764)
Acquisition of investments in subsidiary companies (Note d)	(68,322)	(24,119)	(4,541)	(18,345)
Acquisition of investments in associated companies	(50,020)	(21,751)	-	-
Acquisition of investments in joint ventures	(7,500)	(12,960)	-	-
Acquisition of other investments	(49,553)	(75,186)	-	-
Acquisition of other non-current assets and intangible assets (Note e)	(53,929)	(48,294)	-	-
Acquisition of treasury shares by subsidiary companies	(28,805)	-	-	-
Interest received	59,282	52,125	103,255	75,535
Dividends received	23,656	38,964	19,935	18,336
Net advances/(repayments) to subsidiary companies	-	-	49,707	(402,681)
Net repayment from joint ventures	183,365	13,455	-	-
Net withdrawals with fund managers	86,642	26,060	-	-
Deposits received for the proposed disposals of foreign ventures	-	225,510	-	-
Other receipts/(payments) arising from investments	1,273	(38,444)	-	4,744
Net cash flow generated from/(used in) investing activities	<u>314,760</u>	<u>184,463</u>	<u>442,038</u>	<u>(274,129)</u>

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital to non-controlling interests of subsidiary companies	350	1,982	-	-
Treasury shares acquired	(584)	-	(584)	-
Issuance of medium term notes by subsidiary companies	678,866	505,000	-	-
Redemption of medium term notes	(780,000)	(530,000)	-	-
Drawdown of bank borrowings and other loans	2,086,367	1,742,982	120,938	649,073
Repayment of bank borrowings and other loans	(2,342,923)	(1,938,641)	(441,472)	(185,881)
Payment of hire purchase/lease liabilities	(17,377)	(28,206)	(603)	(323)
Interest paid	(437,050)	(369,999)	(142,700)	(122,827)
Dividends paid to non-controlling interests of subsidiary companies	(147,147)	(82,857)	-	-
Withdrawal of bank deposits maturing more than 3 months as at previous reporting date (Placement with)/ withdrawal from banks as security pledged for borrowings	7,112	-	-	-
	(65,421)	42,763	31,517	33,979
Net cash flow (used in)/generated from financing activities	(1,017,807)	(656,976)	(432,904)	374,021
NET CHANGE IN CASH AND CASH EQUIVALENTS	(189,654)	91,606	(14,537)	99,747
EFFECT OF EXCHANGE RATE CHANGES	10,114	(56,201)	3	(15)
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF PERIOD/YEAR	1,443,596	1,408,191	103,231	3,499
CASH AND CASH EQUIVALENTS				
AT END OF PERIOD/YEAR	1,264,056	1,443,596	88,697	103,231

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
CASH AND CASH EQUIVALENTS				
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	881,706	920,816	8,607	37,439
Deposits with financial institutions (Note 16)	688,129	710,830	98,817	116,036
	<u>1,569,835</u>	<u>1,631,646</u>	<u>107,424</u>	<u>153,475</u>
Bank overdrafts (Note 28)	(57,722)	(34,630)	-	-
	<u>1,512,113</u>	<u>1,597,016</u>	<u>107,424</u>	<u>153,475</u>
Excluding : Remisiers' deposits held in trust	(11,990)	(12,642)	-	-
	<u>1,500,123</u>	<u>1,584,374</u>	<u>107,424</u>	<u>153,475</u>
Less : Cash and cash equivalents restricted for use				
- Deposits (Note 16)	(161,461)	(141,005)	(16,030)	(17,678)
- Cash and bank balances (Note 17)	(84,561)	(46,708)	(2,697)	(32,566)
	<u>1,254,101</u>	<u>1,396,661</u>	<u>88,697</u>	<u>103,231</u>
Including : Cash and cash equivalents classified as held for sale (Note 18)	9,955	46,935	-	-
	<u><u>1,264,056</u></u>	<u><u>1,443,596</u></u>	<u><u>88,697</u></u>	<u><u>103,231</u></u>

Notes:

- a) Other receipts include rental income received, deposits received and other miscellaneous income received.

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

b) Analysis of the effects of subsidiary companies disposed:

	Group	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Property, plant and equipment	633	45,499
Net other assets disposed	8,257	102,314
Non-controlling interests	(42,352)	18,571
Less: Reclassification to associates at fair value	(2,464)	(150,749)
Add: Loss on remeasurement (Note 31(c)(i))	-	(21,374)
Assets and liabilities previously classified as disposal groups	258,422	-
Net assets/(liabilities) disposed	222,496	(5,739)
Excluding: Cash and cash equivalents of subsidiary companies disposed	(46,691)	(3,311)
Part of disposal proceeds received in previous financial years	(45,594)	-
Non-cash consideration	-	(9,021)
Partial disposal of shares in subsidiary companies (Note #)	4,993	22
Net gain arising from disposal	93,193	63,659
Cash flow on disposal (net of cash in subsidiary companies disposed)	228,397	45,610

These are proceeds from partial disposal of shares in subsidiary companies that did not result in loss of control.

c) Analysis of the payments for acquisition of property, plant and equipment:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Payment for current period acquisition (Note 3)	223,882	141,974	248	764
Payment for previous year acquisition	8,955	-	-	-
	232,837	141,974	248	764

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

d) Analysis of the effects of subsidiary companies acquired:

	Group	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Net other assets acquired	48	-
Goodwill on consolidation	3,762	-
Net assets acquired	3,810	-
Acquisition of additional interest in subsidiary companies	64,512	24,119
Cash flow on acquisition (net of cash in subsidiary companies acquired)	68,322	24,119

e) Acquisition of other non-current assets and intangible assets includes payments for acquisition of land held for development, investment properties and intangible assets.

f) Reconciliation of liabilities arising from financing activities:

Group	Medium term notes	Term loans and other loans	Hire purchase liabilities	Total
	RM'000	RM'000	RM'000	RM'000
At 1 May 2018	1,399,221	4,684,090	102,298	6,185,609
Drawdown of borrowings	678,866	2,086,367	-	2,765,233
Additional hire purchase liabilities	-	-	5,994	5,994
Repayment of borrowings	(780,000)	(2,342,923)	(17,377)	(3,140,300)
Charge out of deferred transaction costs	298	10,911	-	11,209
Exchange differences	-	16,825	2,135	18,960
At 30 June 2019	1,298,385	4,455,270	93,050	5,846,705
At 1 May 2017	1,423,700	4,994,629	112,305	6,530,634
Drawdown of borrowings	505,000	1,742,982	-	2,247,982
Additional hire purchase liabilities	-	-	18,199	18,199
Repayment of borrowings	(530,000)	(1,938,641)	(28,206)	(2,496,847)
Charge out of deferred transaction costs	521	8,770	-	9,291
Disposal of subsidiary company	-	(38,070)	-	(38,070)
Reclassified to disposal group	-	(15,663)	-	(15,663)
Exchange differences	-	(69,917)	-	(69,917)
At 30 April 2018	1,399,221	4,684,090	102,298	6,185,609

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

f) Reconciliation of liabilities arising from financing activities (continued):

Company	Term loans and other loans	Hire purchase liabilities	Total
	RM'000	RM'000	RM'000
At 1 May 2018	1,264,512	1,540	1,266,052
Drawdown of borrowings	120,938	-	120,938
Additional hire purchase liabilities	-	1,357	1,357
Repayment of borrowings	(441,472)	(603)	(442,075)
Charge out of deferred transaction costs	5,620	-	5,620
At 30 June 2019	<u>949,598</u>	<u>2,294</u>	<u>951,892</u>
At 1 May 2017	799,023	983	800,006
Drawdown of borrowings	649,073	-	649,073
Additional hire purchase liabilities	-	880	880
Repayment of borrowings	(185,881)	(323)	(186,204)
Charge out of deferred transaction costs	2,297	-	2,297
At 30 April 2018	<u>1,264,512</u>	<u>1,540</u>	<u>1,266,052</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, provision of management services and lottery operations.

The principal activities of the subsidiary companies consist of:

- (i) Financial services;
- (ii) Marketing of consumer products and services;
- (iii) Motor trading and distribution and provision of after-sales services;
- (iv) Environmental and clean technology services;
- (v) Food and beverage;
- (vi) Property development and investment;
- (vii) Development and operation of hotels, resorts and other recreational activities;
- (viii) Gaming operations comprising lottery operations, Toto betting, leasing of online lottery equipment, provision of software support and the manufacture and distribution of computerised lottery and voting systems;
- (ix) Telecommunication and information technology related services, solutions and products; and
- (x) Investment holding and others.

During the current financial period, the Company changed its financial year end from 30 April 2019 to 30 June 2019. The current financial statements of the Group and of the Company are prepared for the period of fourteen (14) months from 1 May 2018 to 30 June 2019. As a result, the comparative information stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes to the financial statements, which were prepared for a twelve (12) month-period ended 30 April 2018, are not comparable.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur. The principal place of business of the Company is located at Level 12, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2019.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

For all periods up to and including the period ended 30 April 2018, the Group and the Company prepared their financial statements in accordance with Financial Reporting Standards ("FRSs") in Malaysia. These financial statements for the financial period ended 30 June 2019 are the first set of financial statements prepared in accordance with the MFRS Framework as disclosed in Note 2.3. Subject to certain transition elections as disclosed in Note 2.3, the Group and the Company have consistently applied the same accounting policies in their opening MFRS statements of financial position as at 1 May 2017, being the transition date, and throughout all financial periods presented, as if these policies had always been in effect. The impact of the transition to MFRS on the Group's and the Company's reported financial position and financial performance, are disclosed in Note 2.3.

The financial statements are presented in Ringgit Malaysia ("RM") and all values/units are rounded to the nearest thousand ("RM'000")/('000) except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies

2.2.1 Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all its subsidiary companies, which are prepared up to the end of the same financial year/period.

Subsidiary companies are those investees controlled by the Group. The Group controls an investee if and only if the Group has all the following:

- (1) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (2) exposure, or rights, to variable returns from its investment with the investee; and
- (3) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- (1) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (2) potential voting rights held by the Group, other vote holders or other parties;
- (3) rights arising from other contractual arrangements; and
- (4) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary companies are consolidated using the acquisition method of accounting except for the business combination with Berjaya Group Berhad ("BGroup"), which is accounted for under the pooling of interests method as the business combination of this subsidiary company involved an entity under common control.

Under the pooling of interests method of accounting, the results of the entities under common control are presented as if the entities had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves acquired are reflected within equity as merger reserve (or adjusted against any suitable reserve in the case of debit differences).

Under the acquisition method of accounting, subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until that date such control ceases.

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in MFRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT"). The CT is the sum of fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree on the date of acquisition and any contingent consideration. For an acquisition that is not a business combination, the acquisition-related costs can be capitalised as part of the cost of acquisition. If it is a business combination, the cost of acquisition (or specifically, the cost of business combination) consists of CT, and the amount of any non-controlling interests in the acquiree, the fair value of the Group's previously held equity interest in the acquiree. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

If the business combination is achieved in stages, any previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.1 Subsidiaries and basis of consolidation (continued)

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

Any excess in the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

The contingent consideration to be transferred by the acquirer will be recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with MFRS 9: Financial Instruments or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation except for unrealised losses, which are not eliminated when there are indications of impairment.

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the equity in subsidiary companies not attributable, direct or indirectly, to the Group which consist of the amount of those non-controlling interests at the date of original combination, and the non-controlling interests' share of changes in the equity since the date of the combination.

Non-controlling interests are presented separately in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Equity instruments and equity components of hybrid financial instruments issued by subsidiary companies but held by the Group will be eliminated on consolidation. Any difference between the cost of investment and the value of the equity instruments or the equity components of hybrid financial instruments will be recognised immediately in equity upon elimination.

When there is share buyback by a subsidiary company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the subsidiary company. Any differences between the consideration of the share buyback over the Group's revised interest in the net fair value of the identifiable assets acquired and liabilities assumed is recognised directly in equity attributable to owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.1 Subsidiaries and basis of consolidation (continued)

Changes in the Group's ownership interest in a subsidiary company that do not result in the Group losing control over the subsidiary company are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between:

- (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (2) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest at the date when control is lost;

is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. Any investment retained is recognised at fair value.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses.

2.2.2 Associated companies and joint ventures

Associated companies are entities in which the Group has significant influence. Significant influence is the power through board representations to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in unquoted associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and supplemented by management financial statements of the associated companies and the joint ventures made up to the Group's financial year-end.

Investments in quoted associated companies which have the same financial year-end as the Group's financial year-end are accounted for in the consolidated financial statements using the equity method of accounting based on the audited financial statements announced in the respective stock exchanges.

Investment in quoted associated companies which have different financial year-ends from the Group's financial year-end are accounted for in the consolidated financial statements using the equity method of accounting based on the last audited financial statements and latest quarterly financial statements made up to a period-end of no more than one month difference with the Group's financial year-end, announced in the respective stock exchanges.

Uniform accounting policies are adopted for like transactions and events in similar circumstances upon applying equity method of accounting.

After application of the equity method, the Group determines whether it is necessary to recognise impairment loss on its investment in its associated companies and joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associated companies and joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company or joint venture and its carrying value, and then recognises the loss in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.2 Associated companies and joint ventures (continued)

On acquisition of an investment in associated company or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets acquired and liabilities assumed of the investee is recognised as goodwill and included in the carrying amount of the investment and is not amortised.

Any excess of the Group's share of net fair value of the associated company's or the joint venture's identifiable assets acquired and liabilities assumed over the cost of investment is included as income in the determination of the Group's share of associated company's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associated company or a joint venture is recognised at cost on initial recognition, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associated company or the joint venture after the date of acquisition, less impairment losses. The Group's share of comprehensive income of associated companies or joint ventures acquired or disposed of during the financial year, is included in the consolidated profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains and losses on transactions between the Group and the associated companies or the joint ventures are eliminated to the extent of the Group's interest in the associated companies or the joint ventures.

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company or joint venture, including any long term interest, that, in substance, form part of the Group's net investment in the associated companies or the joint ventures, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has a legal and constructive obligations or has made payment on behalf of the associated companies or the joint ventures.

When there is share buyback by an associated company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the associated company. Any reduction of the Group's pre-acquisition reserves arising from the share buyback (i.e. Goodwill) is included in the carrying amount of the investment and is not amortised. Any increase of the Group's pre-acquisition reserves arising from the share buyback (i.e. Negative Goodwill) is included as income in the determination of the Group's share of associated company's results in the period of share buybacks.

Upon loss of significant influence over the associated company and loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associated company or joint venture upon loss of significant influence or loss of joint control and the fair value of the retained investment and proceeds from the disposals is recognised in profit or loss.

In the Company's separate financial statements, investments in associated companies and joint ventures are stated at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably. Subsequent to recognition, when a property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are ready to bear fruits are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure incurred from land clearing to the stage of maturity. The mature bearer plants are depreciated over its remaining useful lives on a straight-line basis. The immature bearer plants are not depreciated until they are mature.

Freehold land has an unlimited useful life and therefore is not depreciated but reviewed at each reporting date to determine whether there is an indication of impairment. Capital work-in-progress are also not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	Ranging from 30 to 999 years
Buildings	1.25% - 20%
Bearer plants	0.5% - 5%
Plant and equipment	5% - 33%
Computer and office equipment	10% - 67%
Renovation	2% - 33%
Furniture and fittings	5% - 33%
Motor vehicles	20% - 33%
Aircraft	Ranging from 5 to 20 years or based on flying hours
Golf course development expenditure	1% - 2%
Others	2% - 25%

Others comprise mainly linen, silverware, cutleries, kitchen utensils, gymnasium equipment, recreational livestock and apparatus.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on the derecognition of the asset are included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.4 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

When an item of investment property carried at fair value is transferred to property, plant and equipment following a change in its use, the property's deemed cost for subsequent accounting in accordance with MFRS 116: Property, Plant and Equipment shall be its fair value at the date of change in use.

When an item of property, plant and equipment is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in other comprehensive income. However, if such fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of the investment property, any surplus previously recorded in other comprehensive income is transferred to retained earnings.

When an item of property inventory or property development is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to the transfer and its fair value is recognised in profit or loss.

2.2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, in the case of work-in-progress and finished goods, comprises raw materials, direct labour and an attributable proportion of production overheads. Cost is determined on the first-in first-out basis, the weighted average cost method, or by specific identification. Net realisable value represents the estimated selling price less all estimated costs to completion and the estimated costs necessary to make the sale.

(1) Property inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes the relevant cost of land and land use rights, development and construction costs and overheads, borrowing costs and other related costs. Net realizable value is the estimated selling price less all estimated costs to completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.5 Inventories (continued)

(1) Property inventories (continued)

(a) Land held for development

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets.

Generally no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is recognised in profit or loss as and when control passes to the respective customers, either over time or at one point in time.

(c) Completed properties

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land, direct building costs and other related costs.

(2) Others

Trading account securities comprising quoted investments are stated at the lower of cost and market value determined on an aggregate basis by category of investments. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the profit or loss.

Goods on consignment are included in inventories when substantially all of the principal benefits and inherent risks rest with the Group. The corresponding consignment liability after deducting any deposits is classified as manufacturers' vehicle stocking loans or trade payables accordingly.

2.2.6 Intangible assets

(1) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.6 Intangible assets (continued)

(2) Gaming rights

The costs of gaming rights acquired in a business combination are their fair value at the date of acquisition. Following the initial recognition, the gaming rights are carried at cost less any accumulated impairment losses. The gaming rights comprise:

- a licence for toto betting operations in Malaysia under Section 5 of the Pool Betting Act 1967 ("Licence") which is renewable annually;
- an equipment lease agreement, maintenance and repair services agreements of on-line lottery equipment with Philippine Charity Sweepstakes Office, Luzon Island, Philippines ("ELA"); and
- trademarks, trade dress, gaming design and processes and agency network.

The Licence has been renewed annually since 1985. Further details of the ELA status are disclosed in Note 38(5).

The gaming rights - licence with indefinite useful life is not amortised but tested for impairment, annually or more frequently, when indications of impairment are identified. The useful life of gaming rights - licence is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. The gaming rights - ELA has a finite useful life and is amortised on a straight-line basis over its useful life and tested for impairment when indications of impairment are identified.

(3) Trademarks

The cost of trademarks acquired represents its fair value as at the date of acquisition. Following initial recognition, trademarks are carried at cost less any accumulated impairment losses. Trademarks, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of trademarks are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(4) Concession assets

Concession assets comprise the development expenditure for the construction of plants or structures for the concession which are not covered by a contractual guarantee from the grantor of the concession. These portions of the development expenditure represent the right to charge users of the public service. Concession assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is provided for on a straight-line basis over the period of the concession. At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

Borrowing costs incurred in connection with an arrangement falling within the scope of IC Interpretation 12: Service Concession Arrangements will be expensed as incurred, unless the Group recognises an intangible asset under the Interpretation. In this case, borrowing costs are capitalised in accordance with the general rules of MFRS 123: Borrowing Costs.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.6 Intangible assets (continued)

(5) Dealership rights

The cost of dealership rights acquired in a business combination is at their fair value at the date of acquisition. Following the initial recognition, the dealerships rights are carried at cost less any accumulated impairment losses. The dealerships rights are assessed and recognised based on the dealership agreements signed with the selected luxury brand car manufacturers that satisfied the criterion to be separately identified as intangible assets and highly likely to contribute significant future economic benefits. The dealerships rights, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently, when indications of impairment are identified. The useful lives of dealerships rights are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on prospective basis.

(6) Computer software

Computer software acquired separately are measured on initial recognition at cost. Following initial recognition, computer software are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software are amortised on a straight-line basis over its estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for a computer software are reviewed at each reporting date.

(7) Development right fees and licence fees

Development rights fees are required to be paid for the rights to develop the franchise business in the respective countries. The development rights fees are capitalised and amortised over the period of the respective development agreement from the date the operation commences.

Licences fees are required to be paid in respect of the opening of new outlets in the respective countries. The licences fees paid are capitalised and amortised over the period of the respective development agreement. The licence fees are amortised from the date when the respective outlet commences operations.

(8) Customer relationships

The cost of customer relationships acquired in a business combination is measured at their fair value at the date of acquisition. Following the initial recognition, the customer relationships are carried at cost less accumulated amortisation and any accumulated impairment losses. The customer relationships with finite lives are amortised on a straight-line basis over their useful economic lives and assessed for impairment whenever there is an indication that the customer relationships may be impaired.

(9) Telecommunications licences with allocated spectrum

The Group's telecommunication licences with allocated spectrum were acquired as part of a business combination. The fair value of telecommunication licences with allocated spectrum as at the date of business combination is deemed as its cost. Following initial recognition, telecommunication licences with allocated spectrum are carried at cost less any accumulated impairment losses. The telecommunication licences with allocated spectrum are considered to have indefinite economic useful lives as there is a presumption of renewal at negligible costs, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of telecommunication licences with allocated spectrum are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.6 Intangible assets (continued)

(10) Lottery business cooperation contract

Lottery business cooperation contract relates to the contributions required to be paid for the right to participate in the operation of a lottery business. These contributions are capitalised and amortised over the contract period from the date when the operation commences.

(11) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed yearly at each reporting date. Intangible assets with indefinite lives are not amortised but tested for impairment annually or more frequently when indicators of impairment are identified. The useful lives of intangible assets with indefinite lives are reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

2.2.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when there are indications of impairment.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use ("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the fair value reserve for the same asset.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Impairment of non-financial assets (continued)

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.2.8 Fair value measurement

The Group measures financial instruments, such as, short-term investments, derivatives and certain non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (1) in the principal market for the asset or liability; or
- (2) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole as described in Note 39.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Classification of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model. Such changes are expected to be very infrequent.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

Subsequent measurement

Subsequent measurement of financial assets depends on its classification. The classification of financial assets are described below:

(a) Amortised cost

This category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Financial instruments (continued)

(1) Financial assets (continued)

Subsequent measurement (continued)

(b) Fair value through other comprehensive income

Debt instruments

This category comprises investments in debt instrument, which are held within a business model whose objective is collecting contractual cash flows and selling the debt investments, and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss. Fair value changes are recognised in other comprehensive income.

On derecognition of these financial assets, the fair value changes accumulated in other comprehensive income are recycled to profit or loss.

Equity instruments

This category comprises investments in equity instrument that are not held for trading, and where the Group and the Company irrevocably elect to account for subsequent changes in the investments' fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividends clearly represent part recovery of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition of these financial assets, fair value changes and other net gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Financial instruments (continued)

(1) Financial assets (continued)

Subsequent measurement (continued)

(c) Fair value through profit or loss

All financial assets not classified as amortised cost or fair value through other comprehensive income as described above are classified as fair value through profit or loss. This includes derivative financial assets (except for derivatives that are designated as effective hedging instruments). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be classified as financial asset at amortised cost or at fair value through other comprehensive income, as a financial asset at fair value through profit or loss, if doing so, eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Other net gains or losses, including any interest or dividend income, are also recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The contractual rights to receive cash flows from the asset have expired; or
- (ii) The Group or the Company has transferred its rights to receive the cash flows from the assets and has transferred substantially all risks and rewards related to the asset; or
- (iii) The Group or the Company has transferred its rights to receive the cash flows from the assets and has not retained control of the assets; or
- (iv) The Group or the Company has assumed an obligation to pay the cash flows from the asset in full without material delay to a third party under a 'pass-through' arrangement.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, but the Group is not able to derecognise the asset, then Group has to continue recognising the transferred asset to the extent of its continuing involvement and to recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Financial instruments (continued)

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

The Group and the Company initially measure a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent measurement

The Group and the Company measure the financial liabilities depending on their classification, as described below:

(a) Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that exactly discounts the estimated future cash flows (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of a financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

(b) Fair value through profit or loss

The fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated as fair value through profit or loss to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The changes in fair value of these financial liabilities are recognised in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability expires, or is discharged or cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such a replacement or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Financial instruments (continued)

(3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.10 Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables.

ECLs are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are part of the contractual terms.

ECLs are recognised in two stages. For credit exposures where there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures where there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply the simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established provision matrices that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group and the Company recognise impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in profit or loss and accumulated in the fair value reserve.

The Group or the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group or the Company may also consider a financial asset to be in default when internal or external information indicates that the Group or the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.11 Contract cost assets

(1) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs are recoverable.

(2) Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 Inventories, MFRS 116 Property, Plant and Equipment or MFRS 138 Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- (a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 Impairment of Assets to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.12 Contract Assets and Liabilities

A contract asset is the right of the Group or the Company to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group or the Company has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9 Financial Instruments.

A contract liability is the obligation of the Group or the Company to transfer goods and services to a customer for which it has received consideration or an amount of consideration is due from the customer. If a customer pays consideration or the Group or the Company has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group or the Company performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and down payments received from customers and other amounts where the Group or the Company has billed or has collected the payment before the goods are delivered or services are provided to the customers.

2.2.13 Cash and cash equivalents

Cash comprises cash in hand, at bank and short term deposits with a maturity of three months or less. Cash equivalents, which are short term, highly liquid investments that are readily convertible to known amounts subject to insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

The Group has excluded clients' monies and remisiers' deposits held in trust by the stockbroking subsidiary company from cash and cash equivalents of the Group.

2.2.14 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.2.15 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants related to assets, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.16 Leases

(1) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group or the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(2) As lessor

Leases where the Group and the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

When the assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

2.2.17 Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets and financial assets) are measured in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.18 Irredeemable convertible unsecured loan stocks/securities ("ICULS")

ICULS which were issued after the effective date of MFRS 132: Financial Instruments: Presentation, are regarded as compound instruments, consisting of an equity component and a liability component.

When the ICULS, which were previously acquired and held by the Group, are reissued at values which are different from the nominal value of the ICULS, the differences would be taken to profit or loss if the ICULS are classified as a liability instrument or to equity if the ICULS are classified as an equity instrument.

2.2.19 Warrants

Warrants are classified as equity instrument and it is allocated its value based on the closing price of the first trading day, if the warrant is listed, or estimated using option pricing models, if the warrant is not listed.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

2.2.20 Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. Treasury shares may be acquired and held by the Company. Consideration paid or received is recognised directly in equity.

2.2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.22 Financial guarantee contracts

A financial guarantee contract is a contract that requires the guarantor to make specified payments to reimburse the holder of a guarantee for a loss it incurs because a specified guaranteed debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contract is recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

At the end of each subsequent reporting period, financial guarantees are measured at the higher of (i) the amount of the loss allowance determined in accordance with ECL; and (ii) the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15: Revenue, where appropriate.

2.2.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group or the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

2.2.24 Current and non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within 12 months after the reporting period; or
- (iv) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within 12 months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.25 Revenue recognition

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group and the Company recognise revenue from contracts with customers based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group or the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group or the Company needs to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.
- (v) Recognise revenue when the Group or the Company satisfies a performance obligation or as the Group or the Company is satisfying a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue is recognised at the point in time at which the performance obligation is satisfied. However, where the performance obligation is satisfied over time, the Group and the Company shall recognise revenue over time if the Group's or the Company's performance:

- (a) Provides benefits that the customer simultaneously receives and consumes as the Group or the Company performs; or
- (b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) Does not create an asset with an alternative use to the Group or the Company and the Group or the Company has an enforceable right to payment for performance completed to-date.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.25 Revenue recognition (continued)

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(1) Hire purchase and lease interest income

Interest income is recognised using the effective interest method.

(2) Dividend income

Dividend income from investments in subsidiary and associated companies and other investments is recognised when the shareholders' rights to receive payment is established.

(3) Interest income

Interest income is recognised on the effective interest method unless recoverability is in doubt, or where a loan is considered to be non-performing in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on receipt basis until all arrears have been paid except for margin accounts where interest is suspended until the account is reclassified as performing.

Interest income from investments in bonds, government securities and loan stocks are recognised on a time proportion basis that takes into account the effective yield of the asset.

(4) Rental income

Rental income, including those from investment properties, is recognised based on a straight-line basis over the lease term unless collection is in doubt, in which case it is recognised on receipt basis.

(5) Lottery equipment lease rental

Revenue from the lease of lottery equipment is recognised based on certain percentage of gross receipts from lottery ticket sales, excluding foreign value-added tax and trade discounts.

(6) Other income

Other than the above, all other income are recognised on accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.26 Foreign currencies

(1) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

(2) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company’s net investment in foreign operation are recognised in profit or loss in the Company’s financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.26 Foreign currencies (continued)

(3) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the financial year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 May 2006 are treated as assets or liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 May 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2.2.27 Employee benefits

(1) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(2) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to the statutory pension schemes of their respective countries.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.27 Employee benefits (continued)

(3) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

(a) Funded defined benefit plan

Certain foreign subsidiaries of the Group provide funded pension benefits to its eligible employees.

The legal obligation for any benefits from this kind of pension plan remains with the Group even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long term benefit fund, as well as qualifying insurance policies.

The Group's net obligations in respect of defined benefit plans for certain subsidiary companies are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The liability recognised in the consolidated statement of financial position for defined plans is the discounted present value of the defined benefit obligation using prudent and appropriate discount factor at the consolidated reporting date less the fair value of plan assets. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The calculation is performed by an actuary using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of limiting a net defined benefit asset to the asset ceiling (excluding net interest, if applicable) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment; and
- (ii) The date that the Group recognises restructuring related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs and net interest expense or income in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.27 Employee benefits (continued)

(3) Defined benefit plans (continued)

(b) Unfunded defined benefit plan

Certain local subsidiary companies within the Group operate unfunded, defined Retirement Benefit Schemes (“Schemes”) for their eligible employees. The obligation recognised in the consolidated statement of financial position under the Scheme is calculated by independent actuaries using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment; and
- (ii) The date that the Group recognises restructuring related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs and net interest expense or income in profit or loss.

The present value of the obligations under the scheme are determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post-employment benefit obligation.

(4) Employees’ share schemes

Employees of certain subsidiary companies of the Group received remuneration in the form of share options or share awards as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the share options and share awards at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the employees’ share plan reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the subsidiary companies’ best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for share options or share awards that do not ultimately vest, except for share options or share awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the share options are exercised or share awards are vested, the employees’ share plan reserve relating to the exercised options or vested shares is transferred to equity. When the share options or share awards are forfeited, the employees’ share plan reserve relating to the forfeited share options or share awards is transferred to equity.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.28 Taxes

(1) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(2) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.28 Taxes (continued)

(2) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(3) Sales and Service Tax ("SST"), Goods and Services Tax ("GST") and Value Added Tax ("VAT")

Revenue are recognised net of the amount of GST, SST or VAT.

The amount of SST payable to taxation authority is included as part of payables in the statements of financial position.

Where the SST, GST or VAT incurred in a purchase of assets or services is not recoverable from the respective taxation authorities, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST or VAT being the difference between output and input of GST or VAT, payable to or receivable from the respective taxation authorities at the reporting date, is included in other payables or other receivables respectively in the statements of financial position.

2.2.29 Segmental reporting

For management purposes, the Group is organised into operating segments based on their products and services which is independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities. Revenue is attributed to geographical segments based on location where the sales are transacted. Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies

First time adoption of Malaysian Financial Reporting Standards (“MFRS”)

The financial statements of the Group and of the Company for financial period ended 30 June 2019 are the first set of financial statements prepared in accordance with the MFRS Framework, hence MFRS 1 First-time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group and for the Company from 1 May 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant financial report is 1 May 2017. In preparing these financial statements, the Group’s and the Company’s opening MFRSs statements of financial position were prepared as at 1 May 2017 (the date of transition to MFRS).

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statements for the financial year ended 30 April 2018, except as discussed below:

(1) Transition from FRS Framework to MFRS Framework

As provided under MFRS 1, first-time adopter of MFRS Framework can elect optional exemptions from full retrospective application of MFRS. MFRS 1 provides the option to apply MFRS 3 Business Combinations and MFRS 123 Borrowing Costs, prospectively from the date of transition or from a specified date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 and MFRS 123 which would require restatement of all business combinations and borrowing costs component capitalised prior to the date of transition. The Group has elected to apply MFRS 3 and MFRS 123 prospectively from the date of transition.

With the adoption of the Amendments to MFRS 116 and MFRS 141, new planting expenditure and replanting expenditure are accounted for as property, plant and equipment in accordance with MFRS 116 and measured at cost less accumulated depreciation, whereas biological assets-agricultural produce within the scope of MFRS 141 are measured at fair value less costs to sell.

(2) MFRS 15: Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111: Construction Contracts, MFRS 118: Revenue and related interpretations which were applicable prior to 1 January 2018 and it applies, with limited exceptions, to all revenue arising from contracts with its customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosure.

The Group adopted MFRS 15 using the full retrospective method and apply all the practical expedients available for full retrospective approach.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

(2) MFRS 15: Revenue from Contracts with Customers (continued)

The key financial effects as a result of adopting this standard on the business activities of the Group are as follows:

(i) Golf and recreational clubs and vacation time share activities

In respect of the revenue recognition on the sales of golf clubs, recreational clubs and vacation time-share memberships, the performance obligation is viewed to be satisfied over the tenure of each membership and hence, the revenue from the sale of these memberships are recognised on a straight-line basis over their respective tenures.

(ii) Property development activities

(a) in respect of sales of properties that do not come under the purview of the Financial Reporting Standards Implementation Committee (“FRSIC”) Consensus 23: Application of MFRS 15 “Revenue from Contracts with Customers” on Sale of Residential Properties issued by the Malaysian Institute of Accountants, the Group has to assess if the property has an alternative use to the Group and whether the sales and purchase arrangement provides the Group with an enforceable right to payment for work completed to date, in determining whether or not the sale of property units should be recognised at a point in time (completion method) or over time (percentage of completion method). As a result of this, it has been assessed that revenue from certain foreign property development projects would only be recognised at a point in time upon completion and handover of the respective projects;

(b) it requires the identification of separate performance obligations arising from the sale of property units from the various property development projects of the Group, such as the sale of property with complimentary giveaways, and may result in the acceleration or deferment of revenue recognition relating to these separate performance obligations depending on when the related goods and/or services are delivered or satisfied. This would affect the timing of revenue recognition for the property development activities;

(c) it views liquidated ascertained damages, payable when the developer fails to deliver vacant possession within the stipulated period, as consideration payable to customers and is presented as a reduction of the transaction price, which would then be accounted for in the profit or loss, when there is no obligation to pay such damages either at a point in time or over time, in tandem with the mode of revenue recognition of the affected property development projects, instead of being accounted for as a direct charge to the profit or loss when the obligation arises;

(d) pursuant to the adoption of MFRS 15, the FRSIC Consensus 17: Development of Affordable Housing, which requires the upfront recognition of provision for foreseeable losses on the development of affordable housing on an involuntary basis, is no longer effective and has been effectively withdrawn. This has resulted in the retrospective reversal of the provision for affordable housing previously provided for in the financial statements of the Group; and

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

(2) MFRS 15: Revenue from Contracts with Customers (continued)

The key financial effects as a result of adopting this standard on the business activities of the Group are as follows: (continued)

(ii) Property development activities (continued)

- (e) upon the withdrawal of FRS 201: Property Development Activities, land held for property development and property development costs are reclassified as inventories and carried at the lower of cost and net realisable value.

(iii) Lottery and Voting Product Sales

It requires the identification of separate performance obligations arising from the wagering and voting systems business of which revenue is derived from long term contracts. Hence, for certain of these contracts which have multiple performance obligations, the Group has allocated the contracts' transaction price to each performance obligation and would recognise revenue when the respective performance obligation is satisfied.

With the identification of the separate performance obligation, a certain performance obligation of the wagering contracts is now recognised upon shipment rather than previously under the percentage-of-completion method. In addition, the revenue for annual licence fee is recognised at the inception of the annual renewal period, rather than over the term of the licence. The timing differences in revenue recognition and milestone or progress billings under the percentage-of-completion method are presented as contract assets and contract liabilities in accordance with MFRS 15.

Apart from the above, MFRS 15 also requires:

- (i) that expenses attributable to securing contracts with customers such as commission expense be capitalised as contract cost assets and expensed to the profit or loss as cost of sales, by reference to the progress towards complete satisfaction of the performance obligation; and
- (ii) separate recognition and presentation of contract cost assets, contract assets and liabilities, as described in Notes 2.2.11 and 2.2.12, in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

(3) MFRS 9: Financial Instruments

MFRS 9 replaced the guidance of MFRS 139, Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. Retrospective approach application is required, but restatement of comparative information is not compulsory.

As permitted by the transitional provision of MFRS 9, the Group and the Company have elected not to restate the comparative information for prior periods with respect to classification, measurement and impairment requirements. The comparative information continues to be reported under MFRS 139. The Group and the Company recognised any difference between the carrying amount of financial instruments under MFRS 139 and the restated carrying amount under MFRS 9 in the opening balance of retained earnings (or other equity components) as at 1 May 2018.

Impact of the adoption of MFRS 9

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the new disclosures relating to financial instruments, which the Group and the Company have complied with in the current financial period, the adoption of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

(i) Classification and measurement

The following are the changes in the classification of the Group's and the Company's financial assets:

(a) Financial assets previously classified as loans and receivables

Other long term receivables, trade and other receivables, deposits with financial institutions and cash and bank balances previously classified as Loans and Receivables under FRS 139 as at 30 April 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest, are now referred to as debt instruments at amortised costs. The assessment of the Group's and the Company's business model as disclosed in Note 2.2.9(1) to ascertain the classification of these financial assets were made as of the date of initial application, 1 May 2018. The Group and the Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria to be classified and measured as amortisation cost under MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

(3) MFRS 9: Financial Instruments (continued)

Impact of the adoption of MFRS 9 (continued)

(i) Classification and measurement (continued)

(b) Financial assets previously classified as available-for-sales financial assets ("AFS")

Investments in quoted and unquoted equity instruments previously classified as AFS as at 30 April 2018 are classified and measured as equity instruments at fair value through other comprehensive income ("FVTOCI") beginning 1 May 2018. The Group and the Company irrevocably elected to classify irrevocably these investments, except for investments in quoted warrants, previously classified as AFS to FVTOCI as they intend to hold these investments for the foreseeable future.

Under FRS 139, any changes in fair value of AFS investments were recognised in other comprehensive income, except that impairment losses were recognised in profit or loss. The investments in unquoted AFS instrument whose fair value cannot be measured reliably were measured at cost less accumulated impairment. Under MFRS, all investments at FVTOCI are measured at fair value, and the fair value changes of investments at FVTOCI are still recognised in other comprehensive income, except that impairment assessment is not applicable to investments in equity instruments at FVTOCI, and any gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

As a result of the reclassification, the cumulative impairment losses of AFS investments in the retained earnings prior to the date of initial application of MFRS 9, if any, were reclassified to FVTOCI reserve. The balance of AFS reserve was also reclassified to the FVTOCI reserve on this date. Investment which were previously not measured at fair value, were now remeasured at fair value at the date of initial application, and any remeasurement differences were accounted for in FVTOCI reserve.

(ii) Impairment

In previous financial years, trade and other receivables and/or unquoted AFS investments are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables and/or unquoted AFS investments (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the receivables and/or unquoted AFS investments ("incurred loss model"). The quoted AFS investments are impaired if, and only if, there is objective evidence of impairment which was determined to be significant (i.e. more than 20%) or prolonged (i.e. 12 months) decline in fair values of investments in equity instruments below its cost.

MFRS 9 replaces the 'incurred loss' model in MFRS 139 as described above with the ECL model as described in Note 2.2.10. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The changes in the requirement of impairment assessment did not have a significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

The financial effects of the first-time adoption of the MFRS Framework and changes in certain comparative amounts as at 30 April 2018 and 1 May 2017 have been adjusted and disclosed below:

Group	As previously reported under FRS RM'000	Transition from FRS to MFRS RM'000	Effects of adoption of MFRS 15 RM'000	As restated under MFRS RM'000
Statement of financial position				
As at 30 April 2018				
Non-current assets				
Property, plant and equipment	3,461,128	3,923	-	3,465,051
Biological assets	3,923	(3,923)	-	-
Inventories - land held for development	1,867,476	-	(12,321)	1,855,155
Other long term receivables	1,552,280	-	40,544	1,592,824
Deferred tax assets	67,465	-	43,836	111,301
Current assets				
Inventories - property development costs	310,629	(867)	(114,692)	195,070
Contract cost assets	-	-	109,518	109,518
Trade and other receivables	1,545,685	-	(76,498)	1,469,187
Contract assets	-	-	39,398	39,398
Equity				
AFS reserves	2,832	-	-	2,832
Retained earnings	1,379,389	100	(104,190)	1,275,299
Non-controlling interests	3,514,472	38	(32,253)	3,482,257
Non-current liabilities				
Other long term liabilities	205,273	-	(69,591)	135,682
Contract liabilities	-	-	264,734	264,734
Provisions	45,333	-	(21,299)	24,034
Deferred tax liabilities	1,355,570	-	(1,191)	1,354,379
Current liabilities				
Trade and other payables	2,441,453	(1,005)	(329,604)	2,110,844
Contract liabilities	-	-	323,089	323,089
Provisions	7,071	-	90	7,161

The adoption of MFRS Framework has no impact on the Group's and the Company's statement of cash flows and the Company's statement of financial position, statement of profit and loss and statement of comprehensive income.

Accordingly, notes related to the Company's statement of financial position as at date of transition to the MFRS Framework are not presented.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

The financial effects of the first-time adoption of the MFRS Framework and changes in certain comparative amounts as at 30 April 2018 and 1 May 2017 have been adjusted and disclosed below: (continued)

Group	As previously reported under FRS RM'000	Transition from FRS to MFRS RM'000	Effects of adoption of MFRS 15 RM'000	As restated under MFRS RM'000
Statement of profit or loss				
For the year ended 30 April 2018				
Revenue	8,665,141	-	29,207	8,694,348
Cost of sales	6,056,154	(1,726)	14,269	6,068,697
Other income	297,791	-	(5,743)	292,048
Other expenses	378,927	-	4,389	383,316
Administrative expenses	1,767,914	-	(17,254)	1,750,660
Selling and distribution expenses	521,530	-	(8,212)	513,318
Finance costs	373,701	1,588	4,670	379,959
Taxation	249,954	-	5,171	255,125
Loss for the year attributable to:				
- Owners of the parent	(370,203)	100	12,236	(357,867)
- Non-controlling interests	4,347	38	8,195	12,580
	<u>4,347</u>	<u>38</u>	<u>8,195</u>	<u>12,580</u>
Statement of comprehensive income				
Total comprehensive income attributable to:				
- Owners of the parent	(396,347)	100	12,236	(384,011)
- Non-controlling interests	(8,587)	38	8,195	(354)
	<u>(8,587)</u>	<u>38</u>	<u>8,195</u>	<u>(354)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies (continued)

First time adoption of MFRS (continued)

The financial effects of the first-time adoption of the MFRS Framework and changes in certain comparative amounts as at 30 April 2018 and 1 May 2017 have been adjusted and disclosed below: (continued)

Group	As previously reported under FRS RM'000	Transition from FRS to MFRS RM'000	Effects of adoption of MFRS 15 RM'000	As restated under MFRS RM'000
Statement of financial position				
As at 1 May 2017				
Non-current assets				
Property, plant and equipment	3,722,983	4,193	-	3,727,176
Biological assets	4,193	(4,193)	-	-
Deferred tax assets	77,124	-	47,310	124,434
Current assets				
Inventories - property development costs	978,374	-	(102,463)	875,911
Contract cost assets	-	-	102,670	102,670
Trade and other receivables	2,134,243	-	(92,539)	2,041,704
Contract assets	-	-	98,991	98,991
Equity				
Retained earnings	1,809,728	-	(116,426)	1,693,302
Non-controlling interests	3,663,364	-	(40,448)	3,622,916
Non-current liabilities				
Other long term liabilities	221,553	-	(73,329)	148,224
Contract liabilities	-	-	286,729	286,729
Deferred tax liabilities	1,361,446	-	(2,429)	1,359,017
Current liabilities				
Trade and other payables	2,283,177	-	(265,301)	2,017,876
Contract liabilities	-	-	265,195	265,195
Provisions	11,672	-	(22)	11,650

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2019:

- Amendments to MFRS 9: Financial Instruments – Prepayment Features with Negative Compensation
- MFRS 16: Leases
- Amendments to MFRS 119: Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128: Long Term Interest in Associates and Joint Ventures
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 3: Business Combinations
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 11: Joint Arrangements
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 112: Income Taxes
- Annual Improvements to MFRSs 2015-2017 Cycle - Amendments to MFRS 123: Borrowing Costs
- IC Interpretation 23: Uncertainty over Income Tax Treatments

Effective for financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 101: Presentation of Financial Statements – Definition of Material*
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Revised Conceptual Framework for Financial Reporting

Effective for financial periods beginning on or after 1 January 2021:

- MFRS 17: Insurance Contracts*

Effective date yet to be determined:

- Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

Note:

* This resulted in consequential changes in other standards, which makes reference to these standards.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not yet effective (continued)

Unless otherwise described below, the new MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of the above new MFRS, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretations.

The Group is currently assessing the impact that these standards below will have on the financial position and performance.

(1) MFRS 16: Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Subject to certain exceptions, the right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group plans to adopt the new standard on the required effective date using the modified retrospective approach. The Group will not restate the comparative information, which continues to be reported under MFRS 117.

The Group and the Company are in the midst of assessing the impact of application of this standard on their existing operating leases where they are lessees and expect to recognise rights-of use assets and their corresponding liabilities in respect of non-cancellable operating leases of properties and equipments upon the initial adoption of this standard.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply into the requirements of MFRS 16 for the financial year ending 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(1) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Useful life of dealerships rights and customer relationships

The Group considers that the licence and dealerships have indefinite useful lives because they are expected to contribute to the Group's net cash inflows indefinitely. The Group intends to continue the annual renewal of the licence and to maintain the dealerships indefinitely. Historically, there has been no compelling challenge to the licence and dealership renewals. The technology used in the gaming activities is supplied and support is provided by a subsidiary company of the Group and is not expected to be replaced by another technology at any time in the foreseeable future.

The customer relationships are recognised separable from goodwill on acquisition of a subsidiary company. The useful lives of the customer relationships are estimated to be 10 years, determined based on customer attrition from the acquired relationships. The estimated useful lives of customer relationships are reviewed periodically.

(b) Significant influence over associated companies

Although the Group holds less than 20% of the voting shares in some of the associated companies as disclosed in Note 45, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of these associated companies by way of representation on the board of directors.

(c) Recoverability by Berjaya Jeju Resort Limited ("BJR") of the project costs incurred on property development activities in Jeju, South Korea ("Jeju Project")

As disclosed in Note 38(3), the Group through its subsidiary company BJR, had initiated legal proceedings against Jeju Free International City Development Center ("JDC") seeking compensation for damages incurred which include the costs incurred by BJR in developing the Jeju Project. The outcome of the legal proceedings will determine whether BJR is able to recover the costs of RM584,467,000 (30.4.2018: RM593,253,000) incurred up to the reporting date on this development as disclosed in Note 10(d).

Based on the recent legal opinion obtained from its lawyers, BJR has determined that it is able to recover the costs incurred on Jeju Project in full as BJR has the legal right to claim for damages under the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC, Korean Civil Code and case precedents established in the Korean Courts.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(1) Critical judgements made in applying accounting policies (continued)

- (d) Recoverability of balance cash consideration for the disposal of project by Berjaya (China) Great Mall Co Ltd ("GMOC")("Final Installment")

As disclosed in Note 38(4), GMOC has initiated arbitration proceedings at Hong Kong International Arbitration Court ("HKIAC") to seek the recovery of the Final Instalment and accrued late payment interests as well as other reliefs from Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") and the guarantors, who are SkyOcean Holdings Group Limited and Mr Zhou Zheng ("GMOC Arbitration").

Based on the recent legal opinion obtained from its lawyers, it is highly probable that GMOC will prevail against Beijing SkyOcean before the HKIAC. The estimated duration of the arbitration proceedings and the enforcement of arbitral award in the People's Republic of China has been reassessed to be about 3.5 years, which is to be completed by December 2020. Hence, in accordance to MFRS 9: Financial Instruments, GMOC has made a provision for additional impairment of RMB12.93 million (equivalent to approximately RM7.87 million) to account for the revised passage of time to recover the Final Instalment. The Final Instalment has been reclassified as a non-current receivable as disclosed in Note 10(c).

(2) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (a) Impairment of goodwill and other intangible assets, gaming rights and dealerships rights

The Group performs an impairment test on its gaming rights, dealerships and goodwill and other intangible assets at least on an annual basis or when there is evidence of impairment. This requires an estimation of the VIU of the CGU to which the gaming rights, dealerships, lottery business cooperation contract and goodwill are allocated, and the estimation of the fair value less cost to sell ("FVLCTS") based on valuation reports of the spectrums allocated with the telecommunication licence. Estimating a VIU amount requires the management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of assumptions used for VIU computation are disclosed in Note 11.

During the current financial period, the Group recognised the impairment loss in respect to Gaming Rights - licence as the VIU of the CGU was assessed to be in excess of its carrying amount.

In regard to the impairment review of the CGU for the dealerships, lottery business cooperation contract, telecommunication licence or goodwill the Group has assessed VIU or FVLCTS amounts that could sufficiently address the carrying amount of this CGU.

The carrying amounts of goodwill and other intangible assets of the Group as at 30 June 2019 are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(2) Key sources of estimation uncertainty (continued)

(b) Impairment of property, plant and equipment

During the current financial period, the Group recognised impairment losses in respect of certain subsidiary companies' property, plant and equipment. The Group carried out the impairment test based on a variety of estimation including the VIU of the CGU to which the property, plant and equipment are allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment losses recognised are disclosed in Note 3.

The carrying amounts of property, plant and equipment are disclosed in Note 3.

(c) Impairment of investment in subsidiaries, associated companies and joint ventures

During the current financial period, the Group recognised impairment losses in respect of its investments in certain associated companies and joint ventures. The Group and the Company carried out the impairment test based on the assessment of the fair value less cost to sell of the investees' assets or CGU or based on the estimation of the VIU of the CGUs of the respective subsidiaries, associated companies and joint ventures. Estimating the VIU requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the accumulated impairment losses recognised are disclosed in Notes 6, 7 and 8.

