

BERJAYA
BERJAYA ASSETS BERHAD
[Registration No. 196001000237 (3907-W)]

Empowering Diversity, Amplifying Value

Annual Report 2023



INSIDE THIS REPORT

- 1** Corporate Information
- 2** Profile of Directors
- 7** Key Senior Management
- 9** Chairman's Statement
- 11** Management Discussion and Analysis
- 18** Corporate Structure
- 19** Group Financial Highlights
- 20** Sustainability Statement
- 32** Corporate Governance Overview Statement
- 47** Statement on Risk Management and Internal Control
- 50** Audit and Risk Management Committee Report
- 55** Statement of Directors' Responsibility in Respect of the Audited Financial Statements
- 56** Financial Statements
- 210** List of Properties
- 212** Other Information
- 213** Recurrent Related Party Transactions of A Revenue or Trading Nature
- 216** Statistics on Shares
- 218** Statement of Directors' Shareholdings
- 219** Substantial Shareholders
- 220** Notice of Annual General Meeting

Form of Proxy



VISION

An organisation recognised for good governance and excellent business practices as we create lucrative returns in line with our corporate objectives and the interests of all stakeholders.



MISSION

To deliver quality and innovation through our products and services which will increase the strength of our brand and enhance value for our shareholders.

To provide career development opportunities for our employees to realise their full potential within the organisation.

To generate sustainable and profitable growth across our businesses.

To enhance our brand and value for our shareholders by delivering high-quality and innovative products and services.

To empower our employees and enable them to grow professionally and reach their maximum potential within the company.

To achieve profitable and sustainable growth across all of our operations.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Non-Independent Non-Executive Director
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail

Deputy Chairman/Independent Non-Executive Director
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin

Chief Executive Officer/Executive Director
Dato' Hisham Bin Othman

Executive Director
Chryseis Tan Sheik Ling

Non-Independent Non-Executive Directors
Datuk Wira Lye Ek Seang
Chan Kien Sing

Independent Non-Executive Directors
Mohd Shukor Bin Abdul Mumin
Dr Jayanthi Naidu G. Danasamy

AUDIT AND RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin (Chairman)
Dr Jayanthi Naidu G. Danasamy
Chan Kien Sing

NOMINATION COMMITTEE

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin (Chairman)
Dr Jayanthi Naidu G. Danasamy
Chan Kien Sing

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin (Chairman)
Dr Jayanthi Naidu G. Danasamy
Chan Kien Sing

COMPANY SECRETARIES

Tham Lai Heng Michelle
SSM Practising Certificate No.: 202008001622
(MAICSA No. 7013702)

Wong Siew Guek
SSM Practising Certificate No.: 202008001490
(MAICSA No. 7042922)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Registration No. 199401008064 (293743-X)
09-27, Level 9
Berjaya Times Square
No. 1 Jalan Imbi
55100 Kuala Lumpur
Tel : 03 - 2145 0533
Fax : 03 - 2145 9702

AUDITORS

Deloitte PLT
LLP0010145-LCA (AF 0080)
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Affin Bank Berhad
Kuwait Finance House (Malaysia) Berhad
Malayan Banking Berhad
MBSB Bank Berhad

STOCK EXCHANGE LISTING

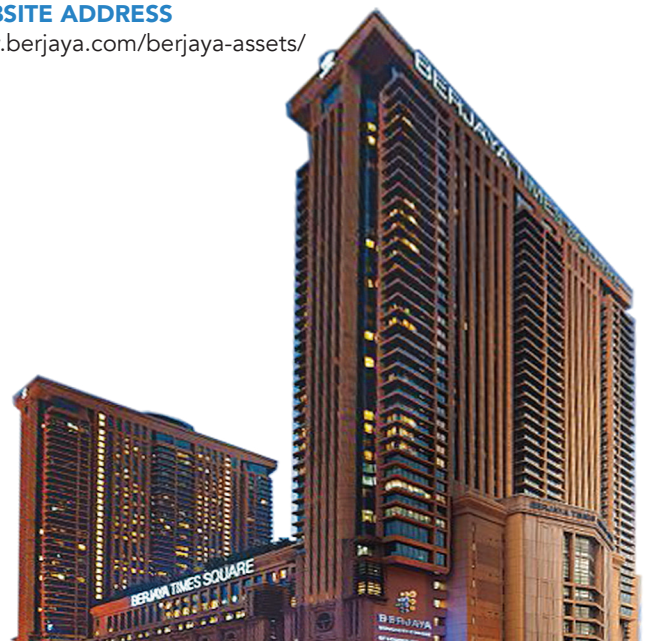
Main Market of Bursa Malaysia Securities Berhad
Stock Sector: Property
Stock Name: BJASSET
Stock Code: 3239

PLACE OF INCORPORATION AND DOMICILE

Malaysia

WEBSITE ADDRESS

www.berjaya.com/berjaya-assets/



PROFILE OF DIRECTORS

**1 YAM TUNKU TUN
AMINAH BINTI
SULTAN IBRAHIM
ISMAIL**

*Chairman/Non-Independent
Non-Executive Director*



**2 TAN SRI DATO' SERI
ZULKEFLI BIN AHMAD
MAKINUDIN**

*Deputy Chairman
Independent Non-Executive
Director*

**3 DATO' HISHAM BIN
OTHMAN**

*Chief Executive Officer/
Executive Director*



**4 CHRYSEIS TAN SHEIK
LING**

Executive Director

**5 DATUK WIRA LYE EK
SEANG**

*Non-Independent
Non-Executive Director*



6 CHAN KIEN SING

*Non-Independent
Non-Executive Director*

**7 MOHD SHUKOR BIN
ABDUL MUMIN**

*Independent Non-Executive
Director*

**8 DR JAYANTHI NAIDU
G. DANASAMY**

*Independent Non-Executive
Director*



Profile of Directors

YAM TUNKU TUN AMINAH BINTI SULTAN IBRAHIM ISMAIL

Chairman

Non-Independent Non-Executive Director

37 years of age • Malaysian • Female

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail was appointed to the Board as Chairman on 4 October 2017.

