

BERJAYA CORPORATION BERHAD

[Company No. 554790-X]

(Incorporated in Malaysia)

An Extract of Minutes of the Fifteenth Annual General Meeting of the Company held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 20 October 2016 at 10.00 a.m.

CHAIRMAN

Dato' Sri Robin Tan Yeong Ching presided as Chairman of the Meeting.

PRESENT

The attendance list was set out in Appendix I attached.

QUORUM

The Secretary confirmed that a quorum was present for the Meeting.

NOTICE OF MEETING

The Notice of Annual General Meeting dated 29 August 2016 as contained on Page 265 to Page 269, Part II of the Company's Annual Report was taken as read by the Secretary.

POLL VOTING

The Chairman informed that the voting for all the resolutions to be considered at the Meeting would be put to vote by poll pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The shareholders would be required to complete the poll voting slips after all the resolutions have been duly proposed, seconded and clarified.

The Chairman begins with the Item 1 on the Agenda which is to receive and adopt the Company's audited financial statements for the financial year ended 30 April 2016 together with the Directors' and Auditors' Reports thereon.

AUDITED FINANCIAL STATEMENTS

The Chairman further informed that under the provisions of Section 169 subsection 1 and subsection 3 of the Companies Act, 1965, the Company was required to lay before the meeting the audited financial statements and reports for the financial year ended 30 April 2016. Hence, there was no resolution on Item 1 of the Agenda in respect of the adoption of audited financial statements, Directors' and Auditors Reports for the financial year ended 30 April 2016 but members present would be able to ask questions and give comments on the Company's audited financial statements after the presentation by the Management.

The Chairman then invited Mr Steven Low Khung Leong of Messrs Ernst & Young ("EY"), the external auditors of the Company, to present the Independent Auditors' Report on the financial statements for the financial year ended 30 April 2016 to the members present.

After the briefings by Mr Steven Low Khung Leong, the Chairman invited Mr Tan Thiam Chai, the Chief Financial Officer of the Company, to brief the members on the Group's financial performance for the financial year ended 30 April 2016. Mr Tan Thiam Chai also presented the Company's responses (Appendix II) to the queries raised by the Minority Shareholder Watchdog Group vide letter dated 12 October 2016 in relation to the Strategic & Financial Matters of the Group and Corporate Governance issues.

After the presentation by Mr Tan Thiam Chai, the Chairman then invited questions from the floor on the audited financial statements for the financial year ended 30 April 2016. A number of shareholders and proxies made comments and sought clarifications on various issues which were duly addressed by the Chairman, the Directors and Management Staff.

After having addressed all the questions raised, the Company's audited financial statements for the financial year ended 30 April 2016 together with the Directors' and Auditors' Reports were duly adopted.

1/16 FINAL DIVIDEND

The motion to approve the payment of a final dividend comprising a share dividend via the distribution of the treasury shares on the basis of three (3) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held under Resolution 1 was proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Wong Poo Tyng.

2/16 DIRECTORS' FEES

The motion to approve the payment of Directors' fees for the financial year ended 30 April 2016 under Resolution 2 was proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Tan Swee Yong.

3/16 RE-ELECTION OF DIRECTORS

- (a) The motion on the proposed re-election of Ms Vivienne Cheng Chi Fan as a Director of the Company pursuant to Article 94 of the Company's Articles of Association under Resolution 3, was duly proposed by Ms Wong Yein Min and seconded by Ms Ong Yee Nei.

The Chairman informed the members present that the motion on the proposed re-election of Mr Freddie Pang Hock Cheng and Dato' Dickson Tan Yong Loong as Directors of the Company, pursuant to Article 94 of the Company's Articles of Association under Resolutions 4 and 5 had been withdrawn as both Mr Freddie Pang Hock Cheng and Dato' Dickson Tan Yong Loong have given notices that they did not wish to seek re-election as Directors of the Company and hence, they shall accordingly retire as Directors of the Company upon the conclusion of the Annual General Meeting.