The Group did not recognise any impairment in value of an associated company, which shares are quoted in Malaysia, as the directors have evaluated that the fair value of the underlying assets of the investee to be higher than its carrying value.

The carrying amounts of investments in associated companies and joint ventures of the Group and of investment in subsidiary companies of the Company are disclosed in Notes 6, 7 and 8, accordingly.

(d) Land value appreciation taxes and other related taxes

During the prior financial years, the Group completed the disposal of Berjaya (China) Great Mall Recreation Centre ("Great Mall Project"). Consequently, the Group has estimated that the land value appreciation tax and other related tax liabilities in relation to the disposal of the project to be approximately RMB72.74 million (equivalent to approximately RM43.79 million) ("LVAT Estimate"). As of the reporting date, the LVAT Estimate has yet to be agreed with the relevant tax authorities. Where the final outcome of LVAT Estimate is different from the amount initially recognised, such difference will impact profit or loss in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(2) Key sources of estimation uncertainty (continued)

(e) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to perform valuations on its investment properties as at 30 June 2019. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties.

The details of the investment properties are disclosed in Note 4 whilst the valuation techniques and key assumptions applied on the determination of the fair values are disclosed in Note 39.1.

(f) Provision for expected credit losses (“ECL”) of trade and other receivables and contract assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The Company develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information.

Other than trade receivables and contract assets, the Group and the Company assess the credit risk of other receivables at each reporting date on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

In assessing credit risks for purposes of applying the ECL model, the Group and the Company consider the need to incorporate forward-looking factors and to estimate the probability of default, which are likely to be judgmental and subject to estimation uncertainties.

The information about the ECLs on the Group’s trade and other receivables and contract assets are disclosed in Notes 13 and 14 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	At beginning of financial period	Effects of transition from FRS to MFRS	At 1.5.2018 as restated	Depreciation		Write off/ Impairment loss	Reclassification / Adjustments	Exchange differences	Disposal of subsidiary	Reclassified to disposal groups	At end of financial period
				Additions	Disposals						
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Carrying Amount											
Freehold land	359,705	-	359,705	7,655	-	-	4,662	12,419	-	-	384,441
Long leasehold land	62,629	-	62,629	-	-	(1,020)	-	-	-	-	61,609
Short leasehold land	47,094	-	47,094	915	-	(1,708)	653	-	-	-	46,954
Buildings	1,920,962	-	1,920,962	23,331	(565)	(71,186)	980	40,631	-	-	1,909,153
Bearer plants	-	3,923	3,923	393	-	(315)	-	-	-	-	4,001
Plant and equipment	191,677	-	191,677	41,002	(6,442)	(35,530)	(1,795)	1,624	(6)	-	183,165
Computer and office equipment	89,913	-	89,913	42,789	(401)	(34,449)	1,020	3,380	(447)	(1,921)	99,299
Renovations	220,466	-	220,466	49,236	(8,905)	(47,776)	16,925	(910)	(178)	(23)	217,877
Furniture and fittings	258,367	-	258,367	10,786	(217)	(43,018)	3,595	13,961	(2)	-	242,173
Motor vehicles	41,728	-	41,728	20,372	(3,252)	(13,659)	(1)	124	-	(583)	44,729
Aircraft	94,987	-	94,987	-	(21)	(8,173)	-	529	-	-	83,239
Golf course development expenditure	118,990	-	118,990	-	-	(2,105)	-	-	-	-	116,885
Capital work-in-progress	30,113	-	30,113	59,169	-	-	(25,073)	(83)	-	-	64,126
Others	24,497	-	24,497	1,232	(5)	(1,797)	(323)	17	-	-	23,400
	3,461,128	3,923	3,465,051	256,880	(19,808)	(260,736)	643	71,692	(633)	(2,527)	3,481,071

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	At beginning of financial year	Effects of transition from MFRS to MFRS	At 1.5.2017 as restated	Additions	Disposals	Depreciation charge for financial year	Write off/ Impairment reversal/ (loss)	Reclassification / Adjustments	Exchange differences	Deconsolidation/ Disposal of subsidiaries	Reclassified to disposal groups	At end of financial year
Net Carrying Amount	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	396,648	-	396,648	6,392	-	-	-	(27,596)	(15,739)	-	-	359,705
Long leasehold land	66,533	-	66,533	-	-	(898)	-	(3,006)	-	-	-	62,629
Short leasehold land	48,390	-	48,390	-	-	(1,296)	-	-	-	-	-	47,094
Buildings	2,054,511	-	2,054,511	11,930	(469)	(55,507)	1,001	22,743	(66,506)	(43,445)	(3,296)	1,920,962
Bearer plants	-	4,193	4,193	-	-	(270)	-	-	-	-	-	3,923
Plant and equipment	209,356	-	209,356	26,317	(247)	(30,933)	(2,231)	(348)	(8,642)	(456)	(1,139)	191,677
Computer and office equipment	99,731	-	99,731	21,073	(395)	(24,176)	(1,763)	903	(4,950)	(83)	(427)	89,913
Renovations	201,858	-	201,858	62,212	(1,097)	(44,114)	(3,160)	7,145	(2,077)	(301)	-	220,466
Furniture and fittings	301,554	-	301,554	15,721	(695)	(37,464)	(574)	530	(20,241)	(464)	-	258,367
Motor vehicles	43,177	-	43,177	15,735	(4,376)	(11,750)	(317)	907	(475)	(750)	(423)	41,728
Aircraft	115,610	-	115,610	-	-	(7,608)	(11,818)	-	(1,197)	-	-	94,987
Golf course development expenditure	120,803	-	120,803	28	(40)	(1,803)	-	2	-	-	-	118,990
Capital work-in-progress	36,407	-	36,407	13,937	(1,529)	-	(36)	(16,299)	(2,367)	-	-	30,113
Others	28,405	-	28,405	761	(8)	(1,631)	(530)	(2,315)	(185)	-	-	24,497
	<u>3,722,983</u>	<u>4,193</u>	<u>3,727,176</u>	<u>174,106</u>	<u>(8,856)</u>	<u>(217,450)</u>	<u>(19,428)</u>	<u>(17,334)</u>	<u>(122,379)</u>	<u>(45,499)</u>	<u>(5,285)</u>	<u>3,465,051</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Accumulated			Net carrying amount
	Cost	depreciation	impairment losses	
<u>As at 30 June 2019</u>	RM'000	RM'000	RM'000	RM'000
Freehold land	387,553	-	(3,112)	384,441
Long leasehold land	77,559	(15,950)	-	61,609
Short leasehold land	70,854	(23,900)	-	46,954
Buildings	2,537,239	(616,397)	(11,689)	1,909,153
Bearer plants	5,794	(1,793)	-	4,001
Plant and equipment	514,296	(307,626)	(23,485)	183,185
Computer and office equipment	340,752	(238,210)	(3,243)	99,299
Renovations	622,326	(372,512)	(31,937)	217,877
Furniture and fittings	525,718	(281,155)	(2,390)	242,173
Motor vehicles	146,500	(101,456)	(315)	44,729
Aircraft	251,483	(99,706)	(68,538)	83,239
Golf course development expenditure	164,925	(34,203)	(13,837)	116,885
Capital work-in-progress	68,128	-	(4,002)	64,126
Others	49,871	(23,611)	(2,860)	23,400
	<u>5,762,998</u>	<u>(2,116,519)</u>	<u>(165,408)</u>	<u>3,481,071</u>

GROUP	Accumulated			Net carrying amount
	Cost	depreciation	impairment losses	
<u>As at 30 April 2018 (Restated)</u>	RM'000	RM'000	RM'000	RM'000
Freehold land	362,817	-	(3,112)	359,705
Long leasehold land	77,558	(14,929)	-	62,629
Short leasehold land	69,121	(22,027)	-	47,094
Buildings	2,483,916	(556,265)	(6,689)	1,920,962
Bearer plants	5,401	(1,478)	-	3,923
Plant and equipment	494,735	(296,993)	(6,065)	191,677
Computer and office equipment	389,788	(297,589)	(2,286)	89,913
Renovations	610,210	(364,613)	(25,131)	220,466
Furniture and fittings	482,463	(222,602)	(1,494)	258,367
Motor vehicles	144,234	(102,123)	(383)	41,728
Aircraft	302,245	(130,221)	(77,037)	94,987
Golf course development expenditure	164,925	(32,098)	(13,837)	118,990
Capital work-in-progress	34,115	-	(4,002)	30,113
Others	50,267	(22,392)	(3,378)	24,497
	<u>5,671,795</u>	<u>(2,063,330)</u>	<u>(143,414)</u>	<u>3,465,051</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY

2019	At beginning of financial period		Depreciation charge for financial period		Write off	Exchange differences	At end of financial period
	RM'000	Additions RM'000	Disposals RM'000	RM'000			
Net Carrying Amount	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and equipment	66,425	16,192	-	(12,163)	-	2,316	72,770
Computer and office equipment	43,204	12,944	-	(12,728)	(3)	1,493	44,910
Furniture and fittings	56	18	-	(23)	-	-	51
Motor vehicles	2,022	1,405	(55)	(729)	-	-	2,643
	<u>111,707</u>	<u>30,559</u>	<u>(55)</u>	<u>(25,643)</u>	<u>(3)</u>	<u>3,809</u>	<u>120,374</u>

2018	At beginning of financial year		Depreciation charge for financial year		Exchange differences	At end of financial year
	RM'000	Additions RM'000	Disposals RM'000	RM'000		
Net Carrying Amount	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and equipment	66,951	9,593	-	(3,459)	(6,660)	66,425
Computer and office equipment	45,818	4,942	-	(3,024)	(4,532)	43,204
Furniture and fittings	75	-	-	(19)	-	56
Motor vehicles	1,144	1,387	(52)	(457)	-	2,022
	<u>113,988</u>	<u>15,922</u>	<u>(52)</u>	<u>(6,959)</u>	<u>(11,192)</u>	<u>111,707</u>

<u>As at 30 June 2019</u>	Cost	Accumulated depreciation	Net carrying amount
	RM'000	RM'000	RM'000
Plant and equipment	93,404	(20,634)	72,770
Computer and office equipment	66,626	(21,716)	44,910
Furniture and fittings	144	(93)	51
Motor vehicles	4,293	(1,650)	2,643
	<u>164,467</u>	<u>(44,093)</u>	<u>120,374</u>

<u>As at 30 April 2018</u>	Cost	Accumulated depreciation	Net carrying amount
	RM'000	RM'000	RM'000
Plant and equipment	74,610	(8,185)	66,425
Computer and office equipment	52,061	(8,857)	43,204
Furniture and fittings	129	(73)	56
Motor vehicles	2,988	(966)	2,022
	<u>129,788</u>	<u>(18,081)</u>	<u>111,707</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The additions in property, plant and equipment were acquired by way of:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Finance leases	5,922	18,199	1,357	880
Cash	223,882	141,974	248	764
Deferred payment	24,916	11,991	28,954	14,278
Provision for restoration costs	2,160	1,942	-	-
	<u>256,880</u>	<u>174,106</u>	<u>30,559</u>	<u>15,922</u>

The Group conducted a review of the recoverable amounts of certain property, plant and equipment and the review has led to the following recognitions:

- (1) an impairment loss of RM17,098,000 (30.4.2018: RM14,434,000), included in Other expenses – investing activities as disclosed in Note 31(c)(i). The impairment loss was due to a decline in the market values of aircraft for which the recoverable amount is RM58,009,000 (30.4.2018: RM75,706,000) determined based on fair value less costs to sell (equivalent to level 2 in the fair value hierarchy), a clubhouse building residing on a leased land for which the recoverable amount is RM35,585,000 determined based on discounted projected cash flows (equivalent to level 3 in the fair value hierarchy), closure of certain outlets and of certain property, plant and equipment for which the VIU is less than the carrying value; and
- (2) a reversal of impairment loss of RM Nil (30.4.2018: RM1,463,000), included in Other income – investing activities as disclosed in Note 31(d)(ii).

Included in the Group's reclassification/adjustments column are:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
(i) transfer of certain property from investment properties (Note 4)	1,150	32,815
(ii) transfer of certain property to investment properties (Note 4)	(10,895)	(67,824)
(iii) gross revaluation surplus resulting from a change in its use from property, plant and equipment to investment properties	7,167	17,767
(iv) transfer of certain property from land held for development (Note 5a)	3,316	-
(v) over accrual of cost for certain property, plant and equipment	(95)	(848)
(vi) transfer from intangible assets (Note 11)	-	756
	<u>643</u>	<u>(17,334)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Others comprise mainly linen, silverware, cutleries, kitchen utensils, gymnasium equipment, recreational livestock and apparatus.

Property, plant and equipment with net book value of RM805,261,000 (30.4.2018: RM914,183,000) have been pledged to financial institutions for facilities granted to certain subsidiary companies.

The net carrying amounts of assets acquired under finance leases and hire purchase arrangements are as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Plant and equipment	6,819	8,787	-	-
Computer and office equipment	908	1,684	-	-
Office renovation	7,892	8,416	-	-
Furniture and fittings	1,277	1,089	-	-
Motor vehicles	10,415	10,042	2,606	2,022
Aircraft	57,154	66,581	-	-
	<u>84,465</u>	<u>96,599</u>	<u>2,606</u>	<u>2,022</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4. INVESTMENT PROPERTIES

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
At beginning of financial period/year	877,871	840,177
Additions	4,549	3,179
Disposals	-	(1,480)
Fair value adjustments, net	(12,349)	9,988
Exchange differences	1,027	(9,002)
Net transfer from property, plant and equipment (Note 3)	9,745	35,009
Transferred to non-current assets held for sale (Note 18)	(21,749)	-
At end of financial period/year	<u>859,094</u>	<u>877,871</u>

Investment properties with carrying amount totalling RM85,477,000 (30.4.2018: RM78,023,000) are held under lease terms.

The subdivision of title for the freehold land of a subsidiary company with carrying amount of RM3,400,000 (30.4.2018: RM3,400,000) was successfully completed during the financial period pursuant to its conversion of leasehold to freehold status.

The carrying amounts of the investment properties were determined based on valuations by independent valuers, who hold recognised qualifications and have relevant experience. These valuations make reference to market evidence of transaction prices of similar properties or comparable available market data. Fair value hierarchy for investment properties is disclosed in Note 39.

The Group determined that certain properties that were previously classified as investment properties amounting to RM1,150,000 (30.4.2018: RM32,815,000), are now occupied by subsidiary companies of the Group, thus, do not qualify as investment properties according to MFRS 140: Investment Property. Certain other properties previously classified under property, plant and equipment amounting to RM10,895,000 (30.4.2018: RM67,824,000), are now not occupied by subsidiary companies of the Group, thus, qualify as investment properties according to MFRS 140: Investment Property. These properties were reclassified accordingly.

Investment properties of the Group amounting to RM721,428,000 (30.4.2018: RM757,800,000) have been pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5. INVENTORIES

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
NON-CURRENT			
<u>Inventories - land held for development</u>			
At cost:			
Land held for development (Note a)	1,931,657	1,855,155	2,036,359
CURRENT			
<u>Inventories - property development costs</u>			
At cost:			
Property development costs (Note b)	196,621	195,070	875,911
<u>Inventories - others</u>			
At cost:			
Raw materials	68,825	54,040	27,700
Work-in-progress	8,198	3,405	7,356
Finished goods and inventories for resale	669,445	444,991	563,033
Property inventories	823,912	1,121,030	403,937
Gaming equipment components and parts	473	6,800	28,657
Stores and consumables	26,719	41,382	27,885
Ticket inventories	3,328	4,076	4,741
	<u>1,600,900</u>	<u>1,675,724</u>	<u>1,063,309</u>
At net realisable value:			
Finished goods and inventories for resale	108,071	85,410	89,636
Property inventories	19,560	960	960
Stores and consumables	19,722	1,346	1,793
	<u>147,353</u>	<u>87,716</u>	<u>92,389</u>
At fair value:			
Trading account securities	2,179	884	1,017
Total for inventories - others	<u>1,750,432</u>	<u>1,764,324</u>	<u>1,156,715</u>
Total inventories	<u>3,878,710</u>	<u>3,814,549</u>	<u>4,068,985</u>

Trading account securities, which principally represent investment in shares quoted in Malaysia, have a market value as at reporting date of RM2,179,000 (30.4.2018: RM884,000).

The cost of inventories recognised as an expense during the financial period in the Group amounted to RM3,259,518,000 (30.4.2018: RM2,807,320,000).

Certain inventories are pledged for manufacturers and other third party vehicle stocking loans as disclosed in Note 28.

The following inventories have been pledged to various financial institutions for credit facilities granted to certain subsidiary companies:

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Land held for development	375,849	135,454	624,398
Property development costs	112,616	54,665	223,077
Property inventories	743,889	812,536	66,307
	<u>1,232,354</u>	<u>1,002,655</u>	<u>913,782</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5. INVENTORIES (CONTINUED)

(a) Land held for development

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At cost:		
At beginning of financial period/year:		
- freehold land	1,416,333	1,411,570
- long leasehold land	62,095	62,304
- land use rights/land lease premium	11,217	172,608
- development costs	365,510	389,877
	<u>1,855,155</u>	<u>2,036,359</u>
Transfer/Adjustments during the financial period/year:		
- freehold land	52,221	(4,979)
- long leasehold land	-	(80)
- land use rights/land lease premium	-	(144,663)
- development costs	(1,900)	(47,722)
	<u>50,321</u>	<u>(197,444)</u>
Additions:		
- freehold land	7,164	15,535
- development costs	13,495	31,166
	<u>20,659</u>	<u>46,701</u>
Disposals:		
- freehold land	(97)	(206)
- long leasehold land	-	(101)
- development costs	-	(945)
	<u>(97)</u>	<u>(1,252)</u>
Exchange differences:		
- freehold land	4,672	(5,587)
- long leasehold land	(38)	(28)
- land use rights/land lease premium	391	(16,728)
- development costs	2,108	(6,866)
	<u>7,133</u>	<u>(29,209)</u>
Total cost at end of financial period/year	<u>1,933,171</u>	<u>1,855,155</u>
Write-down in value	(1,514)	-
Carrying value at end of financial period/year	<u>1,931,657</u>	<u>1,855,155</u>

Included in the transfer/adjustments section are the following:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
(i) transfer to property, plant and equipment (Note 3)	(3,316)	-
(ii) transfer from/(to) property development (Note 5(b))	53,637	(18,608)
(iii) adjustment arising from deemed disposal of subsidiary companies	-	(178,836)
	<u>50,321</u>	<u>(197,444)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5. INVENTORIES (CONTINUED)

(b) Property Development

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At cost:		
At beginning of financial period/year:		
- freehold land	103,266	207,795
- long leasehold land	3	17
- land use rights	10,857	-
- development costs	80,944	1,151,684
	<u>195,070</u>	<u>1,359,496</u>
Costs incurred during the financial period/year:		
- freehold land	1,099	3,964
- development costs	71,755	155,453
	<u>72,854</u>	<u>159,417</u>
Costs recognised in profit or loss:		
At beginning of financial period/year	-	(483,585)
Recognised during the financial period/year	-	(41,615)
Elimination due to completion of projects	-	525,200
At end of financial period/year	<u>-</u>	<u>-</u>
Transfers/Adjustments during the financial period/year:		
- (to)/from land held for development (Note 5(a))	(53,637)	18,608
- to inventories - others	(758)	(755,327)
- to contract cost assets	(17,718)	(59,902)
	<u>(72,113)</u>	<u>(796,621)</u>
Reclassification during the financial period/year		
- long leasehold land	704	-
- development costs	(704)	-
	<u>-</u>	<u>-</u>
Exchange differences	810	(2,022)
Costs eliminated during the financial period/year due to completion of projects:		
- freehold land	-	(88,867)
- development costs	-	(436,333)
	<u>-</u>	<u>(525,200)</u>
Carrying value at end of financial period/year	<u>196,621</u>	<u>195,070</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

6. SUBSIDIARY COMPANIES

	Company	
	30.6.2019 RM'000	30.4.2018 RM'000
At cost:		
Quoted shares in Malaysia	281,695	299,967
Unquoted shares	5,493,598	5,090,100
	5,775,293	5,390,067
Less: Accumulated impairment	(40,998)	(45,544)
	5,734,295	5,344,523
Market value:		
Quoted shares in Malaysia	134,000	144,102

The Group's equity interests in the subsidiary companies, their respective principal activities and country of incorporation are shown in Note 45.

Quoted shares costing RM281,292,000 (30.4.2018: RM295,855,000) have been pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

During the financial period, the Company conducted a review of the recoverable amounts of its investments in subsidiary companies and the review concluded that no further impairment was required as the recoverable amount was higher than the carrying value.

6.1 Acquisition of subsidiary company

During the current financial period, Berjaya Okinawa Investment (S) Pte. Ltd. ("BOIS") which is a wholly owned subsidiary company of the Group, acquired 100% specified equity interest comprising 113 specified equity units of Japanese Yen ("JPY") 50,000 each in Opportunity 24 TMK ("Opportunity 24 TMK") for a total cash consideration of JPY93.79 million (equivalent to approximately RM3.59 million). Berjaya Okinawa Investment GK ("BOIGK") has acquired 100% preferred equity interest comprising 124 preferred equity units of JPY50,000 each in Opportunity 24 TMK for a total cash consideration of JPY6.20 million (equivalent to about RM0.24 million). BOIGK is in turn, a wholly owned subsidiary company of BOIS.

The fair values of the identifiable assets and liabilities on the acquisition of Opportunity 24 TMK were as follows:

Group	RM'000
Current assets	163
Current liabilities	(115)
Total net assets acquired	48
Goodwill on acquisition	3,762
Total cost of acquisition, representing net cash outflow on date of acquisition	3,810

There was no acquisition of subsidiary company which qualified as business combination in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

6. SUBSIDIARY COMPANIES (CONTINUED)

6.2 Acquisition of subsidiary company subsequent to financial period end

Subsequent to the financial period end, the Group completed the followings acquisitions which qualified as business combination:

- (1) On 22 August 2019, Berjaya Leisure Capital (Cayman) Ltd ("BLCC"), a wholly-owned subsidiary of the Group, subscribed for its entitlement and the excess of rights shares cum free warrants, totalling 100,000,000 new ordinary shares and 33,333,333 free warrants in Informatics Education Ltd ("Informatics") for a total cash consideration of SGD5.0 million (equivalent to approximately RM15.305 million). Consequently, the Group's interest in Informatics increased from 28.38% to 67.95%, thus making Informatics a subsidiary of the Group.
- (2) On 22 August 2019, Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH"), (an associated company of the Group then) undertook a share buyback exercise which resulted in the reduction of its shares with voting rights. Consequently, the Group's interest in SIAMH increased from 47.44% to 50.01% and hence, it became a subsidiary of the Group.

The cost of acquisitions comprised the following:

Group	Acquisition of		Total
	Informatics	SIAMH	
	RM'000	RM'000	RM'000
Purchase consideration satisfied by cash,	15,305	-	15,305
Classified from associated company	1,566	89,223	90,789
Fair value adjustments on associated company prior to reclassification to investment in subsidiary company	1,570	2,997	4,567
Total cost of acquisition, representing fair value of the consideration	<u>18,441</u>	<u>92,220</u>	<u>110,661</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

6. SUBSIDIARY COMPANIES (CONTINUED)

6.2 Acquisition of subsidiary company subsequent to financial period end (Continued)

The fair values of the assets and liabilities of the acquired subsidiary companies at the date of acquisition were as follows:

Group	Acquisition of		Total
	Informatics	SIAMH	
	RM'000	RM'000	RM'000
Non-current assets	9,458	317,051	326,509
Current assets	23,022	33,668	56,690
	<u>32,480</u>	<u>350,719</u>	<u>383,199</u>
Non-current liabilities	6,575	25,342	31,917
Current liabilities	20,007	128,424	148,431
Net assets acquired	5,898	194,394	200,292
Less: Non-controlling interests	(1,890)	(97,177)	(99,067)
Group's share of net assets	4,008	97,217	101,225
Goodwill/ (negative goodwill) on consolidation	14,433	(4,997)	9,436
Total cost of acquisition	<u>18,441</u>	<u>92,220</u>	<u>110,661</u>

The above fair values of assets and liabilities arising on the above acquisitions are provisional as the Group is undertaking purchase price allocation exercise to determine the final fair value of identifiable assets (including intangible assets) and liabilities at acquisition. Any adjustments arising therefrom will be adjusted when the purchase price allocation exercise is completed.

6.3 Disposal of subsidiary companies

6.3.1 Current financial period

During the current financial period, the Group completed the following disposals/deemed disposals:

- (1) The Company completed the disposal of DSG Holdings Limited ("DSG"), which was classified as disposal group in the previous financial year (refer to Note 43(2));
- (2) the Group completed the disposal of its entire 70.0% equity interest in Berjaya Long Beach Limited Liability Company ("BLong Beach"), which was classified as disposal group in the previous financial year for a cash consideration of about VND333.25 billion (equivalent to approximately RM65.32 million) and to waive all amounts owing by BLong Beach to Group which was about VND87.50 billion (or about RM17.15 million) as at 31 January 2017 (refer to Note 43(11)); and
- (3) The Group entered into a supplemental letter of arrangement with the shareholder of REDtone MEX Sdn Bhd ("REX"), which resulted in the loss of control in REX although the Group continues to hold 56% shareholding in REX. The Group now has significant influence over REX and accordingly classified REX as an associate.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

6. SUBSIDIARY COMPANIES (CONTINUED)

6.3 Disposal of subsidiary companies (continued)

6.3.2 Previous financial year

In the previous financial year, the Group completed the following disposal/deemed disposal:

- (1) The Group disposed of its 100% equity interest in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advance Medicine Holdings Pte Ltd ("SIAMH") for a consideration of SGD2.97 million (or equivalent to about RM9.21 million) satisfied via an issuance of new SIAMH shares, SIAMH is an existing associated company of Berjaya Leisure (Cayman) Limited ("BLCL");
- (2) The Group completed the disposal of its entire equity stake in PT Boga Lestari Sentosa for IDR1,000 (or equivalent to about RM0.32);
- (3) The Company completed the disposal of its entire 100% equity interest in Berjaya Green Resources Environmental Engineering (Foshan) Co Ltd for a cash consideration of about RMB78.50 million (or equivalent to about RM50.87 million);
- (4) BLCL's equity interest in Berjaya Vietnam Financial Center Limited ("BVFC") was diluted from 100% to 32.5% after the injection of fresh capital contribution amounting to VND2,008.69 billion (equivalent to approximately RM352 million) into BVFC by Vinhomes Joint Stock Company Limited ("Vinhomes") following the conditions imposed by the Vietnamese authorities; and
- (5) BLCL's equity interest in Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT") was diluted from 100% to 0.8% after the injection of fresh capital contribution amounting to VND11,904 billion (equivalent to approximately RM2.0 billion) into BVIUT by Vinhomes and its affiliates following conditions imposed by the Vietnamese authorities.

6.3.3 Effects of disposal

The effects of the disposal on the financial statements of the Group are disclosed in the Consolidated Statement of Cash Flows, Note (b).

The acquisition, incorporation or disposal of subsidiary companies during the financial period which do not have any material effect on the financial position of the Group and of the Company are not listed above.

6.4 Subsidiary companies with material non-controlling interests

The Group regards the non-controlling interests of the following subsidiary companies as material to the Group and is set out below. The equity interests held by non-controlling interests are as follows:

Name	Equity interest held by non-controlling interests	
	30.6.2019 %	30.4.2018 %
Berjaya Land Berhad ("BLand")	23.1	27.9
BFood	52.3	56.3
REDtone International Berhad	48.4	48.3

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

6. SUBSIDIARY COMPANIES (CONTINUED)

6.4 Subsidiary companies with material non-controlling interests (continued)

Summarised financial information of subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination and after modifying for fair value adjustments arising from business combination.

GROUP	BLand	BFood	REDtone	Total
	RM'000	RM'000	RM'000	RM'000
At 30 June 2019				
Non-current assets	8,582,201	765,931	340,823	9,688,955
Current assets	3,394,781	90,919	185,834	3,671,534
Non-current liabilities	(3,225,770)	(209,492)	(72,433)	(3,507,695)
Current liabilities	(2,573,169)	(280,814)	(69,422)	(2,923,405)
Net assets	<u>6,178,043</u>	<u>366,544</u>	<u>384,802</u>	<u>6,929,389</u>
Equity attributable to equity holders of the parent	3,571,077	174,170	196,863	3,942,110
Non-controlling interests	2,606,966	192,374	187,939	2,987,279
Total equity	<u>6,178,043</u>	<u>366,544</u>	<u>384,802</u>	<u>6,929,389</u>
Period ended 30 June 2019				
Revenue	<u>7,307,221</u>	<u>788,976</u>	<u>211,391</u>	<u>8,307,588</u>
Profit for the period	379,283	24,178	21,990	425,451
Other comprehensive income	27,328	247	-	27,575
Total comprehensive income for the period	<u>406,611</u>	<u>24,425</u>	<u>21,990</u>	<u>453,026</u>
Profit attributable to:				
- Owners of the parent	147,414	10,869	11,620	169,903
- Non-controlling interests	231,869	13,309	10,370	255,548
	<u>379,283</u>	<u>24,178</u>	<u>21,990</u>	<u>425,451</u>
Total comprehensive income attributable to:				
- Owners of the parent	379,026	10,960	11,620	401,606
- Non-controlling interests	27,585	13,465	10,370	51,420
	<u>406,611</u>	<u>24,425</u>	<u>21,990</u>	<u>453,026</u>
Period ended 30 June 2019				
Net cash generated from/(used in):				
Operating activities	309,755	131,883	254	441,892
Investing activities	390,964	(91,102)	5,477	305,339
Financing activities	(816,223)	(55,646)	(6,247)	(878,116)
Net change in cash and cash equivalents	<u>(115,504)</u>	<u>(14,865)</u>	<u>(516)</u>	<u>(130,885)</u>
Dividends paid to non-controlling interests	<u>(134,754)</u>	<u>(4,769)</u>	-	<u>(139,523)</u>

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6. SUBSIDIARY COMPANIES (CONTINUED)

6.4 Subsidiary companies with material non-controlling interests (continued)

GROUP

	BLand	BFood	REDtone	Total
At 30 April 2018	RM'000	RM'000	RM'000	RM'000
Non-current assets	9,305,552	719,322	359,668	10,384,542
Current assets	3,448,114	94,341	143,610	3,686,065
Non-current liabilities	(3,083,241)	(150,218)	(73,911)	(3,307,370)
Current liabilities	(3,240,810)	(276,256)	(62,650)	(3,579,716)
Net assets	<u>6,429,615</u>	<u>387,189</u>	<u>366,717</u>	<u>7,183,521</u>
Equity attributable to equity holders of the parent	3,418,259	168,476	185,309	3,772,044
Non-controlling interests	<u>3,011,356</u>	<u>218,713</u>	<u>181,408</u>	<u>3,411,477</u>
Total equity	<u>6,429,615</u>	<u>387,189</u>	<u>366,717</u>	<u>7,183,521</u>
Year ended 30 April 2018				
Revenue	<u>6,361,198</u>	<u>639,741</u>	<u>118,081</u>	<u>7,119,020</u>
(Loss)/Profit for the year	(83,157)	218	4,769	(78,170)
Other comprehensive income	<u>(132,734)</u>	<u>3,291</u>	<u>-</u>	<u>(129,443)</u>
Total comprehensive income for the year	<u>(215,891)</u>	<u>3,509</u>	<u>4,769</u>	<u>(207,613)</u>
(Loss)/Profit attributable to:				
- Owners of the parent	(100,164)	512	3,085	(96,567)
- Non-controlling interests	<u>17,007</u>	<u>(294)</u>	<u>1,684</u>	<u>18,397</u>
	<u>(83,157)</u>	<u>218</u>	<u>4,769</u>	<u>(78,170)</u>
Total comprehensive income attributable to:				
- Owners of the parent	(212,326)	1,414	3,084	(207,828)
- Non-controlling interests	<u>(3,565)</u>	<u>2,095</u>	<u>1,685</u>	<u>215</u>
	<u>(215,891)</u>	<u>3,509</u>	<u>4,769</u>	<u>(207,613)</u>
Year ended 30 April 2018				
Net cash generated from/(used in):				
Operating activities	458,302	63,302	45,965	567,569
Investing activities	235,041	(49,469)	(20,841)	164,731
Financing activities	<u>(532,163)</u>	<u>(6,163)</u>	<u>(21,143)</u>	<u>(559,469)</u>
Net change in cash and cash equivalents	<u>161,180</u>	<u>7,670</u>	<u>3,981</u>	<u>172,831</u>
Dividends paid to non-controlling interests	<u>(71,731)</u>	<u>(6,544)</u>	<u>-</u>	<u>(78,275)</u>

NOTES TO THE FINANCIAL STATEMENTS

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7. ASSOCIATED COMPANIES

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
At cost:				
Quoted shares - in Malaysia	473,928	467,596	257,682	257,682
Quoted shares - outside Malaysia	103,952	103,914	-	-
Unquoted shares	574,175	538,851	50	50
Less: Unrealised profit on transactions with associated companies	(6,696)	(6,866)	-	-
	<u>1,145,359</u>	<u>1,103,495</u>	<u>257,732</u>	<u>257,732</u>
Group's share of post acquisition reserves	189,756	236,696	-	-
	<u>1,335,115</u>	<u>1,340,191</u>	<u>257,732</u>	<u>257,732</u>
Less: Accumulated impairment				
- Quoted shares in Malaysia	(58,380)	(9,446)	(9,222)	-
- Quoted shares outside Malaysia	(49,158)	(51,464)	-	-
- Unquoted shares	(90,437)	(90,146)	-	-
	<u>(197,975)</u>	<u>(151,056)</u>	<u>(9,222)</u>	<u>-</u>
	<u>1,137,140</u>	<u>1,189,135</u>	<u>248,510</u>	<u>257,732</u>
Carrying value of:				
Quoted shares - in Malaysia	518,802	571,394	248,460	257,682
Quoted shares - outside Malaysia	1,574	3,934	-	-
Unquoted shares	616,764	613,807	50	50
	<u>1,137,140</u>	<u>1,189,135</u>	<u>248,510</u>	<u>257,732</u>
Market value:				
Quoted shares - in Malaysia	365,111	427,126	248,460	267,246
Quoted shares - outside Malaysia	1,568	3,943	-	-

Certain quoted shares of the Group and of the Company costing RM294,790,000 (30.4.2018: RM366,864,000) and RM209,079,000 (30.4.2018: RM254,620,000) respectively, have been pledged to financial institutions for credit facilities granted to the Company and certain subsidiary companies.

During the financial period, the Group and the Company conducted a review of the recoverable amounts of certain investment in associated companies and the review has led to the following recognition:

- an impairment loss amounting to RM55,282,000 (30.4.2018: RM7,472,000) for the Group and RM9,222,000 (30.4.2018: RMNil) for the Company as disclosed in Note 31(c)(i), in associated companies with recoverable amounts of RM282,155,000 (30.4.2018: RM14,756,000) for the Group and RM248,460,000 (30.4.2018: RM267,246,000) for the Company. The recoverable amounts are determined based on the higher of VIU calculations or fair values less costs to sell. The discount rate used in the VIU calculation is 19.80% (30.4.2018: 16.20%). The fair values are based on observable market prices; and
- a reversal of impairment loss of RM2,310,000 (30.4.2018: RM590,000) as disclosed in Note 31(d)(ii), in associated companies with recoverable amount of RM1,568,000 (30.4.2018: RM1,502,000).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

7. ASSOCIATED COMPANIES (CONTINUED)

The Group's equity interest in the associated companies, their respective principal activities and country of incorporation are shown in Note 45.

During the current financial period, the value of a quoted investment in an associated company was not impaired to its market value as the directors have evaluated that the fair values of the underlying assets of this associated company quoted in Malaysia, to be higher than or equal to its carrying value.

Although the Group holds less than 20% of the voting shares in Berjaya Assets Berhad ("BAssets") and Berjaya Media Berhad, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of these companies by way of representation on their respective boards of directors.

The Group regards Atlan Holdings Bhd ("Atlan"), BAssets and Berjaya Sompo Insurance Berhad ("BSompo") as its material associated companies.

Summarised financial information in respect of the material associated companies is set out below. The summarised financial information represents the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

GROUP	Atlan	BAssets	BSompo	Total
At 30.6.2019	RM'000	RM'000	RM'000	RM'000
Non-current assets	330,221	3,147,684	1,568,557	5,046,462
Current assets	635,417	366,332	812,501	1,814,250
Non-current liabilities	(148,368)	(994,332)	(4,375)	(1,147,075)
Current liabilities	(123,528)	(326,560)	(1,473,656)	(1,923,744)
Net assets	<u>693,742</u>	<u>2,193,124</u>	<u>903,027</u>	<u>3,789,893</u>
Equity attributable to:				
Owners of the associated company	525,176	2,183,608	903,027	3,611,811
Non-controlling interests of the associated company	168,566	9,516	-	178,082
Total equity	<u>693,742</u>	<u>2,193,124</u>	<u>903,027</u>	<u>3,789,893</u>
GROUP	Atlan	BAssets	BSompo	Total
At 30.4.2018	RM'000	RM'000	RM'000	RM'000
Non-current assets	270,058	3,186,403	1,487,391	4,943,852
Current assets	696,498	410,794	626,158	1,733,450
Non-current liabilities	(51,854)	(975,943)	(6,102)	(1,033,899)
Current liabilities	(202,675)	(318,595)	(1,292,375)	(1,813,645)
Net assets	<u>712,027</u>	<u>2,302,659</u>	<u>815,072</u>	<u>3,829,758</u>
Equity attributable to:				
Owners of the associated company	533,095	2,295,762	815,072	3,643,929
Non-controlling interests of the associated company	178,932	6,897	-	185,829
Total equity	<u>712,027</u>	<u>2,302,659</u>	<u>815,072</u>	<u>3,829,758</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

7. ASSOCIATED COMPANIES (CONTINUED)

GROUP	Atlan	BAssets	BSompo	Total
Period ended 30.6.2019	RM'000	RM'000	RM'000	RM'000
Revenue	973,079	379,223	1,081,245	2,433,547
Profit/(Loss) for the period	68,869	(88,643)	85,385	65,611
Other comprehensive income	146	(21,867)	2,570	(19,151)
Total comprehensive income for the period	69,015	(110,510)	87,955	46,460
Profit/(Loss) for the period attributable to:				
- owners of the associated company	46,975	(91,041)	85,385	41,319
- non-controlling interests of the associated company	21,894	2,398	-	24,292
	68,869	(88,643)	85,385	65,611
Total comprehensive income attributable to:				
- owners of the associated company	49,033	(112,154)	87,955	24,834
- non-controlling interests of the associated company	19,982	1,644	-	21,626
	69,015	(110,510)	87,955	46,460
Dividends received from the associated companies during the period	13,552	-	-	13,552
GROUP	Atlan	BAssets	BSompo	Total
Year ended 30.4.2018	RM'000	RM'000	RM'000	RM'000
Revenue	826,335	350,026	631,802	1,808,163
Profit/(Loss) for the year	66,325	(22,857)	49,171	92,639
Other comprehensive income	-	(29,481)	(3,779)	(33,260)
Total comprehensive income for the year	66,325	(52,338)	45,392	59,379
Profit/(Loss) for the year attributable to:				
- owners of the associated company	49,033	(22,089)	49,171	76,115
- non-controlling interests of the associated company	17,292	(768)	-	16,524
	66,325	(22,857)	49,171	92,639
Total comprehensive income attributable to:				
- owners of the associated company	49,033	(51,774)	45,392	42,651
- non-controlling interests of the associated company	17,292	(564)	-	16,728
	66,325	(52,338)	45,392	59,379
Dividends received from the associated companies during the year	14,249	-	-	14,249

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

7. ASSOCIATED COMPANIES (CONTINUED)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associated companies:

GROUP	Atlan	BAssets	BSompo	Total
Period ended 30.6.2019	RM'000	RM'000	RM'000	RM'000
Attributable to the owners of associated companies:				
Net assets at beginning of period	533,095	2,295,762	815,072	3,643,929
Profit/(Loss) for the period	46,975	(91,041)	85,385	41,319
Other comprehensive income	(4,164)	(21,113)	2,570	(22,707)
Dividends paid during the period	(50,730)	-	-	(50,730)
Net assets at end of period	<u>525,176</u>	<u>2,183,608</u>	<u>903,027</u>	<u>3,611,811</u>
At 30.6.2019				
Group's equity interest	26.69%	11.08%	30.00%	
Interest in associated companies	140,164	242,011	270,908	653,083
Goodwill	186,337	-	158,400	344,737
Impairment	(48,934)	-	-	(48,934)
Exchange differences	1,062	-	-	1,062
Unrealised profit on transaction with associated company	-	-	(6,696)	(6,696)
Less: Intragroup adjustments	-	(2,213)	-	(2,213)
Carrying value of Group's interest in associated companies	<u>278,629</u>	<u>239,798</u>	<u>422,612</u>	<u>941,039</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

7. ASSOCIATED COMPANIES (CONTINUED)

GROUP	Atlan	BAssets	BSompo	Total
Year ended 30.4.2018	RM'000	RM'000	RM'000	RM'000
Attributable to the owners of associated companies:				
Net assets at beginning of year	480,316	2,181,443	769,680	3,431,439
Increase in paid-up capital	-	166,093	-	166,093
Profit/(Loss) for the year	49,033	(22,089)	49,171	76,115
Other comprehensive income	-	(29,685)	(3,779)	(33,464)
Dividends paid during the year	(53,267)	-	-	(53,267)
Other transactions with owners	57,013	-	-	57,013
Net assets at end of year	533,095	2,295,762	815,072	3,643,929
At 30.4.2018				
Group's equity interest	26.69%	10.58%	30.00%	
Interest in associated companies	142,278	242,915	244,522	629,715
Goodwill	186,337	187	158,400	344,924
Exchange differences	(519)	-	-	(519)
Unrealised profit on transaction with associated company	-	-	(6,866)	(6,866)
Less: Intragroup adjustments	-	(2,510)	-	(2,510)
Carrying value of Group's interest in associated companies	328,096	240,592	396,056	964,744

Aggregate information of associated companies that are not individually material:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
The Group's share of loss for the financial period/year	(28,873)	(8,902)
The Group's share of other comprehensive income	511	(2,186)
The Group's share of total comprehensive income for the financial period/year	(28,362)	(11,088)
Aggregate carrying amount of the Group's interests in these associated companies	196,101	224,391

The Group has discontinued the recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interest in these associated companies. As at the reporting date, the Group's cumulative unrecognised share of losses in these associated companies amounted to RM33,451,000 (30.4.2018: RM26,669,000), which exceeded the Group's interest in these associated companies. Accordingly, the Group did not recognise its share of current period's loss amounting to RM6,782,000 (30.4.2018: share of profit of RM2,375,000) of these associated companies.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

8. JOINT VENTURES

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Contributed legal capital/cost of investment	215,204	324,092
Share of post-acquisition reserves	(92,224)	(195,885)
Exchange differences	3,695	6,023
	126,675	134,230
Less : Accumulated impairment	(28,373)	(28,644)
	98,302	105,586

During the current financial period, the Group conducted a review of the recoverable amounts of certain investment in joint ventures and the review has led to the recognition an impairment loss of RM21,523,000 as disclosed in Note 31(c)(i).

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	% of ownership interest held by the Group		Principal activities
		30.6.2019	30.4.2018	
Held by Berjaya Capital Berhad				
Chailease Berjaya Credit Sdn Bhd ("Chailease")	Malaysia	30.0	30.0	Hire purchase and loan financing in relation to vehicles and consumer goods.
Held by Berjaya Hotels & Resorts Vietnam Sdn Bhd				
Berjaya Hotay Joint Venture Company Limited ("BHotay")	Socialist Republic of Vietnam	50.0	50.0	Developer and operator of an international standard five star hotel and provision of related services.
Held by Berjaya Group (Cayman) Limited				
Antara Spacecom Pte Ltd	Singapore	50.0	50.0	Provision of satellite communication, broadcasting and mobility services.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

8. JOINT VENTURES (CONTINUED)

Name of joint ventures	Country of incorporation	% of ownership interest held by the Group		Principal activities
		30.6.2019	30.4.2018	
Held by Berjaya Property Management Sdn Bhd				
Pasdec Cempaka Sdn Bhd	Malaysia	20.0	20.0	Property development and investment.
Held by Berjaya Vacation Club Berhad				
Asia Jet Partners Malaysia Sdn Bhd	Malaysia	51.0	51.0	Aircraft charter service and related aircraft business.
Held by BL Capital Sdn Bhd				
Pasdec Cempaka Sdn Bhd	Malaysia	31.0	31.0	Property development and investment.
Held by Cosway (China) Co. Ltd				
Cosway (Guangzhou) Cosmetic Manufacture Co Ltd ("Cosway Guangzhou")	People's Republic of China	70.0	70.0	Manufacture and trading in consumer, household and skin care products.
Held by FEAB Equities Sdn Bhd				
FEAB Cylabs Sdn Bhd	Malaysia	50.0	-	Dormant.
Held by KUB-Berjaya Energy Sdn Bhd				
Amita KUB-Berjaya Kitar Sdn Bhd	Malaysia	60.0	60.0	Providing industrial waste recycling services.
Held by T.P.C Development Limited				
T.P.C. Nghi Tam Village Ltd	Socialist Republic of Vietnam	-	75.0	Developer and operator of an international standard five star hotel.
Held by Berjaya Leisure (Cayman) Limited				
Berjaya-Handico12 Co Ltd	Socialist Republic of Vietnam	80.0	80.0	Property investment and development.

During the current financial period, T.P.C Development Limited ("TPCDev"), a wholly-owned subsidiary of Berjaya Leisure (Cayman) Limited which is a wholly owned subsidiary company of BLand, completed the disposal of its entire equity interest of 75% of the capital contribution in T.P.C. Nghi Tam Village Ltd. Further details of the disposal are disclosed in Note 43(9).

NOTES TO THE FINANCIAL STATEMENTS

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8. JOINT VENTURES (CONTINUED)

Summarised financial information in respect of the material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures after modification of fair value adjustments arising from business combination and not the Group's share of those amounts.

GROUP	BHotay	Cosway Guangzhou	Chailase	Total
	RM'000	RM'000	RM'000	RM'000
At 30.6.2019				
Non-current assets	202,686	894	17,306	220,886
Current assets	10,835	6,193	1,025,868	1,042,896
Non-current liabilities	(100,570)	-	(223,435)	(324,005)
Current liabilities	(31,656)	(3,516)	(688,517)	(723,689)
Net assets	<u>81,295</u>	<u>3,571</u>	<u>131,222</u>	<u>216,088</u>
The amounts of assets and liabilities above include the following:				
Cash and cash equivalents	<u>7,046</u>	<u>4,706</u>	<u>126,916</u>	<u>138,668</u>
Current financial liabilities (excluding trade and other payables and provision)	<u>(16,554)</u>	<u>-</u>	<u>(677,502)</u>	<u>(694,056)</u>
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(104,274)</u>	<u>-</u>	<u>(223,435)</u>	<u>(327,709)</u>
Period ended 30.6.2019				
Revenue	<u>69,207</u>	<u>5,351</u>	<u>130,481</u>	<u>205,039</u>
(Loss)/Profit for the period, representing total comprehensive income for the period	<u>(3,202)</u>	<u>(1,688)</u>	<u>23,406</u>	<u>18,516</u>
The (loss)/profit for the period includes the following:				
Depreciation and amortisation	12,897	323	1,288	14,508
Interest income	-	251	292	543
Income tax expense	-	-	7,642	7,642
Finance costs	<u>5,646</u>	<u>-</u>	<u>-</u>	<u>5,646</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

8. JOINT VENTURES (CONTINUED)

GROUP	Cosway			Total
	BHotay	Guangzhou	Chaillease	
At 30.4.2018	RM'000	RM'000	RM'000	RM'000
Non-current assets	211,344	1,247	6,834	219,425
Current assets	14,201	18,617	441,789	474,607
Non-current liabilities	(113,961)	-	(25,248)	(139,209)
Current liabilities	(29,919)	(14,404)	(340,559)	(384,882)
Net assets	<u>81,665</u>	<u>5,460</u>	<u>82,816</u>	<u>169,941</u>
The amounts of assets and liabilities above include the following:				
Cash and cash equivalents	<u>8,324</u>	<u>11,036</u>	<u>3,793</u>	<u>23,153</u>
Current financial liabilities (excluding trade and other payables and provision)	<u>(21,784)</u>	<u>-</u>	<u>(339,035)</u>	<u>(360,819)</u>
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(104,956)</u>	<u>-</u>	<u>(25,248)</u>	<u>(130,204)</u>
Year ended 30.4.2018				
Revenue	<u>70,771</u>	<u>5,953</u>	<u>54,177</u>	<u>130,901</u>
Profit/(Loss) for the year, representing total comprehensive income for the year	<u>8</u>	<u>(327)</u>	<u>6,566</u>	<u>6,247</u>
The profit/(loss) for the year includes the following:				
Depreciation and amortisation	16,270	294	588	17,152
Interest income	-	260	218	478
Income tax expense	-	297	2,318	2,615
Finance costs	<u>5,062</u>	<u>-</u>	<u>-</u>	<u>5,062</u>
Dividend received from the joint ventures during the year	<u>-</u>	<u>17,195</u>	<u>-</u>	<u>17,195</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

8. JOINT VENTURES (CONTINUED)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures

GROUP	Cosway			Total
	BHotay	Guangzhou	Chailease	
30.6.2019	RM'000	RM'000	RM'000	RM'000
Net assets as at beginning of period	81,665	5,460	82,816	169,941
(Loss)/Profit for the period, representing other comprehensive income for the period	(3,202)	(1,688)	23,406	18,516
Dividends paid during the period	-	-	-	-
Increase in share capital	-	-	25,000	25,000
Exchange differences	2,832	(201)	-	2,631
Net assets at end of period	81,295	3,571	131,222	216,088
Group's equity interest	50%	70%	30%	
Interest in joint venture	40,648	2,500	39,367	82,515
Gain on remeasurement	-	18,611	-	18,611
Impairment	-	(21,523)	-	(21,523)
Exchange differences	-	412	-	412
Carrying value of Group's interest in joint ventures	40,648	-	39,367	80,015

GROUP	Cosway			Total
	BHotay	Guangzhou	Chailease	
30.4.2018	RM'000	RM'000	RM'000	RM'000
Net assets as at date of equity account/beginning of year	90,678	30,345	51,250	172,273
Profit/(Loss) for the year, representing other comprehensive income for the year	8	(327)	6,566	6,247
Dividends paid during the year	-	(24,564)	-	(24,564)
Increase in share capital	-	-	25,000	25,000
Exchange differences	(9,021)	6	-	(9,015)
Net assets at end of year	81,665	5,460	82,816	169,941
Group's equity interest	50%	70%	30%	
Interest in joint venture	40,833	3,822	24,845	69,500
Gain on remeasurement	-	18,611	-	18,611
Exchange differences	-	261	-	261
Carrying value of Group's interest in joint ventures	40,833	22,694	24,845	88,372

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

8. JOINT VENTURES (CONTINUED)

Aggregate information of joint ventures that are not individually material

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
The Group's share of (loss) /profit for the financial period/year, representing total comprehensive income	(104)	1,045
Aggregate carrying amount of the Group's interests in these joint ventures	<u>18,287</u>	<u>17,214</u>

The Group has discontinued recognition of its share of losses of certain joint ventures because the share of losses of these joint ventures has exceeded the Group's interest in these joint ventures, and the Group does not have any legal and constructive obligations to provide financial support to the joint ventures. As such, during the current financial period, the Group did not recognise its share of the current period net profit of these joint ventures and the Group's cumulative share of unrecognised losses of these joint ventures amounted to RM32,073,000 (30.4.2018: RM48,484,000).