Her Highness graduated from the prestigious La Salle School of Arts in Singapore. Her Highness has considerable experience in heading private organisations across a broad range of industries. She also holds the Kentucky Fried Chicken franchise in Stulang Laut, Johor Bahru.

Presently, Her Highness is the Chairman of Berjaya Corporation Berhad, REDtone Digital Berhad, Berjaya Capital Berhad, Berjaya Hartanah Berhad, Bukit Kiara Resort Berhad, Berjaya Waterfront Sdn Bhd, Berjaya Times Square Sdn Bhd, Berjaya Rail Sdn Bhd, Inter-Pacific Securities Sdn Bhd and Inter-Pacific Asset Management Sdn Bhd. She is also a Director of several other private limited companies.

Her Highness is a daughter of DYMM Sultan Ibrahim Johor, a major shareholder of the Company.

TAN SRI DATO' SERI ZULKEFLI BIN AHMAD MAKINUDIN

Deputy Chairman

Independent Non-Executive Director

72 years of age • Malaysian • Male

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was appointed to the Board as Deputy Chairman on 12 August 2021.

Tan Sri Dato' Seri Zulkefli graduated with a Bachelor of Laws (LLB) (Hons) from University of Malaya, Kuala Lumpur in year 1976. He obtained his Master of Laws (LLM) from University College, University of London in year 1983.

Tan Sri Dato' Seri Zulkefli had a long and distinguished career in the Malaysian judiciary. He started his legal career in year 1976 as the Deputy Public Prosecutor of the Attorney General's Chambers and later as the Deputy Public Prosecutor of the Royal Malaysian Customs Department in Kuala Lumpur. He was then appointed as a Federal Counsel of Income Tax Department in Kuala Lumpur and thereafter acted as a Legal Advisor of the Ministry of Trade and Industry and Ministry of Housing and Local Government until year 1984. He subsequently served in various roles, among others, as a Senior Federal Counsel of Income Tax Department, Senior Federal Counsel of Sarawak, State Legal Advisor of Johor, State Legal Advisor of Selangor as well as the Chairman of the Advisory Board of the Prime Minister's Department.

Tan Sri Dato' Seri Zulkefli was elevated to the High Court bench as a Judicial Commissioner in November 1994 and served at Perak High Court. He was subsequently appointed as a High Court Judge and served at the High Courts in Perak, Selangor and Kuala Lumpur. His elevation to the Court of Appeal took place in June 2005 as a Judge of the Court of Appeal and on 5 September 2007, he took his appointment as a Federal Court Judge.

In September 2011, he was appointed as the Chief Judge of the High Court of Malaya, the third highest judicial office in Malaysia. On 1 April 2017, he was appointed to occupy the second highest judicial office in Malaysia, becoming the President of the Court of Appeal of Malaysia until his retirement in 2018.

On 12 March 2021, Tan Sri Dato' Seri Zulkefli was admitted as an Advocate and Solicitor to the High Court of Malaya. Tan Sri is currently serving as a Judge in the Syariah Court of Appeal in Perak and as an Arbitrator and Mediator of Asian International Arbitration Centre. Tan Sri Dato' Seri Zulkefli is also actively mentoring law graduates, imparting his invaluable experience and knowledge accumulated throughout his long and distinguished career in Malaysian Judiciary.

Tan Sri Dato' Seri Zulkefli is the Chairman of the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee.

Profile of Directors

DATO' HISHAM BIN OTHMAN

Chief Executive Officer/Executive Director

61 years of age • Malaysian • Male

Dato' Hisham Bin Othman was appointed to the Board as the Chief Executive Officer and Executive Director on 1 July 2022.

He holds a Bachelor of Civil Engineering and a Master of Business Administration. He also holds a Senior Management Certificate from INSEAD of France. In addition, he holds a Certificate in "Circular Economy and Sustainable Strategies" from University of Cambridge, Judge Business School. He also successfully completed the "Leading Sustainable Corporations Programme" by University of Oxford.

Dato' Hisham is a Qualified Risk Director and a member of the Institute of Enterprise Risks Practitioners based in the United Kingdom. He is also a Registered Property Manager governed by the Board of Valuers, Appraisers, Estate Agents and Property Managers. He is a member of the Institute of Corporate Directors, Malaysia. Dato' Hisham is the immediate past Chairman of the Malaysia REIT Managers Association, an organisation that promotes REIT's growth and engages with regulators and authorities.

Dato' Hisham has over 35 years of working experience in various industries. He has held many C-suite leadership positions in the UEM Group, the DRB-Hicom Group, Capital A (Air Asia) Group, and the Berjaya Group. He has led many companies in various industries in his capacity as Chief Executive Officer and/or Chief Operating Officer. In the Real Estate sector, he has been involved in the areas of property development, asset management, project management, marketing, finance, leasing, tenancy management, facilities management, risk management, stakeholder management, energy optimisation, regulatory compliance, and sustainability/ESG.