- (b) The motion on the proposed re-election of Datuk Mohd Zain Bin Ahmad as a Director of the Company pursuant to Article 94 of the Company's Articles of Association under Resolution 6, was duly proposed by Mr Ow Hoong Sang and seconded by Ms Phang Ai Tee.

- (c) The motion on the proposed re-election of Ms Nerine Tan Sheik Ping as a Director of the Company pursuant to Article 100 of the Company's Articles of Association under Resolution 7, was duly proposed by Mr Wan Heng Wah and seconded by Ms Tan Swee Yong.

The Chairman also informed the members present that the motion on the proposed re-appointment of Tan Sri Datuk Abdul Rahim Bin Haji Din as a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 under Resolution 8 had been withdrawn as Tan Sri Datuk Abdul Rahim Bin Haji Din has given notice that he did not wish to seek re-appointment as a Director of the Company and hence, shareholders' approval for Resolution 8 in relation to his re-appointment was no longer required. Accordingly, Resolution 13 in relation to his retention as an Independent Director had also been withdrawn. Tan Sri Datuk Abdul Rahim Bin Haji Din shall cease to be a Director of the Company upon the conclusion of the Annual General Meeting.

4/16 AUDITORS

The motion to move Resolution 9 in relation to the re-appointment of Messrs Ernst & Young as Auditors of the Company was proposed by Mr Teng Koh Jye and seconded by Mr Lim Tan Yeow Kuan.

5/16 SPECIAL BUSINESS

- i) Authority to issue and allot shares pursuant
to Section 132D of the Companies Act, 1965

The motion to move Resolution 10 in relation to the authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965 was proposed by Ms Phang Ai Tee and seconded by Mr Lim Tan Yeow Kuan.

The Chairman then passed the Chair to Datuk Mohd Zain Bin Ahmad for the purpose of considering Resolution 11 in relation to the proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The Chairman informed that he is interested in Resolution 11 and he has to abstain from deliberating and voting on the said resolution.

- ii) Proposed Renewal of and New Shareholders' Mandate for
Recurrent Related Party Transactions of a Revenue or Trading Nature

Datuk Mohd Zain Bin Ahmad informed the members that the proposed Resolution 11, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party transactions in accordance with Paragraph 10.09 of the Bursa Securities Listing Requirements.

Datuk Mohd Zain Bin Ahmad further informed that the following persons who are interested Directors and major shareholders of the Company as well as persons connected with them will abstain from voting on this resolution in respect of their direct and/or indirect shareholdings, namely:-

Berjaya Corporation Berhad (554790-X)

- Extract of minutes of 15th Annual General Meeting held on 20 October 2016

- a) Tan Sri Dato' Seri Vincent Tan Chee Yioun
- b) Dato' Sri Robin Tan Yeong Ching
- c) Nerine Tan Sheik Ping
- d) Chryseis Tan Sheik Ling
- e) Tan Choon Lui

Datuk Mohd Zain Bin Ahmad further informed that the other Directors of the Company namely, Mr Chan Kien Sing and Mr Freddie Pang Hock Cheng are also Directors of certain companies of which the Company is deemed to have interest. Accordingly, they have voluntarily abstained from voting on Resolution 11 in respect of their direct and/or indirect shareholdings in the Company.

The motion to move Resolution 11 was proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Phang Ai Tee.

iii) Proposed Renewal of Authority for the Company to purchase its own shares

The motion to move Resolution 12 in relation to the proposed renewal of authority for the Company to purchase its own shares was proposed by Ms Ong Yee Nei and seconded by Ms Soh Ley Moi.

iv) Proposed Retention of Independent Non-Executive Director
- Dato' Mohd Yusoff Bin Jaafar

The motion to move Resolution 14 in relation to the retention Dato' Mohd Yusoff Bin Jaafar as an Independent Non-Executive Director of the Company was proposed by Ms Phang Ai Tee and seconded by Mr Sang Eng Soon.