9. OTHER INVESTMENTS

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Quoted investments in Malaysia, at fair value		
- shares	70,606	42,384
- warrants	6,093	-
- Malaysian Government Securities	3,186	2,996
- unit trust funds	2,063	1,154
Quoted investments outside Malaysia, at fair value		
- shares	4,459	10,034
- warrants	7	-
	<u>86,414</u>	<u>56,568</u>
Unquoted shares		
- Fair value/Cost	45,524	147,909
- Less: Accumulated impairment	-	(56,356)
	<u>45,524</u>	<u>91,553</u>
Total investment in financial assets	131,938	148,121
Golf club corporate memberships	377	833
Total investments	<u>132,315</u>	<u>148,954</u>

The investment in Malaysian Government Securities is deposited with the Malaysian Government in accordance with the Pool Betting Act, 1967 in connection with the issue of the pool betting licence and yields interest at 4.50% (30.4.2018: 4.50%) per annum.

During the current financial period, the Group recognised the fair value changes of investments classified as FVTOCI, amounting to RM22,168,000 to the FVTOCI reserve.

NOTES TO THE FINANCIAL STATEMENTS

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9. OTHER INVESTMENTS (CONTINUED)

In the previous financial year, the Group recognised:

- (i) an impairment loss amounting to RM2,738,000 of certain available-for-sale financial assets which are quoted equity instruments as disclosed in Note 31 (c)(i); and
- (ii) an impairment loss amounting to RM24,000 of certain available-for-sale financial assets which are unquoted equity instruments as disclosed in Notes 31 (c)(i).

None of the investment in quoted securities in Malaysia of the Group are pledged as at the current financial period and the previous financial year end.

Further details on fair value hierarchy and classification of equity investments are disclosed in Notes 39 and 40 respectively.

10. OTHER LONG TERM RECEIVABLES

	Group			Company	
	30.6.2019	30.4.2018	1.5.2017	30.6.2019	30.4.2018
	RM'000	RM'000 (Restated)	RM'000 (Restated)	RM'000	RM'000
Amounts due from joint ventures (Note a)	265,476	429,533	696,126	-	-
Amounts due from a subsidiary company (Note b)	-	-	-	64,654	83,987
Amounts due from trade receivables	-	40,544	-	-	-
Other non-current receivables	-	-	13,920	-	-
Other long term deposits	27,583	24,392	27,030	-	-
Amount receivable from disposal of Great Mall Project (Note c)	507,621	473,862	-	-	-
Compensation receivable from Jeju Project (Note d)	584,467	593,253	604,255	-	-
Stakeholders' sum	621	8,140	-	-	-
Hire purchase receivables, net of unearned interest (Note e)	21,183	23,100	19,376	-	-
	<u>1,406,951</u>	<u>1,592,824</u>	<u>1,360,707</u>	<u>64,654</u>	<u>83,987</u>

Notes:

- (a) Amounts owing by joint ventures are unsecured, interest-bearing with schedule of repayments ranging from 2 to 20 (30.4.2018: 2 to 20) years.
- (b) The amounts due from a subsidiary company is unsecured, repayable on demand and interest bearing.
- (c) This amount represents the final instalment claimed by GMOC from Beijing SkyOcean in respect of the GMOC Arbitration. Details of the GMOC Arbitration are disclosed in Note 38(4).
- (d) This amount represents the project costs claimed by BJR from JDC in respect of the JDC Lawsuit. Details of the JDC Lawsuit are disclosed in Note 38(3).

The Jeju Project has been placed under lien by its main contractor. The outstanding amount due to the main contractor as at the reporting date amounted to RM84,938,000 (30.4.2018: RM81,789,000) as disclosed in Note 27. The main contractor has also placed a lien on potential compensation receivable pending a positive judgement over the JDC Lawsuit.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

10. OTHER LONG TERM RECEIVABLES (CONTINUED)

(e) Future receipts for these hire purchase receivables are as follows:

	Minumum lease receivables 30.6.2019 RM'000	Present value of minimum lease receivables 30.6.2019 RM'000	Minumum lease receivables 30.4.2018 RM'000	Present value of minimum lease receivables 30.4.2018 RM'000
Hire purchase receivables	27,491	24,524	32,842	25,549
Portion receivable within 12 months included under trade and other receivables (Note 13)	(6,308)	(3,341)	(9,742)	(2,449)
	<u>21,183</u>	<u>21,183</u>	<u>23,100</u>	<u>23,100</u>

NOTES TO THE FINANCIAL STATEMENTS

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11. INTANGIBLE ASSETS

GROUP

	Goodwill	Gaming rights	Trademarks	Lottery business cooperation contract	Concession assets	Dealership rights	Telecommunications licences with allocated spectrum	Other intangible assets	Total
30.6.2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Carrying Amount									
At beginning of financial period	1,014,834	3,854,617	40,177	115,347	244,726	56,220	314,601	54,542	5,695,064
Additions	3,762	-	180	-	27,489	-	-	7,078	38,509
Amortisation for the financial period	-	-	(40)	(8,281)	(18,301)	-	-	(6,092)	(32,714)
Impairment losses	(11,344)	(417,406)	-	-	-	-	-	(1,183)	(429,933)
Arising from disposal of subsidiary company	-	-	-	-	-	-	-	(12,173)	(12,173)
Write off	-	-	-	-	(24)	-	-	(174)	(198)
Deferred tax liability recognised (Note 26)	(1,091)	-	-	-	-	-	-	-	(1,091)
Exchange differences	(1,071)	-	1,900	-	(5,223)	(1,663)	-	(242)	(6,299)
At end of financial period	1,005,090	3,437,211	42,217	107,066	248,667	54,557	314,601	41,756	5,251,165

	Goodwill	Gaming rights	Trademarks	Lottery business cooperation contract	Concession assets	Dealership rights	Telecommunications licences with allocated spectrum	Other intangible assets	Total
30.4.2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Carrying Amount									
At beginning of financial year	1,021,661	3,758,865	43,807	122,446	477,417	57,487	314,601	57,512	5,853,796
Additions	-	-	49	-	24,018	-	-	7,450	31,517
Amortisation for the financial year	-	-	(36)	(7,099)	(22,086)	-	-	(6,743)	(35,964)
Reversal of impairment losses	-	95,752	-	-	-	-	-	-	95,752
Impairment losses	-	-	-	-	-	-	-	(1,955)	(1,955)
Adjustments	-	-	-	-	(269)	-	-	(51)	(320)
Government grant received during the financial year	-	-	-	-	-	-	-	(762)	(762)
Arising from disposal of subsidiary company	-	-	-	-	(67,988)	-	-	-	(67,988)
Transfer to property, plant and equipment	-	-	-	-	(895)	-	-	139	(756)
Transfer to disposal group	-	-	-	-	(159,545)	-	-	(285)	(159,830)
Disposals	-	-	-	-	-	-	-	(34)	(34)
Deferred tax liability recognised	(517)	-	-	-	-	-	-	-	(517)
Exchange differences	(6,310)	-	(3,643)	-	(5,926)	(1,267)	-	(729)	(17,875)
At end of financial year	1,014,834	3,854,617	40,177	115,347	244,726	56,220	314,601	54,542	5,695,064

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

GROUP	Accumulated			Net carrying amount
	Cost	impairment losses	Accumulated amortisation	
As at 30 June 2019	RM'000	RM'000	RM'000	RM'000
Goodwill	2,127,371	(1,122,281)	-	1,005,090
Gaming rights	4,685,784	(1,191,466)	(57,107)	3,437,211
Trademarks	84,793	(15,953)	(26,623)	42,217
Lottery business cooperation contract	131,319	-	(24,253)	107,066
Concession assets	352,263	(33,008)	(70,588)	248,667
Dealership rights	54,557	-	-	54,557
Telecommunications licences with allocated spectrum	314,601	-	-	314,601
Other intangible assets	83,893	(4,766)	(37,371)	41,756
	7,834,581	(2,367,474)	(215,942)	5,251,165

GROUP	Accumulated			Net carrying amount
	Cost	impairment losses	Accumulated amortisation	
As at 30 April 2018	RM'000	RM'000	RM'000	RM'000
Goodwill	2,199,132	(1,184,298)	-	1,014,834
Gaming rights	4,685,784	(774,060)	(57,107)	3,854,617
Trademarks	80,530	(15,284)	(25,069)	40,177
Lottery business cooperation contract	131,319	-	(15,972)	115,347
Concession assets	328,091	(31,066)	(52,299)	244,726
Dealership rights	56,220	-	-	56,220
Telecommunications licences with allocated spectrum	314,601	-	-	314,601
Other intangible assets	98,753	(10,195)	(34,016)	54,542
	7,894,430	(2,014,903)	(184,463)	5,695,064

	Company	
	30.6.2019 RM'000	30.4.2018 RM'000
Lottery business cooperation contract		
At beginning of financial period/year	115,347	122,446
Amortisation for the financial period/year	(8,281)	(7,099)
At end of financial period/year	107,066	115,347
Cost	131,319	131,319
Accumulated amortisation	(24,253)	(15,972)
Net carrying amount	107,066	115,347

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.1 Service concession arrangements

The development expenditure for service concession arrangements which are not covered by a contractual guarantee from the grantor of the concessions are recognised as intangible assets in accordance with IC Interpretation 12: Service Concession Arrangements. These portions of the development expenditure represent the rights to charge users of the public service. The salient features of the concessions are described as below:

(1) Bukit Tagar Sanitary Landfill Project

This is a 6-year concession, automatically renewable over 5 terms of 6 years each (the last term expiring in January 2044) granted to KUB-Berjaya Enviro Sdn Bhd (“KBE”), a 60% owned subsidiary company of BGroup, on a build, operate, and transfer basis. KBE will design, build, operate and maintain the Bukit Tagar Sanitary Landfill which is located at Mukim Sg. Tinggi, Hulu Selangor District in the State of Selangor. The concession grants the rights to KBE to receive waste from Dewan Bandaraya Kuala Lumpur (“DBKL”) and in return to collect tipping fee in accordance to the concession agreement. The tipping fee is determined on phase-to-phase basis. Upon the termination of the concession, KBE shall transfer the project to DBKL without any further compensation.

(2) Landfill Gas Utilisation Project

This is a concession whereby KUB-Berjaya Energy Sdn Bhd, a wholly owned subsidiary company of KBE, generates electricity from biogas recovered from the Bukit Tagar Sanitary Landfill and solar source, and sells it to the national grid under the ‘Feed-in-Tariff’ (“FIT”) scheme. This is achieved through:

- a renewable energy power purchase agreement (“REPPA”) with Tenaga Nasional Berhad (“TNB”) for the sale of 1.2 MW renewable energy under FIT for a duration of 16 years (expiring in June 2028) at the agreed rate of RM0.42/kWh;
- a REPPA with TNB for the sale of 3.2 MW renewable energy source under FIT for a duration of 16 years (expiring in December 2029) at the agreed rate of RM0.42/kWh;
- a REPPA with TNB for the sale of 2.0MW renewable energy under FIT for a duration of 16 years (expiring in December 2031) at the agreed rate of RM0.4669/kWh; and
- a REPPA with TNB for the sale of 0.125kWh solar power under FIT for a duration of 21 years (expiring in December 2034) at the agreed rate of RM1.0488/kWh.

(3) AWF Limited Water Supply Project

This is a concession granted by the People’s Government of Longxi (“Longxi government”) exclusively to AWF Limited (“AWF”) to acquire, upgrade, operate and maintain the existing water supply facilities in Longxi Town, Boluo County, Huizhou City, Guangdong Province, People’s Republic of China. AWF shall operate the concession through its three subsidiary companies, namely Boluo Longxi Zhiwang Water Supply Co Ltd (“Zhiwang”) and Boluo Longxi Pengfa Water Supply Co Ltd (“Pengfa”) which are wholly-owned by AWF, as well as Boluo Longxi Water Supply Co Ltd (“Longxi”) which is 50% owned by C.A. Pioneer Holding Inc. Limited (a wholly-owned subsidiary company of AWF). The subsidiary companies are granted business licence period of 30 years, subject to renewal. Zhiwang, Pengfa and Longxi supply treated potable water to the entire Longxi Town territory and charge water tariff rates approved by the Pricing Bureau of Boluo County. The tariff rates shall be reviewed by the Longxi government upon application submitted by the operators when the increase in costs of supplying water warrants the tariff review. AWF, through its subsidiary companies, is obligated to improve the water supply distribution networks, maintain the normal operation of water supply and piping networks.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.2 Impairment test on goodwill

(1) Allocation of goodwill

Goodwill has been allocated to the Group's CGU identified according to business segments as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Financial services	13,589	13,589
Property investment and development	207,529	214,344
Hotels and resorts	67,332	68,099
Restaurants	429,828	429,828
Marketing of consumer products and services	286,805	288,967
Multiple units without significant goodwill	7	7
	1,005,090	1,014,834

(2) Key assumptions used in VIU calculation and fair values less costs to sell of CGUs

The recoverable amount of a CGU is determined based on the higher of VIU or fair value less costs to sell if available of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a five-year period except for the gaming and related activities segment which use cash flow projections covering a ten-year period. Fair values less costs to sell are estimated based on the best information available in an active market to reflect the amount obtainable in an arm's length transaction, less costs of disposal.

The following describes each key assumption on which management based its cash flow projections for VIU calculations of CGUs to undertake impairment test on goodwill:

(a) Budgeted gross margins

The bases used to determine the values assigned to the budgeted gross margins are the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions, internal resource efficiency and the expected stages of completion of property development projects, where applicable. For the financial services segment, the projections are also based on the assumption that there are no major changes to the premium and commission rates of stockbroking subsidiary companies.

(b) Growth rates

The weighted average growth rates used ranges are consistent with the long-term average growth rates for relevant industries, including the gaming business segment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.2 Impairment test on goodwill (continued)

(2) Key assumptions used in VIU calculation and fair values less costs to sell of CGUs (continued)

(c) Discount rates

The discount rates used for identified CGUs reflect the specific risks relating to the relevant business segments.

(d) Terminal growth rates

Terminal growth rates used for identified CGUs are based on the average anticipated growth rate of the respective economies.

The followings are the key assumptions used in the VIU calculations for the respective CGUs:

Group	Growth rate	Discount rate	Terminal growth rate
30.6.2019			
Financial services	3.50%	11.50%	1.00%
Restaurants	2.00% - 3.00%	12.00% - 12.50%	0.50% - 2.00%
Marketing of consumer products and services	<u>3.00% - 4.00%</u>	<u>10.84% - 13.00%</u>	<u>1.00% - 2.00%</u>
30.4.2018			
Financial services	2.00%	11.00%	-
Restaurants	3.00% - 4.50%	12.00% - 12.50%	0.50% - 2.00%
Marketing of consumer products and services	<u>3.00% - 5.00%</u>	<u>10.84% - 13.00%</u>	<u>1.50% - 2.00%</u>

The recoverable amounts of the Hotels and resorts CGU and Property investment and development CGU are determined based on fair values less costs to sell. The fair values are estimated based on observable market prices of recent transactions of similar assets within the same industry and similar locations, which is categorised as level 2 & 3 in the fair value hierarchy.

(3) Sensitivity to changes in assumptions

The recoverable amount based on VIU computation is sensitive towards possible changes in discount rate.

Should the discount rate increase by 1.00%, the carrying amount of the marketing of consumer products and services CGU is expected to be lower by RM14,573,000.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.2 Impairment test on goodwill (continued)

(4) Recognition of impairment

During the current financial period, the Group has assessed that certain CGUs were carried in excess of their VIU and recognised impairment of:

- (a) RM10,215,000 in respect of goodwill allocated to property investment and development segment. Goodwill arising from this segment was impaired as the recoverable amount of the CGU, which was determined based on FVLCTS, was lower than its carrying amount.
- (b) RM1,129,000 in respect of goodwill allocated to hotels and resort segment. Goodwill arising from this segment was impaired as the recoverable amount of the CGU, which was determined based on FVLCTS, was lower than its carrying amount.

The total impairment loss of RM11,344,000 in respect of goodwill in the current financial period was accounted for in profit or loss as disclosed in Note 31(c)(i).

11.3 Impairment test on gaming rights

(1) Allocation of gaming rights

Gaming rights are allocated to the Group's lottery operations in Malaysia and the leasing of lottery equipment in the Philippines.

(2) Key assumptions used in VIU calculation and fair values less costs to sell of CGUs

The recoverable amount of a CGU is determined based on the higher of VIU or fair value less costs to sell if available of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a five-year period with a terminal value thereafter.

The following describes each key assumption on which management based its cash flow projections for VIU calculations of CGUs to undertake impairment test on gaming rights:

(a) Budgeted gross margins

The bases used to determine the values assigned to the budgeted gross margins are the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions and internal resource efficiency, where applicable.

(b) Growth rates

The weighted average growth rates used are in the ranges of 1.00% to 3.00% (30.4.2018: 1.00% to 5.00%) are consistent with the long-term average growth rates for the gaming industry.

(c) Discount rates

The discount rates used reflect the specific risks relating to the gaming and related activities segment. The post-tax discount rates, applied to post-tax cash flows, used is 9.00% (30.4.2018: 9.00%).

(d) Terminal growth rates

Terminal growth rates used are based on the average anticipated growth rate of the respective economies. The terminal growth rate used is 1.50% (30.4.2018: 1.50%).

NOTES TO THE FINANCIAL STATEMENTS

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11. INTANGIBLE ASSETS (CONTINUED)

11.3 Impairment test on gaming rights (continued)

(3) Sensitivity to changes in assumptions

For the Malaysian toto betting business segment, which goodwill has been fully impaired, the recoverable amount of its gaming rights based on VIU computation, remains sensitive towards possible negative changes in terminal and revenue growth rates due to the unforeseeable regulatory and economic changes.

Should the terminal growth rate decrease by 0.50% with all other variables held constant, the carrying amount of the gaming rights of the Malaysian toto betting business segment is expected to be impaired by RM150,349,000. Similarly, if no growth in revenue is anticipated in 2020, with all other variables remaining constant, the carrying amount of the gaming rights of the Malaysian toto betting business segment is expected to be impaired by RM36,582,000.

The management believes that there are no reasonable possible change in any of the key assumptions (apart from as described above) which would cause the carrying values of the CGU's allocated to all the other goodwill to materially exceed their recoverable amounts.

(4) Recognition of impairment

During the current financial period, the Group has assessed that carrying amount of the gaming rights are carried in excess of the recoverable amount of its CGU. The Group recognised an impairment loss of RM417,406,000 based on the Group's share of VIU which amounted to RM1,281,690,000.

In the previous financial year, the Group has assessed that the recoverable amount of the gaming rights are carried in excess of the carrying amount of its CGU. The Group recognised a reversal of impairment loss of RM95,752,000 based on the Group's share of VIU which amounted to RM1,383,641,000.

The Group's share of impairment loss of RM417,406,000 (30.4.2018: reversal of impairment loss RM95,752,000) are accounted for in the fair value reserve.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.4 Impairment testing on trademarks

(1) Key assumptions used in VIU calculation

The recoverable amount of a CGU is determined based on the VIUs calculation using cash flow projections for the estimated savings on royalties based on financial budgets approved by management covering a five-year period with a terminal value thereafter. The key assumptions used for VIU calculations are:

(a) Estimated royalty rate

The estimated royalty rates used in impairment testing of the various trademarks are determined by referring to other royalty rates in similar businesses or the actual royalty rates.

(b) Growth rate

The growth rate used ranges between 3.00% (30.4.2018: 2.00% to 3.00%).

(c) Discount rate

The discount rates used for identified CGUs reflect the specific risks relating to the relevant business segments. The post-tax discount rates, applied to post-tax cash flows, used for identified CGUs are in the range of 4.31% to 13.84% (30.4.2018: 4.65% to 14.04%).

(2) Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.5 Impairment testing on lottery business cooperation contract

(1) Key assumptions used in VIU calculation

The recoverable amount of the CGU is determined based on the VIU calculations using cash flow projections of financial budgets covering the contract period of eighteen years. The key assumptions used for VIU calculations are:

(a) Budgeted revenue and contracted partnership fee percentage

The VIU used in impairment testing of the lottery business contract is determined based on budgeted cash flows derived from the budgeted revenue agreed in the business cooperation contract multiplied by the contracted partnership fee percentage.

(b) Discount rate

The post-tax discount rate, applied to post-tax cash flows, used for the CGUs is 10.50% (30.4.2018: 10.50%).

(2) Sensitivity to changes in assumptions

The recoverable amount based on VIU computation is sensitive towards possible changes in discount rate.

Should the discount rate increase by 1.00%, the carrying amount of the lottery business cooperation contract is expected to be lower by RM26,857,000.

11.6 Impairment testing on concession assets relating to AWF Limited Water Supply Project

(1) Key assumptions used in VIU calculation

The recoverable amounts of the CGUs are determined based on VIU calculations using cash flow projections based on financial budgets covering various concession periods of twenty-one to twenty-seven years. The key assumptions used for VIU calculations are:

(a) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(b) Discount rate

The post-tax discount rate, applied to post-tax cash flows, used for the CGUs is 13.50% (30.4.2018: 13.50%).

(2) Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

11. INTANGIBLE ASSETS (CONTINUED)

11.7 Impairment testing on dealership rights

(1) Key assumptions used in VIU calculation

The recoverable amounts of the CGU is determined based on VIU calculations using cash flow projections based on financial budgets covering five-year period with a terminal value thereafter. The key assumptions used for VIU calculations are:

(a) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(b) Discount rate

The post-tax discount rate, applied to post-tax cash flows, used for the CGU is in the range of 7.80% to 11.80% (30.4.2018: 7.80% to 11.80%).

(2) Sensitivity to changes in assumptions

The management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying values of the CGU's allocated to the dealership rights to materially exceed their recoverable amounts.

11.8 Impairment testing on telecommunications licences with allocated spectrum

The recoverable amounts of the telecommunication licences with allocated spectrum are determined using the market comparable approach based on a valuation carried out by an independent firm of professional valuers. The fair value is categorised as level 3 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

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12. CONTRACT COST ASSETS

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Costs to obtain contracts with customers	4,510	741	207
Costs to fulfil contracts with customers	93,441	108,777	102,463
	97,951	109,518	102,670

(a) Costs to obtain contracts with customers

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of financial period/year	741	207
Additions	4,289	737
Amortisation for the financial period/year	(520)	(203)
At end of financial period/year	4,510	741

(b) Costs to fulfil contracts with customers

Property development activities:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At cost:		
At beginning of financial period/year		
- freehold land	156,724	131,855
- long leasehold land	68	54
- development costs	58,681	205,573
	215,473	337,482
Costs incurred during the financial period/year:		
- freehold land	-	3,710
- development costs	49,389	84,403
	49,389	88,113
Costs recognised in profit or loss:		
- at beginning of financial period/year	(106,696)	(235,019)
- recognised during the financial period/year	(83,683)	(141,701)
- eliminated during the financial period/year due to completion of project	14,567	270,024
- at end of financial period/year	(175,812)	(106,696)
Transferred during the financial period/year:		
- from property development costs	17,718	59,902
- from inventories	1,240	-
	18,958	59,902
Costs eliminated during the financial period/year due to completion of project:		
- freehold land	-	(3,120)
- long leasehold land	(739)	-
- development costs	(13,828)	(266,904)
	(14,567)	(270,024)
At end of financial period/year	93,441	108,777

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES

	Group			Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
<u>Trade receivables</u>					
Trade receivables	551,215	559,791	682,836	23,059	16,224
Less: Allowance for impairment	(50,040)	(52,652)	(50,764)	-	-
	501,175	507,139	632,072	23,059	16,224
Money lending receivable	-	-	10	-	-
Hire purchase receivables	30,533	25,012	29,960	-	-
Unearned carrying charges	(5,655)	(6,866)	(6,358)	-	-
	24,878	18,146	23,602	-	-
Less: Allowance for impairment	(21,537)	(15,697)	(13,057)	-	-
Hire purchase receivables, net (Note 10 (e))	3,341	2,449	10,545	-	-
Trade receivables, net	504,516	509,588	642,627	23,059	16,224
<u>Other receivables</u>					
Sundry receivables	221,769	406,474	1,100,704	1,173	2,898
Refundable deposits	83,394	93,653	85,692	3	2
Amounts due from:					
- subsidiary companies	-	-	-	1,268,060	1,633,194
- associated companies	230,867	190,448	178,150	-	-
- joint ventures	75,222	210,797	-	-	-
	611,252	901,372	1,364,546	1,269,236	1,636,094
Less: Allowance for impairment	(127,237)	(235,476)	(228,341)	-	-
	484,015	665,896	1,136,205	1,269,236	1,636,094
<u>Other current assets</u>					
Sundry receivables	74,152	94,170	74,457	11,481	9,708
Prepayments	192,952	185,931	178,261	187	498
Dividend receivable	6,189	9,846	2,952	-	-
Deposits for acquisition of assets	40,868	3,756	7,202	-	-
	314,161	293,703	262,872	11,668	10,206
	1,302,692	1,469,187	2,041,704	1,303,963	1,662,524

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group's normal credit terms are as follows:

- | | |
|---|--|
| - Non-margin clients and brokers | 2 market days in accordance with the Bursa Malaysia Fixed Delivery and Settlement System ("FDSS") trading rules. |
| - Clients margin call future contracts | 3 market days in accordance with the Bursa Malaysia Derivatives Berhad guidelines. |
| - Hire purchase and leasing receivables | 36 months to 108 months. |
| - Share and club financing receivables | 12 months to 84 months. |
| - Other trade receivables | 1 day to 90 days. |

The credit terms for other trade receivables are assessed and approved on a case-by-case basis.

13.1 Trade receivables

(1) Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group			Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
Neither past due nor impaired	361,181	306,146	417,630	23,059	16,224
1 to 30 days past due not impaired	42,378	67,075	62,591	-	-
31 to 60 days past due not impaired	15,798	20,352	22,151	-	-
61 to 90 days past due not impaired	9,353	13,980	11,868	-	-
More than 90 days past due not impaired	73,350	100,214	128,377	-	-
	140,879	201,621	224,987	-	-
Impaired	74,033	70,170	63,831	-	-
	<u>576,093</u>	<u>577,937</u>	<u>706,448</u>	<u>23,059</u>	<u>16,224</u>

(2) Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

(3) Receivables that are past due but not impaired

The Group has trade receivables amounting to RM140,879,000 (30.4.2018: RM201,621,000) that are past due at the reporting date but not impaired. This includes mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

13.1 Trade receivables (continued)

(4) Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Trade receivables - nominal amounts	74,033	70,170	63,831
Less: Allowance for impairment	(71,577)	(68,349)	(63,821)
	<u>2,456</u>	<u>1,821</u>	<u>10</u>

Movement in allowance accounts:

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
At beginning of financial period/year	68,349	63,821	66,635
Charge for the financial period/year (Note 31)	7,367	9,150	4,575
Reversal of impairment loss (Note 31)	(9,049)	(3,326)	(2,740)
Written off	(645)	(378)	(5,127)
Exchange differences	5,555	(918)	478
At end of financial period/year	<u>71,577</u>	<u>68,349</u>	<u>63,821</u>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The expected credit losses on trade receivables are estimated by reference to historical loss experience of the debtors and an analysis of the debtor's current financial position, adjusted for forward-looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or on an account-by-account basis. However, for certain sectors, the Group has established provision matrices to facilitate the measurement of the expected credit losses by applying provision rates based on the days past due of the debtor balances.

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

13.2 Other receivables

Movements in allowance accounts:

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
At beginning of financial period/year	235,476	228,341	235,989
Charge for the financial period/year (Note 31)	25,066	14,014	16,191
Reversal of impairment loss (Note 31)	(962)	(284)	(23,186)
Written off	(133,095)	(4,727)	(2,281)
Exchange differences	752	(1,868)	1,628
At end of financial period/year	<u>127,237</u>	<u>235,476</u>	<u>228,341</u>

Included in sundry receivables of the Group is an amount of approximately RM8.7 million (30.4.2018: RM8.7 million) paid for certain theme park equipment whereby the construction of the theme park has been deferred indefinitely. Full allowance for doubtful debts has been made for this amount.

The amounts due from subsidiary companies are unsecured and repayable on demand. Amounts totalling RM1,267,609,000 (30.4.2018: RM1,633,165,000) bear interest, while the rest are non-interest bearing.

The amounts owing by associated companies of the Group are unsecured, repayable on demand and non-interest bearing except for a gross amount totalling RM171,901,000 (30.4.2018: RM94,891,000) which are interest bearing.

The amounts owing by joint ventures are unsecured, interest bearing and is expected to be settled within the next 12 months.

13.3 Other current assets

Sundry receivables of the Group comprise advance payments of RM41,733,000 (30.4.2018: RM38,533,000) made in respect of property development project of the Group's foreign venture.

NOTES TO THE FINANCIAL STATEMENTS

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14. CONTRACT ASSETS/(LIABILITIES)

	Note	Group		
		30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract assets				
<u>Current</u>				
Property development	a	51,172	16,105	48,658
Construction contracts	b	197	-	-
Club and vacation time share memberships	c	-	-	-
Wagering and voting systems contracts	d	8,599	2,448	2,555
Sale of motor vehicles contracts	e	-	-	-
Hotel operations	f	-	-	-
Telecommunication services	g	77,153	20,845	47,778
		<u>137,121</u>	<u>39,398</u>	<u>98,991</u>
Contract liabilities				
<u>Non-current</u>				
Club and vacation time share memberships	c	(240,206)	(264,734)	(286,729)
<u>Current</u>				
Property development	a	(142,989)	(100,559)	(70,899)
Construction contracts	b	-	(727)	(3,660)
Club and vacation time share memberships	c	(12,105)	(13,870)	(12,850)
Wagering and voting systems contracts	d	(1,197)	(979)	-
Sale of motor vehicles contracts	e	(151,098)	(124,399)	(104,052)
Hotel operations	f	(5,712)	(4,579)	(5,377)
Telecommunication services	g	(6,261)	(9,695)	(2,456)
Retail and services	h	(76,116)	(68,281)	(65,901)
		<u>(395,478)</u>	<u>(323,089)</u>	<u>(265,195)</u>
		<u>(635,684)</u>	<u>(587,823)</u>	<u>(551,924)</u>

(a) Contract assets/(liabilities) from property development

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract assets	51,172	16,105	48,658
Contract liabilities	(142,989)	(100,559)	(70,899)
	<u>(91,817)</u>	<u>(84,454)</u>	<u>(22,241)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(a) Contract assets/(liabilities) from property development (continued)

The movement of contract assets/(liabilities) is as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of the financial period/year	(84,454)	(22,241)
Consideration payable to customers	3,754	13,531
Revenue recognised during the financial period/year	153,307	284,384
Progress billings during the financial period/year	(164,424)	(360,128)
At end of financial period/year	(91,817)	(84,454)

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM491,186,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019 RM'000
Within one year	463,852
More than one year but not later than five years	27,334
	491,186

(b) Contract assets/(liabilities) from construction contracts

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract assets	197	-	-
Contract liabilities	-	(727)	(3,660)
	197	(727)	(3,660)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Contract assets/(liabilities) from construction contracts (continued)

The movement of contract assets/(liabilities) is as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000 (Restated)
At beginning of the financial period/year	(727)	(3,660)
Revenue recognised during the financial period/year	1,491	22,792
Progress billings during the financial period/year	(567)	(19,859)
At end of financial period/year	<u>197</u>	<u>(727)</u>

Revenue from construction contracts are recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

(c) Contract liabilities from club and vacation time share memberships

	Group		
	30.6.2019	30.4.2018	1.5.2017
	RM'000	RM'000 (Restated)	RM'000 (Restated)
Contract liabilities	<u>(252,311)</u>	<u>(278,604)</u>	<u>(299,579)</u>

The movement of contract liabilities is as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000 (Restated)
At beginning of the financial period/year	(278,604)	(299,579)
Revenue recognised during the financial period/year	26,293	20,975
At end of financial period/year	<u>(252,311)</u>	<u>(278,604)</u>

Revenue from club and vacation time share membership activities are recognised over time using the input method, which is based on the amortisation of each membership sales over the tenure of each respective membership on a straight line basis.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM252,311,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019
	RM'000
Within one year	12,105
More than one year but not later than five years	240,206
	<u>252,311</u>

NOTES TO THE FINANCIAL STATEMENTS

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14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(d) Contract assets/(liabilities) from wagering and voting systems contracts

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract assets	8,599	2,448	2,555
Contract liabilities	(1,197)	(979)	-
	<u>7,402</u>	<u>1,469</u>	<u>2,555</u>

The movement of contract assets/(liabilities) is as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of the financial period/year	1,469	2,555
Revenue recognised during the financial period/year	12,787	6,890
Progress billings during the financial period/year	(7,049)	(7,406)
Exchange differences	195	(570)
At end of financial period/year	<u>7,402</u>	<u>1,469</u>

Revenue from wagering and voting systems contracts are recognised over time using the input method, which represent the milestones billings, which are either structured or negotiated with contract customers to reflect the physical stage of completion of the contracts.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM1,197,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019 RM'000
Within one year	<u>1,197</u>

NOTES TO THE FINANCIAL STATEMENTS

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14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(e) Contract liabilities from sale of motor vehicles contracts

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract liabilities	(151,098)	(124,399)	(104,052)

The movement of contract liabilities is as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of the financial period/year	(124,399)	(104,052)
Revenue recognised during the financial period/year	122,332	103,679
Deferred during the financial period/year	(151,095)	(124,399)
Exchange differences	2,064	373
At end of financial period/year	(151,098)	(124,399)

Contract liabilities represent the obligations to deliver the motor vehicles to the customers for which the Group has received the considerations from the customers.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM151,098,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019 RM'000
Within one year	151,098

NOTES TO THE FINANCIAL STATEMENTS

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14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(f) Contract liabilities from hotel operations

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract liabilities	(5,712)	(4,579)	(5,377)

The movement of contract liabilities is as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of the financial period/year	(4,579)	(5,377)
Revenue recognised during the financial period/year	241,357	225,167
Progress billings during the financial period/year	(242,490)	(224,369)
At end of financial period/year	(5,712)	(4,579)

Contract liabilities represent the obligations to perform services relating to hotel operations for which the Group has received the considerations from the customers.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM5,712,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019 RM'000
Within one year	5,712

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(g) Contract assets/(liabilities) from telecommunication services

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract assets	77,153	20,845	47,778
Contract liabilities	(6,261)	(9,695)	(2,456)
	<u>70,892</u>	<u>11,150</u>	<u>45,322</u>

The movement of contract liabilities is as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of the financial period/year	11,150	45,322
Revenue recognised during the financial period/year	9,695	2,456
Progress billings during the financial period/year	(20,846)	(47,779)
Deferred during the financial period/year	(6,260)	(9,694)
Unbilled revenue to customer	77,153	20,845
At end of financial period/year	<u>70,892</u>	<u>11,150</u>

Contract assets primarily relate to the Group's right to consideration for service transferred for which receipt of its consideration is conditional on the completion and final acceptance by the customers. Contract assets are transferred to receivables when the right becomes unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received the consideration in advance or has billed the customer. Contract liabilities are recognised as revenue as the Group performs the services under the contract.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM234,146,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019 RM'000
Within one year	98,640
More than one year but not later than five years	135,506
	<u>234,146</u>

NOTES TO THE FINANCIAL STATEMENTS

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14. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(h) Contract liabilities from retail and services

	Group		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)
Contract liabilities	(76,116)	(68,281)	(65,901)

The movement of contract liabilities is as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
At beginning of the financial period/year	(68,281)	(65,901)
Deferred during the financial period/year	(389,610)	(343,057)
Revenue recognised during the financial period/year	381,775	340,677
At end of financial period/year	(76,116)	(68,281)

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2019 is RM278,000. The remaining performance obligations are expected to be recognised as follows:

	Group
	30.6.2019 RM'000
Within one year	278

For retail business segment, the deferred income will only be recognised when the cash balances are used for purchases or when redemption occurs or upon expiry of the redemption period, and hence the Group applies the practical expedient not to disclose the information pertaining to the timing of revenue recognition from the remaining performance obligations.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received the consideration in advance or has billed the customer. Contract liabilities are recognised as revenue as the Group performs the services under the contract.

In adopting MFRS 15 retrospectively, the Group has applied certain expedients including not restating contracts that have been completed at the beginning of the earliest period presented in these financial statements which is 1 May 2017, and not disclosing the transaction price allocated to remaining unsatisfied performance obligation prior to the date of initial application on 1 May 2018.

NOTES TO THE FINANCIAL STATEMENTS

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15. SHORT TERM INVESTMENTS

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Unit trust funds in Malaysia, at fair value	33,040	44,362

16. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Deposits with:				
Licensed banks	682,279	689,289	98,817	116,036
Other financial institutions	5,850	21,541	-	-
	<u>688,129</u>	<u>710,830</u>	<u>98,817</u>	<u>116,036</u>

Included in deposits of the Group are:

- (1) remisers' deposits held in trust of RM11,740,000 (30.4.2018: RM12,380,000); and
- (2) amounts held in sinking funds and trust accounts of RM16,288,000 (30.4.2018: RM23,347,000) for the operations of recreational clubs and time share operations.

The amounts which are restricted in usage and do not form part of cash and cash equivalents are as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Monies held in debt service reserve accounts	81,031	51,788	2,663	2,565
Monies pledged with financial institutions	73,758	75,433	13,367	15,113
Deposits maturing more than 3 months of reporting date	6,672	13,784	-	-
	<u>161,461</u>	<u>141,005</u>	<u>16,030</u>	<u>17,678</u>

The range of interest rates per annum of deposits as at reporting date was as follows:

	Group		Company	
	30.6.2019 %	30.4.2018 %	30.6.2019 %	30.4.2018 %
Licensed banks	1.23 - 3.30	0.27 - 3.95	2.75 - 3.30	3.00 - 3.95
Other financial institutions	0.90	1.68	-	-

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

16. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

The range of maturities of deposits as at reporting date was as follows:

	Group		Company	
	30.6.2019 Days	30.4.2018 Days	30.6.2019 Days	30.4.2018 Days
Licensed banks	1 - 309	1 - 104	9 - 309	2 - 99
Other financial institutions	365	26	-	-

17. CASH AND BANK BALANCES

Included in cash and bank balances are:

- (1) amounts totalling RM67,133,000 (30.4.2018: RM167,630,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966;
- (2) remisiers' deposits of RM250,000 (30.4.2018: RM262,000) held in trust; and
- (3) monies held for the operations of recreational clubs and time share operations amounting to RM356,000 (30.4.2018: RM495,000).

The amounts which are restricted in usage and do not form part of cash and cash equivalents are as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Monies held in debt service reserve accounts	77,164	44,794	2,697	32,566
Monies pledged with financial institutions	7,397	1,867	-	-
Monies held in escrow (Note #)	-	47	-	-
	<u>84,561</u>	<u>46,708</u>	<u>2,697</u>	<u>32,566</u>

Note:

- # The amounts were for credit facilities granted to a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

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18. ASSETS OF DISPOSAL GROUPS/NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

18.1 Current financial period

Included in disposal group/non-current assets classified as held for sale on the statements of financial position of the Group and of the Company as at 30 June 2019 are the following:

- (1) the carrying amount of an associated company, Beijing Zhongcai Printing Co.Ltd ("BZP") of RM31,023,000. BGCL intended to dispose of its entire 20% equity interest in BZP to another existing shareholder of BZP.
- (2) the carrying amount of an associated company, BVFC, of RM145,373,000. During the previous financial year, the Company's wholly-owned subsidiary, BLCL received a refundable deposit of USD15.0 million (equivalent to about RM58.734 million). Subsequently, during the current financial period, BLCL entered into a Capital Transfer Agreement ("CTA") to dispose of its entire 32.5% equity interest in BVFC. Details of the proposed disposal are disclosed in Note 43(1);
- (3) an unquoted investment, its 0.8% interest in BVIUT. This investment with the carrying amount of RM5,376,000 stated in the previous financial year ended was fully impaired during the current financial period due to uncertainties of its recoverability as disclosed in Note 43(1);
- (4) the carrying amount of the assets and liabilities of a subsidiary company of BToto, Philippine Gaming Management Corporation ("PGMC"). Subsequent to the financial period end, BToto completed the disposal of 20% of its equity interest in PGMC and after that, BToto's equity interest in PGMC was diluted to 39.99%, resulting in the deemed disposal of PGMC. Details of this are disclosed in Note 44(1); and
- (5) the carrying amount of an investment property of RM21,749,000. A foreign subsidiary of BToto entered into an agreement to dispose of the investment property during the current financial period and the disposal was completed subsequent to the financial period ended.

As of reporting date, the proposed disposal of item (1) is in the process of negotiation. The proposed disposals of items (2) and (3) are pending completion as certain conditions imposed by the authorities, were beyond the control and anticipation of the Group and the prospective buyers. Both parties remained committed to the disposal plans and are taking the necessary actions to address these conditions. The Group is of the view that this matter will be satisfactorily resolved in its favour.

18.2 Previous financial year

Included in disposal group/non-current assets classified as held for sale on the statements of financial position of the Group as at 30 April 2018 are the following:

- (1) the assets and liabilities of a subsidiary company, DSG Holdings Limited. The disposal was completed during the current financial period (refer Note 43(2));
- (2) the carrying amount of an associated company, BVFC of RM145,373,000 as disclosed in Note 18.1(2);
- (3) the carrying amount of an unquoted investment, BVIUT of RM5,376,000 as disclosed in Note 18.1(3), BLCL intended to dispose of BVIUT to the buyers of BVFC or their affiliates; and
- (4) the assets and liabilities of a subsidiary company, Berjaya Long Beach Limited Liability Company ("BLong Beach"). In the financial year ended 30 April 2017, BLCL entered into a CTA to dispose of its entire 70% equity interest in BLong Beach for VND333.25 billion (equivalent to about RM65.32 million). The disposal was completed during the current financial period (refer Note 43(11)).

NOTES TO THE FINANCIAL STATEMENTS

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18. ASSETS OF DISPOSAL GROUPS/NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

18.3 Details of assets and liabilities classified as disposal groups and assets held for sale:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Assets				
Property, plant and equipment	2,527	41,951	-	-
Deferred tax assets	1,120	-	-	-
Intangible assets	-	159,830	-	-
Other long term receivables	-	11,095	-	-
Inventories	1,956	3,477	-	-
Trade and other receivables	11,773	40,924	-	-
Cash and bank balances	9,955	46,935	-	-
Assets of disposal groups classified as held for sale	<u>27,331</u>	<u>304,212</u>	<u>-</u>	<u>-</u>
Non-current assets classified as held for sale				
- Investment in subsidiary company	-	-	-	77,910
- Associated companies	176,395	145,372	-	-
- Investment	-	5,376	-	-
- Investment properties	21,749	-	-	-
- Amounts due from BVFC and BVIUT	35,632	34,528	-	-
	<u>233,776</u>	<u>185,276</u>	<u>-</u>	<u>77,910</u>
Assets of disposal groups/Non-current assets classified as held for sale	<u>261,107</u>	<u>489,488</u>	<u>-</u>	<u>77,910</u>
Liabilities				
Borrowings	-	15,663	-	-
Payables	3,900	25,711	-	-
Other liabilities and provisions	8,193	5,006	-	-
Liabilities directly associated with disposal groups classified as held for sale	<u>12,093</u>	<u>46,380</u>	<u>-</u>	<u>-</u>
Cash and bank balances, representing cash and cash equivalents of the disposal groups classified as held for sale	<u>9,955</u>	<u>46,935</u>	<u>-</u>	<u>-</u>

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19. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
'000	'000	RM'000	RM'000	
Issued and fully paid:				
At beginning of financial period/year	4,923,591	4,923,591	4,930,556	4,930,556
Issued during the financial period/year	291,333	-	87,400	-
At end of financial period/year	<u>5,214,924</u>	<u>4,923,591</u>	<u>5,017,956</u>	<u>4,930,556</u>

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares (other than treasury shares) rank equally with regard to the Company's residual assets.

Note:

During the current financial period, the Company increased its issued and fully paid-up ordinary share from RM4,930,556,943 to RM5,017,956,943 by way of issuance of 291,333,333 new ordinary shares at issue price of RM0.30 per share. Details of the issuance of new ordinary shares are disclosed in Note 43(10).

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

Equity component

	Group and Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022 (Note a)	253,508	253,508
2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026 (Note b)	53,231	53,231
	<u>306,739</u>	<u>306,739</u>

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20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

Equity component (continued)

Notes:

- (a) 5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022

The BCorp ICULS 2012/2022 at nominal value of RM1.00 each were constituted by a Trust Deed dated 9 April 2012 made between the Company and the Trustee for the holders of the BCorp ICULS 2012/2022. The main features of BCorp ICULS 2012/2022 are as follows:

- The BCorp ICULS 2012/2022 shall be convertible into ordinary shares of the Company during the period from 26 April 2012 to the maturity date on 25 April 2022 by surrendering one RM1.00 nominal value of BCorp ICULS 2012/2022 for one new ordinary share of the Company;
- Upon conversion of the BCorp ICULS 2012/2022 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the BCorp ICULS 2012/2022 are converted or any interim dividend declared prior to the date of conversion of the BCorp ICULS 2012/2022; and
- The interest on the BCorp ICULS 2012/2022 is payable semi-annually in arrears.

In the financial year ended 30 April 2012, 700,109,520 BCorp ICULS 2012/2022 were issued pursuant to a renounceable rights issue on the basis of one BCorp ICULS 2012/2022 with free detachable warrants for every six existing ordinary shares of RM1.00 each held at an issue price of RM1.00 on 26 April 2012. The BCorp ICULS 2012/2022 were listed on Bursa Malaysia on 26 April 2012.

During the current financial period, no (30.4.2018: Nil) BCorp ICULS 2012/2022 was converted into ordinary shares of the Company.

The outstanding BCorp ICULS 2012/2022 as at 30 June 2019 was 644,998,000 (30.4.2018: 644,998,000) units at the Group and Company levels.

BCorp ICULS 2012/2022 – Equity Component Movement

	Group and Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning of financial period/year	253,508	253,608
Reclassification from equity component to liability component	-	(100)
At end of financial period/year	<u>253,508</u>	<u>253,508</u>

NOTES TO THE FINANCIAL STATEMENTS

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20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

Equity component (continued)

Notes (continued):

(b) 2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026

The BCorp ICULS 2016/2026 at nominal value of RM1.00 each were constituted by a Trust Deed dated 30 May 2016 made between the Company and the Trustee for the holders of the BCorp ICULS 2016/2026. The main features of BCorp ICULS 2016/2026 are as follows:

- The BCorp ICULS 2016/2026 shall be convertible into ordinary shares of the Company during the period from 31 May 2016 to the maturity date on 29 May 2026 by surrendering one RM1.00 nominal value of BCorp ICULS 2016/2026 for one new ordinary share of the Company;
- Upon conversion of the BCorp ICULS 2016/2026 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the BCorp ICULS 2016/2026 are converted or any interim dividend declared prior to the date of conversion of the BCorp ICULS 2016/2026; and
- The interest on the BCorp ICULS 2016/2026 is payable semi-annually in arrears.

In the financial year ended 30 April 2017, 353,248,340 BCorp ICULS 2016/2026 together with 706,496,680 free detachable warrants were issued at its nominal value to partially settle on behalf of Juara Sejati Sdn Bhd for its acquisition of 12.00% equity interest in BLand for a purchase consideration of RM419.11 million. The balance of the purchase consideration was settled with a cash payment of RM65.86 million. The BCorp ICULS 2016/2026 were listed on Bursa Malaysia on 2 June 2016.

During the current financial period, no (30.4.2018: Nil) BCorp ICULS 2016/2026 were converted into ordinary shares of the Company.

The outstanding BCorp ICULS 2016/2026 as at 30 June 2019 was 102,837,080 (30.4.2018: 102,837,080) units at the Group and Company levels.