Dato' Hisham was appointed to the Board of Berjaya Corporation Berhad on 1 June 2021 as an Independent Non-Executive Director. He resigned on 1 July 2022 to become CEO and Executive Director of Berjaya Assets Berhad on 1 July 2022.

CHRYSEIS TAN SHEIK LING

Executive Director

35 years of age • Malaysian • Female

Ms Chryseis Tan Sheik Ling was appointed to the Board as an Executive Director on 7 December 2016. She graduated with a Bachelor of Arts in Liberal International Studies from Waseda University, Tokyo in 2012.

Currently, she is a Director and Chairman of Natural Avenue Sdn Bhd ("NASB"), a subsidiary of the Company, since 1 August 2014. NASB is the exclusive agent for Sarawak Turf Club's Special Cash Sweep Number Forecast Lotteries in Sarawak.

Presently, she is an Executive Director of Berjaya Land Berhad and Berjaya Corporation Berhad and a Non-Executive Director of Berjaya Food Berhad. She is also the Head of Marketing for Four Seasons Hotel and Hotel Residences Kyoto, Japan, a hotel and residences development project undertaken by Berjaya Kyoto Development (S) Pte Ltd, an associated company of Berjaya Land Berhad. She also holds directorships in several other private limited companies.

She is a daughter of Tan Sri Dato' Seri Vincent Tan Chee Yioun, a major shareholder of the Company.

Profile of Directors

DATUK WIRA LYE EK SEANG

Non-Independent Non-Executive Director
58 years of age • Malaysian • Male

Datuk Wira Lye Ek Seang was appointed to the Board as an Independent Non-Executive Director on 19 April 2012. He was appointed as an Executive Director of the Company on 8 January 2013. On 12 August 2021, he relinquished his position as an Executive Director and was re-designated as a Non-Independent Non-Executive Director.

He is the founding member of Sunzi Association of Malaysia. He holds a Bachelor of Science (Hons) degree in Mathematics from the University of Malaya. While in University of Malaya, he was "The Sportsman of the Year" in 1989, founder and instructor of Persatuan Taekwondo (WTF) University of Malaya. He joined the Rejimen Askar Wataniah (Reserved Officer Training Unit-ROTU) and was commissioned as Second Lieutenant by Duli Yang Maha Mulia Seri Paduka Baginda Yang Dipertuan Agong on 15 June 1989.

He was a Non-Independent Non-Executive Director and Audit Committee Member of Magna Prima Berhad from 16 July 2007 to 24 June 2009. He was also a Non-Independent Non-Executive Director of Ho Hup Construction Company Berhad from August 2008 and re-designated as Deputy Executive Chairman from December 2008 until March 2010. He also served on the Boards of REDtone Digital Berhad and Minetech Resources Berhad as a Non-Independent and Non-Executive Director. He resigned from the Boards of these companies in March 2016 and January 2014 respectively.

Currently, he is a Director of Tropicana Corporation Berhad and a Trustee of Tropicana Foundation. He also sits on the Board of several other private limited companies involved in manufacturing, television programme production and distribution and property development.

CHAN KIEN SING

Non-Independent Non-Executive Director
67 years of age • Malaysian • Male

Mr Chan Kien Sing was appointed to the Board on 9 April 2001.

He is a chartered accountant by qualification and a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He has over 40 years of experience in strategic corporate planning and structuring, M&As, IPOs, audit/accountancy and managing business operations.

From 1975 to 1981, he pursued his professional MICPA articleship with Messrs Peat Marwick Mitchell (now KPMG), involved principally in statutory compliance audits for companies in various industries. He subsequently joined Ambank Bhd, an investment bank, for eight years specialising in corporate advisory and banking.

In 1989, Mr Chan joined Berjaya Corporation to head their Group Investment function. Shortly thereafter, he was promoted to Group Executive Director and spent some 30 years in the group overseeing various operations and functions. He retired as an Executive Director of Berjaya Corporation Berhad in January 2017 but remained as a Non-Executive Director until December 2019.

While in Berjaya Group, he held multiple roles and was seconded to oversee various operations. Following are some notable appointments:-

- DiGi Telecommunications Sdn Bhd
 - CEO/Executive Director of DiGi from 1995 till 2005.
 - Member of pioneer team to launch Malaysia's first fully digital cellular network operations in May 1995.
- 7-Eleven Malaysia Holdings Bhd ("7E")
 - Managing Director/Executive Director.
 - Instrumental in negotiating and acquiring 7E franchise in 2001.
 - 7E store network grew from 180 to over 2,500 stores representing the largest convenience store chain in Malaysia.
 - Currently, Mr Chan still remain on 7E Board as a Non-Executive Director.
- CEO of Berjaya Capital Berhad, the holding company of a stockbroking company, Inter-Pacific Securities Sdn Bhd from 21 September 2001 to 6 August 2013.
- Managing Director of the Sun Media group from 28 January 2008 to 31 December 2018 which publishes theSun newspaper, the largest free daily paper in Malaysia.

Mr Chan is a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee of the Company.

Profile of Directors

MOHD SHUKOR BIN ABDUL MUMIN

Independent Non-Executive Director

63 years of age • Malaysian • Male

Encik Mohd Shukor Bin Abdul Mumin was appointed to the Board as an Independent Non-Executive Director on 28 April 2022.