Datuk Mohd Zain Bin Ahmad then passed the Chair back to the Chairman for the next agenda.

v) Proposed Retention of Independent Non-Executive Director
- Datuk Mohd Zain Bin Ahmad

The motion to move Resolution 15 in relation to the retention Datuk Mohd Zain Bin Ahmad as an Independent Non-Executive Director of the Company was proposed by Mr Lim Tan Yeow Kuan and seconded by Ms Wong Yein Min.

As there are no other resolutions to be considered, the Chairman then invited the representative from Berjaya Registration Services Sdn Bhd, Mr Ching Chun Keat to explain the procedures on the conduct of poll voting.

The Chairman then declared that the Meeting be adjourned at 12.35 p.m. for the Share Registrar and the Scrutineers to count and tabulate the poll results respectively.

Announcement of Poll Results

After the votes had been counted and verified by Messrs LT Lim, the Chairman called the Meeting to order at 1.05 p.m. and the representative of Messrs LT Lim, Mr Han Meng Chew reported the results of the poll as follows:-

No.	Resolutions	Vote For		Vote Against	
		No. of Shares	%	No. of Shares	%
1.	Payment of Final Dividend	2,447,956,292	99.99	159,200	0.01
2.	Payment of Directors' Fees	2,436,361,193	99.52	11,729,099	0.48
3.	Re-election of Vivienne Cheng Chi Fan	2,423,656,150	99.01	24,344,262	0.99
4.	Re-election of Freddie Pang Hock Cheng	(a)-	-	-	-
5.	Re-election of Dato' Dickson Tan Yong Loong	(b)-	-	-	-
6.	Re-election of Datuk Mohd Zain Bin Ahmad	2,437,756,524	99.58	10,333,074	0.42
7.	Re-election of Nerine Tan Sheik Ping	2,423,661,150	99.00	24,429,142	1.00
8.	Re-appointment of Tan Sri Datuk Abdul Rahim Bin Haji Din	(c)-	-	-	-
9.	Re-appointment of Messrs Ernst & Young as Auditors	2,438,185,790	99.60	9,905,502	0.40
10.	Authority to Issue Shares under Section 132D	2,444,726,709	99.86	3,366,089	0.14
11.	Renewal of General Mandate for Recurrent Related Party Transactions	453,591,101	99.94	253,384	0.06
12.	Renewal of Share Buy-Back Authority	2,447,855,603	99.99	237,789	0.01
13.	Retention of Tan Sri Datuk Abdul Rahim Bin Haji Din	(d)-	-	-	-
14.	Retention of Dato' Mohd Yusoff Bin Jaafar	2,438,035,817	99.60	9,843,581	0.40
15.	Retention of Datuk Mohd Zain Bin Ahmad	2,438,103,624	99.60	9,775,774	0.40

Notes:

- (a) *Freddie Pang Hock Cheng did not wish to seek re-election as a Director of the Company and has retired as a Director of the Company upon the conclusion of the AGM.*
- (b) *Dato' Dickson Tan Yong Loong did not wish to seek re-election as a Director of the Company and has retired as a Director of the Company upon the conclusion of the AGM.*
- (c) *Tan Sri Datuk Abdul Rahim Bin Haji Din did not wish to seek re-appointment as a Director of the Company and has retired as a Director of the Company upon the conclusion of the AGM.*
- (d) *Resolution 13 has been withdrawn following the retirement of Tan Sri Datuk Abdul Rahim Bin Haji Din as a Director of the Company upon the conclusion of the AGM.*

The Chairman then declared that the following resolutions, that is Resolutions 1 to 3, 6 to 7 9 to 12 and 14 to 15 were duly carried as follows:-