BCorp ICULS 2016/2026 – Equity Component Movement

	Group and Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning of financial period/year	53,231	53,240
Reclassification from equity component to deferred tax	-	(9)
At end of financial period/year	<u>53,231</u>	<u>53,231</u>

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20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

Liability component

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Non-current portion				
5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022 (Note a)	57,715	82,089	57,715	82,089
2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026 (Note b)	9,544	11,763	9,544	11,763
2.75% Irredeemable Convertible Unsecured Loan Stocks March 2010/2020 (Note c)	-	9	-	-
	67,259	93,861	67,259	93,852
Current portion				
5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022 (Note a)	32,250	32,250	32,250	32,250
2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026 (Note b)	2,057	2,057	2,057	2,057
2.75% Irredeemable Convertible Unsecured Loan Stocks March 2010/2020 (Note c)	25	25	-	-
	34,332	34,332	34,307	34,307
	101,591	128,193	101,566	128,159

Notes:

- (a) 5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022

BCorp ICULS 2012/2022 – Liability Component Movement

	Group and Company	
	30.6.2019 RM'000	30.4.2018 RM'000
At beginning of financial period/year	114,339	137,103
Accrual of interest	7,876	9,322
Payment of interest	(32,250)	(32,186)
Reclassification from equity component to liability component	-	100
At end of financial period/year	89,965	114,339

NOTES TO THE FINANCIAL STATEMENTS

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20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

Liability component (continued)

Notes (continued):

- (b) 2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026

BCorp ICULS 2016/2026 – Liability Component Movement

	Group and Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning of financial period/year	13,820	15,064
Accrual of interest	858	813
Payment of interest	(3,077)	(2,057)
At end of financial period/year	<u>11,601</u>	<u>13,820</u>

- (c) 2.75% Irredeemable Convertible Unsecured Loan Stocks March 2010/2020 (“REDtone ICULS”)

The REDtone ICULS at nominal value of RM0.10 each were constituted by a Trust Deed dated 20 January 2010 made between REDtone and the Trustee for the holders of the REDtone ICULS. The main features of the REDtone ICULS are as follows:

- The REDtone ICULS shall be convertible into ordinary shares of the subsidiary company during the period from 4 March 2010 to the maturity date on 4 March 2020, at the rate of ten (10) RM0.10 nominal amount of REDtone ICULS for four (4) ordinary shares in the subsidiary company;
- Upon conversion of the REDtone ICULS into new ordinary shares, such shares shall rank pari passu in all material respects with the existing ordinary shares of the subsidiary company in issue at the date of allotment of the new ordinary shares except the newly converted ordinary shares shall not be entitled to any rights, allotments of dividends, and/or other distribution if the dividend entitlement date is on or before the relevant conversation date; and
- The REDtone ICULS carry interest at the rate of 2.75% per annum on the nominal value of the REDtone ICULS commencing March 2010 and is payable annually in arrears on March each year.

REDtone ICULS – Liability Component Movement

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning of financial period/year	34	111
Converted into REDtone ordinary shares during the financial period/year	(9)	(77)
At end of financial period/year	<u>25</u>	<u>34</u>

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21. RESERVES

	Group			Company		
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000	1.5.2017 RM'000
Capital reserves (Note a)	226,266	224,820	230,150	-	-	-
AFS reserves (Note b)	-	2,832	1,079	-	-	-
Fair value reserves (Note c)	63,387	167,227	130,788	-	-	-
FVTOCI reserves (Note d)	(151,338)	-	-	-	-	-
Reserve of disposal group classified as held for sale	926	111,775	-	-	-	-
Foreign currency translation reserves	98,694	87,665	180,868	1,182	4,188	(730)
Consolidation reserve (Note e)	(488,705)	(626,840)	(660,083)	-	-	-
Employees' share plan reserve (Note f)	2,077	1,524	243	-	-	-
Warrants reserve (Note g)	258,797	258,797	258,797	260,057	260,057	260,057
	10,104	227,800	141,842	261,239	264,245	259,327
Retained earnings (Note h)	1,388,524	1,275,299	1,693,302	761,152	662,903	663,091
	<u>1,398,628</u>	<u>1,503,099</u>	<u>1,835,144</u>	<u>1,022,391</u>	<u>927,148</u>	<u>922,418</u>

Notes:

- (a) The capital reserves represent the amount capitalised for bonus issue by subsidiary companies and share of capital reserves of associated companies.
- (b) The AFS reserves represent the cumulative fair value changes, net of tax, of available-for-sale financial assets, which would be recognised in profit and loss upon disposal or impairment.
- (c) The fair value reserves arose mainly from the increase in equity interests of the Group in BToto, whereby BToto became a subsidiary company in the financial year ended 30 April 2008, which resulted in the identification and recognition of gaming rights which was included in intangible assets on the consolidated statement of financial position (Note 11). The reserves also include other fair value adjustments relating to transfers of property, plant and equipment to investment properties in accordance to MFRS 116: Property, Plant and Equipment.
- (d) The FVTOCI reserve represents the cumulative fair value changes, net of tax, if applicable, of FVTOCI financial assets until they are disposed of, or impaired in the case of debt instruments.
- (e) The consolidation reserve comprises the consolidation effects of changes in the Group's equity interests in subsidiary companies which do not result in loss of control.
- (f) The employees' share plan reserve represents the equity-settled share options granted to employees of a subsidiary company. The share option reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and are reduced by the expiry, forfeiture or exercise of the share options.

NOTES TO THE FINANCIAL STATEMENTS

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21. RESERVES (CONTINUED)

Notes (continued):

(g) The warrants reserve comprised the following warrants:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Warrants expiring on 22 April 2022 (Note g(i))	145,758	145,758	147,018	147,018
Warrants expiring on 29 May 2026 (Note g(ii))	113,039	113,039	113,039	113,039
	<u>258,797</u>	<u>258,797</u>	<u>260,057</u>	<u>260,057</u>

(i) Warrants expiring on 22 April 2022

On 23 April 2012, the Company issued 700,109,520 10-year Warrants 2012/2022 ("Warrants 2012/2022") pursuant to the rights issue of BCorp ICULS 2012/2022. The Warrants 2012/2022 are constituted by a deed poll dated 6 March 2012. The Warrants 2012/2022 were listed on Bursa Malaysia on 26 April 2012. During the current financial period, no Warrants 2012/2022 were exercised. The outstanding Warrants 2012/2022 as at 30 June 2019 was 694,085,842 (30.4.2018: 694,085,842) units at Group level and 700,085,842 (30.4.2018: 700,085,842) units at Company level.

The main features of the Warrants 2012/2022 were as follows:

- Each Warrant 2012/2022 entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM1.00 per ordinary share;
- The exercise price and the number of Warrants 2012/2022 are subject to adjustment in the event of alteration to the share capital, bonus issue, capital distribution and rights issue by the Company in accordance with the conditions provided in the deed poll;
- The Warrants 2012/2022 shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants 2012/2022 and ending on the date preceding the tenth anniversary of the date of issue of the Warrants 2012/2022;
- Upon exercise of the Warrants 2012/2022 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants 2012/2022 are exercised or any interim dividend declared prior to the date of exercise of the Warrants 2012/2022; and
- At the expiry of the exercise period on 22 April 2022, any Warrant 2012/2022 which has not been exercised will lapse and cease to be valid for any purposes.

The value allocated to one unit of Warrant 2012/2022 was based on the proportion of the fair value of one unit of Warrant 2012/2022, being the fair value of Warrant 2012/2022 on the first day of its listing, over the combined fair values of the equity and liability components of the BCorp ICULS 2012/2022 and the Warrant 2012/2022 to the issue price of the BCorp ICULS 2012/2022 of RM1.00 each.

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21. RESERVES (CONTINUED)

Notes (continued):

(g) The warrants reserve comprised the following warrants (continued):

(i) Warrants expiring on 22 April 2022 (continued)

Warrants 2012/2022 Movement

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
At beginning/end of financial period/year	145,758	145,758	147,018	147,018

(ii) Warrants expiring on 29 May 2026

On 31 May 2016, the Company issued 706,496,680 10-year Warrants 2016/2026 ("Warrants 2016/2026") pursuant to the issue of BCorp ICULS 2016/2026 (two units of Warrants 2016/2026 for one unit of BCorp ICULS 2016/2026 issued). The Warrants 2016/2026 are constituted by a deed poll dated 30 May 2016. The Warrants 2016/2026 were listed on Bursa Malaysia on 2 June 2016. During the current financial period, no Warrants 2016/2026 were exercised. The outstanding Warrants 2016/2026 as at 30 June 2019 was 706,496,680 (30.4.2018: 706,496,680) units at Group and Company levels.

The main features of the Warrants 2016/2026 were as follows:

- Each Warrant 2016/2026 entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM1.00 per ordinary share;
- The exercise price and the number of Warrants 2016/2026 are subject to adjustment in the event of alteration to the share capital, bonus issue, capital distribution and rights issue by the Company in accordance with the conditions provided in the deed poll;
- The Warrants 2016/2026 shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants 2016/2026 and ending on the date preceding the tenth anniversary of the date of issue of the Warrants 2016/2026;
- Upon exercise of the Warrants 2016/2026 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants 2016/2026 are exercised or any interim dividend declared prior to the date of exercise of the Warrants 2016/2026; and
- At the expiry of the exercise period on 29 May 2026, any Warrant 2016/2026 which has not been exercised will lapse and cease to be valid for any purposes.

The value allocated to one unit of Warrant 2016/2026 was based on the proportion of the fair value of one unit of Warrant 2016/2026, being the fair value of Warrant 2016/2026 on the first day of its listing, over the combined fair values of the equity and liability components of one unit of BCorp ICULS 2016/2026 and two units of Warrant 2016/2026 to the issue price of the BCorp ICULS 2016/2026 of RM1.00 each.

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21. RESERVES (CONTINUED)

Notes (continued):

(g) The warrants reserve comprised the following warrants (continued):

(ii) Warrants expiring on 29 May 2026 (continued)

Warrants 2016/2026 Movement

	Group and Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning/end of financial period/year	113,039	113,039

(h) Subject to Section 131 of the Companies Act 2016, the entire retained earnings of the Company is available for distribution as single-tier dividends.

22. TREASURY SHARES

	Group and Company			
	Ordinary shares			
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
No. of shares	No. of shares	RM'000	RM'000	
	'000	'000		
At beginning of financial period/year	48,008	48,008	33,669	33,669
Shares bought back	1,992	-	584	-
At end of financial period/year	50,000	48,008	34,253	33,669

Pursuant to an Extraordinary General Meeting ("EGM") held on 23 July 2008, the Company obtained a shareholders' mandate to undertake the purchase of up to 10% of the issued and paid-up share capital of the Company at the time of purchase.

The renewal of the Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the Annual General Meeting held on 22 October 2018.

During the current financial period, the Company bought back 1,992,848 shares from the open market for RM584,559 or at an average price of RM0.29 per share. In the previous financial year, the Company did not buy back any share from the open market. The shares bought back are held as treasury shares and none of the shares were cancelled during the current financial period.

The details of the shares bought back during the current financial period are as follows:

Month	Price per share (RM)			Number of shares '000	Total consideration RM'000
	Lowest	Highest	Average		
July 2018	0.30	0.30	0.30	1,000	295
August 2018	0.29	0.29	0.29	992	289
			0.29	1,992	584

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23. LONG TERM BORROWINGS

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Secured:				
Term loans (Note a)	2,064,949	2,175,464	189,597	328,082
Portion repayable within 12 months included under short term borrowings (Note 28)	(306,968)	(541,316)	(55,040)	(96,801)
	<u>1,757,981</u>	<u>1,634,148</u>	<u>134,557</u>	<u>231,281</u>
Medium term notes (Note b)	1,298,385	1,399,221	-	-
Portion repayable within 12 months included under short term borrowings (Note 28)	(459,687)	(524,701)	-	-
	<u>838,698</u>	<u>874,520</u>	<u>-</u>	<u>-</u>
Other bank borrowings	802,286	973,399	374,708	599,726
Block discounting payables (Note c)	29,893	32,389	-	-
Unexpired interest	(2,678)	(3,353)	-	-
	<u>27,215</u>	<u>29,036</u>	<u>-</u>	<u>-</u>
Portion repayable within 12 months included under short term borrowings (Note 28)	(9,714)	(9,054)	-	-
	<u>17,501</u>	<u>19,982</u>	<u>-</u>	<u>-</u>
Hire purchase and leasing payables (Note d)	93,050	102,298	2,294	1,540
Portion repayable within 12 months included under short term borrowings (Note 28)	(18,079)	(17,293)	(611)	(394)
	<u>74,971</u>	<u>85,005</u>	<u>1,683</u>	<u>1,146</u>
	<u>3,491,437</u>	<u>3,587,054</u>	<u>510,948</u>	<u>832,153</u>

The terms of the long term borrowings outstanding are as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Long term borrowings				
Amounts repayable:				
More than one year				
but not later than two years	774,540	1,680,244	217,285	298,934
More than two years				
but not later than five years	1,206,654	1,608,842	293,663	533,219
More than five years	1,510,243	297,968	-	-
	<u>3,491,437</u>	<u>3,587,054</u>	<u>510,948</u>	<u>832,153</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

23. LONG TERM BORROWINGS (CONTINUED)

Notes:

- (a) The secured borrowings of the Group and of the Company are secured on quoted and unquoted shares held by the Group, deposits of the Group and/or fixed and floating charges over the assets of certain subsidiary companies as disclosed in Notes 3, 4, 5, 6, 7 and 16.

The range of effective interest rates per annum at the reporting date for borrowings was as follows:

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	%	%	%	%
Term loans and other bank borrowings	2.80 - 7.85	1.47 - 7.85	5.41 - 5.90	5.41 - 5.90

- (b) The facility amounts of the medium term notes ("MTN") programmes are as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
MTN-A	800,000	800,000
MTN-B	650,000	650,000

MTN-A is secured by a third party first equitable charge over the entire issued and paid-up capital of a subsidiary company which is the issuer and a corporate guarantee granted by BToto. MTN-B is guaranteed by Danajamin Nasional Berhad up to RM500,000,000 and secured by a bank guarantee from OCBC Bank (Malaysia) Berhad up to RM150,000,000.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

23. LONG TERM BORROWINGS (CONTINUED)

(b) The facility amounts of the MTN programmes are as follows (continued):

The maturities of the MTN as at the reporting date are as follows:

		Group	
		30.6.2019	30.4.2018
		RM'000	RM'000
	Maturity		
Current			
Secured with fixed rate			
4.95% p.a. fixed rate MTN-B	December 2019	199,844	-
4.85% p.a. fixed rate MTN-B	December 2019	74,941	-
4.55% p.a. fixed rate MTN-B	December 2019	124,902	-
4.65% p.a. fixed rate MTN-A	June 2020	60,000	-
4.30% p.a. fixed rate MTN-A	June 2018	-	50,000
4.47% p.a. fixed rate MTN-A	June 2018	-	30,000
4.73% p.a. fixed rate MTN-A	June 2018	-	95,000
4.40% p.a. fixed rate MTN-A	July 2018	-	125,000
4.55% p.a. fixed rate MTN-B	December 2018	-	174,767
4.38% p.a. fixed rate MTN-B	December 2018	-	49,934
Portion repayable within 12 months included under short term borrowings (Note 28)		459,687	524,701
Non-Current			
Secured with fixed rate			
4.75% p.a. fixed rate MTN-A	June 2021 *	25,000	-
4.82% p.a. fixed rate MTN-A	June 2019	-	200,000
4.53% p.a. fixed rate MTN-A	June 2019	-	55,000
4.88% p.a. fixed rate MTN-A	July 2019	-	145,000
4.95% p.a. fixed rate MTN-B	December 2019	-	199,744
4.85% p.a. fixed rate MTN-B	December 2019	-	74,904
Portion repayable more than one year but not later than two years		25,000	674,648
4.90% p.a. fixed rate MTN-A	September 2021	30,000	-
4.90% p.a. fixed rate MTN-A	June 2022 *	65,000	-
4.95% p.a. fixed rate MTN-A	June 2022 *	80,000	-
4.95% p.a. fixed rate MTN-A	June 2022	114,678	-
5.14% p.a. fixed rate MTN-A	January 2024	25,000	-
5.05% p.a. fixed rate MTN-A	June 2024 *	40,000	-
4.65% p.a. fixed rate MTN-A	June 2020	-	60,000
5.35% p.a. fixed rate MTN-B	December 2021	99,832	99,872
4.82% p.a. fixed rate MTN-A	June 2022	40,000	40,000
Portion repayable more than two years but not later than five years		494,510	199,872
5.25% p.a. fixed rate MTN-A	June 2026	139,188	-
5.45% p.a. fixed rate MTN-A	June 2028 *	55,000	-
5.55% p.a. fixed rate MTN-A	June 2029 *	125,000	-
Portion repayable more than five years		319,188	-
Total non-current MTN		838,698	874,520
Total MTN		1,298,385	1,399,221

* As at current reporting date, a subsidiary company had secured and executed subscription agreements for the new issuance of 15 years MTN Programme ("additional MTN-A") to refinance the previous MTN-A amounting to RM390.0 million which were due in July 2019. As such, the repayment terms of these additional MTN-A are being reflected above.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

23. LONG TERM BORROWINGS (CONTINUED)

- (c) The block discounting payables of a subsidiary company are secured by corporate guarantee granted by the Company and assignment of the rights under leasing and hire purchase agreements.

Maturity of long term block discounting payables is as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
More than one year but not later than two years	7,625	7,798
More than two years but not later than five years	9,876	12,184
	17,501	19,982

The weighted average effective interest rates of block discounting payables are as follows:

	Group	
	30.6.2019	30.4.2018
	%	%
Block discounting payables	5.62	5.78

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2019

23. LONG TERM BORROWINGS (CONTINUED)

(d) The commitment terms under hire purchase and leasing payables are summarised as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Gross amount payable:				
Within one year after reporting date	22,886	23,741	789	513
More than one year but not later than two years	19,945	22,745	713	478
More than two years but not later than five years	65,001	41,589	1,212	835
More than five years	14	36,825	-	-
	<u>107,846</u>	<u>124,900</u>	<u>2,714</u>	<u>1,826</u>
Less: Unexpired interest	(14,796)	(22,602)	(420)	(286)
	<u>93,050</u>	<u>102,298</u>	<u>2,294</u>	<u>1,540</u>

The present value of hire purchase and leasing payables are summarised as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Within one year after reporting date	18,079	17,293	611	394
More than one year but not later than two years	16,117	17,547	588	392
More than two years but not later than five years	58,843	32,369	1,095	754
More than five years	11	35,089	-	-
	<u>93,050</u>	<u>102,298</u>	<u>2,294</u>	<u>1,540</u>

The range of interest rates per annum at the reporting date for hire purchase and leasing payables was as follows:

	Group		Company	
	30.6.2019 %	30.4.2018 %	30.6.2019 %	30.4.2018 %
Hire purchase and leasing payables	<u>2.35 - 8.80</u>	<u>2.35 - 8.80</u>	<u>3.50 - 5.90</u>	<u>3.50 - 6.15</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

24. OTHER LONG TERM LIABILITIES

	Group			Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
Unsecured:					
Other long term payables (Note a)	1,318	4,857	-	-	-
Payable for acquisition of an associated company (Note b)	4,143	7,814	-	-	-
Retention sum	2,457	6,839	5,998	-	-
Rental deposits	1,170	2,694	2,612	-	-
Project contribution (Note c)	84,303	88,324	107,594	84,303	88,324
	<u>93,391</u>	<u>110,528</u>	<u>116,204</u>	<u>84,303</u>	<u>88,324</u>
Club members' deposits (Note d)	1,283	1,138	10,371	-	-
Other deferred income (Note e)	19,535	24,016	21,649	-	-
	<u>114,209</u>	<u>135,682</u>	<u>148,224</u>	<u>84,303</u>	<u>88,324</u>

- (a) In the current financial period, other long term liabilities represents a loan granted by a related party to a foreign subsidiary company amounting to RM1,318,000. The other long term payables in the previous year was the provision of legal claims of another foreign subsidiary company of RM4,857,000.
- (b) Payable for the acquisition of an associated company is in respect of subscription of additional shares in SIAMH to be settled on deferred payment terms.
- (c) Project contribution is an obligation pursuant to a lottery business cooperation contract to make contributions over ten annual instalments, whereby the first instalment was made in February 2016 and each subsequent instalment to be made at the end of each calendar year in December.
- (d) Club members' deposits represent amounts paid by members to certain subsidiary companies for membership licences issued to use and enjoy the facilities of the subsidiary companies' recreational clubs. The monies are refundable to the members at their request upon expiry of prescribed terms from the dates of issuance of the licences.
- (e) Included in other deferred income are the following:
- (i) government grants received from the Ministry of Plantation Industries and Commodities Malaysia to promote replanting of oil palm; and
 - (ii) the difference between the carrying amount and fair value of financial liabilities upon initial recognition which is recognised systematically on a straight-line basis over the tenure of the memberships or tenancy period.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25. PROVISIONS

GROUP

	Sales warranty	Retirement benefits	Restoration costs	Total
30.6.2019	RM'000	RM'000	RM'000	RM'000
At beginning of financial period (as restated)	2,287	6,757	22,151	31,195
Additional provision	581	3,230	2,160	5,971
Utilisation of provision	(180)	(566)	(2,207)	(2,953)
Unused amount reversed	(1,346)	-	(100)	(1,446)
Exchange differences	18	235	(792)	(539)
Employers' contribution	-	(1,385)	-	(1,385)
Recognised in other comprehensive income	-	673	-	673
Transfer to disposal groups	-	(2,403)	-	(2,403)
At end of financial period	<u>1,360</u>	<u>6,541</u>	<u>21,212</u>	<u>29,113</u>
At 30 June 2019				
Current	1,210	374	4,404	5,988
Non-current	150	6,167	16,808	23,125
	<u>1,360</u>	<u>6,541</u>	<u>21,212</u>	<u>29,113</u>

GROUP

	Sales warranty	Retirement benefits	Restoration costs	Total
30.4.2018	RM'000	RM'000	RM'000	RM'000
At beginning of financial year (as restated)	2,027	11,856	20,956	34,839
Additional provision	1,176	1,608	1,942	4,726
Utilisation of provision	(317)	(329)	(253)	(899)
Unused amount reversed	(433)	-	(629)	(1,062)
Exchange differences	(166)	(458)	284	(340)
Employers' contribution	-	(1,701)	-	(1,701)
Recognised in other comprehensive income	-	(4,051)	-	(4,051)
Disposal of subsidiaries	-	(168)	(149)	(317)
At end of financial year	<u>2,287</u>	<u>6,757</u>	<u>22,151</u>	<u>31,195</u>
At 30 April 2018				
Current	2,107	259	4,795	7,161
Non-current	180	6,498	17,356	24,034
	<u>2,287</u>	<u>6,757</u>	<u>22,151</u>	<u>31,195</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25. PROVISIONS (CONTINUED)

Notes:

(a) Retirement benefits

GROUP	Partially funded	Unfunded	Total
	RM'000	RM'000	RM'000
30.6.2019			
At beginning of financial period	(1,732)	8,489	6,757
Additional provision	2,044	1,186	3,230
Utilisation of provision	-	(566)	(566)
Transfer to disposal groups	(2,403)	-	(2,403)
Employer contributions	(1,385)	-	(1,385)
Recognised in other comprehensive income	1,002	(329)	673
Exchange differences	220	15	235
At end of financial period	<u>(2,254)</u>	<u>8,795</u>	<u>6,541</u>
At 30 June 2019			
Current liabilities	-	374	374
Non-current liabilities	413	8,421	8,834
	<u>413</u>	<u>8,795</u>	<u>9,208</u>
Non-current assets	(2,667)	-	(2,667)
	<u>(2,254)</u>	<u>8,795</u>	<u>6,541</u>
GROUP	Partially funded	Unfunded	Total
	RM'000	RM'000	RM'000
30.4.2018			
At beginning of financial year	3,231	8,625	11,856
Additional provision	697	911	1,608
Utilisation of provision	-	(329)	(329)
Disposal of subsidiaries	-	(168)	(168)
Employer contributions	(1,701)	-	(1,701)
Recognised in other comprehensive income	(3,534)	(517)	(4,051)
Exchange differences	(425)	(33)	(458)
At end of financial year	<u>(1,732)</u>	<u>8,489</u>	<u>6,757</u>
At 30 April 2018			
Current liabilities	-	259	259
Non-current liabilities	1,774	8,230	10,004
	<u>1,774</u>	<u>8,489</u>	<u>10,263</u>
Non-current assets	(3,506)	-	(3,506)
	<u>(1,732)</u>	<u>8,489</u>	<u>6,757</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25. PROVISIONS (CONTINUED)

(a) Retirement benefits (continued)

The amounts recognised in the profit or loss are as follows:

GROUP	Partially funded	Unfunded	Total
	RM'000	RM'000	RM'000
30.6.2019			
Current service cost (net of gain on settlement) being the retirement benefits recognised in directors' remuneration and staff costs			
- Current service costs	748	640	1,388
- Past service costs	1,277	-	1,277
	2,025	640	2,665
Net interest cost	19	546	565
	2,044	1,186	3,230
30.4.2018			
Current service cost being the retirement benefits recognised in directors' remuneration and staff costs	596	452	1,048
Net interest cost	101	459	560
	697	911	1,608

The amounts recognised in other comprehensive income are as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Remeasurement arising from:		
Actuarial changes in financial assumptions	5,240	(2,624)
Actuarial changes in demographic assumptions	(572)	(690)
Return on plan assets	(4,067)	(604)
Experience adjustments arising from defined benefit obligations	72	(133)
	673	(4,051)

Partially funded defined benefit plan

A foreign subsidiary company maintains a tax qualified, partially funded, non-contributory retirement plan that is being administered by a trustee covering all regular full-time employees. Actuarial valuations are made regularly to update the retirement benefit costs and the amount of contributions.

The amounts of partially funded defined benefit obligation recognised in the statement of financial position are determined as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Present value of the obligation	72,563	73,321
Fair value of plan assets	(74,817)	(75,053)
Surplus in plan assets	(2,254)	(1,732)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25. PROVISIONS (CONTINUED)

(a) Retirement benefits (continued)

Partially funded defined benefit plan (continued)

The movements in present value of the partially funded defined benefit obligation recognised are as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
At beginning of financial period/year	73,321	80,711
Current service cost	748	636
Interest cost	2,353	2,148
Benefit paid by the plan	(4,167)	(1,656)
Liabilities extinguished on settlement	-	(3,357)
Past service cost	1,277	-
Transfer to disposal group	(4,067)	-
Recognised in other comprehensive income	5,069	(2,930)
Exchange differences	(1,971)	(2,231)
At end of financial period/year	<u>72,563</u>	<u>73,321</u>

The movements in fair value of plan assets are presented below:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
At beginning of financial period/year	75,053	77,480
Interest income	2,334	2,047
Return on plan assets	4,067	604
Benefit paid by the plan	(4,167)	(1,656)
Employers' contribution	1,385	1,701
Assets distributed on settlement	-	(3,317)
Transfer to disposal group	(1,664)	-
Exchange differences	(2,191)	(1,806)
At end of financial period/year	<u>74,817</u>	<u>75,053</u>

The plan assets consist of the following:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Fixed income assets	74,599	74,717
Cash in bank	218	336
	<u>74,817</u>	<u>75,053</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25. PROVISIONS (CONTINUED)

(a) Retirement benefits (continued)

Partially funded defined benefit plan (continued)

Presented below is the historical information related to the present value of the retirement benefit obligation, fair value of plan assets and deficit in the plan.

GROUP	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Present value of the obligation	72,563	73,321	80,711	70,183	71,452
Fair value of the plan assets	(74,817)	(75,053)	(77,480)	(66,798)	(67,634)
(Surplus)/Deficit in the plan	<u>(2,254)</u>	<u>(1,732)</u>	<u>3,231</u>	<u>3,385</u>	<u>3,818</u>

The following principal assumptions were used to determine the retirement benefit obligation:

	Group	
	30.6.2019 %	30.4.2018 %
Discount rate	<u>2.30 - 6.09</u>	<u>2.70 - 6.84</u>

Sensitivity analysis for retirement benefit obligation of partially funded benefit plan

The management is of the view that any reasonably possible changes to the principal actuarial assumptions will not have significant impact to the Group.

Unfunded defined benefit plans

Certain local subsidiary companies operate unfunded, defined retirement benefit schemes and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees. Under the various schemes, eligible employees are entitled to lump sum retirement benefits of a certain percentage of either the average monthly salary of each full year of services or the final salary for each year of service on attainment of the retirement age (which varies from 55 years to 60 years depending on the scheme).

Certain foreign subsidiary companies operate unfunded, defined retirement benefit schemes and the estimated liabilities of the benefits are based on actuarial valuation by independent actuaries. The amounts recognised in the statement of financial position are determined based on the present value of unfunded defined benefit obligations.

The amounts of unfunded defined benefit obligation recognised in the statement of financial position are determined as follows:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Present value of the obligation	<u>8,795</u>	<u>8,489</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25. PROVISIONS (CONTINUED)

(a) Retirement benefits (continued)

Unfunded defined benefit plans (continued)

The following principal assumptions were used to determine the retirement benefit obligations:

	Group	
	30.6.2019	30.4.2018
	%	%
Range of discount rates used for the various plans	4.90 - 6.00	5.30 - 6.00
Range of expected rates of salary increases used for the various plans	<u>5.00 - 6.00</u>	<u>5.00 - 6.00</u>

Sensitivity analysis for retirement benefit obligation of unfunded benefit plans

The management is of the view that changes in the discount rate at the reporting date would affect the defined benefit obligation in the following manner:

	Increase/(Decrease)		Impact on defined benefit obligations	
	Group		Group	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	%	%	RM'000	RM'000
Discount rate	1	1	(1,135)	(910)
Discount rate	<u>(1)</u>	<u>(1)</u>	<u>1,386</u>	<u>1,086</u>
Future salary	1	1	1,131	1,131
Future salary	<u>(1)</u>	<u>(1)</u>	<u>(1,140)</u>	<u>(958)</u>

Current service cost and net interest costs

The current service and net interest costs are charged to profit or loss and presented as part of the employee benefit expenses and finance costs respectively.

Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

(b) Sales warranty

Certain subsidiary companies of the Group give 3 months to 3 years warranties on certain products and undertake to repair or replace items that fail to perform satisfactorily. A provision for warranties is recognized for all products under warranty at the reporting date based on past experience on the level of repairs and returns.

(c) Dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration is the estimated cost of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of such assets, which are capitalised and included in the cost of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

26. DEFERRED TAX

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
At beginning of the financial period/year	1,243,078	1,234,583	14,598	17,085
Recognised in profit or loss (Note 33)	9,832	(10,769)	(3,068)	(2,496)
Arising on disposal of subsidiaries	(912)	26	-	-
Exchange differences	(408)	(1,711)	-	-
Transfer to disposal groups (Note 18)	1,120	-	-	-
Recognised in intangible assets (Note 11)	(1,091)	(517)	-	-
Recognised in other comprehensive income (Note 33)	(108,287)	21,457	-	-
Recognised in equity (Note 33)	-	9	-	9
At end of the financial period/year	<u>1,143,332</u>	<u>1,243,078</u>	<u>11,530</u>	<u>14,598</u>

Presented after appropriate offsetting as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
Deferred tax assets	(107,572)	(111,301)	-	-
Deferred tax liabilities	1,250,904	1,354,379	11,530	14,598
	<u>1,143,332</u>	<u>1,243,078</u>	<u>11,530</u>	<u>14,598</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

26. DEFERRED TAX (CONTINUED)

The components and movements of deferred tax assets and liabilities during the financial period/year are as follows:

GROUP	Provision	Unused	Payables	Contract	Others+	Total
	for liabilities	tax losses and unabsorbed capital allowances		liabilities		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred Tax Assets						
30.6.2019						
At beginning of the financial period - as restated	6,742	61,214	42,496	65,711	17,396	193,559
Recognised in profit or loss	1,357	(3,672)	(5,363)	(2,442)	1,754	(8,366)
Arising on disposal of subsidiaries	(58)	(638)	-	-	-	(696)
Exchange differences	10	411	495	-	(1,168)	(252)
Transfer to disposal groups	-	3	-	-	(1,123)	(1,120)
Recognised in other comprehensive income	-	-	-	-	1,919	1,919
At end of the financial period	<u>8,051</u>	<u>57,318</u>	<u>37,628</u>	<u>63,269</u>	<u>18,778</u>	<u>185,044</u>
Set-off against deferred tax liabilities						<u>(77,472)</u>
						<u>107,572</u>
30.4.2018						
At beginning of the financial year - as restated	7,492	64,723	42,018	69,525	20,078	203,836
Recognised in profit or loss	(703)	(3,358)	1,046	(3,814)	(471)	(7,300)
Arising on disposal of subsidiaries	-	-	-	-	(26)	(26)
Exchange differences	(31)	(682)	(622)	-	(1,348)	(2,683)
Reclassification	(16)	531	54	-	(81)	488
Recognised in other comprehensive income	-	-	-	-	(756)	(756)
At end of the financial year	<u>6,742</u>	<u>61,214</u>	<u>42,496</u>	<u>65,711</u>	<u>17,396</u>	<u>193,559</u>
Set-off against deferred tax liabilities						<u>(82,258)</u>
						<u>111,301</u>

Note:

- + Includes deferred tax adjustments on temporary differences arising from other temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

26. DEFERRED TAX (CONTINUED)

GROUP	Accelerated capital allowances	Dealership/ gaming rights	Properties*	Payables	Undistributed profits of subsidiary companies	Others+	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred Tax Liabilities							
30.6.2019							
At beginning of the financial period - as restated	164,144	936,044	229,501	1,165	5,508	100,275	1,436,637
Recognised in profit or loss	(52,928)	(8,504)	66,925	1,576	1,446	(7,049)	1,466
Arising on disposal of subsidiaries	(1,608)	-	-	-	-	-	(1,608)
Exchange differences	140	-	(786)	448	-	(462)	(660)
Recognised in intangible assets	-	(1,091)	-	-	-	-	(1,091)
Recognised in other comprehensive income	(26)	(100,177)	(6,165)	-	-	-	(106,368)
At end of the financial period	<u>109,722</u>	<u>826,272</u>	<u>289,475</u>	<u>3,189</u>	<u>6,954</u>	<u>92,764</u>	<u>1,328,376</u>
Set-off against deferred tax assets							<u>(77,472)</u>
							<u>1,250,904</u>
30.4.2018							
At beginning of the financial year - as restated	157,001	913,580	228,903	8,143	8,950	121,842	1,438,419
Recognised in profit or loss	1,557	-	(1,502)	(672)	(3,442)	(14,010)	(18,069)
Exchange differences	(668)	-	(540)	(467)	-	(2,719)	(4,394)
Recognised in intangible assets	-	(517)	-	-	-	-	(517)
Reclassification	6,254	-	-	(5,839)	-	73	488
Recognised in other comprehensive income	-	22,981	2,640	-	-	(4,920)	20,701
Recognised in equity	-	-	-	-	-	9	9
At end of the financial year	<u>164,144</u>	<u>936,044</u>	<u>229,501</u>	<u>1,165</u>	<u>5,508</u>	<u>100,275</u>	<u>1,436,637</u>
Set-off against deferred tax assets							<u>(82,258)</u>
							<u>1,354,379</u>

Notes:

- * Includes deferred tax adjustments on temporary differences arising from land held for development, development properties, investment properties and property inventories.
- + Includes deferred tax adjustments on temporary differences arising from indefinite useful life intangible assets and deferred tax adjustments on BCorp ICULS and other temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

26. DEFERRED TAX (CONTINUED)

COMPANY

	Unused tax losses and unabsorbed capital allowances		Total
	RM'000	RM'000	
<u>Deferred Tax Asset</u>			
30.6.2019			
At beginning of financial period/At end of financial period	30		30
Set-off against deferred tax liabilities			(30)
			-
30.4.2018			
At beginning of financial year/At end of financial year	30		30
Set-off against deferred tax liabilities			(30)
			-

COMPANY

	Accelerated capital allowances		Total
	RM'000	ICULS RM'000	
<u>Deferred Tax Liabilities</u>			
30.6.2019			
At beginning of the financial period	30	14,598	14,628
Recognised in profit or loss	-	(3,068)	(3,068)
At end of the financial period	30	11,530	11,560
Set-off against deferred tax asset			(30)
			11,530
30.4.2018			
At beginning of the financial year	30	17,085	17,115
Recognised in profit or loss	-	(2,496)	(2,496)
Recognised in equity	-	9	9
At end of the financial year	30	14,598	14,628
Set-off against deferred tax asset			(30)
			14,598

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

26. DEFERRED TAX (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Unused tax losses	1,831,436	1,868,333	-	42,078
Unabsorbed capital allowances	485,774	483,150	89	-
Unabsorbed investment tax allowances	122,164	120,678	-	-
Others	187,864	162,559	-	-
	<u>2,627,238</u>	<u>2,634,720</u>	<u>89</u>	<u>42,078</u>

Deferred tax assets have not been recognised in respect of the items above as it is not probable that future taxable profits will be available against which the items above can be utilised.

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e. from years of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

However, for any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 7 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised losses and unabsorbed capital allowance applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislation of the respective countries.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

27. TRADE AND OTHER PAYABLES

	Group			Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	1.5.2017 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
Trade payables	564,250	524,339	708,234	45	-
<u>Other payables</u>					
Accruals	541,310	521,318	561,774	3,750	5,408
Agency deposits	37,373	37,750	37,841	-	-
Sundry payables	459,587	433,569	403,181	20,717	18,758
Payable for acquisition of associated companies	3,086	13,061	-	-	-
Refundable deposits	165,880	351,661	107,126	-	-
Amounts due to subsidiary companies	-	-	-	199,576	154,204
Amounts due to associated companies	5,605	6,094	19,795	24	303
	<u>1,212,841</u>	<u>1,363,453</u>	<u>1,129,717</u>	<u>224,067</u>	<u>178,673</u>
<u>Other current liabilities</u>					
Deposits	26,993	37,817	15,004	-	-
Loyalty point liability	16,319	16,354	14,804	-	-
Deferred lease income and others	7,394	8,180	7,874	-	-
Other duties payable	114,072	110,937	120,010	-	52
Dividend payables	33,197	29,351	2,476	-	-
Pool betting duty payables	25,604	20,413	19,757	-	-
	<u>223,579</u>	<u>223,052</u>	<u>179,925</u>	<u>-</u>	<u>52</u>
	<u>2,000,670</u>	<u>2,110,844</u>	<u>2,017,876</u>	<u>224,112</u>	<u>178,725</u>

Included in the trade payables is an amount of RM84,938,000 (30.4.2018: RM81,789,000) due to the main contractor of the Jeju Project as referred to in Note 38(3). The main contractor has a lien over the Jeju Project as disclosed in Note 10(d).

Included in accruals of the Group are accrued contribution to the National Sports Council and accrual for gaming tax payable to the Ministry of Finance.

Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

Loyalty point liability represents the amount payable by a loyalty programme management subsidiary company to the participating merchants for the redemption of points by loyalty programme members.

Deferred lease income represents advance lease rental received from a lessee.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

27. TRADE AND OTHER PAYABLES (CONTINUED)

Included in sundry payables are as follows:

- (1) An amount of RM161,929,000 (30.4.2018: RM161,870,000) which relates to the balance purchase price of several parcels of freehold land acquired by a subsidiary company.
- (2) An amount of RM20,717,000 (30.4.2018: RM18,758,000) being the current portion of project contribution (refer Note 24(c)).
- (3) Advances from certain directors of subsidiary companies amounting to RM2,306,000 (30.4.2018: RM2,153,000).
- (4) Refundable deposits received for the disposal of investments are in relation to the proposed disposals of several foreign subsidiaries as disclosed in Note 43(1).

The amounts due to subsidiary companies for the Company are unsecured, repayable on demand and non-interest bearing. The amounts due to associated companies for the Group are trade in nature, non-interest bearing and have normal credit terms that range from 30 to 180 days (30.4.2018: 30 to 180 days).

The normal trade credit terms granted by trade creditors of the Group are as follows:

- | | |
|----------------------------------|---|
| - Non-margin clients and brokers | 2 market days (30.4.2018: 3 market days) in accordance with the FDSS trading rules. |
| - Other trade payables | 1 to 183 days (30.4.2018: 1 to 183 days). |

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

28. SHORT TERM BORROWINGS

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Secured:				
Long term loans				
- portion repayable within 12 months (Note 23)	306,968	541,316	55,040	96,801
Medium term notes				
- portion repayable within 12 months (Note 23)	459,687	524,701	-	-
Short term loans	81,854	289,846	-	50,000
Bank overdrafts	57,722	34,630	-	-
Margin facilities	204,881	208,799	87,834	89,564
Trade financing facilities	13,084	17,279	-	-
Revolving credits	898,510	598,236	297,459	197,140
Vehicle stocking loans	286,401	313,704	-	-
Portion repayable within 12 months				
- Block discounting payables (Note 23)	9,714	9,054	-	-
- Hire purchase and leasing payables (Note 23)	18,079	17,293	611	394
	<u>2,336,900</u>	<u>2,554,858</u>	<u>440,944</u>	<u>433,899</u>
Unsecured:				
Trade financing facilities	74,090	76,327	-	-
Revolving credits	2,000	2,000	-	-
	<u>76,090</u>	<u>78,327</u>	<u>-</u>	<u>-</u>
	<u>2,412,990</u>	<u>2,633,185</u>	<u>440,944</u>	<u>433,899</u>

The secured short term loans, bank overdrafts, margin facilities, trade financing facilities, revolving credits and other bank borrowings of the Group and of the Company are secured either by way of fixed charges on certain landed properties, certain quoted investments, or fixed and floating charges over certain other assets of the Group and deposits of the Group, as disclosed in Notes 3, 4, 5, 6, 7 and 16.

The vehicle stocking loans obtained by foreign subsidiary companies are secured by fixed and floating charges on certain vehicle inventories held.

The range of interest rates per annum at the reporting date for borrowings was as follows:

	Group		Company	
	30.6.2019 %	30.4.2018 %	30.6.2019 %	30.4.2018 %
Short term loans	3.11 - 7.85	1.47 - 8.03	-	5.41 - 5.90
Bank overdrafts	3.92 - 9.15	7.15 - 9.35	-	-
Margin facilities	7.20 - 8.00	7.20 - 8.00	7.20 - 7.86	7.20 - 7.86
Trade financing facilities	4.28 - 8.60	3.15 - 8.60	-	-
Revolving credits	1.88 - 9.00	3.13 - 10.50	5.26 - 6.60	5.26 - 6.60
Vehicle stocking loans	2.80 - 4.75	2.75 - 4.75	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

29. REVENUE

Revenue for the Group represents the invoiced value of sales of the Group's products and services, a proportion of contractual sales revenue determined by reference to the percentage of completion of development properties, lease rentals income from lease of on-line gaming equipment, rental of investment properties, interest income from hire purchase and loan financing, revenue from hotel and resort operations, membership fees from vacation time share, fitness centre operation and recreational activities, income from chartered flights, partner fee from lottery operations, net house takings from casino operations, brokerage and underwriting commission on securities contracts and new issue of shares and gross stake collections from the sale of toto betting tickets. Revenue for the Company represents partner fee from lottery operations, management fees charged to subsidiaries and associate company, gross dividend received and receivable from subsidiaries and associate company.

Revenue consists of the following:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000 (Restated)	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
REVENUE				
Revenue from contract with customers	9,616,686	8,501,614	57,996	77,030
Revenue from other sources:				
- Margin interest income	9,904	7,458	-	-
- Interest income from hire purchase, lease and loan financing	3,635	771	-	-
- Leased income from investment properties and lottery equipment	163,050	184,505	-	-
- Gross dividends	-	-	18,332	18,737
	<u>9,793,275</u>	<u>8,694,348</u>	<u>76,328</u>	<u>95,767</u>
<u>Disaggregation of the revenue from contract with customers:</u>				
Major goods and services				
Gross brokerage and other charges	29,403	34,338	-	-
Underwriting commissions and fund management income	158	-	-	-
Sales of goods and services on cash and credit terms	4,776,048	4,157,673	-	-
Sale of property inventories	342,261	468,397	-	-
Income from hotels, resort, theme park and casino operations	638,375	532,684	-	-
Income from chartered flights	604	2,898	-	-
Membership fees and subscriptions	83,123	87,419	-	-
Lottery operations	3,746,714	3,218,205	55,081	74,532
Management fee income	-	-	2,915	2,498
	<u>9,616,686</u>	<u>8,501,614</u>	<u>57,996</u>	<u>77,030</u>
Geographical market				
Malaysia	5,927,885	5,198,734	2,915	2,498
Outside Malaysia	3,688,801	3,302,880	55,081	74,532
	<u>9,616,686</u>	<u>8,501,614</u>	<u>57,996</u>	<u>77,030</u>
Timing of revenue recognition				
At a point in time	9,051,403	7,894,246	55,081	74,532
Over time	565,283	607,368	2,915	2,498
	<u>9,616,686</u>	<u>8,501,614</u>	<u>57,996</u>	<u>77,030</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

30. FINANCE COSTS

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Interest expense on:				
- Bank loans and overdrafts	291,460	254,343	102,890	77,356
- BCorp ICULS	8,734	10,135	8,734	10,135
- REDtone ICULS	194	166	-	-
- MTN	75,091	68,044	-	-
- Hire purchase and leases	8,783	6,281	185	97
- Manufacturers' vehicle stocking loans	12,821	10,150	-	-
- Defined benefit plans (Note 25(a))	565	560	-	-
Unwinding of discount and charge out of deferred transaction costs	19,475	20,091	12,346	11,618
Others (inclusive of loan related expenses)	6,434	10,189	3,441	2,676
	<u>423,557</u>	<u>379,959</u>	<u>127,596</u>	<u>101,882</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

31. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Directors' remuneration (Note 32)				
- emoluments (excluding benefits-in-kind)	61,639	55,844	1,368	1,150
- fees	4,143	3,530	232	243
Auditors' remuneration				
- statutory audit fee	7,153	6,558	289	226
- underprovision of statutory audit fees in prior years	257	208	24	37
- fees for non audit services	758	676	16	53
Depreciation of property, plant and equipment	260,736	217,450	25,643	6,959
Amortisation of intangible assets	32,714	35,964	8,281	7,099
Minimum operating lease payment				
- plant and machinery	6,391	5,287	-	-
- premises	256,216	226,677	-	-
Direct operating expenses of investment properties *	16,166	16,789	-	-
Royalty expenses	40,610	33,308	-	-
Staff costs (Note a)	987,452	805,026	13,100	10,991
Allowance for impairment on receivables				
- trade receivables	7,367	9,150	-	-
- other receivables	17,862	14,014	-	-
Bad debts written off	7,667	1,252	-	-
Inventories written off/down	7,499	14,920	-	-
Loss on foreign exchange				
- realised	13,677	49,630	1,472	3,728
- unrealised	22,157	100,795	6,769	1,353
Research and development expenditure	119	-	-	-
Provision for sales warranty	581	1,176	-	-
Contribution to National Sports Council	50,366	40,338	-	-
Other expenses (Note c)	234,691	383,316	12,276	14
and crediting:				
Amortisation of government grants	8	8	-	-
Reversal of impairment loss on receivables				
- trade receivables	9,049	3,326	-	-
- other receivables	962	284	-	-
Gain on foreign exchange				
- realised	15,313	24,832	558	215
- unrealised	75,407	43,820	-	12,689
Other income (Note d)	614,098	292,048	288,321	103,994

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

Notes:

* It is not practicable to segregate the direct operating expenses of investment properties in respect of revenue and non-revenue generating properties due to periodic changes in the occupancy rates during the financial period/year.

(a) Staff costs consist of the following:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Wages, salaries and allowances	789,923	637,755	9,930	8,699
Social security costs and employees insurance	33,331	32,287	277	211
Bonuses	37,766	32,672	1,156	781
Pension costs				
- defined contribution plans	61,745	51,526	1,368	1,137
- defined benefit plans (Note 25(a))	2,361	790	-	-
Provision for short term compensated absences	(527)	(200)	-	-
Share-based payments (Note b)	999	2,060	-	-
Other staff related expenses	61,854	48,136	369	163
Total staff costs	987,452	805,026	13,100	10,991

Staff costs exclude remuneration of executive directors.