He graduated with a Bachelor of Laws Degree (LLB) (Honours) from University of Buckingham, United Kingdom. He is also a member of the Malaysian Bar and the Sabah Law Association.

He started his career as a Manager with CIMB Bank Berhad in 1983. In 2000, he joined Permodalan Bumiputra Sabah Berhad and held the position of Group Managing Director until 2004. He was a partner of Messrs Al Shukor & Co., a legal firm in Kota Kinabalu, Sabah from 2009 until 2021. He has many years of experience in the field of corporate banking, commercial and retail businesses.

He is currently an Executive Director of Qhazanah Sabah Berhad and Kojasa Holdings Berhad. He is also an Independent Non-Executive Director of Zelan Berhad. He also holds directorships in several private limited companies in Angkatan Hebat group of companies.

DR JAYANTHI NAIDU G. DANASAMY

Independent Non-Executive Director

47 years of age • Malaysian • Female

Dr Jayanthi Naidu G. Danasamy was appointed as an Independent Non-Executive Director of the Company on 27 June 2023.

She obtained her LLB (Hons) in 2000 and her LLM (Distinction) in 2004 from University Malaya. She obtained her PhD in the area of sustainability standards from Queen Mary, University of London, United Kingdom in 2008.

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

She was previously an Executive Director of the Malaysian Centre of Regulatory Studies, University Malaya. As an experienced trainer, she also conducted trainings 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 Aubrens Sdn Bhd, 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 namely BoomGrow Productions Sdn Bhd.

She is a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee of the Company.

Save as disclosed, none of the Directors has:-

1. any family relationship with any Directors and/or major shareholders of the Company;
2. any conflict of interest or potential conflict of interest, including interest in any competing business with the company and/or its subsidiaries;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

NERINE TAN SHEIK PING

Chief Executive Officer
Berjaya Times Square Sdn Bhd

47 years of age | Malaysian | Female

Date of Appointment: 1 January 2022

Ms Nerine graduated with a Bachelor of Science degree in Management (Second Class Honour) from the London School of Economics in 1998.

She has more than 20 years of experience in sales, marketing and business development in several operations. She began her working career as a Business Development Manager at Cosway (M) Sdn Bhd from January 1999 to September 2002, 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. In addition, she was appointed as the Vice President of the Marketing division of Berjaya Hotels & Resorts (M) Sdn Bhd in January 1999 and an Executive Director of Berjaya Hotels & Resorts (Singapore) Pte Ltd from January 2005 till April 2009. During this period, she oversaw the sales and marketing operations and development of spa management for various resorts.

In February 2007, she was appointed as the General Manager, Sales & Marketing of Sports Toto Malaysia Sdn Bhd ("Sports Toto"). She was promoted as an Executive Director of Sports Toto in April 2010.

Nerine also holds the position of Joint Group Chief Executive Officer of Berjaya Corporation Berhad and the Chief Executive Officer of Sports Toto Berhad and also Executive Director of Berjaya Group Berhad. In addition, she serves as a director for several other private limited corporations within the Berjaya Corporation group of companies.

Her father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company. Her sister, Chryseis Tan Sheik Ling is a member of the Board. Her brother, Tan U-Peng is the Managing Director of Berjaya UK Investment & Development Limited. Her husband, Tan Tee Ming is the Executive Director of Berjaya Times Square Sdn Bhd.

TAN TEE MING

Executive Director
Berjaya Times Square Sdn Bhd

47 years of age | Malaysian | Male

Date of Appointment: 1 October 2021

Mr Tan Tee Ming was appointed as an Executive Director of the Company on 1 October 2021. He graduated with a Bachelor of Science Degree in Business Management from King's College London, United Kingdom in 1998. Since 2001, he has held various positions in several major private banks in Malaysia and Singapore including Citi Private Bank and CIMB.

Mr Tan Tee Ming has 17 years of experience in managing the wealth of high-net worth individuals. In 2012 he was awarded The Young Outstanding Private Banker Award by Private Banker International, the leading journal for the global wealth management industry.

He was appointed as an Executive Director of Berjaya Land Berhad on 1 April 2022. Prior to this, he was the Senior General Manager of Property Sales & Marketing Division of Berjaya Land Berhad. He oversees the sales and marketing for all Malaysian properties including the flagship development, The Ritz-Carlton Residences, Kuala Lumpur.

Currently, he oversees the tenancy of Berjaya Times Square shopping mall as well as Berjaya Waterfront, Johor Bahru.

His father-in-law, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company. His wife, Ms Nerine Tan Sheik Ping is the Chief Executive Officer of Berjaya Times Square Sdn Bhd while his sister-in-law, Ms Chryseis Tan Sheik Ling is an Executive Director of the Company. His brother-in-law, Mr Tan U-Peng is the Managing Director of Berjaya UK Investment & Development Limited.

Key Senior Management

TAN U-PENG

Managing Director
Berjaya UK Investment & Development Limited

31 years of age | Malaysian | Male

Date of Appointment: 1 November 2016

Mr Tan graduated with a Bachelor of Science (BSc, Hons) in Sports and Exercise Science in 2013 from Loughborough University and a Master's Degree (MSc) in Science Epidemiology from University College London (UCL) in 2015.

He started his career in automobile retail with H.R. Owen in 2016 where he currently holds the position of Executive Director. His scope of work covered senior management restructuring and currently covers all aspects of the business by providing a supportive function in the strategic direction and management of the company.