- 1) “THAT the payment of a final dividend in respect of financial year ended 30 April 2016 comprising a share dividend via the distribution of treasury shares on the basis of three (3) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held be and is hereby approved.”
- 2) “THAT the payment of Directors' fees amounting to RM288,000/= for the financial year ended 30 April 2016 be and is hereby approved.”
- 3) “THAT Ms Vivienne Cheng Chi Fan, being the Director retiring pursuant to Article 94 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- 4) “THAT Datuk Mohd Zain Bin Ahmad, being the Director retiring pursuant to Article 94 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- 5) “THAT Ms Nerine Tan Sheik Ping, being the Director retiring pursuant to Article 100 of the Company’s Articles of Association, be and is hereby re-elected as a Director of the Company.”
- 9) “THAT Messrs Ernst & Young be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”
- 10) "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time 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 issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
- 11) “THAT, subject to the provisions of the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, 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 29 August 2016 (“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 resolution for the Proposed Mandate will be 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 143 (1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Companies Act, 1965); 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.”

- 12) “THAT, subject always to the Companies Act, 1965, (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“Exchange”) and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of RM1.00 each 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 agreement, arrangement and guarantee with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (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:-

- 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 issued and paid-up share capital 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 or share premium reserve of the Company or both;
- 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 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 for future resale or for distribution as dividends to the shareholders of the Company; 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.”
- 14) “THAT Dato’ Hj Md Yusoff @ Mohd Yusoff Bin Jaafar 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 on the Board of the Company for a cumulative term of more than nine years.”
- 15) “THAT Datuk Mohd Zain Bin Ahmad 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 on the Board of the Company for a cumulative term of more than nine years.”

7/16 CONCLUSION

The Chairman concluded and closed the meeting at 1.35 p.m. and thanked the members for their presence at the meeting.

Confirmed,

CHAIRMAN

Dated: 31 October 2016

**ATTENDANCE LIST FOR ANNUAL GENERAL MEETING
BERJAYA CORPORATION BERHAD HELD ON 20 OCTOBER 2016**

Directors

1)	Dato' Sri Robin Tan Yeong Ching	Chairman/Chief Executive Officer
2)	Chan Kien Sing	Executive Director
3)	Vivienne Cheng Chi Fan	Executive Director
4)	Dato' Sri Azlan Meah Bin Haji Ahmed Meah	Executive Director
5)	Dato' Zurainah Binti Musa	Executive Director
6)	Nerine Tan Sheik Ping	Executive Director
7)	Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar	Independent Director
8)	Datuk Robert Yong Kuen Loke	Independent Director
9)	Datuk Mohd Zain Bin Ahmad	Independent Director
10)	Dr Jayanthi Naidu Binti A/P G. Danasamy	Independent Director

In Attendance

1)	Tham Lai Heng Michelle	Company Secretary
----	------------------------	-------------------

Management Team and By Invitation

	Name	Representative from
1)	Tan Thiam Chai	Chief Financial Officer, Berjaya Corporation Berhad
2)	Ernest Lau Lub Ding Janine Thong Chu Mei Hen Jong Ren Ang Choon Yong	Group Accounts and Budgets, Berjaya Corporation Berhad
3)	Steven Low Khung Leong Cynthia Lai Nai Ting	Messrs Ernst & Young
4)	Han Meng Chew	Messrs LT Lim @ Associates, Independent Scrutineers
5)	Ching Chun Keat	Berjaya Registration Services Sdn Bhd
6)	Dato' Lim See Teok	Dragon Spring group
7)	Datuk Pee Kang Seng	Property Project, Berjaya Land Berhad
8)	Vincent Seow Swee Ping	Berjaya Sports Toto Berhad
9)	Teh Ming Wah	Berjaya Hills Berhad
10)	Khor Poh Waa	Berjaya Vacation Club Berhad
11)	Foo Toon Kee	Berjaya Hotels and Resorts
12)	Lau Bik Soon Lau Hock Chye	Redtone International Berhad
13)	Lee Siew Weng	Berjaya Roasters (M) Sdn Bhd
14)	Yeap Dein Wah	Cosway (M) Sdn Bhd
15)	Kuok Wee Kiat	Inter-Pacific Securities group
16)	Yau Su Peng	Informatics Education Limited / BLoyalty Sdn Bhd
17)	Ho Seok Khen	Berjaya Higher Education Sdn Bhd
18)	Derek Chin Chee Seng Ooi Lee Meng	Berjaya Lottery Vietnam Limited
19)	Mah Siew Wan Teh Baizura Mohsin	Property Marketing, Berjaya Land Berhad
20)	Grace Chan Hwee	Group Human Resources, Berjaya Corporation Berhad
21)	How Lim Sek	KUB-Berjaya Enviro Sdn Bhd