(b) Share-based payments consist of the following:

	Group	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Share-based payments for		
- employees of the Group	999	2,060
- other directors of the Group	663	1,329
	1,662	3,389

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

(c) Other expenses

Included in other expenses are the following:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
(i) Other expenses - investing activities				
Loss on disposal of property, plant and equipment	4,234	1,901	15	2
Loss on disposal of land held for development	-	15	-	-
Loss on disposal of subsidiary company	2,521	12,312	-	-
Loss on partial disposal of subsidiary company	-	-	3,039	-
Loss on disposal/deemed disposal of associated companies	-	48,578	-	-
Loss on disposal of available-for-sale quoted equity instruments	-	4,140	-	-
Fair value adjustments for investment properties	20,177	140	-	-
Fair value loss of fair value through profit or loss equity instruments quoted in Malaysia	230	15,936	-	-
Impairment in value of property, plant and equipment	17,098	14,434	-	-
Impairment of intangible assets				
- goodwill	11,344	-	-	-
- others	1,183	1,955	-	-
Impairment on amount owing from				
- an associated company	7,204	-	-	-
- a joint venture	-	203	-	-
Impairment in value of investments in				
- associated companies	55,282	7,472	9,222	-
- a joint venture	21,523	-	-	-
Impairment in value of				
- available-for-sale financial assets quoted equity instruments	-	2,738	-	-
- available-for-sale financial assets unquoted equity instruments	-	24	-	-
Impairment in value of assets held for sale	5,376	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

(c) Other expenses (continued)

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
(i) Other expenses - investing activities (continued)				
Impairment loss on balance sale proceeds of Great Mall Project	7,875	152,651	-	-
Impairment loss in value of golf club corporate memberships	811	-	-	-
Foreign currency reserve transferred to profit or loss on deemed disposal/ disposal of a subsidiary company	-	32,527	-	-
Loss on remeasurement of retained equity interest in a former subsidiary company	-	21,374	-	-
Loss on dilution in an associated company	131	3,098	-	-
Property, plant and equipment written off	12,393	6,457	3	-
Intangible assets written off	198	-	-	-

(d) Other income

Included in other income are the following:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
(i) Other income - operating activities				
Income from rental of land and buildings	23,876	16,953	-	-
Gain on disposal of marketable securities	2,434	2,590	-	-
Finance income - loans and receivables and other liabilities at amortised costs	61,829	38,215	-	-
(ii) Other income - investing activities				
Gain on disposal of property, plant and equipment	2,649	3,874	-	97
Gain on disposal of investment properties	-	4	-	-
Gain on disposal of land held for development	244	1,231	-	-
Gain on deemed disposal/ disposal of subsidiary companies	95,714	75,971	185,294	26,059
Gain on disposal of associated companies	-	10	-	-
Gain on disposal of a joint venture	195,743	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

31. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

(d) Other income (continued)

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
(ii) Other income - investing activities (continued)				
Gain on disposal from other investments	-	3,953	-	-
Reversal of impairment in property, plant and equipment	-	1,463	-	-
Reversal of impairment in value of investments in associated companies	2,310	590	-	-
Fair value gain on derivative liability	-	2,208	-	2,208
Fair value gain of fair value through profit or loss equity instruments quoted in Malaysia	6,274	736	-	-
Fair value adjustments for investment properties	7,828	10,128	-	-
Interest income from loans and receivables				
- Interest income from subsidiary company	-	-	99,203	73,986
- Other interest income	64,749	67,977	3,824	1,644
Gross dividends from				
- FVTOCI/AFS investments quoted in Malaysia	3,653	961	-	-
- FVTOCI/AFS investments quoted outside Malaysia	261	188	-	-
- FVTOCI/AFS investments unquoted in Malaysia	1,750	750	-	-
- Unquoted associated company classified as non-current assets held for sale	822	-	-	-
Foreign exchange reserves of foreign subsidiaries transferred from equity upon disposal	23,440	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

32. DIRECTORS' REMUNERATION

The aggregate directors' remuneration paid or payable to all directors of the Group and of the Company categorised into appropriate components for the financial year are as follows:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Directors of the Company				
Executive				
Salaries and other emoluments	31,886	19,464	953	785
Bonus	1,099	1,156	93	93
Retirement benefits				
- defined contribution plans	4,709	2,695	159	133
Benefits-in-kind	647	557	83	70
	<u>38,341</u>	<u>23,872</u>	<u>1,288</u>	<u>1,081</u>
Non-executive				
Fees	379	323	232	243
Bonus	39	39	6	6
Retirement benefits				
- defined contribution plans	57	51	11	9
Other emoluments	644	550	146	124
Benefits-in-kind	43	39	24	20
	<u>1,162</u>	<u>1,002</u>	<u>419</u>	<u>402</u>
	<u>39,503</u>	<u>24,874</u>	<u>1,707</u>	<u>1,483</u>
Other directors of the Group				
Fees	3,764	3,207	-	-
Salaries and other emoluments	21,737	28,550	-	-
Retirement benefits				
- defined contribution plans	965	2,502	-	-
- defined benefit plans (Note 25(a))	304	258	-	-
Bonus	199	579	-	-
Benefits-in-kind	416	200	-	-
	<u>27,385</u>	<u>35,296</u>	<u>-</u>	<u>-</u>
Total directors' remuneration	<u>66,888</u>	<u>60,170</u>	<u>1,707</u>	<u>1,483</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

33. TAXATION

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000 (Restated)	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
<u>Statements of profit or loss</u>				
Income tax				
- Malaysian income tax	226,063	200,194	5,365	34
- Foreign tax	45,347	51,780	-	-
- Withholding tax	17,540	814	16,081	2,192
In respect of prior years				
- Malaysian income tax	3,065	13,864	(34)	539
- Foreign tax	154	(758)	-	-
Deferred tax (Note 26)	9,832	(10,769)	(3,068)	(2,496)
Total taxation	302,001	255,125	18,344	269

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (30.4.2018: 24%) of the estimated assessable profit for the financial period/year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax charge of the Group is in respect of profits recorded by certain subsidiary companies.

Details of taxation includes the following:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
<u>Statements of comprehensive income</u>				
Deferred tax relating to other comprehensive income (Note 26):				
- Fair value adjustment on AFS financial assets of quoted equity instruments	-	(4,919)	-	-
- Reversal/Incurrence of impairment of gaming rights	(100,177)	22,980	-	-
- Revaluation of building	(6,191)	2,640	-	-
- Tax effects relating to FVTOCI investment	(1,785)	-	-	-
- Tax effect relating to the defined benefit pension scheme	(134)	756	-	-
	(108,287)	21,457	-	-
<u>Statements of changes in equity</u>				
Deferred tax recognised in equity (Note 26):				
- Effects on deferred tax liability on liability component of BCorp ICULS 2016/2026	-	9	-	9

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

33. TAXATION (CONTINUED)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000 (Restated)	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Profit/(Loss) before tax	423,535	(90,162)	116,593	81
Applicable tax rate (%)	24	24	24	24
Taxation at applicable tax rate	101,648	(21,639)	27,982	19
Effect of changes in real property gain tax	19,271	-	-	-
Effect of different tax rates in other countries	(5,941)	15,537	(509)	(345)
Effect of share of results of associated companies and joint ventures	(798)	(4,654)	-	-
Effect of income subject to real property gain tax	1,859	(362)	-	-
Effect of income not subject to tax	(119,708)	(45,814)	(51,699)	(18,219)
Expenses not deductible under tax legislation	237,824	273,948	29,505	18,579
Effect of withholding tax	17,540	814	16,081	2,192
Utilisation of previously unrecognised deferred tax assets	(2,234)	(8,522)	-	-
Deferred tax assets not recognised during the financial period/year	49,785	55,456	21	-
Deferred tax assets recognition on previously unrecognised deferred tax assets	(3,305)	(8,828)	-	-
Effect of reduction in tax rate on incremental chargeable income	-	(3,280)	-	-
Effects of BCorp ICULS interests	(3,003)	(2,496)	(3,003)	(2,496)
Deferred tax liabilities recognised on changes in undistributed profits of subsidiary company	1,446	(3,442)	-	-
Under provision of income tax in prior years	3,219	13,106	(34)	539
Under/(Over) provision of deferred tax in prior years	4,398	(4,699)	-	-
Taxation for the period/year	302,001	255,125	18,344	269

NOTES TO THE FINANCIAL STATEMENTS

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34. LOSS PER SHARE

(1) Basic

Basic loss per share is calculated by dividing loss for the financial period/year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares with voting rights in issue during the financial period/year, including mandatorily convertible instruments.

	Group	
	1.5.2018 to 30.6.2019 RM'000	1.5.2017 to 30.4.2018 RM'000 (Restated)
Loss attributable to equity holders	(111,757)	(357,867)
Adjustment for deemed conversion of BCorp ICULS (Note 30)	8,734	10,135
	<u>(103,023)</u>	<u>(347,732)</u>
Weighted average number of ordinary shares with voting rights in issue (inclusive of mandatorily convertible instruments) ('000)	5,702,549	5,623,418
Basic loss per share (sen)	<u>(1.81)</u>	<u>(6.18)</u>

(2) Diluted

For the purpose of calculating diluted loss per share, the loss for the financial period/year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares with voting rights in issue during the financial period/year, including mandatorily convertible instruments, have been adjusted for the dilutive effects of the dilutive instruments of the Group.

	Group	
	1.5.2018 to 30.6.2019 RM'000	1.5.2017 to 30.4.2018 RM'000 (Restated)
Adjusted loss attributable to equity holders	(103,023)	(347,732)
Dilution effect on exercise of BFood options	(37)	(2)
Dilution effect on conversion of REDtone ICULS	(4)	(22)
Loss attributable to equity holders after assumed conversion/exercise	<u>(103,064)</u>	<u>(347,756)</u>
Weighted average number of ordinary shares with voting rights in issue (inclusive of mandatorily convertible instruments) ('000)	5,702,549	5,623,418
Diluted loss per share (sen)	<u>(1.81)</u>	<u>(6.18)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

35. SEGMENTAL INFORMATION

The Group is organised on a worldwide basis and presents its segmental information based on business segments:

- (1) financial services;
- (2) marketing of consumer products and services;
- (3) property investment and development;
- (4) hotels and resorts;
- (5) gaming and related activities;
- (6) restaurants; and
- (7) others.

Other business segments include clubs, recreation, and plantation segments which are not of a sufficient size to be reported separately.

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

The geographical segmental information is prepared based on the locations of assets. The segment revenue by geographical location of where the sales are transacted does not differ materially from the segment revenue by geographical location of assets.

Unallocated assets/liabilities include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segments. These include mainly corporate assets, tax recoverable/liabilities, borrowings, hire purchase and lease obligations.

Other non-cash expenses include mainly unrealised loss on foreign exchange, property, plant and equipment written-off, intangible assets written-off, inventories written-off, and allowance for bad and doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

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35. SEGMENTAL INFORMATION (CONTINUED)

By business segments

Revenue	External RM'000	Inter- segment RM'000	Total RM'000
1.5.18 to 30.6.19			
Financial services	43,100	2,836	45,936
Marketing of consumer products and services	3,925,489	56,636	3,982,125
Property investment and development	395,036	28,484	423,520
Hotels and resorts	638,375	2,804	641,179
Gaming and related activities	3,860,448	97,541	3,957,989
Restaurants	834,741	153	834,894
Others	96,086	33,561	129,647
Inter-segment elimination	-	(222,015)	(222,015)
Total Revenue	9,793,275	-	9,793,275

1.5.17 to 30.4.18 (Restated)

Financial services	48,006	1,993	49,999
Marketing of consumer products and services	3,388,303	29,709	3,418,012
Property investment and development	515,065	19,841	534,906
Hotels and resorts	541,012	5,919	546,931
Gaming and related activities	3,350,603	110,948	3,461,551
Restaurants	708,795	350	709,145
Others	142,564	34,658	177,222
Inter-segment elimination	-	(203,418)	(203,418)
Total Revenue	8,694,348	-	8,694,348

Results	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000 (Restated)
Financial services	15,955	2,818
Marketing of consumer products and services	71,115	12,830
Property investment and development	57,719	119,369
Hotels and resorts	81,603	67,599
Gaming and related activities	478,486	403,421
Restaurants	32,602	28,865
Others	(24,808)	18,213
	712,672	653,115
Unallocated corporate expenses	(106,766)	(226,561)
	605,906	426,554
Other income - investing activities	405,442	170,044
Other expenses - investing activities	(167,580)	(326,193)
	843,768	270,405
Finance costs	(423,557)	(379,959)
Share of results of associates	(811)	16,602
Share of results of joint ventures	4,135	2,790
Profit/(Loss) before tax	423,535	(90,162)
Taxation	(302,001)	(255,125)
Profit/(Loss) for the financial period/year	121,534	(345,287)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

35. SEGMENTAL INFORMATION (CONTINUED)

Assets and liabilities	Assets	Liabilities
	RM'000	RM'000
At 30 June 2019		
Financial services	368,653	51,927
Marketing of consumer products and services	2,925,027	1,032,428
Property investment and development	7,632,931	2,218,255
Hotels and resorts	1,684,567	309,078
Gaming and related activities	4,238,604	764,263
Restaurants	239,233	323,026
Others	905,158	826,309
Inter-segment elimination	(822,396)	(811,658)
	<u>17,171,777</u>	<u>4,713,628</u>
Unallocated items	2,648,862	5,374,115
Total Assets and Liabilities	<u>19,820,639</u>	<u>10,087,743</u>
At 30 April 2018 (Restated)		
Financial services	355,246	62,882
Marketing of consumer products and services	2,735,510	940,895
Property investment and development	7,508,674	2,660,445
Hotels and resorts	1,694,573	441,844
Gaming and related activities	4,795,216	657,168
Restaurants	810,396	164,735
Others	1,113,763	888,347
Inter-segment elimination	(877,775)	(959,696)
	<u>18,135,603</u>	<u>4,856,620</u>
Unallocated items	2,720,804	5,810,805
Total Assets and Liabilities	<u>20,856,407</u>	<u>10,667,425</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

35. SEGMENTAL INFORMATION (CONTINUED)

Other information	Capital expenditure	Depreciation and amortisation	Impairment loss	Other non-cash expenses
	RM'000	RM'000	RM'000	RM'000
30 June 2019				
Financial services	2,891	1,339	-	1,018
Marketing of consumer products and services	66,659	56,343	87	18,386
Property investment and development	26,030	46,667	8,865	2,738
Hotels and resorts	32,702	22,980	-	2,867
Gaming and related activities	38,199	71,333	21,840	616
Restaurants	108,991	59,326	9,099	1,895
Others	9,816	22,086	5,012	9,513
	<u>285,288</u>	<u>280,074</u>	<u>44,903</u>	<u>37,033</u>
Unallocated items	6,339	13,376	82,793	25,519
Total	<u><u>291,627</u></u>	<u><u>293,450</u></u>	<u><u>127,696</u></u>	<u><u>62,552</u></u>

30 April 2018 (Restated)

Financial services	997	1,109	24	9,649
Marketing of consumer products and services	59,853	64,173	5,379	18,586
Property investment and development	9,957	41,960	153,801	3,951
Hotels and resorts	17,537	14,231	1,532	3,698
Gaming and related activities	15,000	45,975	498	412
Restaurants	75,973	51,561	302	177
Others	8,981	24,089	5,402	1,338
	<u>188,298</u>	<u>243,098</u>	<u>166,938</u>	<u>37,811</u>
Unallocated items	17,325	10,316	12,539	106,709
Total	<u><u>205,623</u></u>	<u><u>253,414</u></u>	<u><u>179,477</u></u>	<u><u>144,520</u></u>

By geographical segments	Revenue	Capital expenditure	Assets
	RM'000	RM'000	RM'000
30 June 2019			
Malaysia	5,933,363	240,932	13,457,456
Outside Malaysia	3,859,912	50,695	6,363,183
Total	<u><u>9,793,275</u></u>	<u><u>291,627</u></u>	<u><u>19,820,639</u></u>
30 April 2018 (Restated)			
Malaysia	5,381,439	169,057	14,691,604
Outside Malaysia	3,312,909	36,566	6,164,803
Total	<u><u>8,694,348</u></u>	<u><u>205,623</u></u>	<u><u>20,856,407</u></u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	Group		Company	
		1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Management fees receivable from					
- subsidiary companies		-	-	(2,425)	(2,078)
- associated company		-	-	(140)	(120)
Rental of premises and related services receivable from					
- Singer (Malaysia) Sdn Bhd ("Singer")	c	(566)	(485)	-	-
- Tai Thong Group Sdn Bhd	a	-	(1,307)	-	-
- Sun Media Corporation Sdn Bhd ("SMCSB")	b	(544)	(573)	-	-
- 7-Eleven Malaysia Sdn Bhd ("7-Eleven")	c	(2,330)	(1,961)	-	-
- U Mobile Sdn Bhd ("UMobile")	d	(1,893)	(1,693)	-	-
- Songbird Amusement Sdn Bhd	e	-	(280)	-	-
- Berjaya Assets Food (BAF) Sdn Bhd	f	(835)	(706)	-	-
Rental of premises payable to					
- Berjaya Times Square Sdn Bhd	f	6,169	5,691	-	-
- Berjaya Sompoo Insurance Berhad	b	656	561	-	-
Transportation service provided to					
- 7-Eleven	c	(11,681)	(9,725)	-	-
Research, development, implementation and maintenance services as well as purchase of hardware, software, network equipment from					
Qinetics Solutions Sdn Bhd and Qinetics Services Sdn Bhd	c	5,990	6,075	1,430	1,402
Advertising and publishing services charged by SMCSB	b	2,458	1,991	52	78
Sales of product to 7-Eleven	c	(4,689)	(1,936)	-	-
Supply of computerised lottery systems and related services to					
Natural Avenue Sdn Bhd	f	(764)	(631)	-	-
Provide of wireless broadband services to Berjaya Sompoo Insurance Berhad	b	(1,761)	(1,272)	-	-
Purchase of a property unit from Deru Klasik Sdn Bhd	e	12,435	-	-	-
Provision of security guard services to					
- Subsidiaries of BAssets	f	(108)	(307)	-	-
- UMobile	d	(241)	(120)	-	-
- Singer	c	(100)	(189)	-	-
Upkeep of motor vehicle and purchase of motor vehicle					
- Auto Tulin Sdn Bhd	e	1,648	-	835	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

All other significant related party transactions have been disclosed under Notes 13, 27, 31 and 32.

Details of significant related party acquisitions and disposals of assets completed during the current financial period are included in Notes 43 and 44.

Notes:

- (a) wholly owned subsidiary company of Tai Thong Holdings Sdn Bhd which in turn is a wholly-owned subsidiary company of Diversified Kinetic Sdn Bhd. Tan Sri Dato' Tan Chee Sing ("TSDT") and Dato' Dickson Tan Yong Loong ("DDTYL"), are major shareholders of Diversified Kinetic Sdn Bhd. TSDT is a brother of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") and is the father of DDTYL.
- (b) Associated companies of the Group.
- (c) Companies where Tan Sri Vincent Tan, a major shareholder and the chairman of the Company, is deemed to have an interest.
- (d) A company in which the directors of the Company, namely Dato' Sri Robin Tan Yeong Ching ("DSRTYC") and Nerine Tan Sheik Ping ("NT") have interests. Tan Sri Vincent Tan is also a substantial shareholder of UMobile.
- (e) A company in which a person connected with Tan Sri Vincent Tan has interest.
- (f) Subsidiary company of BAssets. Tan Sri Vincent Tan is a substantial shareholder of BAssets while DSRTYC and NT are also shareholders of BAssets. Tan Sri Vincent Tan is the father of DSRTYC and NT. TSDT also has interest in BAssets.

Certain professional fee amounting to RM4,790,000 (30.4.2018: RM5,777,000) was incurred by a foreign subsidiary company for management and consultancy services contracted with a corporate entity, of which the Chief Executive Officer of the foreign subsidiary company has interest.

In the previous reporting date, a foreign subsidiary company had placements inclusive of interest receivable amounting to RM58,939,000 with a foreign asset management firm of which a director of the foreign subsidiary company has an interest. The placements together with the interest receivable were fully redeemed during the current financial period.

The compensation of the key management personnel of the Group and of the Company are as follows:

	Group		Company	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
Short-term benefits	42,739	28,904	1,537	1,341
Post-employment benefits	6,005	3,754	170	142
	<u>48,744</u>	<u>32,658</u>	<u>1,707</u>	<u>1,483</u>

NOTES TO THE FINANCIAL STATEMENTS

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37. COMMITMENTS

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Capital expenditure		
- approved and contracted for	325,660	81,567
- approved but not contracted for	249,503	39,135
	<u>575,163</u>	<u>120,702</u>
Group's share of a joint venture's commitment - land use rights fee	19,270	19,111
Proposed share subscription in		
- joint venture	8,000	8,000
- several foreign investees	67,476	-
	<u>669,909</u>	<u>147,813</u>
Non-cancellable operating lease commitments as lessees		
- Within 1 year after reporting date	145,727	130,918
- Later than 1 year but not more than 5 years	206,239	354,951
- Later than 5 years	405,539	467,752
	<u>757,505</u>	<u>953,621</u>
Non-cancellable operating lease commitments as lessors		
- Within 1 year after reporting date	26,351	19,895
- Later than 1 year but not more than 5 years	22,206	18,494
- Later than 5 years	28	1,969
	<u>48,585</u>	<u>40,358</u>

Note:

- (a) Significant commitments for acquisition of properties and investments are included in Notes 43 and 44.

The Group entered into operating leases which represent rental payable for the use of land and buildings, vehicles, plant and equipment. Leases are negotiated for a period of between 1 and 70 years and rentals fixed for between 1 and 70 years. In addition to the above, the annual contingent rental amount is chargeable on a percentage of respective store's turnover or profits, where appropriate, as stated in the relevant lease agreements.

A foreign subsidiary company had entered into land lease contracts for lease terms of 100 years. These leases are non-cancellable upon the foreign subsidiary obtaining property development approval from the foreign authorities.

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial and office space. Besides this, a foreign subsidiary company had entered into a lease for provision of online lottery equipment for a stipulated period. Revenue from the leasing of lottery equipment is recognised based on certain percentage of the gross receipts from the lottery ticket sales of the lottery operator subject to an annual minimum fee as prescribed in the lease agreement. The leasing of lottery equipment income is recognised as revenue during the financial period as disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

38. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS

The financial guarantees provided to financiers for subsidiary and related companies are no longer disclosed as contingent liabilities but would instead be accounted for as financial liabilities if considered likely to crystallise. For the current financial period, the Company has assessed the financial guarantee contracts and determined that the guarantees are not likely to be called upon by the bank. Financial impact of the guarantees is not material.

Details of contingent liabilities and material litigations are as follows:

(1) The Armen case

On 17 April 2014, Armen Temuran and another party ("Armen&anor") filed a lawsuit against CoswayUSA and several other parties ("CoswayUSA&ors") for alleged breach of contract and unfair business practice. The court ruled that all except the fifth, sixth, eighth and twelfth of the twelve causes of action are dismissed. However, Armen&anor had filed a second amended complaint ("SAC") in May 2015 with the claims amounting to USD5.54 million (about RM21.66 million). CoswayUSA&ors had filed another demurrer with respect to the SAC and the court has sustained the defendant's demurrer on 31 July 2015. Armen&anor filed a third amended complaint. CoswayUSA has filed a demurrer, a motion to strike off a portion of the third amended complaint, and a request for judicial notice. On 10 December 2015, the court granted CoswayUSA's request for judicial notice and the motion to strike off. Also, the court sustained all except four of the demurrer (or objections) filed by the CoswayUSA against Armen&anor's third amended complaint. At a hearing on 23 June 2016, the court ruled for the four remaining claims, filed by Armen&Anor, to proceed to mandatory settlement meeting on 1 July 2016. At the mandatory settlement meeting on 1 July 2016, no agreement was made on any out of court settlement. The case proceeded to trial on 1 August 2016 but the trial was postponed to 26 September 2016. The trial was further postponed to 31 October 2016 at the request of Armen&anor. The trial proceeded for three days but there was a procedural error and a new trial was re-scheduled to 27 February 2017. The trial commenced on 27 February 2017 as re-scheduled and it ended on 22 March 2017 with the verdict that 2 of the claims have been withdrawn while for the remaining 2 claims, Armen&anor were unsuccessful with their claims. On 18 May 2017, the Court issued written judgment in favour of CoswayUSA and others in their counter claim against Armen&anor and were awarded USD15,200 plus USD3,990 in pre-judgment interest. The Court further entered judgment in favour of CoswayUSA against Aditya AHT Inc, owned by Armen&anor and one of the parties that CoswayUSA counter claimed against, in the sum of USD56,327 (about RM220,000). On 26 May 2017, Armen&anor filed a motion to set aside the jury verdict. The case was heard on 6 July 2017 and the Court dismissed Armen&anor's motion to set aside the jury verdict. Armen&anor filed a Notice of Appeal on 8 August 2017 in the Court of Appeal, Fourth Appellate District Court, Division 3, California. Armen&anor filed for appeal and the appeal trial was held on 15 July 2019. However, the appellate court has yet to issue its final judgment.

(2) The STC Proposals Proceedings

On 19 July 2004, Berjaya Tagar Sdn Bhd ("BTSB"), a wholly owned subsidiary company of BLand, proposed the acquisition of about 244.79 acres of leasehold land located in Sungei Besi, Kuala Lumpur ("STCLand") from Selangor Turf Club ("STC") for a consideration of RM640.0 million and about 750 acres of freehold land ("BCityLand") located in the area of Sungai Tinggi, Daerah Ulu Selangor, Selangor from BerjayaCity Sdn Bhd ("BCity"), a subsidiary company of the Group, and also proposed the appointment of BCity as a turnkey contractor for the construction of a new turf club for a total consideration of RM605.0 million ("STC Proposals").

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

38. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

(2) The STC Proposals Proceedings (continued)

On 28 June 2010, BLand announced the status of the conditions precedent ("CP") of the STC Proposals as follows:

- 1) Approval from the Foreign Investment Committee ("FIC") for the STC Proposals was obtained on 12 October 2004;
- 2) Approval from the FIC for the acquisition of the BCityLand was obtained on 21 October 2004;
- 3) Approvals from the shareholders of BTSB, BLand, BCity and BGroup for the STC Proposals were obtained on 4 November 2004;
- 4) Approvals from the State Authority Consent for the transfer of STCLand in favour of BTSB were obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item (6) of the CP is fulfilled;
- 5) The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfilment of item (6) of the CP;
- 6)(a) The approval for the master layout plan for the BCityLand was obtained on 11 February 2008. However, due to the change in the Selangor government, the plan is to be re-tabled and BTSB is awaiting the decision from the Selangor government;
- 6)(b) The approval from the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6(a) of the CP is fulfilled; and
- 6)(c) The approval from the State Exco of Selangor for the conversion and sub-division of BCityLand is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6(a) and 6(b) are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, BLand announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the CP in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, BLand announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, BLand announced that BTSB and STC had entered into a supplemental agreement ("SupAgmt") to mutually vary certain terms of the sale and purchase agreement dated 19 July 2004, as follows:

- i) if there is any CP remaining outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of the STCLand. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by BTSB for such extension; and
- ii) upon signing the SupAgmt, BTSB shall pay STC an advance part payment of RM7.0 million, which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration will be paid within 33 months from the date of the last CP is fulfilled or such other date as mutually extended.

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38. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

(2) The STC Proposals Proceedings (continued)

Pursuant to the aforesaid SupAgmt, the period is extended to 18 January 2020 to fulfil the conditions precedent below:

- 1) renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
- 2) the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
 - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
 - (ii) approval from the MDHS for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
 - (iii) approval from the State Exco of Selangor for the conversion and sub-division of BCityLand after approvals under items 2(i) and (ii) above are obtained.

On 10 November 2017, BLand announced that further to the legal proceedings instituted by BLand, BTSB and BCity ("the Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

The judgment rendered on 9 November 2017 was as follows:

- 1) The Applicants' applications against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents were dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively;
- 2) The Applicants are allowed to proceed with the development;
- 3) The Applicants are required to submit the relevant documents to the relevant technical departments for comments;
- 4) The technical departments are directed to respond within 3 months from the receipt of these documents, and failing which it is deemed that they have no objection to these documents;
- 5) Pursuant to an order in the nature of mandamus, the 1st and 5th Respondents are directed to re-table the Applicants' proposal papers to relocate and construct the Selangor Turf Club before the National Physical Planning Council within 3 months after the receipt of the proposal papers from the Applicants;
- 6) The Applicants are directed to submit the said proposal papers within 1 month upon receipt of the fair order, failing which the Applicants shall forfeit the benefit of the order of mandamus pursuant to paragraph (5) above; and
- 7) The 1st and 5th Respondents are ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation will be assessed in subsequent proceedings.

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

(2) The STC Proposals Proceedings (continued)

On 14 December 2017, BLand announced that the Selangor State Government and several other respondents have filed a Notice of Appeal to the Court of Appeal to appeal against the above decision of the Shah Alam High Court. The hearing at the Court of Appeal has been fixed on 8 October 2018. The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgment in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the 1st and 5th Respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation ("Assessment Proceedings") pursuant to the aforesaid Shah Alam High Court judgment.

The Court of Appeal has granted a stay of execution of the High Court judgment and the Assessment Proceedings pending the disposal of the main appeal at the Court of Appeal. The hearing of Selangor State Government's appeal at the Court of Appeal, which was previously fixed on 24 October 2019, has been vacated by the Court of Appeal. The Court of Appeal will instead hear a motion by the Selangor State Government to adduce further evidence in this matter. The Court of Appeal has fixed 22 November 2019 to hear the main appeal by the Selangor State Government.

(3) The JDC Lawsuit

On 6 November 2015, BLand announced that its 72.6% subsidiary, BJR had instituted legal proceedings in the Republic of Korea against JDC for breach of certain terms and conditions set out in the Land SPA entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea ("Jeju Project") and to claim for losses and damages incurred as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the land to BJR, free from all liens, security interests and encumbrances. However, on 20 March 2015 the Korean Supreme Court ruled that the expropriation by JDC of certain parcels of land which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence, the Group deemed that JDC had breached the terms of the Land SPA as it had failed to transfer good and unencumbered title to the said lands to BJR. Under the circumstances, the ongoing development works on the Jeju Project were suspended pending the resolutions of the lawsuits. A consequence of the Korean Supreme Court decision is that certain other former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (or about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction costs due and owing to the main contractor.

On completion of the land repurchase by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

(3) The JDC Lawsuit (continued)

At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct land price appraisal of Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project has been completed by the court appointed land appraisal company and the land price appraisal report has been submitted directly to the court.

On 13 September 2017, Jeju District Court rendered a judgment against JDC and Seogwipo City in the Administrative Lawsuit. The judgment rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgment. On 1 February 2019, the Korean Supreme Court dismissed the appeal of JDC and Seogwipo City.

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court and another judge was appointed as the new presiding judge in the JDC Lawsuit.

In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report as BJR was dissatisfied with the first supplementary land appraisal report which was based on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct the second supplementary appraisal, to be undertaken by a different appraiser. The second supplementary land price appraisal report has been completed and a preparatory hearing was held on 20 June 2019. The presiding judge closed the preparatory proceedings for pleading and stated that the formal hearing will commence on 25 July 2019.

At the formal hearing, held on 25 July 2019, the presiding judge requested BJR to submit evidentiary evidence with respect to the total claims by BJR and fixed 19 September 2019 as the next hearing date. On 19 September 2019, the presiding judge fixed 31 October 2019 as the final hearing before the court decides on the JDC Lawsuit.

Based on the legal opinion obtained from the company's lawyers, BJR has determined that it has the legal right to claim for damages under the Land SPA, Korean Civil Code and case precedents established in the Korean Courts. BJR's lawyers have also opined that it is probable that BJR will prevail in the lawsuit against JDC on the claim for costs incurred. Hence, BJR has determined that it is able to recover the costs incurred for the Jeju Project in full.

(4) GMOC Project Arbitration Proceedings

In the financial year ended 30 April 2017, BLand had announced that GMOC, a 51.00% owned subsidiary company of the BLand group, had completed the disposal of the Berjaya (China) Great Mall Recreation Centre located in Sanhe City, Hebei Province, the People's Republic of China for a revised total cash consideration of RMB2.04 billion (or about RM1.23 billion) to Beijing SkyOcean. GMOC had received RMB1,065 million (or about RM641.28 million and the balance of cash consideration of RMB974.07 million (or about RM586.53 million) ("Final Instalment") was to be received by November 2017.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

38. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

(4) GMOC Project Arbitration Proceedings (continued)

On 8 December 2017, BLand announced that Beijing SkyOcean had not remitted the Final Instalment of RMB974.07 million (about RM602.40 million) by the appointed time. Accordingly, GMOC had on 7 December 2017 issued a notice of demand to Beijing SkyOcean and the guarantors to pay the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceedings in Hong Kong against Beijing SkyOcean and the guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, BLand announced that GMOC has on even date submitted a notice of arbitration to the HKIAC against Beijing SkyOcean and the guarantors namely, SkyOcean Holdings Group Limited and Mr Zhou Zheng, to recover the Final Instalment and accrued late payment interest and other reliefs.

The arbitral tribunal has since been constituted and the procedural timetable has been determined by the tribunal for pre-trial preparations, including closing of pleadings, discovery of documents and exchange of witness statements, etc. The Tribunal has decided to hold the hearing in Hong Kong and the hearing dates are set between 17 December and 21 December 2019.

Based on the legal opinion obtained from the company's lawyers, it is highly probable that GMOC will prevail against Beijing SkyOcean before the HKIAC.

(5) PGMC Proceedings

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary company of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim agreement between PGMC and the PCSO whereby the parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings.

On 1 March 2018, Berjaya Philippines Inc. ("BPI"), the immediate holding company of PGMC, released an announcement to Philippine Stock Exchange ("PSE") that the Arbitral Tribunal had ruled in favour of PCSO. PGMC has filed a Petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award issued by the Arbitral Tribunal Court. The appeal process is still ongoing. In spite of the above, on 28 September 2018, BPI announced the execution of a Supplemental Equipment Lease Agreement ("ELA") between PGMC and PCSO for an extension of the ELA for a period of one year to August 2019.

In March 2019, PGMC submitted its proposal for its extension of ELA for a period of three years commencing 23 August 2019. On 3 June 2019, PGMC expressed its intention to bid and take part in the bidding for the five years lease of the PCSO lottery system. On 9 July 2019, during the opening of the submitted bids, only PGMC was declared eligible subject to evaluation. However, subsequently, PGMC was informed by PCSO that it failed the qualifications set. PGMC filed a motion with PCOS for reconsideration asserting its claim that it did not fail the bid. The motion was denied.

The ELA expired on 22 August 2019 and PCSO has agreed to extend the ELA up to 22 August 2020 on a month-to-month basis pending the bidding process. With the extension of ELA, PGMC has withdrawn its petition to vacate the final award pertaining to the appeal made against the ruling of the arbitration proceedings and it has also paid the earlier legal claims awarded by the Arbitral Tribunal Court per the judgment made in March 2018.

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39. FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

39.1 Group's non-financial assets that are measured at fair value

The table below analyses the Group's non-financial assets measured at fair value at the reporting date, according to the level in the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000

30.6.2019

Investment properties				
- Commercial properties	-	117,866	635,321	753,187
- Other properties	-	43,697	62,210	105,907
	-	161,563	697,531	859,094

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000

30.4.2018

Investment properties				
- Commercial properties	-	127,115	645,352	772,467
- Other properties	-	55,964	59,140	115,104
	-	183,079	704,492	887,571

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

39. FAIR VALUE MEASUREMENT (CONTINUED)

39.1 Group's non-financial assets that are measured at fair value (continued)

Description of valuation techniques used and key inputs to valuation on non-financial assets

(1) Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Investment properties valued using the comparison method are categorised as Level 2 in the fair value hierarchy.

Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, range between 114% and -71% (30.4.2018: 89% and -77%) of the respective properties' fair value.

(2) Depreciable Replacement Cost Method

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of assets are the replacement cost per square foot which ranges from RM80 to RM5,336 per square foot (30.4.2018: RM80 to RM5,336 per square foot), and the depreciation rate of 2% (30.4.2018: 2%).

Fair value reconciliation of non-financial assets measured at Level 3:

	Group	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
At beginning of financial period/year	704,492	694,472
Addition/ (disposals) during the financial period/year	2,245	(1,480)
Net transfer from property, plant and equipment	9,745	12,309
Fair value adjustments during the financial period/year	(18,203)	2,777
Exchange differences	(748)	(3,586)
At end of financial period/year	<u>697,531</u>	<u>704,492</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

39. FAIR VALUE MEASUREMENT (CONTINUED)

39.1 Group's non-financial assets that are measured at fair value (continued)

(3) Sensitivity analysis

The increase in the price per square feet of comparable properties in the surrounding vicinity will result in an increase of fair value of these properties.

39.2 Fair value disclosures of non-financial assets

The table below analyses the Group's fair value disclosures of the non-financial assets at the reporting date according to the level in the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.6.2019				
Associated companies	366,679	-	-	366,679
Inventories	2,179	-	-	2,179
30.4.2018				
Associated companies	431,069	-	-	431,069
Inventories	884	-	-	884
Company	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.6.2019				
Subsidiary companies	134,000	-	-	134,000
Associated companies	248,460	-	-	248,460
30.4.2018				
Subsidiary companies	144,102	-	-	144,102
Associated companies	267,246	-	-	267,246

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

39. FAIR VALUE MEASUREMENT (CONTINUED)

39.3 Financial Instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, according to the level in the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000

30.6.2019

Financial assets				
Other investments	86,414	-	45,524	131,938
Short-term investments	-	33,040	-	33,040
Trading securities	2,179	-	-	2,179

30.4.2018

Financial assets				
Other investments	56,568	-	-	56,568
Short-term investments	-	44,362	-	44,362
Trading securities	884	-	-	884

The Level 3 investments consist certain equity securities inside and outside Malaysia of which their market values are not quoted in an active market. The fair values of unquoted equity securities inside Malaysia are determined to be the Group's and the Company's share of the net assets of the respective investees. Whilst the fair values of unquoted equity securities outside Malaysia are determined through discounted cash flow valuation technique ("DCF"). The Group used assumption that are mainly based on market conditions and historical performance of the entity such as discount rate and expected growth rate in the DCF.

The following table reconciles the Group's Level 3 fair value measurement of the other investments:

	Group
	1.5.18 to
	30.6.19
	RM'000
At beginning of financial period	91,553
Addition/ (disposal) during the financial period	(38,063)
Fair value adjustments during the financial period	(9,007)
Exchange differences	1,041
At end of financial period	<u>45,524</u>

NOTES TO THE FINANCIAL STATEMENTS

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40. FINANCIAL INSTRUMENTS

40.1 Classification of financial instruments

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The accounting policies in Note 2.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)	30.6.2019 RM'000	30.4.2018 RM'000
Financial assets				
<u>Fair value through other comprehensive income</u>				
Other investments	123,650	-	-	-
<u>Fair value through profit or loss</u>				
Other investments	8,288	8,429	-	-
Short-term investments	33,040	44,362	-	-
	41,328	52,791	-	-
<u>Available-for-sale</u>				
Other investments	-	139,692	-	-
<u>At amortised cost</u>				
Other long term receivables	1,406,951	-	64,654	-
Trade and other receivables	988,531	-	1,292,295	-
Deposits with financial institutions	688,129	-	98,817	-
Cash and bank balances	881,706	-	8,607	-
	3,965,317	-	1,464,373	-
<u>Loans and receivables</u>				
Other long term receivables	-	1,592,824	-	83,987
Trade and other receivables	-	1,175,484	-	1,652,318
Deposits with financial institutions	-	710,830	-	116,036
Cash and bank balances	-	920,816	-	37,439
	-	4,399,954	-	1,889,780
Total financial assets	4,130,295	4,592,437	1,464,373	1,889,780
<u>At amortised cost</u>				
Liability component of irredeemable convertible unsecured loan stocks				
	101,591	128,193	101,566	128,159
Long term borrowings	3,491,437	3,587,054	510,948	832,153
Other long term liabilities	93,391	110,528	84,303	88,324
Trade and other payables	1,777,091	1,887,792	224,112	178,673
Short term borrowings	2,412,990	2,633,185	440,944	433,899
	7,876,500	8,346,752	1,361,873	1,661,208
Total financial liabilities	7,876,500	8,346,752	1,361,873	1,661,208

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

40. FINANCIAL INSTRUMENTS (CONTINUED)

40.2 Fair value

- (1) Financial instruments that are measured at fair value

Information of financial instruments of the Group that are measured at fair value is disclosed in Note 39.

- (2) Financial instruments that are not measured at fair value and whose carrying amounts are reasonable approximations of fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	<u>Note</u>
Other long term receivables	10
Trade and other receivables (current)	13
Trade and other payables (current)	27
Short term borrowings (current)	28
Other long term liabilities	24
Long term borrowings (non-current) at floating rate	23

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values due to either insignificant impact of discounting from their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of Medium Term Notes and finance lease obligations are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangements at reporting date.

The fair values of quoted equity instruments and Malaysian Government Securities are determined by reference to their published market bid price at reporting date.

The fair values of financial guarantees are determined based on the probability weighted discounted cash flows method. The probability has been estimated and assigned for the following key assumptions:

- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed were to default.

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

Forward currency contracts are valued using a valuation technique with market observable inputs.

NOTES TO THE FINANCIAL STATEMENTS

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40. FINANCIAL INSTRUMENTS (CONTINUED)

40.2 Fair value (continued)

- (3) Financial instruments that are not measured at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Group			
	30.6.2019 Carrying amount RM'000	30.6.2019 Fair value RM'000	30.4.2018 Carrying amount RM'000	30.4.2018 Fair value RM'000
<u>Financial assets</u>				
Other investments				
- Unquoted shares	-	-	91,553	*
<u>Financial liabilities</u>				
BCorp ICULS 2012/2022	89,965	58,495	114,339	84,711
BCorp ICULS 2016/2026	11,601	9,134	13,820	9,855
REDtone ICULS	25	7	34	21
Fixed rate loan	26,700	20,782	28,838	26,364

	Company			
	30.6.2019 Carrying amount RM'000	30.6.2019 Fair value RM'000	30.4.2018 Carrying amount RM'000	30.4.2018 Fair value RM'000
<u>Financial liabilities</u>				
BCorp ICULS 2012/2022	89,965	58,495	114,339	84,711
BCorp ICULS 2016/2026	11,601	9,134	13,820	9,855

Note:

- * These investments are carried at cost less accumulated impairment loss as their fair values cannot be measured reliably due to the absence of an active market and reliable input data.

NOTES TO THE FINANCIAL STATEMENTS

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management policies of the Group seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market risk (including interest rate risk, foreign currency risk and equity price risk), liquidity risk and credit risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

41.1 Market risk

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The interest bearing assets are made up of deposits with licensed financial institutions and interest bearing receivables.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and by maintaining a prudent mix of short and long term deposits and actively reviewing its portfolio of deposits. The Group also ensures that the rates contracted for its interest bearing receivables are reflective of the prevailing market rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.1 Market risk (continued)

(1) Interest rate risk (continued)

All of the Group's and Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (30.4.2018: less than 6 months) from the reporting date.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
<u>Fixed rate instruments</u>				
Financial assets	688,129	710,830	98,817	116,036
Financial liabilities	1,493,026	1,629,712	103,860	129,699
<u>Floating rate instruments</u>				
Financial assets	571,565	735,221	1,332,714	1,717,152
Financial liabilities	4,512,992	4,718,720	949,598	1,264,512

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the income statement.

(ii) Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit or loss before tax of the Group and of the Company to be higher/lower by RM9,854,000 (30.4.2018: RM9,959,000) and by RM958,000 (30.4.2018: RM1,132,000), respectively. This analysis assumes that all other variables remain constant.

(2) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group operates internationally and is exposed to various currencies, mainly United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Thai Baht ("THB"), Japanese Yen ("JPY"), Seychelles Rupees ("SCR"), Vietnam Dong ("VND") and Chinese Renminbi ("CNY"). The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

NOTES TO THE FINANCIAL STATEMENTS

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.1 Market risk (continued)

(2) Currency risk (continued)

The significant unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional Currency of Group Companies	USD RM'000	EUR RM'000	SGD RM'000	THB RM'000	JPY RM'000	VND RM'000	Total RM'000
As at 30 June 2019							
Trade and Other Receivables							
Ringgit Malaysia ("MYR")	245,959	-	38,401	84,585	3,534	60,783	433,262
SCR	323	2,288	-	-	-	-	2,611
SGD	-	-	-	-	38,309	-	38,309
	<u>246,282</u>	<u>2,288</u>	<u>38,401</u>	<u>84,585</u>	<u>41,843</u>	<u>60,783</u>	<u>474,182</u>
Cash and Bank Balances							
MYR	12,096	-	786	-	-	-	12,882
SCR	7,157	9,328	-	-	-	-	16,485
CNY	141	-	-	-	-	-	141
BND	286	-	-	-	-	-	286
SGD	-	-	-	-	267,627	-	267,627
	<u>19,680</u>	<u>9,328</u>	<u>786</u>	<u>-</u>	<u>267,627</u>	<u>-</u>	<u>297,421</u>
Trade and Other Payables							
MYR	22,185	-	7,661	-	577	60,783	91,206
SCR	137	26	-	-	-	-	163
BND	113	-	-	-	-	-	113
SGD	-	-	-	-	42,581	-	42,581
	<u>22,435</u>	<u>26</u>	<u>7,661</u>	<u>-</u>	<u>43,158</u>	<u>60,783</u>	<u>134,063</u>
Borrowings							
MYR	82,379	-	15,165	-	-	-	97,544
SCR	-	21,975	-	-	-	-	21,975
SGD	-	-	-	-	958,026	-	958,026
	<u>82,379</u>	<u>21,975</u>	<u>15,165</u>	<u>-</u>	<u>958,026</u>	<u>-</u>	<u>1,077,545</u>

NOTES TO THE FINANCIAL STATEMENTS

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.1 Market risk (continued)

(2) Currency risk (continued)

Functional

Currency of

Group

Companies

USD	EUR	SGD	THB	JPY	VND	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

As at 30 April 2018

Trade and Other Receivables

Ringgit Malaysia ("MYR")	135,546	-	210,601	72,569	-	58,733	477,449
SCR	888	4,981	-	-	-	-	5,869
SGD	-	-	-	-	36,142	-	36,142
USD	-	-	-	-	-	148,827	148,827
	136,434	4,981	210,601	72,569	36,142	207,560	668,287

Cash and Bank Balances

MYR	5,883	5	1,399	-	10	-	7,297
SCR	5,934	8,146	-	-	-	-	14,080
CNY	422	9	-	-	-	-	431
VND	48	-	-	-	-	-	48
SGD	-	-	-	-	79,317	-	79,317
	12,287	8,160	1,399	-	79,327	-	101,173

Trade and Other Payables

MYR	3,660	-	11,065	-	539	-	15,264
SCR	155	50	-	-	-	-	205
BND	89	-	-	-	-	-	89
VND	1,338	-	-	-	-	-	1,338
SGD	-	-	-	-	46,217	-	46,217
	5,242	50	11,065	-	46,756	-	63,113

Borrowings

MYR	92,757	-	24,620	-	-	-	117,377
SCR	-	31,291	-	-	-	-	31,291
SGD	-	-	-	-	524,852	-	524,852
	92,757	31,291	24,620	-	524,852	-	673,520

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.1 Market risk (continued)

(2) Currency risk (continued)

(i) Sensitivity analysis for currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in those foreign currencies and MYR exchange rates, which might have material impact to the Group's profit net of tax, against the respective major functional currencies of the Group entities, with all other variables remain constant.

	GROUP	
	1.5.18 to 30.6.19 RM'000	1.5.17 to 30.4.18 RM'000
<u>Increase/(Decrease) to profit net of tax</u>		
MYR/USD - strengthened 1% (2018: 11%)	(1,535)	(4,951)
- weakened 5% (2018: 1%)	7,675	450
MYR/SGD - strengthened 3% (2018: 7%)	(491)	2,340
- weakened 3% (2018: 7%)	491	(2,340)
MYR/THB - strengthened 10% (2018: 3%)	(8,458)	(2,177)
- weakened 10% (2018: 3%)	8,458	2,177
MYR/JPY - strengthened 7% (2018: 9%)	(207)	(18,829)
- weakened 7% (2018: 1%)	207	2,092
SGD/JPY - strengthened 4% (2018: 1%)	27,787	4,556
- weakened 4% (2018: 3%)	(27,787)	(13,668)
SCR/EUR - strengthened 2% (2018: 11%)	208	2,004
- weakened 5% (2018: 2%)	(519)	(364)

The impact of sensitivity analysis of the other foreign currencies is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.1 Market risk (continued)

(3) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. The quoted instruments in Malaysia are listed on the Bursa Malaysia whereas the quoted instruments outside Malaysia are listed on London Stock Exchange and Singapore Stock Exchange. These instruments are classified as fair value through profit or loss or available for sale financial assets. To manage its market price risk arising from investments in quoted instruments, the Group diversifies its portfolio and diversification of the portfolio is done in accordance with the limits set by the Group.

A subsidiary company of the Group is also exposed to price fluctuation on commodities particularly for the crude palm oil and palm kernel. It mitigates its risk to the price volatility through constant monitoring on the movement of crude palm oil and palm kernel prices. This subsidiary company does not enter into commodity future contracts.

(i) Sensitivity analysis for quoted instruments price risk

At the reporting date, if the various stock indices had been 1% higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM122,000 (30.4.2018: RM78,000) higher/lower, arising as a result of higher/lower fair value gains on fair value through profit or loss equity instruments, and the Group's other reserve in equity would have been RM1,005,000 (30.4.2018: RM488,000) higher/lower, arising as a result of an higher/lower fair value gains on equity instruments classified at fair value through other comprehensive income/ available for sale.

41.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

Credit risk is controlled by the application of credit approval limits, monitoring procedures and assessment of collateral values. A credit approval authority limit structure is in place for all lending activities of the Group. Credit risks are minimised and monitored by limiting the Group's association to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via management reporting procedures.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.2 Credit risk (continued)

(1) Exposure to credit risk

The carrying amounts of the financial assets recorded on the statements of financial position at the reporting date represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. The Group has no significant concentration risk that may arise for exposure to a single debtor or a group of debtors except for RM507,621,000 (30.4.2018: RM473,862,000) being the Final Instalment of the disposal of the Great Mall Project, RM584,467,000 (30.4.2018: RM593,253,000) being losses and damages of JDC Lawsuit and the amounts owing by joint ventures and associated companies as disclosed in Notes 10 and 13. The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of receivables except for the amounts owing by subsidiary companies.

At the reporting date, the Company's maximum exposure to credit risk is represented by a nominal amount of RM342,894,000 (30.4.2018: RM370,645,000) relating to corporate guarantee provided by the Company to banks on subsidiary companies' borrowings.

(2) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segments of its trade receivables on an ongoing basis.

Further information on trade receivables are disclosed in Note 13.

The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	30.6.2019		30.4.2018	
By business segments	RM'000	%	RM'000 (Restated)	%
Financial services	218,999	41.66	224,917	42.22
Marketing of consumer products and services	144,136	27.42	107,598	20.20
Property investment and development	41,605	7.91	74,870	14.06
Hotels and resorts	32,922	6.26	54,697	10.27
Gaming and related activities	72,305	13.75	57,002	10.70
Restaurants	9,562	1.82	7,015	1.32
Others	6,170	1.18	6,589	1.23
	<u>525,699</u>	<u>100.00</u>	<u>532,688</u>	<u>100.00</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to the shortage of funds.