He is also the Managing Director of BIDL overseeing the development of the assets held by the company. BIDL currently holds a 70-unit apartment block unit in the heart of Islington, North London. It also holds a large theatre events space which hosts events from fashion shoots, music videos and film premieres.

His father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company. His sister, Chryseis Tan Sheik Ling is a member of the Board.

CHAN WING KONG

General Manager-Collection & Operations
Berjaya Time Square Sdn Bhd

56 years of age | Malaysian | Male

Date of Appointment: 1 August 2021

Mr Chan completed his A-Level with Stamford College and pursued further studies with the Association of Chartered Certified Accountants ("ACCA").

He joined Berjaya Times Square Sdn Bhd ("BTSSB") since 1995 during the construction and development of Berjaya Times Square Mall. He started his career in BTSSB in finance department and entrusted to be in charge of the accounts of several subsidiaries of Berjaya Times Square Group.

Throughout the past 28 years, he has accumulated various experiences and possessed in-depth knowledge in finance, retail leasing business development, operational, managerial, marketing, property sales and development.

Currently, he is overseeing the collection and operations and also responsible for the management of the financial affairs of Berjaya Times Square Group.

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 or potential conflict of interest, including interest in any competing business with the Company and/or its Subsidiaries;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT TO YOU THE ANNUAL REPORT OF BERJAYA ASSETS BERHAD ("BASSETS") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023.

FINANCIAL RESULTS

For the financial year ended 30 June 2023, the Group registered a higher revenue of RM224.1 million compared to a revenue of RM174.1 million reported the year before. This was mainly due to the recovery of the economy as the country entered the endemic period.

Our gaming business segment conducted a higher number of draws with 175 draws in the current financial year as compared to 130 draws in the previous financial year. The property investment segment's higher rental income and jetty income were primarily attributed to the economy's recovery in the current financial year, when compared to the previous financial year's temporary business closures caused by the implementation of Phases 1 and 2 of the country's National Recovery Plan (NRP).

The hotel and entertainment businesses also reported better overall occupancy rates, higher average room rates and greater sales of theme park tickets as a result of a boost in tourists following Malaysia's shift to the endemic phase of COVID-19.

The Group registered a lower pre-tax loss of RM19.8 million in the financial year under review compared to a pre-tax loss of RM49.5 million in the previous financial year primarily due to significantly higher revenue and higher share of profit from joint venture companies. The Group also accounted for a non-cash impairment of land held for development of RM2.9 million and impairment in fair value changes in investment properties of RM6.1 million in the financial year under review.

Our dedication to good governance, resilience and business practices have driven us to achieve significant milestones throughout the year and BAssets has continued its journey of growth and innovation.

DIVIDEND

The Board did not recommend any dividend for the financial year ended 30 June 2023.

FUTURE PROSPECTS

The Malaysia economy registered a growth of 2.9% in the second quarter of 2023. The expansion was the slowest pace since the third quarter of 2021 when the economy contracted by 4.2%, and was lower than the 5.6% growth in the first quarter of the year. Despite the ongoing macroeconomic concerns like rising inflationary challenges, supply chain disruption and rising of energy and interest costs, the domestic economy is anticipated to recover at a moderate pace.

Given the prevailing economic conditions and financial outlook, the Directors expect the property investment, hotel and ferry terminal businesses operated by Berjaya Times Square Sdn Bhd and Berjaya Waterfront Sdn Bhd to be able to increase further their occupancy rate respectively going forward.

As for the gaming business, the end of the pandemic has led to an increase in inflationary pressures in Sarawak, which has affected local consumers' spending habits. This has resulted in a significant decline in foot traffic in businesses, including NFO outlets. Having mentioned that, the government's efforts to control inflation and the recent increase in the minimum wage have raised hopes that consumer spending will increase, leading to an improvement in local business sentiment.

Natural Avenue Sdn Bhd will continue to be innovative and reach out to its customers through various channels, including social media and its website, to promote its games and marketing activities. Some of its urban-based agents have also adopted contactless payment services for the convenience of customers.

The Directors envisage that the operating performance of the Group for the financial year ending 30 June 2024 will be satisfactory.

Chairman's Statement



Total Equity

RM1,889.8 million



Total Assets

RM3,145.2 million

APPRECIATION

On behalf of the Board, I would like to express our sincere gratitude to Datuk Robert Yong Kuen Loke for his years of service, whose leadership has been instrumental in the growth and success of our company. Following his tenure completion, he has stepped down from his roles as Independent Non-Executive Director on 1 June 2023. We wish him all the best in his future endeavours.

I would also like to extend our warmest welcome to Dr Jayanthi Naidu G. Danasamy who joined us as Independent

Non-Executive Director of the Company on 27 June 2023. Her appointment will enhance our cohesiveness and I am excited and look forward to continuing our team's work to achieve our goals.

My heartfelt gratitude, in addition goes to our employees, business partners, associates, financial institutions, regulatory authorities and shareholders for your unwavering support. Our success would not have been possible without your dedication and trust.

Looking ahead, we are excited about the prospects for the coming year. The recovery of the economy is expected to continue with China's reopening of its borders leading to improved tourism, government policy support aiming to boost domestic consumption and tame inflation and new developments in the electronics industry, which are bound to benefit our business segments.