20 October 2016

Head of Corporate Monitoring
Minority Shareholder Watchdog Group
Tingkat 11, Bangunan KWSP
No.3 Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Attn: Mr Quah Ban Aik

Dear Sir,

**BERJAYA CORPORATION BERHAD ("BCORP")
ANNUAL GENERAL MEETING - FOR FINANCIAL YEAR ENDED 30 APRIL 2016**

We refer to your letter dated 12 October 2016 raising certain points and queries with regard to BCORP's Annual Report for the financial year ended 30 April 2016 and are pleased to furnish herewith our reply (in the same sequential order) to those points and queries raised by your esteemed body as follows:

Strategic/Financial Matters

- 1) Trade and other receivables of the Group were made up of trade and non-trade transactions. These were the outstanding amounts due from the customers and other non-trade receivables such as prepayments and deposits as at financial year ended 30 April 2016. The 15.8% increase was mainly from the increase in trade receivables and sundry receivables. The increase in trade receivables was mainly due to consolidation of REDtone International Berhad ("REDtone"), delayed collections from agents in respect of the gaming sector as well as stockists of Cosway as the date of the financial year end of 30 April 2016 happened to fall on a Saturday. Similarly, the stockbroking retail debtors were higher compared to last year. As disclosed in Note 16.1 page 109, these trade receivables comprised creditworthy debtors with good payment records with the Group.

The increase in sundry receivables was mainly due to consolidation of REDtone, opening of additional outlets by H.R. Owen, and the outstanding proceeds from the sale of Berjaya Environmental Engineering (Foshan) Co. Ltd.

There is no concern on impairment loss and recoverability of the trade receivables as any impairment loss would have been adequately provided for based on the impairment assessments, which have been audited.

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637

2) The impairment losses comprise the following:

	Description	RM'000
a.	Impairment of goodwill	381,057
b.	Impairment in value of investments in associated companies	136,743
c.	Impairment in value of assets held for sale	131,612
d.	Impairment in value of property, plant and equipment	39,200
e.	Impairment in value of available-for-sale ("AFS") quoted/unquoted equity instruments	8,579
f.	Impairment on amount owing from a joint venture	1,228
g.	Others	760
	Total	699,177

a. Impairment of goodwill

Impairment is required for the goodwill of certain business segments primarily from gaming segment which are affected by the continued challenging economic and regulatory environment and the projected cash flows of the Cash Generating Units were lower than the carrying amounts, as mentioned in Note 13.3 page 103. Impairment of goodwill is irreversible.

b. Impairment in value of investments in associated companies

Impairment is required as the fair values of these investments are lower than their carrying values. Such impairment is reversible should the value of these investments improved subsequently.

c. Impairment in value of assets held for sale

Impairment is required as the fair values of the assets less cost to sell are lower than their carrying values. Such impairment is also reversible should the fair value of these assets improved subsequently.

d. Impairment in value of property, plant and equipment

Impairment is required as the recoverable amount is lower than its carrying value. Recoverable amounts are affected by the estimated future cash flows or the physical condition of the property, plant and equipment. Such impairment is usually irreversible.

e. Impairment in value of AFS quoted/unquoted equity instruments

Impairment is required as the fair values of the investments are lower than the carrying values of the investments. Such impairment is irreversible.

f. Impairment on amount owing from a joint venture

Impairment is required if the recoverability of the debts is in doubt. Such impairment is reversible depending on the recoverability of the debts.