The Group actively manages its operating cash flows and the availability of fund so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of undiscounted financial instruments by remaining contractual maturities

Group	On demand or within one year	One to five years	More than five years	Total
30.6.2019	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Irredeemable convertible unsecured loan stocks	34,401	66,247	4,339	104,987
Trade and other payables	1,777,091	-	-	1,777,091
Hire purchase and leasing payables	22,886	84,946	14	107,846
Loans and borrowings	2,666,026	2,287,242	1,242,589	6,195,857
Other long term liabilities	9,088	82,870	41,435	133,393
	<u>4,509,492</u>	<u>2,521,305</u>	<u>1,288,377</u>	<u>8,319,174</u>
30.4.2018				
Financial liabilities				
Irredeemable convertible unsecured loan stocks	34,307	104,319	6,401	145,027
Trade and other payables	2,190,846	-	-	2,190,846
Hire purchase and leasing payables	23,741	64,334	36,825	124,900
Loans and borrowings	2,944,189	3,459,171	295,414	6,698,774
Other long term liabilities	22,204	78,330	58,748	159,282
	<u>5,215,287</u>	<u>3,706,154</u>	<u>397,388</u>	<u>9,318,829</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

41.3 Liquidity risk (continued)

Company	On demand or within one year	One to five years	More than five years	Total
30.6.2019	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Irredeemable convertible unsecured loan stocks	34,401	66,247	4,339	104,987
Trade and other payables	224,112	-	-	224,112
Hire purchase and leasing payables	789	1,925	-	2,714
Loans and borrowings	440,333	539,095	-	979,428
Other long term liabilities	-	82,870	41,435	124,305
	<u>699,635</u>	<u>690,137</u>	<u>45,774</u>	<u>1,435,546</u>
30.4.2018				
Financial liabilities				
Irredeemable convertible unsecured loan stocks	34,307	104,319	6,401	145,027
Trade and other payables	179,498	-	-	179,498
Hire purchase and leasing payables	513	1,313	-	1,826
Loans and borrowings	540,661	859,021	-	1,399,682
Other long term liabilities	-	78,330	58,748	137,078
	<u>754,979</u>	<u>1,042,983</u>	<u>65,149</u>	<u>1,863,111</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

42. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. This function is carried out on a centralised entity wide basis by the Group's Treasury Division. The Treasury Division will handle and manage the Group's funds and financial resources and all its loans and borrowings on a "pool basis". No changes were made in the objectives, policies or processes during the financial period ended 30 June 2019 and financial year ended 30 April 2018.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group includes within total debt, borrowings, liability component of irredeemable convertible unsecured loan stocks, block discounting, hire purchase and finance lease obligations. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

	Note	Group	
		30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
Liability component of irredeemable convertible unsecured loan stocks	20	101,591	128,193
Long term borrowings	23	3,491,437	3,587,054
Short term borrowings	28	2,412,990	2,633,185
Total debt		6,006,018	6,348,432
Total equity		9,732,896	10,188,982
Gearing ratio (%)		61.7	62.3

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

43. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (1) On 4 June 2018, BLand announced that Berjaya Leisure (Cayman) Limited ("BLCL") had entered into an agreement to dispose of its entire 32.5% of the capital contribution in Berjaya Vietnam Financial Center Limited ("BVFC") to Vinhomes Joint Stock Company ("Vinhomes") and Can Gio Tourist City Corporation for a total cash consideration of VND884.93 billion (about RM154.86 million) ("PropBVFCDisposal").

BLCL's capital contribution of VND967.31 billion (about RM169.28 million) initially represented 100% of the charter capital of BVFC. Following conditions imposed by the Vietnamese authorities, BVFC was required to increase its charter capital and Vinhomes injected fresh capital of VND2,008.69 billion (about RM351.52 million) into BVFC to fulfill the requirement. Consequently, BLCL's holding in BVFC was diluted to 32.5%. The cash consideration will be paid in three tranches in accordance to the fulfilment of certain conditions in the agreement.

In conjunction with the PropBVFCDisposal, Vinhomes and its affiliates ("VinhomesAff") are being considered as potential purchasers of Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT"). VinhomesAff had in December 2017 injected fresh capital of VND11,904 billion (about RM2.08 billion) pursuant to the Vietnamese authorities' requirement to increase the charter capital of BVIUT and thereby diluting BLCL's stake in BVIUT from 100% to 0.8%. It is the intention of BLCL to dispose of its 0.8% stake in BVIUT in the near future ("PropBVIUTDisposal"). Together with the PropBVIUTDisposal, the BLand group is also in negotiations on the potential sale of another of its Vietnamese subsidiary company.

- (2) On 25 June 2018, the Company announced the completion of the disposal of DSG Holdings Limited ("DSG") to Besino Environment Limited ("Besino"), a company incorporated in the People's Republic of China ("PRC"). Previously on 6 March 2018, the Company announced that the Company and other shareholders of DSG, namely Earthlodge Investments Limited and Elque Resources Sdn Bhd, have entered into an agreement with Besino for the proposed disposal of their entire equity interest comprising 10.00 million ordinary shares in DSG to Besino or its affiliate for a total cash consideration of RMB508 million (about RM312.93 million). The Company's portion of the sale proceeds is RMB431.80 million (about RM265.99 million).
- (3) On 5 September 2018, BToto announced that Berjaya Philippines Inc ("BPI"), its 88.26% owned subsidiary company which is listed on the Philippine Stock Exchange ("PSE"), had released an announcement to PSE on the acquisition of 6,502,500 ordinary shares in 7-Eleven Malaysia Holdings Berhad ("SEM") for a cash consideration of about RM9.61 million (or about PHP124.47 million).

On 21 December 2018, BToto announced that BPI had released an announcement to PSE on the acquisition of 3,410,000 ordinary shares in SEM for a cash consideration of about RM4.65 million (or about PHP58.88 million).

On 11 March 2019, BToto announced that BPI had released an announcement to PSE on the acquisition of 1,590,000 ordinary shares in SEM for a cash consideration of about RM2.23 million (or about PHP28.52 million).

- (4) On 1 October 2018, BToto announced that BPI, its 88.26% owned subsidiary company which is listed on the PSE, had released an announcement to PSE on the execution of a Supplemental Equipment Lease Agreement and a Cash Bond Agreement by Philippine Gaming Management Corporation ("PGMC"), BPI's wholly owned subsidiary company, with Philippine Charity Sweepstakes Office ("PCSO"). The Supplemental Equipment Lease Agreement provides for an extension of the Equipment Lease Agreement for a period effective 23 August 2018 to 22 August 2019.
- (5) On 11 October 2018, BFood announced the completion of the acquisition of a freehold commercial unit located at Lot G-09B, Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur from Deru Klasik Sdn Bhd for a cash consideration of about RM12.44 million or at RM15,000 per square foot.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

43. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONTINUED)

- (6) On 3 January 2019, BToto announced that BPI, its 88.26% owned subsidiary company which is listed on the PSE, had released an announcement to PSE on the acquisition of 2,300,000 ordinary shares in Berjaya Food Berhad for a cash consideration of about RM3.09 million (or about PHP39.04 million) and 2,300,000 ordinary shares in Berjaya Assets Berhad for a cash consideration of about RM0.65 million (or about PHP8.20 million).
- (7) On 17 January 2019, BLand announced that Berjaya Okinawa Development Co Ltd, its wholly owned subsidiary company, had entered into a hotel management agreement with Four Seasons Hotels and Resorts for the development of the Four Seasons Resort and Private Residences Okinawa on the island of Okinawa.
- (8) On 18 February 2019, BLand announced that it has incorporated a wholly owned subsidiary company, Berjaya Reykjavik Investment Limited ("BRIL") in the Republic of Ireland for a cash subscription of 1 ordinary share for EUR1.00. The principal activity of BRIL is investment holding. Following the incorporation of BRIL, it has entered into an agreement with Fiskitangi EHF ("FEFH") and Utgerdafelag Reykjavikur HF ("URHF") to:
- (a) acquire all the shares of Geirsgata 11 EHF ("GE11") for a cash consideration of about USD1.4 million (about RM5.75 million) from FEFH. The principal activities of GE11 are provision of real estate, lending activities and related operations.
 - (b) repay on behalf of GE11 to URHF of about USD12.59 million, being a loan taken by GE11 to purchase a piece of leasehold land in Iceland.

On 14 October 2019, BLand announced the completion of this transaction.

- (9) On 1 March 2019, BLand announced that TPCDev, a wholly owned subsidiary company of Berjaya Leisure (Cayman) Limited which is a wholly owned subsidiary company of BLand, completed the disposal of its entire 75% stake in TPCVillage to Hanoi Hotel Tourism Development Limited Liability Company ("HanoiHot") for a cash consideration of VND1,244.59 billion (or about RM222.18 million). In conjunction with this disposal, all amounts owing by TPCVillage to TPCDev, amounting to about VND1,670.41 billion (about RM298.20 million), will be fully settled. The total of the sale consideration and the repayment amount is about VND2,915.00 billion (about RM520.38 million) ("TotalReceivable"). A total of VND2,619.57 billion (about RM467.64 million), equivalent to about 90% of the TotalReceivable has been received by TPCDev. On 13 May 2019, it was announced that another VND233.20 billion (about RM41.63 million) was received while the balance of VND62.23 billion (about RM11.11 million) was eventually received as announced on 27 June 2019.
- (10) On 5 March 2019, the Company announced the completion of the acquisition by Juara Sejati Sdn Bhd ("JSSB"), a wholly owned subsidiary company of the Group, of 230 million ordinary shares, representing 4.61% equity interest, in BLand for a purchase consideration of RM87.40 million or RM0.38 per BLand share. The purchase consideration was settled on behalf of JSSB by the issue of 291.3 million new shares of the Company at an issue price of RM0.30 per share. Consequently, the Group's equity interest in BLand increased to 76.89%. JSSB acquired 130.0 million BLand shares from Penta Master Fund, Ltd for RM49.40 million, 40.0 million BLand shares from PCM Industrial LP for RM15.20 million and 60.0 million BLand shares from Penta Asia Long/Short Fund, Ltd for RM22.80 million.
- (11) On 28 June 2019, BLand announced that Berjaya Leisure (Cayman) Limited ("BLCL"), a wholly owned subsidiary company of BLand, completed the disposal of its entire 70% stake in Berjaya Long Beach Limited Liability Company ("BLongBeach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (about RM65.32 million) and to waive all amounts owing by BLongBeach to BLCL of about VND87.50 billion (about RM17.15 million). The disposal was completed following the clearance of tax and receipt of the full and final payment from the buyer.
- (12) On 28 June 2019, BToto announced that BPI, its 88.26% subsidiary company, had acquired a total of 7.05 million ordinary shares, representing 0.28% equity interest, in Berjaya Assets Berhad ("BAssets") for a total cash consideration of about RM2.14 million during the period from 25 February 2019 to 27 June 2019. After these acquisitions, BPI has a total of 29.35 million ordinary shares, representing 1.15% equity interest, in BAssets.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD END

- (1) On 8 July 2019, BToto announced that BPI, had on 1 July 2019, disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of PHP117.15 million (or about RM9.49 million). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of PHP100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. Upon completion of PGMC's Share Subscription, BPI's equity interest was further diluted to 39.99% from 79.99% and PGMC ceased as a subsidiary and became an associated company of BPI.
- (2) On 11 July 2019, BToto announced that PGMC, a subsidiary company of BPI, was one of two bidders of the Five Years Lease of the Philippine Charity Sweepstakes Office ("PCSO") Lottery System. During the opening of the submitted bids, only PGMC was declared eligible subject to evaluation and approval by the PCSO. The bid covers the area of Luzon, Visayas and Mindanao.
- (3) On 15 July 2019, BLand announced that Berjaya Property Ireland Limited, its wholly owned subsidiary company, had on 13 July 2019 entered into a share purchase agreement with Icelandair Group hf for the proposed acquisition of a 75% stake in Icelandair Hotels ehf, which will acquire 100% of Hljomalindarreitur ehf and certain hotels and real estate assets in Iceland for a total cash consideration of approximately USD53.63 million (about RM222.03 million). The purchase consideration will be paid in tranches and the final payment will be paid on 30 December 2019. The transaction is pending completion.
- (4) On 7 August 2019, BToto announced that BPI disposed of 2.70 million BFood ordinary shares for a total cash consideration of about RM4.21 million to Convenience Shopping (Sabah) Sdn Bhd on 5 August 2019. Following this disposal, BPI holds a total of 2.70 million ordinary shares, representing 0.75% equity interest, in BFood.
- (5) On 3 September 2019, the Company announced that it had, together with its wholly owned subsidiary company, Country Farms Sdn Bhd, acquired 12.14 million ordinary shares, representing 1.06% equity interest, in SEM during the period from 9 November 2018 to 29 August 2019 for total cash consideration of about RM17.58 million. Following these acquisitions, the Group holds about 42.73 million SEM shares, representing about 3.72% equity interest in SEM.
- (6) On 3 September 2019, BLand announced that it had on 30 August 2019 received a Certificate of Award from the Yangon Region Government for the proposed development of a public housing and mixed development project on a land measuring about 183 acres located along Myanandar Road and Shweli Road, Dagon Sekkan Township, Yangon Region, Myanmar. The development will be over 3 phases with an estimated gross development value of about USD624.00 million (about RM2.63 billion).

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
SUBSIDIARIES:				
Subsidiaries of the Company				
AWF Limited*	Hong Kong	100.0	100.0	Investment holding.
Berjaya Group Berhad	Malaysia	100.0	100.0	Investment holding.
Berjaya Hills Resort Berhad	Malaysia	100.0	100.0	Hotel operator, golf and recreation club operator, investment in property and property development.
Berjaya Investments (Labuan) Limited	Malaysia	100.0	100.0	Provision of financing services.
Berjaya Kyoto Development (S) Pte Ltd*	Singapore	100.0	¹ 100.0	Investment holding.
Berjaya Lottery Vietnam Limited	Malaysia	100.0	² 100.0	Investment holding.
Berjaya Myanmar Limited	Malaysia	100.0	100.0	Investment holding.
DSG Holdings Limited*	Malaysia	-	85.0	Investment holding.
Subsidiaries of AWF Limited				
Boluo Longxi Pengfa Water Supply Co Ltd*	People's Republic of China	100.0	100.0	Production and supply of potable water and provision of water supply infrastructure.
Boluo Longxi Zhiwang Water Supply Co Ltd*	People's Republic of China	100.0	100.0	Production and supply of potable water and provision of water supply infrastructure.
C.A. Pioneer Holding Inc Limited*	Hong Kong	100.0	100.0	Investment holding.

¹ The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Corporation Berhad	50.00 %
(ii)	Berjaya Land Berhad	50.00 %

² The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Corporation Berhad	80.00 %
(ii)	Berjaya Sports Toto Berhad	20.00 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of C.A. Pioneer Holding Inc Limited				
Boluo Longxi Water Supply Co Ltd*	People's Republic of China	50.0	50.0	Production and supply of potable water and provision of water supply infrastructure.
Subsidiaries of Berjaya Group Berhad				
Beam Team Sdn Bhd*	Malaysia	100.0	100.0	To provide digital media marketing programs across omni-channels and multi-platforms.
Berjaya 2nd Homes (MM2H) Sdn Bhd*	Malaysia	100.0	100.0	To act as agents to assist any person for the purpose of staying, investing and trading in Malaysia.
Berjaya Bakes Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Books Sdn Bhd*	Malaysia	100.0	100.0	Operation of book stores under the name of "Borders Books".
Berjaya Capital Berhad	Malaysia	100.0	³ 100.0	Investment holding and provision of management services.
Berjaya Channel Sdn Bhd*	Malaysia	100.0	100.0	Provision for and selling of advertising time or space on digital and non-digital media.
Berjaya China Motor Sdn Bhd*	Malaysia	70.0	70.0	Production and selling of motor vehicles.
Berjaya College Sdn Bhd*	Malaysia	70.0	70.0	Provide educational, training activities and consultancy services.
Berjaya Corporation (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Corporation (S) Pte Ltd *	Singapore	100.0	100.0	Real estate agencies and valuation services.
Berjaya Education Sdn Bhd*	Malaysia	99.3	99.3	Provision of professional training services.
Berjaya Engineering Construction Sdn Bhd*	Malaysia	100.0	100.0	Provision of civil engineering contracting works.

³ The total equity interests held by the Group is 100.00% and it is held by the following companies:

(i)	Berjaya Group Berhad	41.94 %
(ii)	Bizurai Bijak (M) Sdn Bhd	30.00 %
(iii)	Juara Sejati Sdn Bhd	28.06 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Group Berhad (continued)				
Berjaya Enviro Holdings Sdn Bhd (formerly known as BCP Service Suites Sdn Bhd)*	Malaysia	100.0	-	Provision of property maintenance services.
Berjaya Enviro (S) Pte Ltd*	Singapore	70.0	70.0	Investment holding.
Berjaya Enviro (Sabah) Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Fintech Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya Food Berhad	Malaysia	47.68 ⁴	43.7	Investment holding.
Berjaya Group Capital (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Group (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Higher Education Sdn Bhd*	Malaysia	71.7	71.7	Investment holding and operating a private university college.
Berjaya HR Café Limited*	Republic of Korea	100.0	100.0	Development and operation of the "Hard Rock Café" chain of restaurants in the Republic of Korea.
Berjaya International Schools Sdn Bhd*	Malaysia	70.0	70.0	Temporary ceased operations.
Berjaya Land Berhad	Malaysia	71.83 ⁵	68.3	Investment holding.

⁴ The total equity interests held by the Berjaya Group Berhad group is 47.68% and it is held by the following companies:

(i)	Berjaya Group Berhad	45.32 %
(ii)	Bukit Kiara Resort Berhad	0.12 %
(iii)	Berjaya Philippines Inc	1.51 %
(iv)	Country Farms Sdn Bhd	0.14 %
(v)	Nural Enterprise Sdn Bhd	0.59 %

⁵ The total equity interests held by the Berjaya Group Berhad group is 71.83% and it is held by the following companies:

(i)	Berjaya Group Berhad	1.29 %
(ii)	Juara Sejati Sdn Bhd	29.15 %
(iii)	Teras Mewah Sdn Bhd	23.56 %
(iv)	Bizurai Bijak (M) Sdn Bhd	13.12 %
(v)	Inter-Pacific Securities Sdn Bhd	2.00 %
(vi)	Inter-Pacific Capital Sdn Bhd	1.62 %
(vii)	Rantau Embun Sdn Bhd	0.80 %
(viii)	Prime Credit Leasing Berhad	0.29 %

The total equity interests held by the Group is 76.89% and the additional equity interest is held by the following company:

(i)	Berjaya Corporation Berhad	3.77 %
(ii)	Berjaya Hills Resort Berhad	1.29 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Group Berhad (continued)				
Berjaya Pangkor Sdn Bhd	Malaysia	100.0	-	Infrastructure and land development, hotel and resort.
Berjaya Papa John's Pizza Sdn Bhd*	Malaysia	100.0	100.0	Temporary ceased operations.
Berjaya Paper Trading Sdn Bhd*	Malaysia	51.0	51.0	Trading of paper and paper products.
Berjaya Pharmacy Sdn Bhd	Malaysia	80.0	80.0	Owner and operator of pharmacy stores and engage in importation, trading, distribution, marketing and retail sales of products sold in pharmacies and health and beauty retailers.
Berjaya Pizza (Philippines) Inc*	Philippines	70.0	⁶ 70.0	Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.
Berjaya Premier Restaurants Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Berjaya Property Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
Berjaya Registration Services Sdn Bhd*	Malaysia	100.0	100.0	Provision of securities and printing services.
Berjaya Roasters Pte Ltd#	Singapore	100.0	100.0	Dormant.
Berjaya Soutex Sdn Bhd*	Malaysia	100.0	100.0	Holding of property.
Berjaya Wood Furniture (Malaysia) Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Bizurai Bijak (M) Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
BLoyalty Sdn Bhd*	Malaysia	100.0	⁷ 100.0	Managing and operation of Berjaya Loyalty card programme.

⁶ The total equity interests held by the Berjaya Group Berhad group is 70.00% and it is held by the following companies:

(i)	Berjaya Corporation (Cayman) Limited	21.62 %
(ii)	Berjaya Philippines Inc	48.38 %

⁷ The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Group Berhad	60.03 %
(ii)	BLoyalty Pte Ltd	39.97 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Group Berhad (continued)				
B Loyalty Marketing Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
B Loyalty Pte Ltd*	Singapore	60.0	60.0	To act as loyalty solutions provider to engage, manage and operate customer loyalty programmes on behalf of third parties.
Boxit Holdings Sdn Bhd*	Malaysia	67.0	67.0	Provide logistics consultancy and management services, distribution, material handling to customers and businesses.
Bukit Pinang Leisure Sdn Bhd*	Malaysia	100.0	100.0	Investment holding and property development.
Changan Berjaya Auto Sdn Bhd*	Malaysia	70.8	70.8	Production and selling of motor vehicles.
Cosway Corporation Berhad	Malaysia	100.0	⁸ 100.0	Investment holding.
Country Farms Sdn Bhd*	Malaysia	100.0	100.0	Dealers in organic food.
Espeetex Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
E.V.A. Management Sdn Bhd*	Malaysia	100.0	100.0	Provision of management services and agent for marketing agricultural commodities.
Garima Holdings Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Global Empires Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Graphic Press Group Sdn Bhd*	Malaysia	69.8	69.8	Printing including security printing.
Inai Jaya Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Inter-Pacific Development Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.

⁸ The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Garima Holdings Sdn Bhd	47.83 %
(ii)	Juara Sejati Sdn Bhd	17.04 %
(iii)	Bizurai Bijak (M) Sdn Bhd	3.75 %
(iv)	Global Empires Sdn Bhd	31.38 %

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Group Berhad (continued)				
Inter-Pacific Trading Sdn Bhd*	Malaysia	100.0	70.0	General trading.
Juara Sejati Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Kalimas Sendirian Berhad*	Malaysia	100.0	100.0	Dormant.
KUB-Berjaya Enviro Sdn Bhd	Malaysia	60.0	60.0	Sanitary landfill operation.
MG Berjaya Sdn Bhd	Malaysia	51.0	-	Manufacture, assembly and sale of Morris Garages brand vehicles and other related supporting services.
Mothers En Vogue Sdn Bhd*	Malaysia	51.0	51.0	Investment holding and retail sale of wearing apparel for adults, maternity and breastfeeding/nursing apparel.
Natural Intelligence Solutions Pte Ltd*	Singapore	100.0	⁹ 100.0	Provision of information technology management and consultancy services.
Natural Intelligence Solutions Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Novacomm Integrated Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Prime Assets (Cayman) Limited*	Cayman Islands	100.0	100.0	Investment holding.
Rangkaian Sejahtera Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
REDtone International Berhad	Malaysia	51.6	¹⁰ 51.7	Investment holding and provision of management services.
RU Cafe Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Shinca Electronics Sdn Bhd*	Malaysia	100.0	100.0	Dormant.

⁹ The total equity interests held by the Group is 100.00% and it is held by the following companies:

(i)	Berjaya Group Berhad	85.86 %
(ii)	Berjaya Philippines Inc	14.14 %

¹⁰ The total equity interests held by the Group is 51.64% and it is held by the following companies:

(i)	Juara Sejati Sdn Bhd	46.01 %
(ii)	Prime Credit Leasing Berhad	0.72 %
(iii)	Berjaya Philippines Inc	4.91 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Group Berhad (continued)				
Successline (M) Sdn Bhd*	Malaysia	100.0	100.0	Investment holding and renting of motor vehicles.
Sweet Spot Digital (Malaysia) Sdn Bhd*	Malaysia	60.2	60.2	Provision of mobile digital media for targeting marketing, advertisement and mobile commerce transaction.
Teras Mewah Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
United Approach Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
VRS (Malaysia) Sdn Bhd*	Malaysia	99.0	99.0	Property investment.
Wangsa Tegap Sdn Bhd	Malaysia	100.0	100.0	Property investment and property development.
Subsidiaries of Berjaya Capital Berhad				
Cahaya Nominees (Tempatan) Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Inter-Pacific Capital Sdn Bhd	Malaysia	91.5	91.5	Investment holding and provision of management services.
Prime Credit Leasing Berhad	Malaysia	100.0	100.0	Hire purchase, lease and loan financing.
Rantau Embun Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
The Tropical Veneer Company Berhad	Malaysia	100.0	100.0	Dormant.
Subsidiaries of Inter-Pacific Capital Sdn Bhd				
Ambilan Imej Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Eng Equities Sdn Bhd	Malaysia	-	100.0	Liquidated.
Inter-Pacific Management Sdn Bhd	Malaysia	100.0	100.0	Money lending.
Inter-Pacific Research Sdn Bhd	Malaysia	100.0	100.0	Providing investment research services.
Inter-Pacific Securities Sdn Bhd	Malaysia	100.0	100.0	Stock and futures broking.

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Inter-Pacific Securities Sdn Bhd				
Inter-Pacific Asset Management Sdn Bhd	Malaysia	100.0	100.0	Fund manager, investment adviser and manager of unit trust funds.
Inter-Pacific Equity Nominees (Asing) Sdn Bhd	Malaysia	100.0	100.0	Nominee services for foreign clients.
Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd	Malaysia	100.0	100.0	Nominee services for Malaysian clients.
UT Equities Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Subsidiaries of Berjaya Corporation (Cayman) Limited				
Berjaya Trading (UK) Ltd*	United Kingdom	100.0	100.0	Dormant.
JL Morison (Malaya) Sdn Bhd*	Malaysia	100.0	100.0	Importation, exportation and distribution of consumer goods.
Subsidiary of Berjaya Engineering Construction Sdn Bhd				
BPJ-Berjaya Sdn Bhd*	Malaysia	-	51.0	To manage and operate sanitary landfill and other construction activities.
Subsidiaries of Berjaya Enviro Holdings Sdn Bhd (formerly known as BCP Service Suites Sdn Bhd)*				
BPJ-Berjaya Sdn Bhd*	Malaysia	51.0	-	To manage and operate sanitary landfill and other construction activities.
Save the Sea Sdn Bhd	Malaysia	100.0	-	Provision of environmental engineering and river cleaning services.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Food Berhad				
Berjaya Food (International) Sdn Bhd	Malaysia	100.0	100.0	Investment holding and providing interior design and other consulting services.
Berjaya Food Trading Sdn Bhd	Malaysia	100.0	100.0	Sale and distribution of food and beverage in Malaysia.
Berjaya Roasters (M) Sdn Bhd	Malaysia	100.0	100.0	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia.
Berjaya Starbucks Coffee Company Sdn Bhd	Malaysia	100.0	100.0	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.
Subsidiaries of Berjaya Food (International) Sdn Bhd				
Berjaya Food Supreme Sdn Bhd#	Brunei	80.0	80.0	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Brunei.
Berjaya Roasters (Cambodia) Ltd*	Cambodia	70.0	70.0	Dormant.
Jollibean Foods Pte Ltd*	Singapore	95.0	95.0	Operation of retail outlets and food caterer in Singapore as well as to grant franchise to operate outlets both locally and internationally.
Subsidiary of Jollibean Foods Pte Ltd				
Berjaya Jollibean (M) Sdn Bhd	Malaysia	100.0	100.0	Dormant.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Group (Cayman) Limited				
Berjaya Engineering & Construction (HK) Limited#	Hong Kong	100.0	¹¹ 100.0	Investment holding.
Berjaya Forest Products (Luxembourg) S.á r.l*	Luxembourg	100.0	100.0	Investment holding.
Berjaya Group Equity (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Manufacturing (HK) Limited#	Hong Kong	100.0	100.0	Dormant.
Berjaya Roasters (UK) Limited*	United Kingdom	100.0	100.0	Dormant.
Berjaya Sanhe Real Estate Development Co Ltd*	People's Republic of China	100.0	¹² 100.0	Property development and management.
Roadhouse Grill Asia Pacific (HK) Limited#	Hong Kong	100.0	100.0	Owner, operator and franchisor of the "Roadhouse Grill Restaurant" chain for Asia Pacific region and certain other countries in Asia.
Roasters Asia Pacific (HK) Limited#	Hong Kong	100.0	100.0	Owner, operator and franchisor of the "Kenny Rogers Roasters Restaurant" chain for Asia Pacific region.
SIG Holdings (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
South Pacific Textiles Industries (Singapore) Pte Ltd *	Singapore	100.0	100.0	Sale agent and dealer in textile goods.

¹¹ The total equity interests held by the Berjaya Group (Cayman) Limited group is 100.0% and it is held by the following companies:

(i)	Berjaya Group (Cayman) Limited	75.00 %
(ii)	SIG Holdings (Cayman) Limited	25.00 %

¹² The total equity interests held by the Berjaya Group (Cayman) Limited group is 100.0% and it is held by the following companies:

(i)	Berjaya Group (Cayman) Limited	77.95 %
(ii)	Berjaya Engineering & Construction (HK) Limited	22.05 %

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Berjaya Group Equity (Cayman) Limited				
Berjaya Group (Aust) Pty Ltd*	Australia	100.0	100.0	Investment holding.
Subsidiary of Berjaya Group (Aust) Pty Ltd				
Carlovers Carwash Limited*	Australia	57.8	¹³ 57.8	Under liquidation and receivership.
Subsidiaries of Carlovers Carwash Limited				
Carlovers (Maroochydore) Pty Limited*	Australia	100.0	100.0	Under liquidation and receivership.
Carlovers Carwash (Aust) Pty Limited*	Australia	100.0	100.0	Under liquidation and receivership.
The Carwash Kings Pty Limited*	Australia	100.0	100.0	Under liquidation and receivership.
Subsidiaries of Roadhouse Grill Asia Pacific (HK) Limited				
Roadhouse Grill Asia Pacific (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Roadhouse Grill Asia Pacific (M) Sdn Bhd*	Malaysia	100.0	100.0	Grant franchise to operate restaurant under the "Roadhouse Grill" name and related trademark.

¹³ The total equity interests held by the Berjaya Group (Cayman) Limited group is 96.86% and it is held by the following companies:

(i)	Berjaya Group (Aust) Pty Ltd	57.75 %
(ii)	Berjaya Group (Cayman) Limited	39.11 %

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Roasters Asia Pacific (HK) Limited				
Kenny Rogers Roasters Catering (Shenzhen) Company Ltd*	People's Republic of China	100.0	100.0	Ceased operation.
Roasters Asia Pacific (Cayman) Limited	Cayman Islands	100.0	100.0	Franchisor of the "Kenny Rogers Roasters Restaurant" chains.
Roasters Asia Pacific (M) Sdn Bhd*	Malaysia	100.0	100.0	Provision of marketing services and to grant franchises to operate restaurants under the "Kenny Rogers Roasters" name and related trademarks in Malaysia.
Subsidiary of Roasters Asia Pacific (Cayman) Limited				
KRR International Corp*	United States of America	100.0	100.0	Owner of the "Kenny Rogers Roasters" brand and investment holding.
Subsidiaries of KRR International Corp				
NF Roasters of Commack Inc.*	United States of America	100.0	100.0	Dormant.
NF Roasters of Rockville Center Inc.*	United States of America	100.0	100.0	Dormant.
Subsidiary of Berjaya Higher Education Sdn Bhd				
Berjaya Global Professional Development Sdn Bhd*	Malaysia	100.0	100.0	To establish, manage, administer and carry on a non-profit academy via sourcing for sponsorship.
Subsidiary of Berjaya HR Café Limited				
Just KPop Limited	Korea	98.0	-	Food and beverage businesses and restaurants

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Land Berhad				
Alam Baiduri Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
AM Prestige Sdn Bhd*	Malaysia	100.0	100.0	Ceased operations.
Amat Muhibah Sdn Bhd	Malaysia	52.6	52.6	Dormant.
Amat Teguh Sdn Bhd*	Malaysia	100.0	100.0	Property development.
Angsana Gemilang Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Awan Suria Sdn Bhd*	Malaysia	100.0	100.0	Provision of landscaping service, selling and renting of ornament plants.
B.T. Properties Sdn Bhd*	Malaysia	100.0	100.0	Property development, temporarily ceased operations.
Bahan Cendana Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Berjaya Air Capital (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Enamelware Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Fukuoka Development (S) Pte Ltd*	Singapore	100.0	100.0	Investment holding.
Berjaya Guard Services Sdn Bhd	Malaysia	100.0	100.0	Provision of security services.
Berjaya Holiday Cruise Sdn Bhd*	Malaysia	86.4	86.4	Investment holding.
Berjaya Hotels & Resorts (Seychelles) Limited*	Republic of Seychelles	100.0	100.0	Management and operation of hotel resorts in Seychelles.
Berjaya Hotels & Resorts Vietnam Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya Jet Charter Sdn Bhd	Malaysia	100.0	100.0	Jet charter.
Berjaya Kawat Industries Sdn Bhd	Malaysia	100.0	100.0	Property investment and rental of properties.
Berjaya Land Development Sdn Bhd	Malaysia	100.0	100.0	Property development and investment holding.
Berjaya Land (Labuan) Limited	Malaysia	100.0	100.0	Investment holding.
Berjaya Leasing (Labuan) Limited	Malaysia	100.0	100.0	Provision of aircraft leasing services and undertaking of offshore financial related business.
Berjaya Leisure (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Leisure Capital (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Land Berhad (continued)				
Berjaya Megamall Management Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
Berjaya Myanmar Holdings Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya North Asia Holdings Pte Ltd*	Singapore	100.0	100.0	Investment holding.
Berjaya Okinawa Investment (S) Pte Ltd*	Singapore	100.0	100.0	Investment holding.
Berjaya Project Management Sdn Bhd	Malaysia	100.0	100.0	Project management.
Berjaya Property Ireland Limited	Ireland	100.0	-	Investment holding.
Berjaya Property Management Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya Racing Management Sdn Bhd*	Malaysia	80.0	¹⁴ 80.0	Dormant.
Berjaya Reykjavik Investment Limited	Republic of Ireland	100.0	-	Investment holding.
Berjaya Sports Toto Berhad	Malaysia	40.8	¹⁵ 40.2	Investment holding.

¹⁴ The total equity interests held by the Berjaya Land Berhad group is 80.0% and it is held by the following companies:

(i)	Berjaya Land Berhad	60.00 %
(ii)	Berjaya Sports Toto Berhad	20.00 %

The total equity interests held by the Group is 100.0% and the additional equity interest is held by the following company:

(i)	Berjaya Group Berhad	20.00 %
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¹⁵ The total equity interests held by the Berjaya Land Berhad group is 40.83% and it is held by the following companies:

(i)	Gateway Benefit Sdn Bhd	23.18 %
(ii)	Berjaya Land Berhad	14.15 %
(iii)	BL Capital Sdn Bhd	3.16 %
(iv)	Immediate Capital Sdn Bhd	0.34 %

The total equity interests held by the Group is 48.63% and the additional equity interest is held by the following companies:

(i)	Berjaya Corporation Berhad	2.68 %
(ii)	Bizurai Bijak (M) Sdn Bhd	3.50 %
(iii)	Berjaya Group Berhad	0.99 %
(iv)	Inter-Pacific Securities Sdn Bhd	0.63 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Land Berhad (continued)				
Berjaya Tagar Sdn Bhd	Malaysia	100.0	100.0	Property development and investment holding.
Berjaya Theme Park Management Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Vacation Club Berhad	Malaysia	100.0	100.0	Time sharing vacation operator, property investment and investment holding.
BL Capital Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
BTS Leaseback Management Sdn Bhd	Malaysia	100.0	100.0	Coordination of pool-profit sharing of owner-owned suites.
Budi Impian Sdn Bhd*	Malaysia	100.0	100.0	Ceased operations.
Cempaka Properties Sdn Bhd	Malaysia	100.0	100.0	Property development and investment.
Cerah Bakti Sdn Bhd	Malaysia	70.0	70.0	Property development.
Cerah Tropika Sdn Bhd	Malaysia	70.0	70.0	Investment holding.
Cergas Jati Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
Flexiwang Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Gateway Benefit Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Gemilang Cergas Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
Immediate Capital Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Junjung Delima Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Klasik Mewah Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Kota Raya Development Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
Leisure World Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Marvel Fresh Sdn Bhd	Malaysia	100.0	100.0	Trading.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Land Berhad (continued)				
Nada Embun Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Noble Circle (M) Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
Nural Enterprise Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
One Network Hotel Management Sdn Bhd	Malaysia	100.0	100.0	Hotel and charter flight operator.
Pakar Angsana Sdn Bhd	Malaysia	80.0	80.0	Property development.
Pembinaan Stepro Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Portal Access Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Punca Damai Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Regnis Industries (Malaysia) Sdn Bhd	Malaysia	87.1	¹⁶ 87.1	Investment and rental of property.
Securiservices Sdn Bhd	Malaysia	100.0	100.0	Property development.
Semakin Sinar Sdn Bhd*	Malaysia	51.0	51.0	Dormant.
Semangat Cergas Sdn Bhd	Malaysia	100.0	100.0	Property development.
Stephens Properties Plantations Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Taaras Spa Sdn Bhd*	Malaysia	100.0	100.0	Spa management.
Aces Property Management Sdn Bhd (formerly known as Tekun Permata Sdn Bhd*)	Malaysia	100.0	100.0	Property development.
Tioman Island Resort Berhad	Malaysia	86.3	86.3	Property development and operator of resort hotel.
Tiram Jaya Sdn Bhd*	Malaysia	100.0	100.0	Property development.
Wangsa Sejati Sdn Bhd*	Malaysia	52.6	52.6	Dormant.
Wisma Stephens Management Co Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.

¹⁶ The total equity interests held by the Berjaya Land Berhad group is 87.12% and it is held by the following companies:

(i)	Berjaya Land Berhad	57.12 %
(ii)	BL Capital Sdn Bhd	30.00 %

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Fukuoka Development (S) Pte Ltd				
Berjaya Hakkoda Resort Development Gado Kaisha	Japan	100.0	100.0	Hotel and resort operation.
Seikou Okinawa Construction Co. Ltd	Japan	100.0	-	Construction, interior design, electrical work, sales of building material & machinery, development and consultation of hotel business, food & beverage, tourism, retail and publicity.
Subsidiaries of Berjaya Land Development Sdn Bhd				
Indra Ehsan Sdn Bhd	Malaysia	100.0	100.0	Property development.
Kim Rim Enterprise Sdn Bhd*	Malaysia	100.0	100.0	Property development, temporarily ceased operations.
Sri Panglima Sdn Bhd	Malaysia	100.0	100.0	Property development.
Subsidiaries of Berjaya Leisure (Cayman) Limited				
Berjaya (China) Great Mall Co. Ltd*	People's Republic of China	51.0	51.0	Property development and investment, temporarily ceased operations.
Berjaya Asset (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya FC (Cayman) Limited	Cayman Islands	100.0	-	Investment holding.
Berjaya International Casino Management (Seychelles) Limited*	Republic of Seychelles	60.0	¹⁷ 60.0	Casino operations.
Berjaya IUT (Cayman) Limited	Cayman Islands	100.0	-	Investment holding.
Berjaya Jeju Resort Limited*	Republic of Korea	72.6	72.6	Property development and investment.
Berjaya Long Beach Limited Liability Company*	Socialist Republic of Vietnam	-	70.0	Disposed.

¹⁷ The total equity interests held by the Berjaya Land Berhad group is 100.0% and it is held by the following companies:

(i)	Berjaya Leisure (Cayman) Limited	60.00 %
(ii)	Berjaya International Casino Management (HK) Limited	40.00 %

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Leisure (Cayman) Limited (continued)				
Berjaya Mount Royal Beach Hotel Limited#	Sri Lanka	92.6	92.6	Owner and operator of hotel.
Berjaya Properties (HK) Limited#	Hong Kong	60.0	60.0	Dormant.
Berjaya-D2D Company Limited#	Socialist Republic of Vietnam	100.0	75.0	Property development and investment.
BHR (Cayman) Limited	Cayman Islands	100.0	100.0	Property investment and investment holding.
Mahameru Consultancy d.o.o. Visoko*	Bosnia and Herzegovina	100.0	100.0	Property investment.
Natural Gain Investments Limited#	Hong Kong	100.0	100.0	Dormant.
T.P.C. Development Limited#	Hong Kong	100.0	100.0	Investment holding.
Subsidiary of Berjaya Myanmar Holdings Sdn Bhd				
Berjaya HT Eco Company Limited	Myanmar	90.0	-	Provision of consultation and technical services for property development projects.
Subsidiary of Berjaya North Asia Holdings Pte Ltd				
Berjaya Okinawa Development Co. Ltd*	Japan	100.0	100.0	Resort hotel and residence development.

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Okinawa Investment (S) Pte Ltd				
Berjaya Okinawa Hospitality Asset TMK*	Japan	100.0	100.0	Property investment and development.
Berjaya Okinawa Investment Godo Kaisha*	Japan	100.0	100.0	Investment holding.
Opportunity 24 TMK	Japan	100.0	-	Acquisition, management and disposition of asset.
Subsidiary of Opportunity 24 TMK				
LAC ML2 GK	Japan	99.9	-	Sale and purchase, leasing and management of real estate.
Subsidiary of Berjaya Property Management Sdn Bhd				
Taman TAR Development Sdn Bhd	Malaysia	100.0	100.0	Property development.
Subsidiary of Taman TAR Development Sdn Bhd				
Aces Parking Sdn Bhd (formerly known as The Peak Property Management Sdn Bhd)*	Malaysia	100.0	100.0	Provision for operation of parking facilities for motor vehicles.
Subsidiaries of Berjaya Sports Toto Berhad				
Berjaya-ILTS Limited#	Hong Kong	100.0	100.0	Dormant.
FEAB Equities Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
FEAB Land Sdn Bhd	Malaysia	100.0	100.0	Property development and property investment.
FEAB Properties Sdn Bhd	Malaysia	100.0	100.0	Property investment and investment holding.
Magna Mahsuri Sdn Bhd	Malaysia	100.0	100.0	Property investment and investment holding.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Sports Toto Berhad (continued)				
Sports Toto Fitness Sdn Bhd	Malaysia	100.0	100.0	Operations of health and fitness centre.
Sports Toto Malaysia Sdn Bhd	Malaysia	100.0	100.0	Toto betting operations.
STM Resort Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Subsidiary of FEAB Land Sdn Bhd				
FEAB Realty Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Subsidiaries of Magna Mahsuri Sdn Bhd				
Berjaya Sports Toto (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Sports Toto Apparel Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Sports Toto Computer Sdn Bhd	Malaysia	100.0	100.0	Computer consultancy services.
Sports Toto Products Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Subsidiary of Berjaya Sports Toto (Cayman) Limited				
Berjaya Lottery Management (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.
Subsidiaries of Berjaya Lottery Management (HK) Limited				
Berjaya Philippines Inc*	Philippines	74.2	¹⁸ 74.2	Investment holding.
International Lottery & Totalizator Systems, Inc*	United States of America	100.0	100.0	Development, manufacturing, distribution of computerized wagering systems and provision of software licences and support.

¹⁸ The total equity interests held by the Berjaya Sports Toto (Cayman) Limited group in Berjaya Philippines Inc. is 88.26% and it is held by the following companies:

(i)	Berjaya Lottery Management (HK) Limited	74.20 %
(ii)	Berjaya Sports Toto (Cayman) Limited	14.06 %

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Philippines Inc.				
eDoc Holdings Limited*	United Kingdom	100.0	-	Investment holding.
Floridablanca Enviro Corporation	Philippines	100.0	100.0	To engage in the service business of protecting and cleaning the environment, including but not limited to the dredging and cleaning of rivers, other bodies of water, cleaning dumpsites or sanitary landfill facilities, recycling garbage and other waste products and all other lawful activities necessarily included or incidental in the pursuance of service for the preservation and protection of the environment.
H.R. Owen PLC*	United Kingdom	100.0	99.3	Investment holding.
Perdana Hotel Philippines Inc*	Philippines	100.0	100.0	Operation of a hotel in the Philippines.
Philippine Gaming Management Corporation*	Philippines	100.0	100.0	Leasing of online lottery equipment and provision of software support.
Subsidiaries of H.R. Owen PLC				
Bodytechnics Limited*	United Kingdom	100.0	100.0	Maintenance and repair of motor vehicles.
Bradshaw Webb (Chelsea) Limited*	United Kingdom	100.0	100.0	Dormant.
Broughtons of Cheltenham Limited*	United Kingdom	100.0	100.0	Motor retailing and provision of aftersales services.
eDoc Holdings Limited*	United Kingdom	-	100.0	Disposed.
Hatfield 6939 Limited*	United Kingdom	100.0	-	Dormant.
H.R. Owen Dealerships Limited*	United Kingdom	100.0	100.0	Motor retailing and provision of aftersales services.
H R Owen Insurance Services Limited*	United Kingdom	60.0	60.0	Provision of Insurance agents and brokers services.
H.R. Owen Investments Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Leasing Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Motor Dealerships Limited*	United Kingdom	100.0	100.0	Dormant.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of H.R. Owen PLC (continued)				
H.R. Owen Motor Properties Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Vehicle Leasing Company Limited*	United Kingdom	100.0	100.0	Dormant.
Heathrow Limited*	United Kingdom	100.0	100.0	Dormant.
Holland Park Limited*	United Kingdom	100.0	100.0	Provision of aftersales services.
Jack Barclay Limited*	United Kingdom	100.0	100.0	Motor retailing and provision of aftersales services.
London Lotus Centre Limited*	United Kingdom	100.0	100.0	Dormant.
Malaya Dealerships Limited*	United Kingdom	100.0	100.0	Dormant.
Netprofit.com Limited*	United Kingdom	100.0	¹⁹ 100.0	Dormant.
Pangbourne 6939 Limited*	United Kingdom	100.0	-	Dormant.
Shepperton 6939 Limited*	United Kingdom	100.0	-	Dormant.
Upbrook Mews Limited*	United Kingdom	100.0	100.0	Letting and operating of own or leased real estate.
Subsidiaries of International Lottery & Totalizator Systems, Inc.				
ILTS Vietnam Company Limited*	Socialist Republic of Vietnam	100.0	100.0	Provision of lottery technical support services.
Unisyn Voting Solutions, Inc.*	United States of America	100.0	100.0	Development, manufacturing, distribution of voting systems and provision of software licenses and support.

¹⁹ The total equity interests held by the H.R. Owen PLC group is 100.0% and it is held by the following companies:

(i)	H.R. Owen PLC	50.00 %
(ii)	Bradshaw Webb (Chelsea) Limited	50.00 %

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Vacation Club Berhad				
ANSA Hotels & Resorts Sdn Bhd*	Malaysia	100.0	-	Dormant.
Berjaya Air Sdn Bhd	Malaysia	100.0	100.0	Charter flight operator.
Berjaya Beau Vallon Bay (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Golf Resort Berhad	Malaysia	100.0	100.0	Property development and investment and operator of golf and recreation club.
Berjaya Hospitality Services Sdn Bhd	Malaysia	100.0	100.0	Hotel operator.
Berjaya Hotels & Resorts (HK) Limited#	Hong Kong	60.0	²⁰ 60.0	Investment holding.
Berjaya Hotels & Resorts (M) Sdn Bhd	Malaysia	100.0	100.0	Resort management.
Berjaya International Casino Management (HK) Limited	Hong Kong	100.0	100.0	Investment holding.
Berjaya Langkawi Beach Resort Sdn Bhd	Malaysia	100.0	100.0	Hotel and resort operation.
Berjaya Praslin Beach (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Vacation Club (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Vacation Club (HK) Limited#	Hong Kong	100.0	100.0	Dormant.
Berjaya Vacation Club (Philippines) Inc*	Philippines	100.0	100.0	Dormant.
Berjaya Vacation Club (S) Pte Ltd*	Singapore	100.0	100.0	Vacation time sharing.
BTS Hotel Sdn Bhd	Malaysia	100.0	100.0	Owner of hotel.
Bukit Kiara Resort Berhad	Malaysia	100.0	100.0	Developer and operator of equestrian and recreational club.
Georgetown City Hotel Sdn Bhd	Malaysia	100.0	100.0	Hotel operator.

²⁰ The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Vacation Club Berhad	60.00 %
(ii)	Berjaya Group (Cayman) Limited	40.00 %

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Vacation Club Berhad (continued)				
Hotel Integrations Sdn Bhd*	Malaysia	70.0	70.0	Provision of hotel consultancy and related services.
Indah Corporation Berhad	Malaysia	100.0	100.0	Developer and operator of golf resort and property development.
KDE Recreation Berhad	Malaysia	100.0	100.0	Developer and operator of golf and recreational club.
Redang Development Sdn Bhd*	Malaysia	100.0	-	Airport development, property development, hotel and resort operation.
Redang Village Resort Sdn Bhd*	Malaysia	51.0	51.0	Dormant.
Sinar Merdu Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
Staffield Country Resort Berhad	Malaysia	80.0	80.0	Developer and operator of golf resort.
The Taaras Beach & Spa Resort (Redang) Sdn Bhd	Malaysia	99.8	99.5	Hotel and resort operation.
The Taaras Luxury Group Sdn Bhd	Malaysia	100.0	100.0	Management of hotel operations.
Tioman Pearl Sdn Bhd*	Malaysia	70.0	70.0	Development of hotel and resort.
Tioman Travel & Tours Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Subsidiary of Berjaya Air Sdn Bhd				
Berjaya Air Cargo Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Subsidiary of Berjaya Beau Vallon Bay (Cayman) Limited				
Berjaya Beau Vallon Bay Beach Resort Limited*	Republic of Seychelles	100.0	100.0	Operation of a hotel resort in Seychelles.