To this, I am confident that with our solid foundation and sustainability initiatives, we will be able to navigate through new challenges, continue our growth trajectory and improve our profitability in the year ahead.

Thank you for being part of our journey.

YAM TUNKU TUN AMINAH BINTI SULTAN IBRAHIM ISMAIL
Chairman



Berjaya Times Square, Kuala Lumpur



"Our Murals, Our Culture", BTS Mall

OVERVIEW

BERJAYA ASSETS BERHAD (“BASSETS”) AND ITS SUBSIDIARIES OPERATE IN TWO MAJOR BUSINESS SEGMENTS I.E., PROPERTY INVESTMENT AND DEVELOPMENT, AND GAMING.

PERFORMANCE REVIEW BY BUSINESS SEGMENT

PROPERTY INVESTMENT AND DEVELOPMENT



Berjaya Times Square, Kuala Lumpur

Berjaya Times Square Sdn Bhd (“BTSSB”), the principal subsidiary of BASSETS, is the major owner and manages the Berjaya Times Square (“BTS”) Mall in Kuala Lumpur.

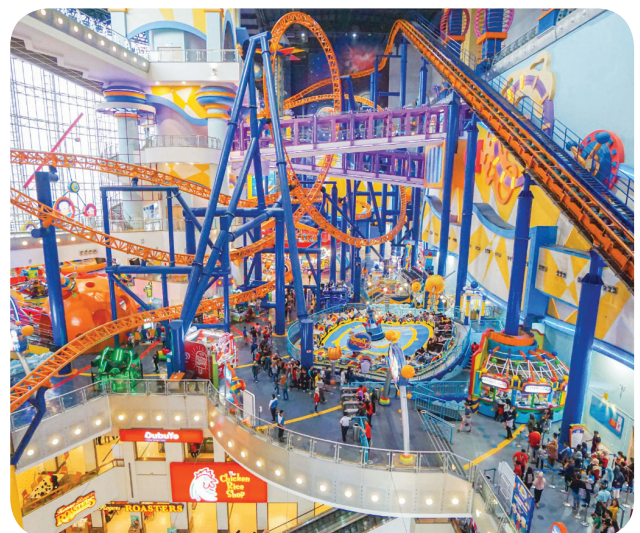
BTS Mall is acknowledged as Malaysia’s largest inner-city shopping cum leisure mall with a gross built-up area of 7.5 million square feet on a 10-acre piece of land. A Kuala Lumpur landmark that is very popular among tourists as well as locals, BTS Mall comprises a 12-level shopping mall, two 46-storey towers of service suites and hotel, 2 levels of hotel facilities floors, 3 levels of office floors, 5 levels of basement and 10 floors of annexed car parks.

Entering its twentieth year of operations, BTS Mall has an occupancy rate of 87% as at 30 June 2023.

The stratified shopping mall which measures approximately 3.5 million square feet houses:

- More than 1,000 units of strategically selected retail shops and food and beverage outlets;
- Berjaya Times Square Theme Park which is Malaysia’s largest indoor theme park with 12 major rides, VR games, a Waterless Aquarium, Haunted House and other exciting attractions;
- Ampang Superbowl - one of the largest bowling centres in the country with 48 lanes; and
- Central Park, the shopping district at 3rd Floor Central consisting of 40 lifestyle boutiques and notable lifestyle brands in a landscaped area measuring 5,000 square feet.

BTS Mall is the Guinness World Records™ holder for the World’s Largest Capsule Vending Machine, and holds the most Malaysia Book of Records™ of any shopping mall in Malaysia. Since its inception, BTS Mall has garnered 1 Guinness World Records™, over 13 Malaysia Book of Records™ and still holds the Malaysian record for The Largest Indoor Theme Park in Malaysia.



Berjaya Theme Park at Levels 5, 7 & 8, is a popular destination for families, holiday-makers and shoppers

Management Discussion and Analysis



Festive shoppers stand a chance to participate in various interactive activities and win prizes



Festive-theme events such as the exotic Arabian oasis entertained shoppers during Hari Raya Aidilfitri

To grow, thrive and stay relevant in a post-pandemic world, swift digital transformation of marketing strategies is vital. BTS Mall has continually invested into building its own in-house digital and production team capable of turning digital data into actionable insights, developing relevant engaging content and as a result enabling the business to swiftly respond to consumer sentiment. The team provides digital and production support to all tenants of BTS Mall.

To strengthen its position as an attractive mall to visit in the Klang Valley, BTS Mall constantly organises creative events to attract footfall. These events range from exhibitions, festive celebrations, giveaways and food festivals. BTS Mall also partners with its tenants and other local businesses to offer discounts and promotions to customers.

During the financial year under review, BTS Mall expanded its array of food and beverage options with Indonesia's well-

loved fried chicken franchise, Richeese Factory plus appetising small bites and refreshments such as doughnuts and coffee from Big Apple, bubble tea from Gong Cha and Jom Cha by Farm Fresh, ice cream from Kelava and Mixue, and cookies from Famous Amos. In addition, mall shoppers were treated to a wide assortment of cuisines including Japanese food from Sushi Zanmai, western food from Santorini Mediterranean Bar & Grill and local favourites from Penang Chendul and Restaurant Ayam Penyet Ria.

The mall also welcomed NSK Grocer, the largest fresh grocer in the Klang Valley as its anchor tenant at the lower ground floor. The popular grocery outlet occupies over 20,000 square feet offering a wide array of quality local and imported products and fresh produce at reasonable prices.