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637

- 3) Finance costs reported in the profit or loss accounts were interest charged and other charges relating to the borrowings for the whole financial year, while the borrowings reported in the Balance Sheet were those borrowings still outstanding as at 30 April 2016. The decrease in total debt was mainly due to repayment of borrowings as at the end of the financial year.
- 4) The disproportionate tax charge of the Group was mainly due to certain expenses or losses being disallowed for tax purposes, certain gains which are not taxable and non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.
- 5) The Management of REDtone has proposed to dispose of the loss making operations and will focus on their core businesses of telecommunications services and managed telecommunications network services.
- 6(i) Berjaya GTI is expected to have good prospects in the Vietnamese gaming industry. This is mainly attributed to the following factors:-
 - a. Berjaya GTI is the exclusive partner to the Vietnam government agency and Berjaya GTI can enjoy the monopoly status in the computerized lottery business without any competitor;
 - b. The traditional lottery market in Vietnam which has been operating for many years, has an estimated annual sales of approximately USD3.0 billion. This is a good indicator of the future outlook of the Vietnam gaming industry. Further, the traditional lottery offers less attractive products as compared to the computerized lottery currently operated by the Vietnam government agency with partnership with Berjaya GTI;
 - c. Vietnam has a huge population of 92 million with high proportion being the young and working group; and
 - d. There is no restriction in the gaming business being imposed by religion or any other causes in Vietnam.

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637

- 6(ii) Berjaya Corporation Group ventured into Vietnam since 2007. The businesses that the Group was interested in Vietnam included amongst others, property development and investment, hotels, stockbroking, consumer marketing including F&B and gaming. Prior to the recent approval of the Group's lottery contract in Vietnam, the Group had already invested in two 5-star hotels, a resort, four property development projects and set up a stockbroking business in Vietnam. These investments by the Group and its expertise and experience in computerized lottery operations in Malaysia and the Philippines had enabled the Group to successfully secure the tender for the lottery operation in Vietnam in 2016. All the above investments had involved substantial outlay and management time and they were not easily quantifiable.

Hence, it is difficult to quantify the total amount spent for the lottery contract itself as it is considered as part of the Group's overall investments in Vietnam.

- 6(iii) The estimated capex of the Vietnam lottery business is about USD210 million over the 18 years contract period. The projected cost is expected to be financed by a combination of shareholders' contributions to Berjaya GTI charter capital, external borrowings and internally generated funds of Berjaya GTI.
- 6(iv) The operation started with one product at its launch in July 2016 in Ho Chi Minh City. More products will be rolled out progressively and it is projected to reach nationwide coverage in Vietnam by the end of the third year and reach 10,000 terminals within the next 5 years. Hence, the Group does not anticipate significant profit contribution during the first 12 months of operation of Berjaya GTI.

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637

Corporate Governance

- 1) The Board noted the recommendations as highlighted.
- 2) According to the record on the Directors' attendance of meetings held during the financial year ended 30 April 2016, Datuk Robert Yong Kuen Loke ("DRYKL") was absent at three (3) of the Board and Audit Committee meetings held during the financial year. It is noted that the agenda for two (2) of the said meetings where he was absent were in relation to Related Party Transactions between Berjaya Corporation Berhad and Berjaya Land Berhad. DRYKL is a common Director in both the companies and although he is not deemed an interested party in those transactions, he had voluntarily abstained from all deliberations on the Related Party Transactions by virtue of his common directorships. Hence, he has taken leave of absence from the said Board and Audit Committee meetings.
- 3) 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.

We trust the above have clarified the items highlighted.

Yours faithfully

For and on behalf of

Berjaya Corporation Berhad



Dato' Sri Robin Tan Yeong Ching
Chairman/Chief Executive Officer

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

Level 12 Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

Tel:603-2149 1999 Fax: 603-2148 9637