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30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Berjaya Praslin Beach (Cayman) Limited				
Berjaya Praslin Limited*	Republic of Seychelles	100.0	100.0	Operation of hotel resort in Seychelles.
Subsidiary of Berjaya Vacation Club (Cayman) Limited				
Berjaya Vacation Club (UK) Limited*	United Kingdom	100.0	100.0	Hoteliers and hotel management.
Subsidiaries of Georgetown City Hotel Sdn Bhd				
Berjaya Georgetown Sharksfin Restaurant Sdn Bhd	Malaysia	100.0	100.0	Dormant.
BG Karaoke Sdn Bhd	Malaysia	69.0	69.0	Dormant.
Subsidiary of KDE Recreation Berhad				
Infinity Worth Creation Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Subsidiary of Redang Development Sdn Bhd				
Redang Infra Sdn Bhd	Malaysia	100.0	-	Infrastructure development.
Subsidiary of The Taaras Beach & Spa Resort (Redang) Sdn Bhd				
Redang Island Golf and Country Club Berhad*	Malaysia	100.0	100.0	Dormant.
Subsidiary of Sinar Merdu Sdn Bhd				
ANSA Hotel KL Sdn Bhd*	Malaysia	100.0	100.0	Property investment and hoteliers.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Cerah Tropika Sdn Bhd				
Penstate Corp Sdn Bhd	Malaysia	100.0	100.0	Property development.
Subsidiary of Kota Raya Development Sdn Bhd				
Kota Raya Complex Management Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
Subsidiary of Noble Circle (M) Sdn Bhd				
Noble Circle Management Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
Subsidiary of Nural Enterprise Sdn Bhd				
Aras Klasik Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
Subsidiaries of Tioman Island Resort Berhad				
ANSA Hotels & Resorts Sdn Bhd*	Malaysia	-	100.0	Dormant.
Berjaya Hotels & Resorts (Singapore) Pte Ltd*	Singapore	100.0	100.0	Hotel booking, marketing agent and investment holding.
Ever Perpetual Growth Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Ever Revenue Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Tioman Golf Management Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Subsidiary of Berjaya Hotels & Resorts (Singapore) Pte Ltd				
BHR Okinawa Management Godo Kaisha*	Japan	100.0	100.0	Hotel management.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Wisma Stephens Management Co Sdn Bhd				
Wujud Jaya Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Subsidiaries of Berjaya Pharmacy Sdn Bhd				
Berjaya Pharmacy Distribution Sdn Bhd	Malaysia	100.0	100.0	Owner and operator of community pharmacy stores and engage in trading, distribution, marketing and retail sales of pharmaceutical and non-pharmaceutical products (commonly available in pharmacies and health and beauty retailers) and the provision of pharmacy services.
Berjaya Pharmacy Retail Sdn Bhd	Malaysia	100.0	100.0	Operator of community pharmacy stores.
Subsidiaries of Berjaya Premier Restaurants Sdn Bhd				
Berjaya Burger Sdn Bhd*	Malaysia	90.0	90.0	Ceased operation.
Berjaya Krispy Kreme Doughnuts Sdn Bhd*	Malaysia	70.0	70.0	Development and operation of the "Krispy Kreme Doughnuts" chain of retail outlets.
Subsidiary of BLoyalty Pte Ltd				
B Infinite Asia Pte Ltd	Singapore	100.0	-	Provision of digital loyalty services.
Subsidiary of Bukit Pinang Leisure Sdn Bhd				
Bukit Pinang Rel Sdn Bhd*	Malaysia	100.0	100.0	Dormant.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Changan Berjaya Auto Sdn Bhd				
Berjaya Brilliance Auto Sdn Bhd*	Malaysia	85.0	85.0	Marketing, importing and distribution of motor vehicles.
Subsidiaries of Cosway Corporation Berhad				
Cosway Corporation Limited#	Hong Kong	90.9	²¹ 90.9	Property investment and investment holding.
First Ever Marketing Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Tegas Kinta Sdn Bhd	Malaysia	100.0	100.0	Property investment.
The Catalog Shop Sdn Bhd	Malaysia	100.0	100.0	Collection and administration of hire purchase and equal payment receivables.
Subsidiaries of Cosway Corporation Limited				
Berjaya Holdings (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.
Berjaya U-Luck Investments Limited#	Hong Kong	51.0	51.0	Dormant.
Cosway (M) Sdn Bhd	Malaysia	100.0	100.0	Direct selling of household, personal care, healthcare and other consumer products.
Mallia Limited#	Hong Kong	100.0	100.0	Dormant.
Panluck Limited#	Hong Kong	100.0	100.0	Dormant.
Wing Hung Kee Commodities Limited#	Hong Kong	100.0	100.0	Dormant.

²¹ The total equity interests held by the Berjaya Group Berhad group is 99.94% and it is held by the following companies:

(i)	Cosway Corporation Berhad	90.87 %
(ii)	Berjaya Group (Cayman) Limited	7.26 %
(iii)	Prime Credit Leasing Berhad	1.80 %
(iv)	Inter-Pacific Securities Sdn Bhd	0.01 %

The total equity interests held by the Group is 100.00% and the additional equity interest is held by the following company:

(i)	Berjaya Hills Resort Berhad	0.06 %
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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Berjaya Holdings (HK) Limited				
Vmart (Tianjin) Trading Co Limited#	People's Republic of China	100.0	100.0	Retailing and wholesaling of consumer, household and skin care products.
Subsidiaries of Cosway (M) Sdn Bhd				
Cosway (Cayman) Limited*	Cayman Islands	100.0	100.0	Investment holding.
Cosway (S) Pte Ltd*	Singapore	100.0	100.0	Dormant.
Cosway (HK) Limited#	Hong Kong	100.0	100.0	Direct selling of consumer, household and skin care products.
Cosway India Private Limited*	India	100.0	100.0	Dormant.
Cosway New Zealand Limited*	New Zealand	100.0	100.0	Direct selling of consumer, household and skin care products.
Cosway USA, Inc.*	United States of America	100.0	100.0	Direct selling of consumer, household and skin care products.
eCosway Colombia Ltda.	Colombia	99.0	99.0	Marketing, distribution and import of consumer products.
eCosway Japan K. K.*	Japan	100.0	100.0	Direct selling of household, personal care, healthcare and other consumer products.
eCosway Mexico, S.A. de C.V.	Mexico	99.0	99.0	Marketing, distribution and import of consumer products.
eCosway Pty Ltd*	Australia	100.0	100.0	Direct selling of consumer, household and skin care products.
eCosway Rus LLC	Russia	99.9	99.9	Marketing, distribution and import of consumer products.
eCosway Trading Mexico, S.A. de C.V.	Mexico	99.0	99.0	Import, export and commercial trading.

NOTES TO THE FINANCIAL STATEMENTS

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45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Cosway (M) Sdn Bhd (continued)				
eCosway.com Sdn Bhd	Malaysia	60.0	²² 60.0	Internet based direct selling of consumer products.
Golden Works (M) Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Juara Budi Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Kimia Suchi Sdn Bhd	Malaysia	100.0	100.0	Investment holding, contract manufacture and trading of industrial and household cleaning products.
PT Berjaya Cosway Indonesia*	Indonesia	95.0	95.0	Direct selling of consumer, household and skin care products.
Rank Distributors Sdn Bhd	Malaysia	100.0	100.0	Trading of healthcare and cosmetic products.
Tact Full Limited#	Hong Kong	100.0	100.0	Provision of payment services.
Subsidiaries of Cosway (Cayman) Limited				
Cosway Argentina S.R.L.*	Argentina	90.0	90.0	Dormant.
Cosway Colombia Ltda.*	Colombia	90.0	90.0	Dormant.
Cosway Do Brasil Ltda.*	Brazil	99.0	99.0	Property Investment.
Cosway Mexico, S.A. de C.V.*	Mexico	98.0	98.0	Dormant.
Cosway Peru S.R. Ltda.*	Peru	96.0	96.0	Dormant.
Cosway (UK) Limited*	United Kingdom	100.0	100.0	Direct selling of consumer, household and skin care products.
eCosway Inc.*	United States of America	100.0	100.0	Dormant.
One Qualityways Phils Inc *	Philippines	95.0	95.0	Dormant.

²² The total equity interests held by the Cosway Corporation Limited group is 100.0% and it is held by the following companies:

(i)	Cosway (M) Sdn Bhd	60.00 %
(ii)	Cosway Corporation Limited	40.00 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Cosway (HK) Limited				
Cosway (China) Co. Ltd#	People's Republic of China	100.0	100.0	Research, development and manufacturing of cleaning products and cosmetics; selling self-produced products; provide technical consultancy and technical service relating to self-produced products; engaging in the wholesale, import and export of the same.
Cosway (Macau) Limited*	Macau	99.0	99.0	Direct selling of consumer, household and skin care products.
Vmart Corp (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.
Subsidiary of Vmart Corp (HK) Limited				
eCosway Korea, Inc	Republic of Korea	100.0	100.0	Direct selling of consumer, household and skin care products.
Subsidiary of Juara Budi Sdn Bhd				
Stephens Properties Sdn Bhd	Malaysia	100.0	100.0	Investment holding and property investment.
Subsidiary of Stephens Properties Sdn Bhd				
Stephens Properties Management Corporation Sdn Bhd	Malaysia	100.0	100.0	Dormant.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiary of Kimia Suchi Sdn Bhd				
Kimia Suchi Marketing Sdn Bhd	Malaysia	100.0	100.0	Trading of industrial cleaning products.
Subsidiary of Rank Distributors Sdn Bhd				
Vital Degree Sdn Bhd	Malaysia	100.0	100.0	Trading of healthcare and cosmetic products.
Subsidiary of Country Farms Sdn Bhd				
CountryFarm Organics Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Subsidiary of Inter-Pacific Development Sdn Bhd				
Inter-Pacific Construction Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Subsidiary of KUB-Berjaya Enviro Sdn Bhd				
KUB-Berjaya Energy Sdn Bhd	Malaysia	100.0	100.0	Generation and sale of electricity.
Subsidiary of Mothers en Vogue Sdn Bhd				
Mothers en Vogue Pte Ltd*	Singapore	100.0	100.0	Retail sale of wearing apparel for adults, maternity and breastfeeding/nursing fashion.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of REDtone International Berhad				
Ansar Mobile Sdn Bhd	Malaysia	100.0	100.0	Provision of telecommunications services including fixed and mobile services and telecommunications related services.
REDtone Data Centre Sdn Bhd	Malaysia	70.0	70.0	Provides system integration, software solutions and trading in computer hardware.
REDtone Engineering & Network Services Sdn Bhd	Malaysia	100.0	100.0	Research and development, manufacturing and marketing of telecommunication and multimedia solutions.
REDtone IOT Sdn Bhd	Malaysia	100.0	100.0	Provider of business solutions in information technology and to build interconnection of uniquely identifiable embedded computing devices within existing internet infrastructure and investment holding.
REDtone MEX Sdn Bhd	Malaysia	-	56.0	Building of tele-consultation/ tele-radiology exchange and distributing, designing and development of information system, mobile solutions and healthcare solution.
REDtone Technology Sdn Bhd	Malaysia	100.0	100.0	Provider of total solutions in business communication and telecommunication services and investment holding.
REDtone Telecommunications Sdn Bhd	Malaysia	100.0	100.0	Research, development, manufacturing and marketing of computer-telephony integration, provision of communication services and investment holding.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of REDtone Technology Sdn Bhd				
Meridianotch Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
REDtone Mytel Sdn Bhd	Malaysia	60.0	60.0	Provision of telecommunication services.
REDtone Technology Pte Ltd*	Singapore	100.0	100.0	Provision of telecommunication related products and services.
SEA Telco Engineering Services Sdn Bhd	Malaysia	80.0	80.0	Provision of information technology services.
Subsidiary of Rangkaian Sejahtera Sdn Bhd				
BerjayaCity Sdn Bhd	Malaysia	100.0	100.0	Property investment, development, cultivation and sale of palm oil and palm kernel.
Subsidiaries of Successline (M) Sdn Bhd				
Securexpress Services Sdn Bhd*	Malaysia	100.0	100.0	Provide logistics, warehousing and transportation services.
Successline Haulers Sdn Bhd*	Malaysia	90.0	90.0	Provide courier and transport services to the general public.
Subsidiary of Wangsa Tegap Sdn Bhd				
Berjaya Enviro Holdings Sdn Bhd (formerly known as BCP Service Suites Sdn Bhd)*	Malaysia	-	100.0	Provision of property maintenance services.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of Berjaya Hills Resort Berhad				
Avetani Sdn Bhd	Malaysia	100.0	100.0	Property development and investment.
BTR Property Management Sdn Bhd	Malaysia	100.0	100.0	Rental pool programme operator.
BTR Leisure Sdn Bhd	Malaysia	100.0	100.0	Recreational activities operator.
Bukit Tinggi Tours Sdn Bhd	Malaysia	100.0	100.0	To carry on the business as travel and tour agents.
Subsidiaries of Berjaya Kyoto Development (S) Pte Ltd				
Berjaya Kyoto Development Kabushiki Kaisha*	Japan	100.0	100.0	Hotel and residence development.
Berjaya Kyoto Holdings Godo Kaisha*	Japan	100.0	100.0	Investment holding.
Kyoto Higashiyama Hospitality Assets TMK*	Japan	100.0	100.0	Property investment.
Subsidiary of Berjaya Kyoto Development Kabushiki Kaisha				
Berjaya Japan TMK*	Japan	100.0	100.0	Dormant.
Subsidiary of Berjaya Lottery Vietnam Limited				
Berjaya Gia Thinh Investment Technology Joint Stock Company*	Socialist Republic of Vietnam	51.0	51.0	Management consultancy.
Subsidiary of Berjaya Myanmar Limited				
Berjaya Myanmar Investment Limited*	Myanmar	95.0	95.0	Investment holding.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Subsidiaries of DSG Holdings Limited				
Dragon Spring Environment (HK) Co Ltd*	Hong Kong	-	100.0	Investment holding.
Dragon Spring Group (M) Ltd*	Malaysia	-	100.0	Investment holding.
Dragon Spring Water Services Limited*	Hong Kong	-	100.0	Investment holding.
Subsidiary of Dragon Spring Environment (HK) Co Ltd				
Dragon Spring Water (Taian) Co Ltd*	People's Republic of China	-	100.0	Water treatment services.
Subsidiary of Dragon Spring Group (M) Ltd				
Dragon Spring Water (Linqu) Co Ltd*	People's Republic of China	-	100.0	Production and supply of potable water.
Subsidiaries of Dragon Spring Water Services Limited				
Dragon Spring Water (Tianchang) Co Ltd*	People's Republic of China	-	100.0	Production and supply of potable water.
Eminent Resources (Shandong) Environment Co Ltd*	People's Republic of China	-	100.0	Provision of advisory and management services on the construction project/work, water treatment technology, investment and international economic information.
Subsidiary of Eminent Resources (Shandong) Environment Co Ltd				
Shandong Shengxiang Construction Co Ltd*	People's Republic of China	-	100.0	Provision of construction and project management for water and wastewater projects.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
ASSOCIATED COMPANIES:				
Associates of Berjaya Corporation Berhad				
Atlan Holdings Bhd	Malaysia	23.9	²³ 23.9	Investment holding and the provision of management, financial, technical and other ancillary services.
Tioman Hill Resort Sdn Bhd	Malaysia	50.0	50.0	Investment holding.
Associates of Berjaya Group Berhad				
Adcas Lifescience Sdn Bhd	Malaysia	50.0	50.0	Provision of personalised healthcare.
Berjaya Media Berhad	Malaysia	12.4	²⁴ 12.4	Investment holding.
Berjaya Racing Management Sdn Bhd	Malaysia	20.0	20.0	Dormant.
Ezyhealth Malaysia Sdn Bhd	Malaysia	-	49.0	Struck-off.
Jubli Mentari Sdn Bhd	Malaysia	-	30.0	Dormant.

²³ The total equity interests held by the Group is 26.69% and it is held by the following companies:

(i)	Berjaya Corporation Berhad	23.89 %
(ii)	Berjaya Philippines Inc	2.01 %
(iii)	Inter-Pacific Capital Sdn Bhd	0.79 %

²⁴ The total equity interests held by the Berjaya Group Berhad group is 12.36% and it is held by the following companies:

(i)	Regnis Industries (Malaysia) Sdn Bhd	2.33 %
(ii)	FEAB Properties Sdn Bhd	2.01 %
(iii)	Prime Credit Leasing Berhad	8.02 %

The total equity interests held by the Group is 13.27% and the additional equity interest is held by the following company:

(i)	Berjaya Hills Resort Berhad	0.91 %
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The Group has significant influence, as defined in MFRS 128: Investments in Associates, over Berjaya Media Berhad ("BMedia") and therefore treated BMedia as an associated company of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associates of Berjaya Group Berhad (continued)				
Le Proton LIMA Sdn Bhd	Malaysia	40.0	40.0	Organise trade fairs to promote Malaysian products through exhibitions.
Tunas Cempaka Sdn Bhd	Malaysia	49.0	49.0	Dormant.
Associate of Berjaya Capital Berhad				
Berjaya Sompo Insurance Berhad	Malaysia	30.0	30.0	General insurance.
Associate of Inter-Pacific Securities Sdn Bhd				
SaigonBank Berjaya Securities Joint Stock Company	Socialist Republic of Vietnam	49.0	49.0	Stock and share broking.
Associates of Berjaya Group (Cayman) Limited				
Beijing Zhongcai Printing Co.Ltd	People's Republic of China	20.0	20.0	Printing of lottery tickets and undertaking of printing-related works.
Berjaya Hotels & Resorts (HK) Limited	Hong Kong	40.0	40.0	Investment holding.
Berjaya Properties (HK) Limited	Hong Kong	40.0	40.0	Dormant.
Carlovers Carwash Limited	Australia	39.1	39.1	Under liquidation and receivership.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associate of Berjaya Engineering & Construction (HK) Limited				
Berjaya Sanhe Real Estate Development Co Ltd	People's Republic of China	22.0	22.0	Property development and management.
Associate of Roasters Asia Pacific (HK) Limited				
Roasters Korea Co. Ltd	Republic of Korea	25.0	25.0	Dormant.
Associate of SIG Holdings (Cayman) Limited				
Berjaya Engineering & Construction (HK) Limited	Hong Kong	25.0	25.0	Investment holding.
Associates of Berjaya Corporation (Cayman) Limited				
Berjaya Pizza (Philippines) Inc	Philippines	21.6	21.6	Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.
M & A Investments Pte Ltd	Singapore	31.4	31.4	Investment holding.
Ssangyong Berjaya Motor Philippines Inc	Philippines	27.1	25.0	Selling and distribution of Ssangyong brand vehicles within the territory of the Philippines.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associate of BLoyalty Pte Ltd				
BLoyalty Sdn Bhd*	Malaysia	40.0	25.0	Managing and operation of Berjaya Loyalty card programme.
Associates of Cosway Corporation Limited				
eCosway.com Sdn Bhd	Malaysia	40.0	40.0	Internet-based direct selling of consumer products.
Greenland Timber Industries (Private) Limited	Singapore	20.0	20.0	Investment holding.
Associate of Juara Sejati Sdn Bhd				
REDtone International Berhad	Malaysia	46.1	46.1	Investment holding and the provision of management services.
Associate of Successline (M) Sdn Bhd				
Successline Express Sdn Bhd	Malaysia	49.0	49.0	Transportation of goods.
Associates of Cosway (Cayman) Limited				
Cosway Overseas Company Limited	Thailand	49.0	49.0	Investment holding.
Cosway (Thailand) Company Limited	Thailand	49.0	49.0	Direct selling and trading in consumer products.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associate of Rank Distributors Sdn Bhd				
Coswin (M) Sdn Bhd	Malaysia	40.0	40.0	Trading of consumer products.
Associates of Berjaya Land Berhad				
Berjaya Assets Berhad	Malaysia	9.1 ²⁵	8.6	Investment holding.
Berjaya Kyoto Development (S) Pte Ltd*	Singapore	50.0	50.0	Investment holding.
Centreplus Sdn Bhd	Malaysia	30.0	30.0	Dormant.
Focus Equity Sdn Bhd	Malaysia	32.5	32.5	Dormant, under liquidation.
Resort Cruises (S) Pte Ltd	Singapore	49.0	49.0	Dormant.

²⁵ The total equity interests held by the Berjaya Land Berhad group is 9.10% and it is held by the following companies:

(i)	Portal Access Sdn Bhd	3.49 %
(ii)	Berjaya Land Berhad	2.60 %
(iii)	BTS Hotel Sdn Bhd	0.41 %
(iv)	Nada Embun Sdn Bhd	0.04 %
(v)	Immediate Capital Sdn Bhd	0.41 %
(vi)	Magna Mahsuri Sdn Bhd	0.86 %
(vii)	Berjaya Philippines Inc	1.15 %
(viii)	KDE Recreation Bhd	0.14 %

The total equity interests held by the Group is 11.09% and the additional equity interest is held by the following companies:

(i)	Ambilan Imej Sdn Bhd	1.06 %
(ii)	Berjaya Capital Berhad	0.66 %
(iii)	Inter-Pacific Capital Sdn Bhd	0.27 %

The Berjaya Land Berhad group has significant influence, as defined in MFRS 128: Investments in Associates, over Berjaya Assets Berhad ("BAssets") and therefore treated BAssets as an associated company of the Berjaya Land Berhad group.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associates of Berjaya Leisure (Cayman) Limited				
AM Automotive (S) Pte Ltd	Singapore	49.9	49.9	Ceased to be a dealer for "Aston Martin" vehicles.
Asian Atlantic Holdings Limited	British Virgin Islands	24.5	24.5	Investment holding.
Berjaya Land (Thailand) Company Ltd	Thailand	40.0	40.0	Property development and investment.
Berjaya Property (Thailand) Company Ltd	Thailand	40.0	40.0	Dormant.
Berjaya Vietnam Financial Center Limited#	Socialist Republic of Vietnam	32.5	32.5	Property development and investment.
Inter-Capital Holdings Pte Ltd	Singapore	50.0	50.0	Investment holding.
Singapore Institute of Advanced Medicine Holdings Pte Ltd	Singapore	22.5	²⁶ 34.3	Provision of medical laboratory services, clinic and other general medical services, sale of pharmaceuticals, surgical and consumables.
Associate of Berjaya Okinawa Development Co Ltd				
Nubaru Tochi Kanri Godo Kaisya	Japan	33.0	33.0	Investment holding.
Associate of Berjaya Leisure Capital (Cayman) Limited				
Informatics Education Limited	Singapore	27.1	²⁷ 27.1	Investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators.

²⁶ The total equity interests held by the Berjaya Group Berhad group is 47.44 % and it is held by the following companies:

(i)	Berjaya Leisure (Cayman) Limited	22.51 %
(ii)	Espeetex Sdn Bhd	24.93 %

²⁷ The total equity interests held by the Berjaya Group Berhad group is 28.38% and it is held by the following companies:

(i)	Berjaya Leisure Capital (Cayman) Limited	27.09 %
(ii)	Rantau Embun Sdn Bhd	1.29 %

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associate of BL Capital Sdn Bhd				
Regnis Industries (Malaysia) Sdn Bhd	Malaysia	30.0	30.0	Property investment and rental of property.
Associate of Berjaya International Casino Management (HK) Limited				
Berjaya International Casino Management (Seychelles) Limited	Republic of Seychelles	40.0	40.0	Management of casino and investment holding.
Associate of Tioman Island Resort Berhad				
Tioman Ferry Services Sdn Bhd	Malaysia	20.0	20.0	Dormant.
Associates of Berjaya Sports Toto Berhad				
Berjaya Lottery Vietnam Limited	Malaysia	20.0	20.0	Investment holding.
Berjaya Racing Management Sdn Bhd	Malaysia	20.0	20.0	Dormant.
Associates of Berjaya Philippines Inc.				
Bermaz Auto Philippines Inc	Philippines	28.3	28.3	Purchasing, acquiring, owning, leasing, selling, transferring, encumbering and generally dealing in all types of new automobiles, trucks and other motor vehicles and dealing in all types of supplies used by all types of motor vehicles in the Philippines.
Berjaya Pizza (Philippines) Inc	Philippines	48.4	48.4	Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

45. LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2019 %	2018 %	
Associates of Berjaya Philippines Inc. (continued)				
Chailease Berjaya Finance Corporation	Philippines	25.0	25.0	Providing hire purchase and loan financing services.
Cosway Philippines Inc	Philippines	40.0	40.0	Dormant.
Neptune Properties Inc	Philippines	41.5	41.5	Engage in real estate business.
Perdana Land Philippines Inc	Philippines	40.0	40.0	Acquire, develop and lease real estate.
Ssangyong Berjaya Motor Philippines Inc	Philippines	21.7	20.0	Selling and distribution of Ssangyong brand vehicles within the territory of the Philippines.
Associate of EDOC Holdings Limited				
VideoDoc Ltd	United Kingdom	20.2	20.2	Providing general and specialists medical practice services.
Associate of FEAB Properties Sdn Bhd				
Cashsystems Asia Technology Sdn Bhd	Malaysia	30.0	30.0	Dormant, under liquidation.
Associates of REDtone International Berhad				
REDtone MEX Sdn Bhd	Malaysia	56.0	-	Building of tele-consultation/ tele-radiology exchange and distributing, designing and development of information system, mobile solutions and healthcare solution.
REDtone Network Sdn Bhd	Malaysia	49.0	49.0	Research and development and marketing of communication applications.

Notes:

* Subsidiaries audited by other firms of chartered accountants.

Subsidiaries audited by other member firms of Ernst & Young Global.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

46. COMPARATIVES

The comparative financial statements of the Group and the Company have been prepared for the financial period from 1 May 2017 to 30 April 2018. Accordingly, the comparative amounts for the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not in respect of comparable period.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Berjaya Corporation Berhad, which comprise the statements of financial position as at 30 June 2019 of the Group and of the Company, and statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 93 to 325.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters in respect of audit of the financial statements of the Group

1. Impairment assessment of intangible assets

(Refer to summary of significant accounting policies in Note 2.2.6, significant accounting estimates and judgements in Note 2.5(2)(a), and Intangible assets in Note 11 to the financial statements.)

The Group performs impairment tests on its goodwill and intangible assets with indefinite useful life at least annually, and on its intangible assets with definite useful life when there is an indication that the asset may be impaired. For purposes of impairment testing, goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs. The Group estimates the recoverable amounts of the CGUs based on either the estimated value-in-use ("VIU") or the fair value less cost to sell ("FVLCTS") of the respective CGU, whichever is higher.

Estimating the VIUs of the CGUs involves estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at an appropriate rate. The cash flow forecasts to derive the VIU contain a number of significant judgements and estimates including estimates on revenue growth rates, gross margins, payout ratio, terminal growth rates, inflation rates and the discount rates to be applied.

In estimating the FVLCTS of the CGU, the Group relies on valuations performed by independent professional valuers. These valuations are based on relevant assumptions which includes, amongst others, comparable historical transactions and adjustments to factor in comparable location, size, condition, accessibility, design and market knowledge.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

1. Impairment assessment of intangible assets (cont'd.)

Arising from these impairment assessments, the Group has recognised an impairment loss of RM11.3 million in goodwill and RM417.4 million in gaming rights in respect of the Malaysian gaming operations respectively. The impairment of gaming rights was recognised in the statements of comprehensive income against the fair value reserve.

We have focused our audit effort on the testing of impairment of goodwill and intangible assets as the amounts which they represent are significant to the financial statements, the assumptions applied in arriving at the VIU and FVLCTS are highly subjective and changes in these assumptions may lead to significant changes in the recoverable amounts of the CGUs. The following table summarises the carrying amount of goodwill and intangible assets of the CGUs within these business segments which we have applied our focus on.

Business segments	Carrying amount (RM'000)		% of non-current assets	% of total assets	Measurement of recoverable amount
	As at 30 June 2019	Amount in focus			
Goodwill					
• Restaurants	429,828	422,005	2.9%	2.1%	VIU
• Property investments and development	207,529	194,621	1.4%	1.0%	FVLCTS
• Consumer products and services	286,805	212,497	1.5%	1.1%	VIU/FVLCTS
Intangible assets					
• Gaming rights	3,437,211	3,437,211	23.9%	17.3%	VIU
• Telecommunications licences with allocated spectrum	314,601	314,601	2.2%	1.6%	FVLCTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

1. Impairment assessment of intangible assets (cont'd.)

Our procedures to address this area of focus include, amongst others, the following:

Recoverable amounts based on VIU

- involved our internal valuation experts in reviewing the impairment assessment performed by management on the CGUs;
- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated the appropriateness of the methodology and approach applied, and considered whether they are commonly used in the industry;
- assessed the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- evaluated whether key assumptions which comprise the revenue growth rates, gross margins, payout ratio, terminal growth rates, inflation rates are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth in the respective country in which the CGU operates;
- assessed whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates or equivalent data for peer companies; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes in the key assumptions to the recoverable amount.

Recoverable amounts based on FVLCTS

- assessed the objectivity, independence, reputation and expertise of the independent valuers;
- obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the intangible asset and land and assessed whether such methodology is consistent with those used in the industry; and
- evaluated the appropriateness of the data used by the independent valuers as inputs into their valuations. We interviewed the independent valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions and sensitivities are included in Note 11 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

2. Litigation relating to the property development project in Jeju Island, South Korea

(Refer to significant accounting estimates and judgements in Note 2.5(1)(c), the disclosure of receivables in Note 10(d), and material litigation in Note 38(3) to the financial statements.)

As disclosed in Note 38(3) to the financial statements, the Group has initiated legal proceedings against Jeju Free International City Development Center ("JDC") for breaches of certain terms and conditions stipulated in the Sale and Purchase Agreement entered into with JDC ("Land SPA") while claiming for losses and damages arising from those breaches ("Litigation"). The Group has incurred approximately RM585 million up to 30 June 2019 and has classified these costs as compensation receivable, which represents approximately 4% and 3% of the non-current assets and total assets of the Group respectively. Recoverability of these costs is dependent on the favourable outcome of the Litigation against JDC.

We consider this to be an area of focus for our audit as the eventual outcome of the Litigation is uncertain and the position taken by the Directors involved significant judgement and estimation. In addition, the amounts involved are significant and may result in significant adjustments to the financial statements should the eventual outcome be unfavourable to the Group.

Our procedures to address this area of focus include, amongst others, the following:

- perused through the significant contract terms and conditions, including that of the Land SPA;
- interviewed the directors and management to understand the basis of their conclusion in respect of this Litigation;
- assessed the legal counsels' objectivity and independence and reviewed their credentials, qualifications, experience and reputation; and
- evaluated the rationale and basis for the legal counsels' opinion by interviewing them to gain an understanding of the basis of their opinion including their knowledge relating to such litigations/claims in general.

We have also reviewed and assessed the completeness and accuracy of the Group's disclosures pertaining to the said Litigation as disclosed in Note 2.5(1)(c) and Note 38(3).

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)**

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

3. Recoverability of debts due from the purchaser of the Berjaya (China) Great Mall Co. Ltd. development project

(Refer to significant accounting estimates and judgement in Note 2.5(1)(d), the disclosure of receivables in Note 10(c), and material litigation in Note 38(4) to the financial statements.)

As disclosed in Note 38(4) to the financial statements, the Group has initiated an arbitration proceedings against Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") to recover a debt receivable from Beijing SkyOcean arising from the disposal of a property located in Beijing, China (the "Great Mall Property") (collectively, the "Arbitration Proceedings"). The Group disposed the Great Mall Property in October 2016 to Beijing SkyOcean for a total consideration of RMB2.039 billion (equivalent to RM1.228 billion) and has collected RMB1.065 billion (equivalent to RM0.641 billion) from Beijing SkyOcean. The holding company of Beijing SkyOcean and one of its shareholders have provided guarantees for the outstanding debt. The Group, having reassessed the timeframe required to complete the Arbitration Proceedings and the recovery of the debt, has recognised a further impairment loss of approximately RM7.9 million to account for the time value of money of the debt receivable. As at 30 June 2019, the debt receivable from Beijing SkyOcean net of further impairment loss amounting to RM508 million, has been included under non-current receivables in the financial statements of the Group.

We consider this to be an area of focus for our audit as the eventual outcome of the Arbitration Proceedings is uncertain and the position taken by the directors involved significant judgement and estimation. In addition, the amount involved is significant and may result in significant adjustments to the financial statements should the eventual outcome become unfavourable to the Group.

Our procedures to address this area of focus include, amongst others, the following:

- engaged our global firm counterparts in Beijing, People's Republic of China, and collaborated with them to perform the procedures included below;
- perused through the significant terms and conditions of the contract with Beijing SkyOcean;
- interviewed the directors and management to understand the basis of their conclusion in respect of this Arbitration Proceedings and their assessment of the probability of the recoverability of this debt;
- assessed the legal counsels' objectivity and independence; and reviewed their credentials, qualifications, experience and reputation; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

3. Recoverability of debts due from the purchaser of the Berjaya (China) Great Mall Co. Ltd. development project (cont'd.)

Our procedures to address this area of focus include, amongst others, the following (cont'd.):

- evaluated the rationale and basis for the legal counsels' opinion by interviewing them to gain an understanding of the basis of their opinion including their knowledge relating to such litigations/claims in general and reviewed the appropriateness of the impairment loss provided for in respect of this debt based on this basis.

We have also reviewed and assessed the completeness and accuracy of the Group's disclosures pertaining to the said Arbitration Proceedings as disclosed in Note 2.5(1)(d) and Note 38(4) to the financial statements.

4. Revenue and cost of sales from toto betting operations involving processing of large volume of individually insignificant transactions

(Refer to summary of significant accounting policies in Note 2.2.25, and the disclosure of revenue in Note 29 to the financial statements.)

The Group relies heavily on its information technology systems to account for revenue and related cost of sales from its toto betting operations. During the financial period, revenue and cost of sales from toto betting operations accounted for 39% and 42% of the Group's revenue and cost of sales respectively.

Revenue and cost of sales from toto betting operations is a key audit matter because the amounts they represent are significant to the financial statements of the Group and they involved the processing of a large volume of individually insignificant transactions using the Group's information technology systems.

Our procedures to address this area of focus include, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of recording of revenue and cost of sales;
- evaluated the operating effectiveness of the automated controls over revenue and cost of sales processes by involving our internal experts in testing the operating effectiveness of such automated controls. We also tested the accuracy of interface between the sales terminal system and the betting operating system, and related calculation of prize payment in the financial information system;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

4. Revenue and cost of sales from toto betting operations involving processing of large volume of individually insignificant transactions (cont'd.)

Our procedures to address this area of focus include, amongst others, the following (cont'd.):

- evaluated the effectiveness of the non-automated controls in place to ensure the accuracy of revenue and cost of sales recognised, including the timely posting of revenue and cost of sales to the general ledger in the financial information system;
- evaluated transactions recorded close to the period end, including draw sales after period end, to establish whether those transactions were recorded in the correct accounting period; and
- performed reconciliation of cash receipts to revenue recorded in the financial statements.

We have also reviewed and assessed the adequacy of the Group's disclosure relating to revenue and cost of sales.

5. Valuation of investment properties

(Refer to summary of significant accounting policies in Note 2.2.4, significant accounting estimates and judgements in Note 2.5(2)(e), the disclosure of investment properties in Note 4, and fair value measurements in Note 39.1 to the financial statements.)

As at 30 June 2019, the carrying amount of investment properties amounted to RM859.1 million representing 6% and 4% of the Group's total non-current assets and total assets respectively.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the financial period/year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Group (cont'd.)

5. Valuation of investment properties (cont'd.)

Our procedures to address this area of focus include, amongst others, the following:

- assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
- obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; and
- evaluated the appropriateness of the data used by the independent valuers as input into their valuations. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

We also reviewed and assessed the Group's disclosures relating to investment properties.

Key audit matters in respect of audit of the financial statements of the Company

1. Impairment assessment of investment in subsidiary companies

(Refer to summary of significant accounting policies in Note 2.2.1, significant accounting estimates and judgements in Note 2.5(2)(c) and the disclosure of investment in subsidiary companies in Note 6 to the financial statements.)

As at 30 June 2019, the carrying amount of the investment in subsidiary companies of the Company amounted to RM5.7 billion, representing 91.4% and 74.6% of the Company's total non-current assets and total assets respectively.

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGUs") based on their fair value less cost to sell or their respective value-in-use ("VIU") whichever is higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at the appropriate rate. The cash flow forecasts, included a number of significant judgements and estimates such as the revenue growth rate, payout ratio, discount rate and terminal growth rate.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Key audit matters in respect of audit of the financial statements of the Company (cont'd.)

1. Impairment assessment of investment in subsidiary companies (cont'd.)

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated the appropriateness of the methodology and approach applied;
- checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy and also the basis of determining fair value less cost to sell;
- evaluated whether key assumptions which comprised the revenue growth rate, payout ratio for the gaming operations, discount rate and terminal growth rate, as well as the fair value less cost to sell, were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth;
- assessed whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates in specific market in which the respective subsidiary company operates or equivalent data for peer companies;
- where fair value less cost to sell is applied, evaluated whether the assumptions applied in determining the fair value less cost to sell of the respective investments and their underlying assets were reasonable, and where valuations were performed, discussed with the independent valuers to obtain an understanding of the related data used as input to the valuation models; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 45 to the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)**

Other matters

1. As stated in Note 2 to the financial statements, Berjaya Corporation Berhad adopted Malaysian Financial Reporting Standards and International Financial Reporting Standards on 1 May 2018 with a transition date of 1 May 2017. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 30 April 2018 and 1 May 2017, and the statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 30 April 2018 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial period ended 30 June 2019, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2018 do not contain misstatements that materially affect the financial position as at 30 June 2019 and financial performance and cash flows for the financial period then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
23 October 2019

Kua Choo Kai
No. 02030/03/2020 J
Chartered Accountant

MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value RM'000
KM 48, Persimpangan Bertingkat Lebuhraya Karak, 28750 Bukit Tinggi, Bentong Pahang Darul Makmur	Leasehold and freehold	13,571.95 acres	Land held for development	N/A	1990 - 1997	899,686
PT41, The Ritz-Carlton Residences, Laman Sentral Berjaya, No. 105, Jalan Ampang, 50450 Kuala Lumpur	Freehold	382,530 sq ft	221 units of residences	2	16/01/2017	704,777
445-2,445-3,Myohoin Maekawa-Cho, Higashiojiodori Shibutani-sagaru, Higashiyama-ku, Kyoto (Four Seasons Hotel)	Freehold	28,240.06 sq m	Hotel with 123 hotel rooms	1.5	28/06/2016	701,401
Lot 28 (GRN 20366) Lot 403 (GRN 20428) Lot 728 (GRN 18054) Seksyen 2, Bandar Georgetown Daerah Timor Laut Pulau Pinang	Freehold	55.37 acres	Land for mixed development	N/A	31/03/2014	541,983
Lot 352 Sek 20, Bandar Kuantan District of Kuantan, Kuantan, Pahang Darul Makmur	Freehold	5.46 acres	Shopping mall for rental	21	05/02/1991	255,618
KM 48, Persimpangan Bertingkat Lebuhraya Karak, 28750 Bukit Tinggi, Bentong Pahang Darul Makmur	Leasehold	43.69 acres	Chateau, Colmar Tropicale, Convention center No.1, Japanese tea house, Japanese Tatami Suites & Spa, Staff Quarters, Ryo Zan Tei Restaurant & Botanical Garden, Central	6-23	N/A	226,201

MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value RM'000
Berjaya Times Square 14th, 15th floor and Service Suites at Tower B No. 1, Jln Imbi, Kuala Lumpur	Freehold	345,773 sq ft	327 units of service suites	16	06/01/1998	187,558
Berjaya Times Square Premises at ground floor 14th & 16th floor, Towers A & B Service suites at Tower A & B No. 1, Jln Imbi, Kuala Lumpur	Freehold	30,957 sq ft	Hotel lobby, function rooms & storage area	16	10/02/2010	
B44-04, Tower B Berjaya Times Square No.1 Jalan Imbi, Kuala Lumpur	Freehold	3,821 sq ft	Penthouse	16	08/05/2012	
Berjaya Times Square Service Suites at Tower A & B No. 1, Jln Imbi, Kuala Lumpur	Freehold	136,497 sq ft	181 units of service suites	16	13/03/2007	
Berjaya Times Square Service Suites at Tower A No. 1, Jln Imbi, Kuala Lumpur	Freehold	21,765 sq ft	32 units of service suites	16	01/07/2008	
Berjaya Times Square B-35-013, Tower B No. 1, Jln Imbi, Kuala Lumpur	Freehold	624 sq ft	1 unit service suite	16	01/07/2008	
445-2,445-3,Myohoin Maekawa-Cho, Higashiojiodori Shibutani- sagaru, Higashiyama-ku, Kyoto (Four Seasons Residence)	Freehold	4,536 sq m	57 condos with 34 units unsold	1.5	28/06/2016	172,735
Mukim of Sungei Tinggi (7 lots) and Mukim of Batang Berjantai (8 lots) District of Ulu Selangor, Kuala Selangor Selangor Darul Ehsan	Freehold	2,329.75 acres	Land for development	N/A	04/08/1995	157,460

MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value RM'000
HS(D) 52466, PT No. 4625, HS(D) 52467, PT No. 4626, HS(D) 52468, PT No. 4627, HS(D) 52471, PT No. 4630, HS(D) 52472, PT No. 4631, HS(D) 52473, PT No. 4632, HS(D) 52474, PT No. 4633, HS(D) 52475, PT No. 4634, Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	871.10 acres	Land for mixed development	N/A	31/03/2017	156,200
361 parcels of land at Onna-son Okinawa Island, Japan	Freehold	116,932 sq m	Land held for development	N/A	Since 15/07/2009	123,419
HS(D) 4/94, PT278 HS(D) 1017, PT140 HS(D) 1018, PT141 Mukim Padang Matsirat Daerah Langkawi Pulau Langkawi Kedah Darul Aman	PT278 - Leasehold expiring on 30/04/2069 PT140, 141 - Leasehold expiring on 30/03/2070	85.83 acres	Beach resort (424 guest rooms/ chalets)	26	PT278 : 27/05/1994 PT140, 141 : 30/03/2010	121,546
Lot 558, Lot 239, Lot 240- 242, Lot 50000, Lot 50001, Lot 50002, Lot 705,PT 925-929 Teluk Dalam & Teluk Siang Pulau Redang Terengganu Darul Iman	Lot 558 - Freehold Lot705, 50000 to 50002 - Leasehold 60 years expiring in year 2070 Lot 239, 240-242, PT 925-929 - Leasehold 60 years expiring in year 2051	613.68 acres	Beach resort (189 guest rooms and a villa)	>23	Lot 558 - in year 1990 Lot 705,50000 to -in year 2010 Lot 239, 240-242, PT - 16/10/1993	118,746
Geran No. 29726, Lot No. 1261 Seksyen 67 Daerah Kuala Lumpur (Plaza Berjaya, 12 Jalan Imbi Kuala Lumpur)	Freehold	158,154 sq ft	Land with office, residential block and shopping complex for rental	33	27/11/1989	104,560

MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value RM'000
Lot 5001 - 5005, Lot 5007 - 5020 PN 14706 to 14710, 14712 to 14714, 14721 to 14731 Daerah Rompin Bandar Tioman Pulau Tioman Pahang Darul Makmur	Leasehold 99 years expiring on 02/05/2107	201.39 acres	Land for hotel & resort operations	32	30/12/1985	99,653
GM931 Lot 57, GM841 Lot 58, Geran 26066 Lot 1, Geran 26067 Lot 2, GM 1772 Lot 49, Seksyen 94B Mukim Kuala Lumpur.	Freehold	387, 920 sq ft	Vacant development land	N/A	03/05/2012	87,808
Lot PT No.4805 & 4806 HS (D) No 81319 & 81320 Mukim Petaling, Kuala Lumpur	Freehold	7,129,260 sq ft	Club house and golf course	>27	05/09/1991	82,814
Plot 65, 267, 562 Thong Nhat Ward, Bien Hoa City, Dong Nai Province, Vietnam	Plot 65 - Freehold Plot 267 - Leasehold expiring on 22/04/2058 Plot 562 -Hotel - Leasehold expiring on 29/08/2058	22,885.3 sq m	Land for mixed development	N/A	01/09/2009	81,311
KM48, Persimpangan Bertingkat Lebuhraya Karak, 28750 Bukit Tinggi, Bentong Pahang Darul Makmur	Leasehold	185.55 acres	Convention Centre No. 2, Golf Course, Club House, Sports Complex.	12-23	1998	81,159
10 parcels of land at Urumashi Okinawa Island, Japan	Freehold	57,479 sq m	Land with a building (123 guest rooms)	25	30/03/2017	80,400
Lot 001165 Geran 5868 Wisma Cosway Jalan Raja Chulan Kuala Lumpur	Freehold	293,303 sq ft	Shopping podium with shop lots/ offices/ apartments for rental	35	08/11/1997	79,502

MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value RM'000
12-01, Berjaya Times Square No.1 Jalan Imbi Kuala Lumpur	Freehold	106,890 sq ft	Commercial office premises	16	11/09/1996	68,500
11th Floor Berjaya Times Square No.1, Jalan Imbi Kuala Lumpur	Freehold	104,844 sq ft	1 floor of office space of an integrated commercial development for rental	16	06/01/1998	65,556
13th Floor, Berjaya Times Square No.1, Jalan Imbi Kuala Lumpur	Freehold	106,315.13 sq ft	1 floor of office space of an integrated commercial development for rental	16	06/01/1998	53,404
164-166 Sussex Gardens London W2 1UD United Kingdom	Freehold	Approx 3,926 sq ft	Hotel (46 guests rooms)	>153	21/09/2014	51,229
ANSA Kuala Lumpur No. 101, Jalan Bukit Bintang Kuala Lumpur	Leasehold 60 years expiring on 30/04/2062	22,852 sq ft	Hotel (167 guest rooms)	>40	05/05/2008	50,158
HS(D) 11814, Lot 11527 Lot 1 to 8, Lot 49 to 55 Taman Tun Abdul Razak Ampang, Selangor Darul Ehsan	Freehold	351,903 sq ft	Land held for development	N/A	22/12/1990	50,119
139 strata shop lots located on Ground, First and Second floor Wisma Cosway No. 88, Jalan Raja Chulan Kuala Lumpur	Freehold	44,941 sq ft	Shop lots & office for rental	35	08/06/2009	50,037

MATERIAL CONTRACTS

Other than as disclosed in Notes 10, 12, 13, 14, 27, 29, 31, 32, 36, 37, 43 and 44 to the financial statements for the financial period ended 30 June 2019, there were no other material contracts entered into by Berjaya Corporation Berhad and its subsidiary companies, involving Directors and major shareholders.

ADDITIONAL INFORMATION

The amount of non-audit fees incurred for services rendered to the Group for the financial period ended 30 June 2019 amounted to RM758,000.