Several other retail outlets that have opened for business during the same period included Manjakaki, Shoe City, Young Hearts,

Management Discussion and Analysis

Vempire, Mantara Wellness, Travel for All, Panda Eyes Café besides various new retail outlets such as Jovian Boutique, Pearl Time, M&B, E-Spec and Swiss Polo Travel Luggage.

BTS Mall management also noted the growing popularity of electric vehicles (EV) and collaborated with Green EV Charge Sdn Bhd in the installation of EV charging stations for the access and convenience of its customers. The management foresees the number of electric vehicles increasing in the future and will be prepared to accommodate the enlarged EV footprint.

Overall, the increasing footfall into malls is a sign that consumers are feeling more confident about the economy and are ready to start spending again. This is good news for retailers, as it means more potential customers. Mall operators such as BTS will also benefit by charging higher rents as foot traffic increases. While the retail sector is on the mend, the economic recovery from the COVID-19 pandemic is still in its early stages.



Ayam Penyet Ria is located on the lower ground floor of BTS Mall



NSK Grocer opened in April 2023 and is located at the lower ground floor



Richeese Factory serves burgers, ice-cream and spicy barbeque chicken



Jovian is located at the ground floor of BTS Mall

Management Discussion and Analysis



M&B is located at the First Floor of BTS Mall



EV Charging Station at Berjaya Times Square



Artist impression of Berjaya Times Square 2



Menara MSC Cyberport

Berjaya Times Square 2, Kuala Lumpur

The Berjaya Times Square 2 ("TS2") project is a new exciting development lined up by BTSSB for the upcoming financial year. BTSSB is set to launch TS2 project which is a mixed development in December 2023. Located next to BTS Mall, this development offers 629 freehold service residential units with built-up sizes ranging from 488 square feet to 1,356 square feet and 17 units of retail lots. The residential units are targeted to be sold at a gross RM1,400 per square feet, with an estimated gross development value (GDV) of RM594.88 million. Currently the foundation

works has commenced and is expected to be completed in early 2024 with the targeted completion of TS2 project by end 2027.

Menara MSC Cyberport, Johor Bahru

Menara MSC Cyberport is a premier ICT hub located in the heart of Johor Bahru city centre, making it easily accessible for businesses and visitors alike. Equipped with state-of-the-art facilities including a business centre, gymnasium and cafeteria, it is the first MSC Malaysia Cybercentre in Southern Malaysia to be certified with ISO 9001:2000. Its

Management Discussion and Analysis



Berjaya Waterfront Hotel, Johor Bahru



Cosy hotel suite facing the sea

proximity next to the Causeway connecting Malaysia to Singapore and just opposite the Customs, Immigration & Quarantine (CIQ) complex provides excellent connectivity for businesses that need to operate across borders.

BTSSB owns 72 units of office units in Menara MSC Cyberport with a total floor area of approximately 278,432 square feet.

In July 2022, BTSSB had entered a Rent cum Option to Purchase Agreement ("RCOPA") with Extreme Broadband Sdn Bhd ("EBSB") to lease out the remaining 42 untenanted office units in Menara MSC Cyberport for a period of 3 years commencing from 1 August 2022 till 31 July 2025 for a total monthly rental of RM250,000. The RCOPA provides additional cash flows in the form of rental income to the Berjaya Assets group while the proposed option represents an opportunity for BTSSB to unlock the value of the property. An option in the tenancy agreement was also granted to EBSB to purchase the entire 72 units of office units owned by BTSSB in Menara MSC Cyberport for a cash consideration of RM69.6 million at any time during the tenancy term.

With this new tenancy agreement, Menara MSC Cyberport is expected to be fully tenanted and maintain high occupancy rate going forward.

Berjaya Waterfront, Johor Bahru

Berjaya Waterfront ("BWF") is a subsidiary of BTSSB. Located strategically within the government-sanctioned Iskandar Malaysia economic zone, it manages BWF Hotel, BWF Complex and BWF Ferry Terminal. Its principal activity comprises a hotel, shopping complex, car park and ferry terminal operations.



Wedding Banquet Entrance View

Hotel

The BWF Hotel is located within a 5-minute drive from the main Causeway to Singapore. With an inventory of 400 rooms and suites, food and beverage outlets and function rooms, the hotel provides convenient access to Iskandar Malaysia, the southern development corridor famed for its tourist attractions, namely, Legoland Malaysia, and Johor Premium Outlets.

Management Discussion and Analysis

The improvement in the global health situation and the easing of travel restrictions have led to a renewed sense of confidence among travellers. BWF Hotel's continuous focus on safety, quality and convenience has always made it a popular destination for both locals and international travellers. Besides that, BWF Hotel is also a popular destination for MICE (meetings, incentives, conventions, and events) due to its strategic location, extensive meeting facilities and excellent services.

This was reflected in the spike in hotel room bookings and function room reservations at BWF Hotel.

In the financial year under review, the BWF hotel division reported an increase in revenue of 54% to RM8.3 million. The higher revenue was mainly due to higher overall occupancy rates and higher average room rates due to the increase in the number of visitors since Malaysia has transitioned to the endemic phase of COVID-19.

The increase in hotel room bookings and function room reservations is a positive sign for BWF Hotel. It shows that the business operation is well-positioned to capitalise on the recovery of holiday-makers and the MICE industry.