GROUP ADDRESSES

FINANCIAL SERVICES

Inter-Pacific Securities Sdn Bhd
Inter-Pacific Asset Management Sdn Bhd
West Wing, Level 13
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2117 1888
Fax : 603-2144 1686
Website: www.interpac.com.my
Email: enquiry_ips@interpac.com.my

Penang Office:
Canton Square
Level 2 & 3
No. 56, Cantonment Road
10250 Penang
Tel : 604-226 8288
Fax : 604-227 6288

Johor Bahru Office:
95, Jalan Tun Abdul Razak
80000 Johor Bahru, Johor
Tel : 607-223 1211
Fax : 607-224 6266

Danau Desa Office:
7-0-8, Jalan 3/109F
Danau Business Center
Danau Desa
58100 Kuala Lumpur
Tel : 603-7984 7796
Fax : 603-7984 7798

Bandar Baru Seri Petaling Office:
No. 33-1 (First Floor) Jalan Radin Bagus
Bandar Baru Seri Petaling
57000 Kuala Lumpur
Tel : 603-9056 2922
Fax : 603-9056 2923

SaigonBank Berjaya Securities
Joint Stock Company
Level 5 & 6, 2C Pho Duc Chinh Street
Nguyen Thai Binh Ward
District 1, Ho Chi Minh City
Socialist Republic of Vietnam
Tel : 84-28-3914 3399
Fax : 84-28-3914 3388
Website : www.sbbs.com.vn

Prime Credit Leasing Berhad
Level 13, West Wing
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2148 1009

HOTELS & RESORTS DEVELOPMENT & MANAGEMENT

Berjaya Hotels & Resorts
Corporate Office:
Level 15 West, Berjaya Times Square Hotel,
Kuala Lumpur
1 Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2142 9611
Fax : 603-2144 2527
Email : bhr@berjayahotel.com
Website : www.berjayahotel.com

MALAYSIAN HOTELS & RESORTS

Berjaya Tioman Resort
P.O. Box 4, 86807 Mersing
Johor Darul Takzim
Tel : 609-419 1000
Fax : 609-419 1718
Email : tioman.rsvn@berjayahotel.com

Berjaya Langkawi Resort
Karong Berkunci 200
Burau Bay
07000 Langkawi
Kedah Darul Aman
Tel : 604-959 1888
Fax : 604-959 1886
Email : langkawi.rsvn@berjayahotel.com

The Taaras Beach & Spa Resort, Redang
P.O. Box 126, Main Post Office
20928 Kuala Terengganu
Terengganu Darul Iman
Tel : 609-630 8888
Fax : 609-630 8880
Email : reservation@thetaaras.com

Redang Island Resort
P.O.Box 106
21090 Kuala Terengganu
Terengganu Darul Iman
Tel : 609-630 8787
Fax : 609-630 8788
Email : reservation@redangislandresort.com

Berjaya Penang Hotel
1-Stop Midlands Park
Jalan Burmah
10350 Pulau Pinang
Tel : 604-227 7111
Fax : 604-226 7111
Email : pg.reservation@berjayahotel.com

Berjaya Times Square Hotel, Kuala Lumpur
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2117 8000
Fax : 603-2143 3352
Email : bth.rsvn@berjayahotel.com

ANSA Kuala Lumpur
101, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2146 5000
Fax : 603-2146 5001
Email : reservation@ansahotels.com

Colmar Tropicale Berjaya Hills, Pahang
KM48, Persimpangan Bertingkat Lebuhraya Karak
28750 Bukit Tinggi
Bentong, Pahang Darul Makmur
Tel : 609-221 3666
Fax : 609-221 3828
Email : sales@colmartropicale.com.my

The Chateau Spa & Organic Wellness Resort
Berjaya Hills, Pahang
KM48, Persimpangan Bertingkat Lebuhraya Karak
28750 Bukit Tinggi
Bentong, Pahang Darul Makmur
Tel : 609-221 3888
Fax : 609-221 3886
Email : sales@thechateau.com.my

OVERSEAS HOTELS & RESORTS

Berjaya Beau Vallon Bay Resort & Casino
- Seychelles
P.O. Box 550, Victoria
Mahe, Seychelles
Tel : 248-4287 287
Fax : 248-4247 943
Email : mahe.inquiry@berjayahotel.com

Berjaya Praslin Resort - Seychelles
Anse Volbert, Praslin, Seychelles
Tel : 248-4286 286
Fax : 248-4232 244
Email : praslin.rsvn@berjayahotel.com

Berjaya Eden Park London Hotel
- United Kingdom
35-39, Inverness Terrace
Bayswater, London W2 3JS
United Kingdom
Tel : 44-20-7221 2220
Fax : 44-20-7221 2286
Email : info.london@berjayahotel.com

The Castleton Hotel, London
- United Kingdom
164-166 Sussex Gardens
London W2 1UD, United Kingdom
Tel : 44-20-7706 4666
Fax : 44-20-7706 2288
Email : info@castletonhotel.com

Berjaya Hotel Colombo - Sri Lanka
36, College Avenue, Mount Lavinia
Sri Lanka
Tel : 94-11-273 9610
Fax : 94-11-273 3030
Email : colombo.rsvn@berjayahotel.com

Sheraton Hanoi Hotel - Vietnam
K5 Nghi Tam
11, Xuan Dieu Road
Tay Ho District
Hanoi, Socialist Republic of Vietnam
Tel : 84-24-3719 9000
Fax : 84-24-3719 9001
Email : reservations.hanoi@sheraton.com

Berjaya Makati Hotel - Philippines
7835, Makati Ave
cor. Eduque Street
Makati City, Manila
Philippines 1209
Tel : 632-750 7500
Fax : 632-750 6783
Website : www.berjayahotel.com/makati

Four Seasons Hotel and Hotel Residences
Kyoto, Japan
445-3, Myohoin Maekawa-cho
Higashiyama-ku
Kyoto 605-0932, Japan
Tel : 81-75 541 8288
Website : www.fourseasons.com/kyoto

Hakkoda Resort Hotel - Japan
1-58 Kansuizawa Arakawa Aomori-shi
Aomori-ken 030-0111, Japan
Tel : 81-17-738-2233
Fax : 81-17-738-2531
Email : hakkouda-resort@adagio.ocn.ne.jp
Website : www.hakkouda-resort.jp

ANSA Okinawa Resort
1468 Yamashiro, Ishikawa,
Uruma, Okinawa, Japan, 904-1113
Tel: +81 (0) 98 963 0123
Fax: +81 (0) 98 963 0111
Email: aor.rsvn@ansahotels.com

GROUP ADDRESSES

CLUBS & RECREATION

Kelab Darul Ehsan, Selangor

Taman Tun Abdul Razak
Jalan Kerja Air Lama
68000 Ampang Jaya
Selangor Darul Ehsan
Tel : 603-4257 2333
Email : kde@berjayaclubs.com

Bukit Kiara Equestrian & Country Resort, Kuala Lumpur

Jalan Bukit Kiara
Off Jalan Damansara
60000 Kuala Lumpur
Tel : 603-2093 1222
Email : kiara@berjayaclubs.com

Bukit Jalil Golf & Country Resort, Kuala Lumpur

Jalan Jalil Perkasa 3, Bukit Jalil
57000 Kuala Lumpur
Tel : 603-8994 1600
Email : jalil@berjayaclubs.com

Berjaya Hills Golf & Country Club

KM48, Persimpangan Bertingkat Lebuhraya Karak
Bukit Tinggi
28750 Bukit Tinggi, Bentong
Pahang Darul Makmur
Tel : 609-288 8180
Email : bhgccc@bhillsgolf.com

Bukit Banang Golf & Country Club, Johor

1, Persiaran Gemilang
Bandar Banang Jaya
83000 Batu Pahat
Johor Darul Takzim
Tel : 607-428 6001
Email : banang@berjayaclubs.com

Staffield Country Resort, Negeri Sembilan

Batu 13, Jalan Seremban-Kuala Lumpur
71700 Mantin
Negeri Sembilan Darul Khusus
Tel : 603-8766 6117
Email : staffield@berjayaclubs.com

Tioman Island Golf Club, Pahang

P.O. Box 4
86807 Mersing
Johor Darul Takzim
Tel : 609-419 1000 (Ext. 1631)
Email : tioman.golf@berjayahotel.com

VACATION TIMESHARE & TRAVEL

Berjaya Vacation Club Berhad – Kuala Lumpur

Lot 5-04, 5th Floor
Fahrenheit 88
179, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2116 9999
Fax : 603-2141 9288/2148 6879
Email : bvc@berjaya.com.my

Berjaya Air Sdn Bhd

Asia Jet Partners Malaysia Sdn Bhd

Head Office:
Lot AM1, Skypark Terminal
Sultan Abdul Aziz Shah Airport
47200 Subang, Selangor Darul Ehsan
Tel : 603-7847 1338
Fax : 603-7842 2038

PROPERTY INVESTMENT & DEVELOPMENT

Main Office:

Level 12 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2149 1999/2142 8028
Fax : 603-2143 2028/2145 2126
Email : property@berjaya.com.my

Property Management:

Level 12 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2149 1591/92
Fax : 603-2143 8028
Email : propmgmt@berjaya.com.my

Vietnam Office:

Berjaya – D2D Co. Limited
6th Floor, Bao Viet Tower
233 Dong Khoi Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Socialist Republic of Vietnam
Tel : 84-28-3521 0038 (General)
: 84-28-3521 0001 (Marketing)
Fax : 84-28-3521 0039

Berjaya Handico12 Co., Ltd

The Pavilion
Hanoi Garden City
Khu DTM Thach Ban, Phuong Thach Ban,
Long Bien District, Hanoi,
Socialist Republic of Vietnam
Tel : 84-24-3652 6666
Fax : 84-24-3652 6668

China Office:

Berjaya Sanhe Real Estate Development Co. Ltd.
Berjaya (China) Great Wall Co. Ltd.
38 Xing Gong West Street
Yanjiao Development Zone
065201 Sanhe City
People's Republic of China
Tel : 86-316-332 0309/332
Fax : 86-316-332 0310

South Korea Office:

Berjaya Jeju Resort Limited
8, Yerae-ro 141 Beon-Gil
Seogwipo City
Jeju Special Self-Governing Province
697-301 Republic of Korea
Tel : 82-64-738 5038

Myanmar Office:

Berjaya HT Eco Co. Ltd
Suite No. # 10-10, Junction City Tower
No. 3/A Bogyoke Aung San Rd &
corner of 27th St. Pebedan
11141 Yangon, Myanmar.
Tel : +95(0) 1 9253455 / 56 / 66

Property Addresses:

Indah UPC Shops
3 1/2 Mile, Jalan Klang Lama
58000 Kuala Lumpur

Klang Lama New Business Centre Gemilang Indah Apartments

Jalan 2/110A
Batu 3 1/2, Jalan Klang Lama
58200 Kuala Lumpur

Pines Condominiums

No. 116, Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur

Ixora Apartments

Jalan Rusa, Off Jalan Tun Razak
50400 Kuala Lumpur

Robson Condominiums

Jalan 2/87D, Robson Heights
Persiaran Syed Putra 2
50470 Kuala Lumpur

1 Petaling Residences & Commerz @ Sg. Besi

Jalan 1C/149, Off Jalan Sungai Besi
57100 Kuala Lumpur

Petaling Indah Condominiums

Jalan 1C/149, Off Jalan Sungai Besi
57100 Kuala Lumpur

Sri Pelangi Condominiums

Sri Pelangi Shops & Apartments
Jalan Genting Kelang, Setapak
53300 Kuala Lumpur

Taman Cemerlang

Cemerlang Heights
Cemerlang Court
Cemerlang Apartment
Cemerlang Shop/Office/Apartment
Jalan TC 1/5, Taman Cemerlang
Gombak
53100 Kuala Lumpur

Berjaya Park

Seksyen 32, 40460 Shah Alam
Selangor Darul Ehsan

Vasana 25

Seputeh Heights
Jalan Bukit Seputeh 3
Taman Seputeh Heights
58000 Kuala Lumpur

Subang Heights

Jalan SHT/SHB, Taman Subang Heights
47500 Subang Jaya
Selangor Darul Ehsan

The Peak @ Taman TAR

Off Jalan Sultan
Taman Tun Abdul Razak
68000 Ampang
Selangor Darul Ehsan

Greenfields Apartments

Green Avenue Condominiums
No. 8, Jalan 1/155B, Bukit Jalil
57000 Kuala Lumpur

Arena Green Apartments

Residensi Lanai
Jalan 1/55A, Bukit Jalil
57000 Kuala Lumpur

GROUP ADDRESSES

Savanna Bukit Jalil Condominiums

Jalan 1/155A, Bukit Jalil
57000 Kuala Lumpur

Savanna 2 Bukit Jalil

Covillea Bukit Jalil
Jalan Jalil Perkasa 7
Bukit Jalil, 57000 Kuala Lumpur

Jalil Link @ Bukit Jalil

Jalan 1/155B, Bukit Jalil
57000 Kuala Lumpur

The Link 2 @ Bukit Jalil

Jalan Jalil Perkasa 1
Bukit Jalil,
57000 Kuala Lumpur

KM1 East & West Condominiums @ Bukit Jalil

Jalan Jalil Perkasa
Bukit Jalil, 57000 Kuala Lumpur

Kinrara Ria Apartments

Jalan TK 4/11, Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Putri Apartments

Jalan TK 4/12
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Low Cost Shops & Apartments

Jalan TK 4/13
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Mas Shops & Apartments

Jalan TK 4/14
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Mas Low Cost Shops

Jalan TK 4/13
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Shops, Offices & Apartments

Jalan TK 4/5
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kuantan Perdana Shop Office

Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur

Ritz-Carlton Residences

Menara Bangkok Bank@Berjaya Central Park

Jalan Sultan Ismail/Jalan Ampang
50250 Kuala Lumpur

Berjaya Hills

KM48
Persimpangan Bertingkat Lebuhraya Karak
28750 Bukit Tinggi
Bentong, Pahang Darul Makmur
Malaysia
Tel : 609-288 8888
Fax : 609-288 3018

Batu Pahat Office:

Berjaya Land Development Sdn Bhd

74 & 75, Jalan Gemilang
Taman Banang Jaya
83000 Batu Pahat
Johor Darul Takzim
Tel : 607-428 8678

Penang Office:

88 Jalan Masjid Negeri
11600 Pulau Pinang
Tel : 604-658 2828

Singapore Office:

Berjaya Corporation (S) Pte. Ltd.

680 Upper Thomson Road
#01-13 Singapore 787103
Tel : 602-6227 3688
Fax : 602-6225 4966

Complexes:

Berjaya Megamall, Pahang

Lot 3-18, 3rd Floor
Sri Dagangan Kuantan
Business Centre, Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur
Tel : 609-508 8188

Plaza Berjaya, Kuala Lumpur

Lot 2.05, 2nd Floor
Podium Block Plaza Berjaya
No. 12, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2141 2818

Kota Raya Complex, Kuala Lumpur

Lot 5.0A-1, Level 5
Kota Raya Complex
Jalan Tun Tan Cheng Lock
50000 Kuala Lumpur
Tel : 603-2072 2562

Wisma Cosway

Jalan Raja Chulan
50200 Kuala Lumpur

CONSUMER MARKETING, DIRECT SELLING & RETAIL

Cosway (M) Sdn Bhd

Head Office:
18-01-01B Menara Cosway
Plaza Berjaya
No. 12, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-21161188/6688
Email : info@cosway.com.my
Website : www.cosway.com.my

Country Farms Sdn Bhd

Unit-C2 Natco Industrial Park
Lot 9 Lorong Keluli 1B
Kawasan Perindustrian Bukit Raja Selatan
Seksyen 7, 40000 Shah Alam
Selangor Darul Ehsan
Tel : 603-3342 4401/3342 4402
Fax : 603-3342 4404
Email : info@countryfarmorganics.com

Berjaya Books Sdn Bhd

Borders Headquarters
No. 26, Jalan PJU 3/49
Sunway Technology Park
Sunway Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7803 9000

Berjaya Pharmacy Sdn Bhd

Lot 15 C & D, Level 15, Plaza Berjaya
Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2110 6688

Sweet Spot Digital (Malaysia) Sdn Bhd

18th Floor, Office Block
Plaza Berjaya
No. 12 Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2142 7288

BLoyalty Sdn Bhd

16th Floor, Office Block
Plaza Berjaya
Jalan Imbi
55100 Kuala Lumpur
Email : enquiry@binfinite.com.my

MOTOR TRADING AND DISTRIBUTION

Berjaya China Motor Sdn Bhd

Lot 3, Jalan 225, Section 51A
46100 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7954 1188
Fax : 603-7955 1189

H.R. Owen Plc.

Melton Court
25-27 Old Brompton Road
London SW7 3TD United Kingdom
Tel : 44-20-7245 1122
Website : www.hrowen.co.uk

GAMING & LOTTERY MANAGEMENT

Sports Toto Malaysia Sdn Bhd

Lot 13-01, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2148 9888
Fax : 603-2141 9581
Email : webmaster@sportstoto.com.my
Website : www.sportstoto.com.my

Berjaya Philippines Inc.

9th Floor, Rufino Pacific Tower
6784 Ayala Avenue corner V.A. Rufino Street
Makati City
Metro Manila, Philippines
Tel : 632-8811 0668
Fax : 632-8811 2293
Website : www.berjaya.com.ph

International Lottery & Totalizator Systems, Inc., USA

2310 Cousteau Court
Vista (San Diego)
California 92081-8346
United States of America
Tel : 1-760-598 1655
Fax : 1-760-598 0219
Email : mktg@ilts.com
Website : www.ilts.com

Berjaya Gia Thinh Investment Technology

Joint Stock Company
Level 17, Lim II Building
62A Cach Mang Thang Tam
Ward 6, District 3
Ho Chi Minh City
Socialist Republic of Vietnam
Email : info@bgt.com.vn

GROUP ADDRESSES

FOOD & BEVERAGE

Berjaya Roasters (M) Sdn Bhd
Lot 09-16, Level 9, East Wing
Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2119 9888
Fax : 603-2142 7688
Email : broasters@krr.com.my

Roasters Asia Pacific (M) Sdn Bhd
Lot 7-33, Level 7, West Wing
Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2145 3259
Fax : 603-2143 4085

Jollibean Foods Pte Ltd, Singapore
No. 63, Ubi Avenue 1
07-06, Boustead House
Singapore 408937
Tel : +65 6746 3877
Fax : +65 6746 8802

Berjaya Starbucks Coffee Company Sdn Bhd
Lot 10-04, Level 10, West Wing
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2052 5888
Fax : 603-2052 5889

Berjaya Food Trading Sdn Bhd
Lot 10-04, Level 10 West, Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2052 5888
Fax : 603-2052 5889

Berjaya Food Supreme Sdn Bhd
95, Jalan Pemancha
Bandar Seri Begawan BS8811
Brunei Darussalam
Tel : 603-2052 5888
Fax : 603-2052 5889

Berjaya Krispy Kreme Doughnuts Sdn Bhd
Lot 7-33, Level 7, West Wing
Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2141 2699
Fax : 603-2143 4085

Just KPop Limited
5th Floor, Lotte World Mall,
Olympic-ro 300, Songpa-gu, Seoul
South Korea
Tel : 82-1644 9996

ENVIRONMENTAL SERVICES

KUB-Berjaya Enviro Sdn Bhd
KUB-Berjaya Energy Sdn Bhd
Amita KUB-Berjaya Kitar Sdn Bhd
09-03 & 09-05, Level 9, East Wing
Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2688 6333
Fax : 603-2688 6332

Longxi Water Supply Co
Level 4, Hong Hui Building, Longxi Town
Bolou County, Huizhou, Guangdong Province
People's Republic of China
Tel : +86-752-667 8337

Pengfa Water Supply Co
Xiao Feng Gang, Longxi Town, Bolou County
Huizhou, Guangdong Province
People's Republic of China
Tel : +86-752-638 7000

Zhiwang Water Supply Co
Xiao Feng Gang, Longxi Town, Bolou County
Huizhou, Guangdong Province
People's Republic of China
Tel : +86-752-638 7000

WHOLESALE DISTRIBUTION

Kimia Suchi Sdn Bhd
21, Jalan TUDM, Subang New Village
40000 Shah Alam
Selangor Darul Ehsan
Tel : 603-7847 6268
Email : nrathor@ksuchi.com.my

EDUCATION

Informatics Education Ltd
100 Victoria Street
#13-01/02 National Library Building
Singapore 188064
Tel : 65-6580 4555
Fax : 65-6565 1371
Website : www.informaticseducation.com

Berjaya Higher Education Sdn Bhd
Berjaya University College
Level 11 West Wing, Berjaya Times Square
No. 1, Jalan Imbi, 55100 Kuala Lumpur
Tel : 603-2687 7000
Fax : 603-2687 7001
Email : info@berjaya.edu.my

Berjaya TVET College
Lot 10 – 12A, Level 10, East Wing
Berjaya Times Square
No 1, Jalan Imbi,
55100 Kuala Lumpur
Tel : 603-2148 8068
Fax: 603 2141 3251
Email: bc.info@berjaya.edu.my

TELECOMMUNICATIONS

REDtone International Berhad
Suites 22-30, 5th floor, IOI Business Park
47100 Puchong, Selangor Darul Ehsan
Tel : 603-8084 8888
Website : www.redtone.com

OTHERS

Graphic Press Group Sdn Bhd
3, Jalan PJS 3/2 (Jalan Medan 3)
Taman Medan, PJS3
46000 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7783 9988
Fax : 603-7785 3633

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 : 603-2145 0533
Fax : 603-2145 9702

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad ("BCorp") Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial period (RM'000)
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:		
BAssets	Provision of share registration services by Berjaya Registration Services Sdn Bhd ("BRegistration")	84
BAssets and its subsidiary companies	Supply of stationery products and printing services by Inter-Pacific Trading Sdn Bhd ("IPTSB")	26
	Provision of education and staff training services by Berjaya Education Sdn Bhd ("BEducation")	5
	Provision of human resources management services by EVA Management Sdn Bhd ("EVA Management")	8
	Loyalty reward fees receivable by BLoyalty Sdn Bhd ("BLoyalty") for managing the loyalty card programme	2
BTS Car Park Sdn Bhd	Parking charges payable monthly by the BCorp Group for leasing of parking bays	586
Sapphire Transform Sdn Bhd	Rental payable by RU Café Sdn Bhd ("RU Café") for renting of shoplot at Lot G-09, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	53
Berjaya Times Square Sdn Bhd ("BTSSB")	Rental payable by KUB-Berjaya Enviro Sdn Bhd for renting of office premises at Lots 09-01, 09-02 & 09-03, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	292
	Rental payable by Berjaya Burger Sdn Bhd ("BBurger") for renting of café at Lot 03-89, 3 rd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	261
	Rental payable by BBurger for renting of office premises at Lots 09-16, 09-17 & 09-18, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	109
	Rental payable by Berjaya Engineering Construction Sdn Bhd for renting of office premises at Lots 09-37 & 09-39, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	46
	Rental payable by Roasters Asia Pacific (M) Sdn Bhd for renting of office premises at Lot 07-24, 7 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	170
	Rental payable by Cosway (M) Sdn Bhd ("CMSB") for renting of shoplots at Lots LG-12 & LG-20, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	521

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad ("BCorp") Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial period (RM'000)
BTSSB	Rental payable by CMSB for renting of office premises at Lots 08-52 & 08-53, 8 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	81
	Rental payable by Berjaya Krispy Kreme Doughnuts Sdn Bhd for renting of kiosk at Lot LG19-C, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	148
	Rental payable by Berjaya College Sdn Bhd for renting of office premises at Lots 10-11, 10-12 & 10-12A, 10 th Floor, and Lot 11-02A, 11 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	664
	Rental payable by Berjaya Hills Resort Berhad ("BHills") at for renting of office premises at Lots 08-65, 08-66 & 08-67, 8 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	81
	Rental payable by BRegistration for renting of office premises at Lot 10-02A, 10 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	310
	Rental payable by Berjaya Higher Education Sdn Bhd ("Berjaya Higher Education") for renting of premises at Lot 14-01, 14 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	1,256
	Rental payable by Berjaya Higher Education for renting of shoplots at Lots 09-23, 09-24 & 09-25, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	237
	Rental payable by RU Café for renting of office premises at Lot 09-05, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	12
	Rental payable by Inter-Pacific Securities Sdn Bhd for renting of premises at rooftop, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	7
	Rental payable by Boxit Holdings Sdn Bhd ("Boxit") for renting of retail space for placement of parcel lockers at Lot LG-21A(1), Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	2
Total		4,961
Berjaya Media Berhad ("BMedia") and its unlisted subsidiaries:		
BMedia	Provision of share registration services and printing to mailing by BRegistration	60
	Management fees receivable by BCorp for services rendered that include, inter-alia, the provision of finance, secretarial, internal audit and general administrative services	120
	Provision of human resources management services by EVA Management	25
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by the BCorp Group	510
Total		715

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad ("BCorp") Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial period (RM'000)
7-Eleven Holdings Berhad and its unlisted subsidiary companies:		
7-Eleven Malaysia Sdn Bhd	Loyalty reward fees receivable by BLoyalty for managing the loyalty card programme	32
	Provision of transportation services by Securexpress Services Sdn Bhd	11,680
	Provision of share registration services and other related services by BRegistration	59
	Provision of education and staff training services by BEducation	3
	Rental payable by Berjaya Channel Sdn Bhd ("Berjaya Channel") for renting of advertisement space at outlets of 7-Eleven	300
	Provision of human resources management services by EVA Management	7
	Rental payable monthly by Boxit for placement of parcel lockers in 7-Eleven stores	78
Total		12,159
Other related parties:		
MOL.com Sdn Bhd and its subsidiary companies (a)	Provision of human resources management services by EVA Management	3
Qinetics Solutions Sdn Bhd and its subsidiary company (a)	Purchase of hardware and networking equipment and receipt of information technology consultancy, maintenance, management and other services by the BCorp Group	1,444
	Receipt of network hosting services by EVA Management	140
Roda Indah Sdn Bhd (a)	Provision of human resources management services by EVA Management	7
	Supply of stationery products by IPTSB	3
Berjaya Retail Sdn Bhd (a)	Provision of share registration services and printing to mailing by BRegistration	3
	Provision of human resources management services by EVA Management	6

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad ("BCorp") Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial period (RM'000)
U Mobile Sdn Bhd ("UMobile") (b)	Rental income receivable by BHills for renting of broadcasting facility at KM48, Persimpangan Bertingkat, Lebuhraya Karak, Bukit Tinggi, Bentong, Pahang	136
	Provision of printing and mailing services by BRegistration	2,098
	Loyalty reward fees receivable by BLoyalty for managing the loyalty card programme	1,984
	Rental income receivable by Stephens Properties Sdn Bhd for renting of premises at rooftop, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	36
	Provision of advertising services by Berjaya Channel	609
Singer (Malaysia) Sdn Bhd (a)	Provision of education and staff training services by BEducation	1
	Supply of stationery products by IPTSB	790
Auto Tulin Sdn Bhd (a)	Purchase of motor vehicles, component parts and other related products and services by the BCorp Group	855
	Provision of human resources management services by EVA Management	4
Total		8,119
Grand Total		25,954

Notes:

(a) Company where Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), a major shareholder of the Company deemed to have an interest.

(b) A company in which Dato' Sri Robin Tan Yeong Ching ("DSRTYC") has interests. TSVT is also a substantial shareholder of UMobile. TSVT is the father of DSRTYC.

(c) A company in which a person connected with TSVT has interest.

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 1 OCTOBER 2019

The Company	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,125,499,929	21.79	1,345,653,754*	26.05
	-	-	8,604,910#	0.17
Dato' Sri Robin Tan Yeong Ching	2,289,532	0.04	645,107,122*	12.49
	-	-	5,150#	0.00
Chan Kien Sing	49,118	0.00	-	-
Vivienne Cheng Chi Fan	12,360	0.00	-	-
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	5,703	0.00	-	-
Datuk Robert Yong Kuen Loke	1,051,545	0.02	-	-

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	174,713,065	27.09	123,996,700*	19.22
	-	-	82,714,049#	12.82
Dato' Sri Robin Tan Yeong Ching	2,620,500	0.41	66,574,000*	10.32
	-	-	1,000#	0.00
Chan Kien Sing	10,000	0.00	-	-
Vivienne Cheng Chi Fan	2,000	0.00	-	-
Nerine Tan Sheik Ping	132,000	0.02	-	-
Datuk Robert Yong Kuen Loke	2,516,508	0.39	-	-

	Number of Warrants 2012/2022			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	211,082,731	30.15	156,303,500*	22.33
	-	-	1,500,000#	0.21
Dato' Sri Robin Tan Yeong Ching	2,620,500	0.37	87,029,000*	12.43
	-	-	1,000#	0.00
Chan Kien Sing	10,000	0.00	-	-
Vivienne Cheng Chi Fan	2,000	0.00	-	-
Datuk Robert Yong Kuen Loke	170,108	0.02	-	-

	Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	102,627,780	99.80	-	-

	Number of Warrants 2016/2026			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	353,135,340	49.98	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 1 OCTOBER 2019

Subsidiary Companies

Berjaya Land Berhad

	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	92,700,000	1.86	4,156,086,872*	83.30
Dato' Sri Robin Tan Yeong Ching	600,000	0.01	56,600,000*	1.13
Nerine Tan Sheik Ping	2,000,000	0.04	-	-
Dato' Zurainah Binti Musa	680,000	0.01	-	-
Datuk Robert Yong Kuen Loke	360,808	0.01	-	-

Berjaya Sports Toto Berhad

	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	10,305,641	0.77	646,683,566*	48.01
Dato' Sri Robin Tan Yeong Ching	1,007,142	0.07	-	-
Chan Kien Sing	3,610	0.00	-	-
Datuk Robert Yong Kuen Loke	123,667	0.01	-	-
Penelope Gan Paik Ling	10,000	0.00	-	-

Berjaya Food Berhad

	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	5,700,000	1.59	197,041,720*	54.94
Dato' Sri Robin Tan Yeong Ching	2,642,000	0.74	-	-

	Number of Ordinary Shares under Employees' Share Scheme ("ESS")			
	Direct Interest	%	Deemed Interest	%
ESS Options				
Dato' Sri Robin Tan Yeong Ching	1,224,000	0.34	-	-
ESS Shares				
Dato' Sri Robin Tan Yeong Ching	234,000	0.07	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 1 OCTOBER 2019

REDtone International Berhad

	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	7,000,000	0.93	386,812,912*	51.62
Penelope Gan Paik Ling	100,000	0.01	-	-

	Number of 2.75% Irredeemable Convertible Unsecured Loan Stocks 2010/2020 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	45,129,450*	76.34

Notes:

* Indirect interests pursuant to Section 8 of the Companies Act 2016.

Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of his interests in the shares of Berjaya Corporation Berhad ("the Company"), Tan Sri Dato' Seri Vincent Tan Chee Yioun is also deemed interested in the shares of all the subsidiary companies of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors in office at the end of the financial period had any interest in the shares, warrants, options and debentures of the Company or its related corporations during the financial period.

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

AS AT 1 OCTOBER 2019

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
less than 100	9,044	12.70	275,593	0.01
100 - 1,000	24,104	33.85	9,813,279	0.19
1,001 - 10,000	23,132	32.49	79,032,219	1.53
10,001 - 100,000	12,193	17.12	371,150,972	7.18
100,001 - 258,246,225	2,732	3.84	4,046,821,601	78.35
258,246,226 and above	2	0.00	657,830,863	12.74
Total	71,207	100.00	5,164,924,527	100.00

Note: Each share entitles the holder to one vote.

* Denotes 5% of the total number of issued shares with voting rights.

THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Ordinary Shares	%
1 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (EDG&CBD)	352,894,391	6.83
2 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	304,936,472	5.90
3 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	178,218,403	3.45
4 Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Malayan Banking Berhad (MBB2 Swap-M)	164,800,000	3.19
5 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	128,235,000	2.48
6 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	117,544,681	2.28
7 BBL Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	93,000,000	1.80
8 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	92,683,118	1.79
9 Berjaya Times Square Sdn Bhd	86,811,200	1.68
10 Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Lim Wee Chai (PBCL-0G0025)	82,500,000	1.60
11 Tey Jun Ren	70,446,400	1.36
12 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Bright Sdn Bhd (41408491163A)	70,040,000	1.36
13 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Bright Sdn Bhd (AS0052)	64,000,000	1.24
14 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	60,209,560	1.17

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

Name of Shareholders	No. of Ordinary Shares	%
15 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Premier Merchandise Sdn Bhd	53,418,845	1.03
16 Cartaban Nominees (Asing) Sdn Bhd Exempt An For State Street Bank & Trust Company (West CLT OD67)	46,132,802	0.89
17 RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	43,554,100	0.84
18 HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Total International Stock Index Fund	43,338,255	0.84
19 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	42,150,000	0.82
20 HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Vanguard Emerging Markets Stock Index Fund	40,686,589	0.79
21 Regional Equities Sdn Bhd	40,000,000	0.77
22 BBL Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gemtech (M) Sdn Bhd	39,850,000	0.77
23 ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (OD Facility)	39,819,800	0.77
24 Red Carpet Investments Limited	37,500,000	0.73
25 Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00856-003)	37,056,052	0.72
26 Citigroup Nominees (Asing) Sdn Bhd CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	37,012,163	0.72
27 Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lim Wee Chai (PB)	36,500,000	0.71
28 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (Singer CBM)	36,200,000	0.70
29 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Superior Structure Sdn Bhd	36,153,000	0.70
30 Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00820-000)	36,050,000	0.70
	2,511,740,831	48.63

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

ANALYSIS OF 5% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2012/2022 ("5% ICULS")

Size of 5% ICULS Shareholdings	No. of 5% ICULS Holders	%	No. of 5% ICULS	%
less than 100	163	3.99	7,622	0.00
100 - 1,000	1,239	30.35	798,023	0.12
1,001 - 10,000	1,521	37.25	6,673,861	1.03
10,001 - 100,000	809	19.81	28,866,672	4.48
100,001 - 32,249,909	347	8.50	411,941,000	63.87
32,249,910 and above	4	0.10	196,711,015	30.50
Total	4,083	100.00	644,998,193	100.00

* Denotes 5% of the 5% ICULS outstanding.

THIRTY LARGEST 5% ICULS HOLDERS

Name of 5% ICULS Holders	No. of 5% ICULS	%
1 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (EDG&CBD)	63,930,866	9.91
2 Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Rayvin Tan Yeong Sheik (PB)	60,892,849	9.44
3 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	36,603,300	5.67
4 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	35,284,000	5.47
5 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Superior Structure Sdn Bhd	19,351,000	3.00
6 Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Rayvin Tan Yeong Sheik (PBCL-0G0022)	19,349,000	3.00
7 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	18,297,000	2.84
8 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MX3999)	18,000,000	2.79
9 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	15,500,000	2.40
10 Wong Yoke Lian	14,111,000	2.19
11 Ho Chu Chai	12,911,600	2.00
12 Teo Kwee Hock	11,623,900	1.80
13 Hotel Resort Enterprise Sdn Bhd	10,045,000	1.56
14 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Bright Sdn Bhd (41408491163A)	10,000,000	1.55

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

Name of 5% ICULS Holders	No. of 5% ICULS	%
15 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	9,100,000	1.41
16 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Bright Sdn Bhd (3002208)	8,830,000	1.37
17 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Hotel Resort Enterprise Sdn Bhd (CIB057)	8,455,000	1.31
18 UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Siew Lai	7,875,900	1.22
19 Ho Chu Chai	7,335,800	1.14
20 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For B & B Enterprise Sdn Bhd	5,880,000	0.91
21 UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kwee Hock	5,682,900	0.88
22 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Hotel Resort Enterprise Sdn Bhd	5,623,000	0.87
23 ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (OD Facility)	5,444,000	0.84
24 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	5,000,000	0.78
25 Berjaya Bright Sdn Bhd	4,920,000	0.76
26 Tan Lee Hwa	4,690,000	0.73
27 Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Teo Ah Seng (PBCL-0G0241)	4,002,200	0.62
28 Palmo Enterprises Sdn Berhad	4,000,000	0.62
29 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	4,000,000	0.62
30 Lim Khuan Eng	3,800,000	0.59
	440,538,315	68.29

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

ANALYSIS OF WARRANTS HOLDERS ("WARRANT 2012/2022")

Size of Warrant 2012/2022 Holdings	No. of Warrant 2012/2022 holders	%	No. of Warrant 2012/2022	%
less than 100	197	4.94	9,282	0.00
100 - 1,000	1,280	32.13	789,952	0.11
1,001 - 10,000	1,322	33.18	5,524,712	0.79
10,001 - 100,000	749	18.80	30,916,267	4.42
100,001 - 35,004,291	433	10.87	420,746,898	60.10
35,004,292 and above	3	0.08	242,098,731	34.58
Total	3,984	100.00	700,085,842	100.00

* Denote 5% of the warrant 2012/2022 outstanding.

THIRTY LARGEST WARRANT 2012/2022 HOLDERS

Name of Warrant 2012/2022 Holders	No. of Warrant 2012/2022	%
1 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	95,560,166	13.65
2 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	76,538,565	10.93
3 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	70,000,000	10.00
4 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	27,606,000	3.94
5 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis (AA0023)	19,500,000	2.79
6 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Superior Structure Sdn Bhd (CBM4-TSVTCY)	19,351,000	2.76
7 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Premier Merchandise Sdn Bhd (Third Party)	17,047,000	2.43
8 HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd For Lau Sie Kuong	16,350,000	2.34
9 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd (TVTCY)	15,000,000	2.14
10 CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Sie Kuong (Kuching)	12,880,000	1.84
11 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tang Sing Ling	8,350,900	1.19
12 CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mak Ngia Ngia @ Mak Yoke Lum (MM0749)	8,083,500	1.15

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

Name of Warrant 2012/2022 Holders	No. of Warrant 2012/2022	%
13 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Bright Sdn Bhd (3002208)	7,966,700	1.14
14 Lee Mee Kuen	6,678,400	0.95
15 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Pantai Cemerlang Sdn Bhd	6,400,000	0.91
16 Chin Chin Seong	6,030,000	0.86
17 RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Chee Seong (CEB)	6,000,000	0.86
18 Inter-Pacific Equity Nominees (Asing) Sdn Bhd Berjaya Philippines Inc	6,000,000	0.86
19 Yin Yit Fun	5,688,600	0.81
20 ABB Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (OD Facility)	5,444,000	0.78
21 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For B & B Enterprise Sdn Bhd	5,380,000	0.77
22 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	5,100,000	0.73
23 Maybank Nominees (Tempatan) Sdn Bhd Jonathan Ting Ge	4,800,000	0.69
24 Lim Boon Liat	4,250,000	0.61
25 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cha Ah Phoo @ Cheah Ah Phoo	3,694,971	0.53
26 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For HQZ Credit Sdn Bhd (MGN-IBO0001M)	3,682,000	0.53
27 Chow Thin Khe	3,677,000	0.53
28 Berjaya Times Square Sdn Bhd	3,313,000	0.47
29 Gemtech (M) Sdn Bhd	3,066,700	0.44
30 Chong Yew Mun	2,906,800	0.42
	476,345,302	68.05

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

ANALYSIS OF 2% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2016/2026 ("2% ICULS")

Size of 2% ICULS Shareholdings	No. of 2% ICULS holders	%	No. of 2% ICULS	%
less than 100	-	0.00	-	0.00
100 - 1,000	73	83.90	71,800	0.07
1,001 - 10,000	4	4.60	14,300	0.01
10,001 - 100,000	4	4.60	178,980	0.17
100,001 - 5,141,853	2	2.30	7,000,000	6.81
5,141,854 and above	4	4.60	95,572,000	92.94
Total	87	100.00	102,837,080	100.00

* Denotes 5% of the 2% ICULS outstanding.

THIRTY LARGEST 2% ICULS HOLDERS

Name of 2% ICULS Holders	No. of 2% ICULS	%
1 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	56,685,000	55.12
2 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	16,677,000	16.22
3 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	12,390,000	12.05
4 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	9,820,000	9.55
5 CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	4,000,000	3.89
6 Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Tan Sri Dato' Seri Vincent Tan Chee Yioun (PBCL-0G0361)	3,000,000	2.92
7 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis (AA0023)	87,000	0.08
8 Tan Sri Dato' Seri Vincent Tan Chee Yioun	55,780	0.05
9 Lee Eng Min	25,000	0.02
10 Chew Kuang Hui	11,200	0.01
11 Ling Hei Sic	5,000	-
12 Lew Kin Meng	4,400	-
13 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Ah Ngau	2,800	-
14 Ng Yong Jian	2,100	-
15 Loy Soo Fong	1,000	-
16 Lim Kwi Neo	1,000	-
17 Lim Ah Choo	1,000	-
18 Marshitah Binti Abdul Rahim	1,000	-
19 Mohamad Nasir Bin Mohd Yusoff	1,000	-
20 Chai Lay Hong	1,000	-

**STATISTICS ON SHARES
AND CONVERTIBLE SECURITIES
AS AT 1 OCTOBER 2019**

Name of 2% ICULS Holders	No. of 2% ICULS	%
21 Lee May Yee	1,000	-
22 Lim Kheng Kuan	1,000	-
23 Ong Choo Eng	1,000	-
24 Goh Sie Chin	1,000	-
25 Ernest Lau Lub Ding	1,000	-
26 Lim Seed Ling	1,000	-
27 Chong Li Chun	1,000	-
28 Hoon Seong Ong	1,000	-
29 Lee Hor Choo	1,000	-
30 Tan Thiam Chai	1,000	-
	102,781,280	99.91

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

ANALYSIS OF WARRANTS HOLDERS ("WARRANT 2016/2026")

Size of Warrant 2016/2026 Holdings	No. of Warrant 2016/2026 holders	%	No. of Warrant 2016/2026	%
less than 100	1	0.12	40	0.00
100 - 1,000	83	10.05	78,700	0.01
1,001 - 10,000	48	5.81	395,000	0.06
10,001 - 100,000	358	43.34	19,710,300	2.79
100,001 - 35,324,833	334	40.44	439,962,640	62.27
35,324,834 and above	2	0.24	246,350,000	34.87
Total	826	100.00	706,496,680	100.00

* Denote 5% of the Warrant 2016/2026 outstanding.

THIRTY LARGEST WARRANT 2016/2026 HOLDERS

Name of Warrant 2016/2026 Holders	No. of Warrant 2016/2026	%
1 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	180,000,000	25.48
2 Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	66,350,000	9.39
3 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	31,731,560	4.49
4 Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	26,154,000	3.70
5 Nga Kor Kian	26,000,000	3.68
6 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	24,780,000	3.51
7 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	24,119,780	3.41
8 RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Seng Fatt	23,000,000	3.26
9 Lim Bee San	12,000,000	1.70
10 RHB Nominees (Tempatan) Sdn Bhd Tan Choon Piew	10,700,000	1.51
11 Maybank Nominees (Tempatan) Sdn Bhd Jonathan Ting Ge	10,300,000	1.46
12 HSBC Nominees (Tempatan) Sdn Bhd Exempt An For Morgan Stanley & Co. International PLC (C-PWM ACSDA R)	9,623,400	1.36
13 Soo Meng Chong Holdings Sdn Bhd	7,480,000	1.06
14 Gooi Seong Chneh	7,000,000	0.99
15 Chang Jiah Horng	7,000,000	0.99

STATISTICS ON SHARES AND CONVERTIBLE SECURITIES AS AT 1 OCTOBER 2019

Name of Warrant 2016/2026 Holders	No. of Warrant 2016/2026	%
16 Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Lee Soi Gek (PB)	6,500,000	0.92
17 Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chuah Chaw Song (REM 166-Margin)	6,300,000	0.89
18 Teo Ah Seng	6,282,100	0.89
19 Maybank Nominees (Tempatan) Sdn Bhd Chuah Min-Min	4,900,000	0.69
20 Soo Kim Teng	4,745,000	0.67
21 Khoo Kooi Chiew	4,515,000	0.64
22 Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ow Tong Kiaw	4,204,700	0.60
23 Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Teo Ah Seng (PB)	4,000,000	0.57
24 Lim Teck Hee	3,740,000	0.53
25 Gan Paul @ Paul Gan	3,500,000	0.50
26 Saw Teng Teng	3,500,000	0.50
27 HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd For Lau Sie Kuong	3,340,000	0.47
28 Ong Teng Soon	2,810,000	0.40
29 Tong Soon Moi	2,700,000	0.38
30 Maybank Nominees (Tempatan) Sdn Bhd Chuah Zhan Peng	2,500,000	0.35
	529,775,540	74.99

SUBSTANTIAL SHAREHOLDERS

AS AT 1 OCTOBER 2019

Name	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,125,499,929	21.79	1,345,653,754 (a)	26.05
Hotel Resort Enterprise Sdn Bhd	644,952,622	12.49	-	-
Berjaya Assets Berhad	1,502,152	0.03	353,000,000 (b)	6.83
Dato' Sri Robin Tan Yeong Ching	2,289,532	0.04	645,107,122 (c)	12.49

- (a) Deemed interested by virtue of his interests in Ascot Sports Sdn Bhd, Hotel Resort Enterprise Sdn Bhd, Nostalgia Kiara Sdn Bhd, Superior Structure Sdn Bhd, U Telemedia Sdn Bhd, Berjaya Assets Berhad (the holding company of Berjaya Bright Sdn Bhd and Berjaya Times Square Sdn Bhd), Berjaya Media Berhad (the holding company of Gemtech (M) Sdn Bhd), B & B Enterprise Sdn Bhd (the holding company of Auto Tulin Sdn Bhd, Lengkap Bahagia Sdn Bhd and the ultimate holding company of Nautilus Corporation Sdn Bhd), HQZ Credit Sdn Bhd (the ultimate holding company of Desiran Unggul Sdn Bhd and Premier Merchandise Sdn Bhd), MOL.com Sdn Bhd (the ultimate holding company of Lim Kim Hai Sales & Services Sdn Bhd) and his deemed interests in Berjaya Infrastructure Sdn Bhd, Berjaya Sompoo Insurance Berhad and Mantra Design Sdn Bhd.
- (b) Deemed interested by virtue of its 100% interests in Berjaya Bright Sdn Bhd and Berjaya Times Square Sdn Bhd and its deemed interest in Mantra Design Sdn Bhd.
- (c) Deemed interested by virtue of his interests in Ascot Sports Sdn Bhd and Hotel Resort Enterprise Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting (“AGM”) of Berjaya Corporation Berhad will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 12 December 2019 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the financial period ended 30 June 2019 and the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of the following Directors’ fees:-
 - (a) additional payment of Directors’ Fees amounting to RM20,000.00 to the Non-Executive Directors of the Company for the period from 1 July 2019 to the Eighteenth AGM of the Company to be held in 2019. RESOLUTION 1
 - (b) payment of Directors’ Fees of RM7,500.00 per month to each Non-Executive Director of the Company for the period from 13 December 2019 until the next AGM of the Company to be held in 2020. RESOLUTION 2
3. To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors of the Company up to an amount of RM375,000.00 for the period from 13 December 2019 until the next AGM of the Company to be held in 2020. RESOLUTION 3
4. To re-elect the following Directors who retire pursuant to Article 94 of the Company’s Articles of Association:-
 - (a) Vivienne Cheng Chi Fan RESOLUTION 4
 - (b) Dato’ Sri Azlan Meah Bin Hj Ahmed Meah RESOLUTION 5
 - (c) Nerine Tan Sheik Ping RESOLUTION 6
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. RESOLUTION 7
6. As special business:-
 - (a) To consider and, if thought fit, pass the following Ordinary Resolutions:-
 - (i) **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

“THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.” RESOLUTION 8

NOTICE OF ANNUAL GENERAL MEETING

(ii) PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 30 October 2019 (“Proposed Mandate”) which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution.”

RESOLUTION 9

(iii) PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

“THAT, subject always to the Companies Act 2016, (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“BCorporation Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories accounts under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

NOTICE OF ANNUAL GENERAL MEETING

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the BCorporation Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BCorporation Shares so purchased by the Company in the following manner:-

- (a) cancel all the BCorporation Shares so purchased; or
- (b) retain all the BCorporation Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force."

RESOLUTION 10

(iv) PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Datuk Robert Yong Kuen Loke be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than 9 years."

RESOLUTION 11

NOTICE OF ANNUAL GENERAL MEETING

- (b) To consider and, if thought fit, with or without modifications, pass the following Special Resolution:-

(i) PROPOSED ADOPTION OF A NEW CONSTITUTION

“THAT the proposed new Constitution as set out in Appendix II of Part C of the Circular to Shareholders dated 30 October 2019 be and is hereby approved and adopted as the Constitution of the Company to replace the whole of the existing Memorandum and Articles of Association of the Company with immediate effect AND THAT the Board of Directors and/or Secretary of the Company be and are hereby authorised to do all acts and things in any manner as they may deem necessary and/or expedient in order to give full effect to the aforesaid with full powers to assent to any conditions, modifications and/or amendments as may be required or permitted by any relevant authorities.”

RESOLUTION 12

By Order of the Board

THAM LAI HENG MICHELLE
(MAICSA 7013702)
Secretary

Kuala Lumpur
30 October 2019

NOTES:

1. Audited Financial Statements

The Audited Financial Statements are meant for discussion only as it does not require shareholders' approval pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016 (“CA 2016”). Hence, this item on the Agenda is not put forward for voting.

2. Directors' Fee and Directors' Remuneration

Section 230(1) of the CA 2016 provides that the ‘fees’ of the directors and ‘any benefits’ payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting (“AGM”) for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under the Resolutions 1 to 3.

The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors for the Company comprises of meeting allowances, benefits-in-kind and other emoluments.

The Remuneration Committee had on 28 August 2019 reviewed the remuneration levels of the Non-Executive Directors and in view of the increasing responsibilities of Directors, time commitment required and the heightened regulatory and compliance requirements under the various laws and regulations, the Board, upon the recommendation of the Remuneration Committee is proposing an increase in the Directors' fees from RM4,000 per month to RM7,500 per month for each Non-Executive Director of the Company.

The proposed Resolution 1 is to allow the payment of the shortfall of Directors' fees amounting to RM20,000.00 arising from the revision in Directors' fees computations.

The proposed Resolutions 2 and 3, if passed, is to facilitate the payment of Directors' fees and Directors' remuneration on a monthly basis and/or as and when incurred. The Board of Directors (“Board”) opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

NOTICE OF ANNUAL GENERAL MEETING

In determining the estimated remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings. The estimated amount of remuneration also caters for unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or Board Committee Meetings, formation of additional Board Committees as well as the provision for an increase in meeting allowances.

In the event, where the payment of Directors' fees and Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

3. Authority to issue and allot shares pursuant to Sections 75 and 76 of the CA 2016

Resolution 8 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the CA 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

During the financial period ended 30 June 2019, the Company has issued 291,333,333 new ordinary shares at issue price of RM0.30 per share under the General Mandate.

4. Proposed Renewal of and New Shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature

Resolution 9, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out under Part A of the Circular to Shareholders dated 30 October 2019 which is despatched together with the Company's 2019 Annual Report.

5. Proposed Renewal of Authority for the Company to purchase its own shares

Resolution 10, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 30 October 2019 which is despatched together with the Company's 2019 Annual Report.

6. Proposed Retention of Independent Non-Executive Director

Resolution 11 is proposed pursuant to the Malaysian Code on Corporate Governance and if passed, will allow Datuk Robert Yong Kuen Loke to be retained and continue to act as an Independent Non-Executive Director of the Company. The full details of the Board's justifications for the retention of Datuk Robert Yong Kuen Loke are set out in the Corporate Governance Overview Statement in the Company's 2019 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

7. Proposed Adoption of A New Constitution

The Special Resolution, if passed, will align the Constitution of the Company with the provisions of the CA 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The relevant information on the Special Resolution is set out in Part C of the Circular to Shareholders dated 30 October 2019 which is despatched together with the Company's 2019 Annual Report.

The Constitution shall take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the Eighteenth AGM.

8. Proxy and Entitlement of Attendance

- i) A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- ii) A member, other than an authorised nominee or an exempt authorised nominee may appoint only one (1) proxy.
- iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), may appoint multiple proxies in respect of each of its omnibus account.
- v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- vi) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- vii) Only members whose names appear in the Record of Depositors as at 5 December 2019 shall be entitled to attend and vote at the meeting.

9. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

FORM OF PROXY

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos.)

of _____
(Address)

being a member/members of BERJAYA CORPORATION BERHAD

hereby appoint: _____ I.C. No. _____
(Name in full) (New and Old I.C. Nos.)

_____ (Address)
of failing him/her, _____ I.C. No. _____
(Name in full) (New and Old I.C. Nos.)

_____ (Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Eighteenth Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 12 December 2019 at 10.00 a.m. and at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
RESOLUTION 1 - To approve the payment of additional Directors' fees for the period from 1 July 2019 to the Eighteenth AGM of the Company.		
RESOLUTION 2 - To approve the payment of Director's fees to each Non-Executive Director of the Company for the period from 13 December 2019 until the next AGM of the Company.		
RESOLUTION 3 - To approve the payment of Directors' remuneration (excluding Directors' fees) for the period from 13 December 2019 until the next AGM of the Company.		
RESOLUTION 4 - To re-elect Vivienne Cheng Chi Fan as Director.		
RESOLUTION 5 - To re-elect Dato' Sri Azlan Meah Bin Hj Ahmed Meah as Director.		
RESOLUTION 6 - To re-elect Nerine Tan Sheik Ping as Director.		
RESOLUTION 7 - To re-appoint Auditors.		
RESOLUTION 8 - To approve authority to issue and allot shares.		
RESOLUTION 9 - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 10 - To renew authority for the Company to purchase its own shares.		
RESOLUTION 11 - To approve the proposed retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director.		
RESOLUTION 12 - To approve the proposed adoption of a new Constitution.		

No. of Shares Held

Signature(s)/Common Seal of Member(s)

Dated this _____ day of _____, 2019

NOTES:

- (1) A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (2) A member, other than an authorised nominee or an exempt authorised nominee may appoint only one (1) proxy.
- (3) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- (4) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), may appoint multiple proxies in respect of each of its omnibus account.
- (5) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- (6) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (7) Only members whose names appear in the Record of Depositors as at 5 December 2019 shall be entitled to attend and vote at the meeting.
- (8) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Fold this flap for sealing

AFFIX
STAMP

**THE COMPANY SECRETARY
BERJAYA CORPORATION BERHAD**

LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1, JALAN IMBI
55100 KUALA LUMPUR

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For further information, please contact:

THE COMPANY SECRETARY

Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Malaysia

Tel: 03-2149 1999 Fax: 03-2143 1685

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