Shopping Complex

BWF Complex has a 4-storey shopping centre podium with basement, annexed with a 6-level car park catering to an assortment of retail, entertainment, dining and recreation options.

The shopping complex reported a decrease of 7% in its rental revenue to RM16.0 million during the financial year under review due to the withdrawal of tenancies and tenancies renewal at lower rate to retain existing tenants.

Nevertheless, BWF car park reported an increase of revenue to RM2.2 million during the financial year under review compared to RM1.0 million in the previous financial year mainly due to an increase in the numbers of visitors to the mall.

Ferry terminal operations

BWF Ferry Terminal is one of the busiest international entry points for travellers from Indonesia for leisure or business. The ferry services take only 90-120 minutes to Harbour Bay and Batam Centre at Batam Island, and 150-180 minutes to Tanjung Pinang at Bintan Island at an affordable ticket fare. The ferries are spacious, fully air-conditioned and meet international safety requirements.

In the financial year under review, BWF jetty division recorded a substantial revenue of RM13.8 million as compared to RM2.7 million in previous financial year. The substantial increase was mainly attributed to the lifting of the travel restrictions and reopening of international borders in April 2022, which allowed local and international travels.

Revenue

For the financial year ended 30 June 2023, Berjaya Times Square Sdn Bhd ("BTSSB") group's revenue increased by 27% to RM127 million as compared to RM100 million in the previous financial year.

The increase in revenue was mainly due to the full resumption of business activities in the current financial year as compared to the temporary business closures for certain part of the previous financial year due to the implementation of Phases 1 and 2 of NRP which affected certain business segments of the Group.

BTSSB reported an increase in revenue to RM51.3 million for the financial year under review as compared to RM50.4 million in the previous financial year. The rental revenue increased by 13% when compared to the previous financial year, attributable to BTSSB leasing out the remaining 42 untenanted office units in Menara MSC Cyberport during the financial year under review and a higher monthly gross sales turnover by BTS Mall's tenants. However, revenue has been affected as no sale of properties were recorded during the financial year under review compared to RM5 million generated in the previous financial year.

During the financial year under review, BTS Car Park Sdn Bhd ("BTSCP") recorded an increase of 18% in revenue to RM12.9 million due to the increase in number of visitors at Berjaya Times Square Mall compared to RM10.9 million in the previous financial year when the car park revenue was affected by the imposition of Movement Control Order ("MCO") in the first quarter of FYE 2022.

Berjaya Times Square Theme Park Sdn Bhd ("BTSTP") also reported a significant increase of 57% in ticket revenue to a historical high of RM16.8 million in the financial year under review compared to a revenue of RM10.7 million in the previous financial year which was affected by reduced business operating days due to the imposition of MCO in Malaysia.

Loss Before Tax

For the financial year ended 30 June 2023, BTSSB group incurred a lower loss before tax of RM4.9 million compared to RM42.7 million in the previous financial year. This was primarily due to a significantly higher revenue being reported as explained above; lower rental rebate being given out and a lower reported non-cash impairment in fair value changes of investment properties.

Prospects

Moving forward, BTS Mall and BWF will continue to improve their malls' occupancy rates and revenues despite operating under a challenging economic environment and intense competition from other shopping malls. BTS Mall

Management Discussion and Analysis



Special Cash Sweep lottery draw in progress

and BWF will work closely with their tenants on measures to sustain their businesses and provide them with marketing support both digitally and on-ground campaigns in order to improve the footfall of the malls and the profitability of the tenants.

BTSTP will regularly seek to enhance and improve their facilities and attractions in order to provide the best family entertainment experience. BTSTP will also make effort to attract more local visitors and group sales by leveraging on social media marketing, as well as joint promotions with online travel platforms and BTS Mall's tenants to achieve a better performance in the next financial year.

In Johor Bahru, BWF's hotel and jetty divisions are expected to continue improving in the next financial year as Malaysia's hospitality industry is expected to continue to recover. BWF jetty division will continuously explore with existing and potential ferry operators to increase the jetty slots from BWF ferry terminal in order to enhance customers' experience and achieve higher revenue in the next financial year.

GAMING

Natural Avenue Sdn Bhd

Natural Avenue Sdn Bhd ("NASB"), the exclusive agent for Sarawak Turf Club's Special Sweep Number Forecast Lotteries has been in operation since 1995. The principal activities of NASB are the operation, promotion and management of the 1+3D Big/Small and 3D Big games in Sarawak with three (3) normal draws a week. NASB currently has 3 regional offices and 71 sales outlets.

Revenue

NASB's revenue under review was RM80.1 million for the financial year ended 30 June 2023, an increase of RM23.0 million or 40.3% from RM57.1 million in the previous financial year. The current financial year under review saw a full year of operations since the Number Forecast Operators ("NFO") in Sarawak were allowed to operate on 1 October 2021 after a review of the COVID-19 pandemic situation. The NFO business recorded an increase in revenue following a higher number of draws with 175 draws conducted in the current financial year compared to 130 draws in the previous financial year. The previous financial year's operations included a cancellation of 45 draws including 6 special draws between July and September 2021 as the NFO in Sarawak were only allowed to operate from 1 October 2021 under the National Recovery Plan ("NRP"). The revenue is stated net of Gaming Tax and Sales and Services Tax.

Profit Before Tax

NASB reported a profit before tax of RM3.86 million compared to RM0.05 million in the previous financial year. The improvement was mainly due to full year of operations and a lower prizes payout during the current financial year.

Prospects

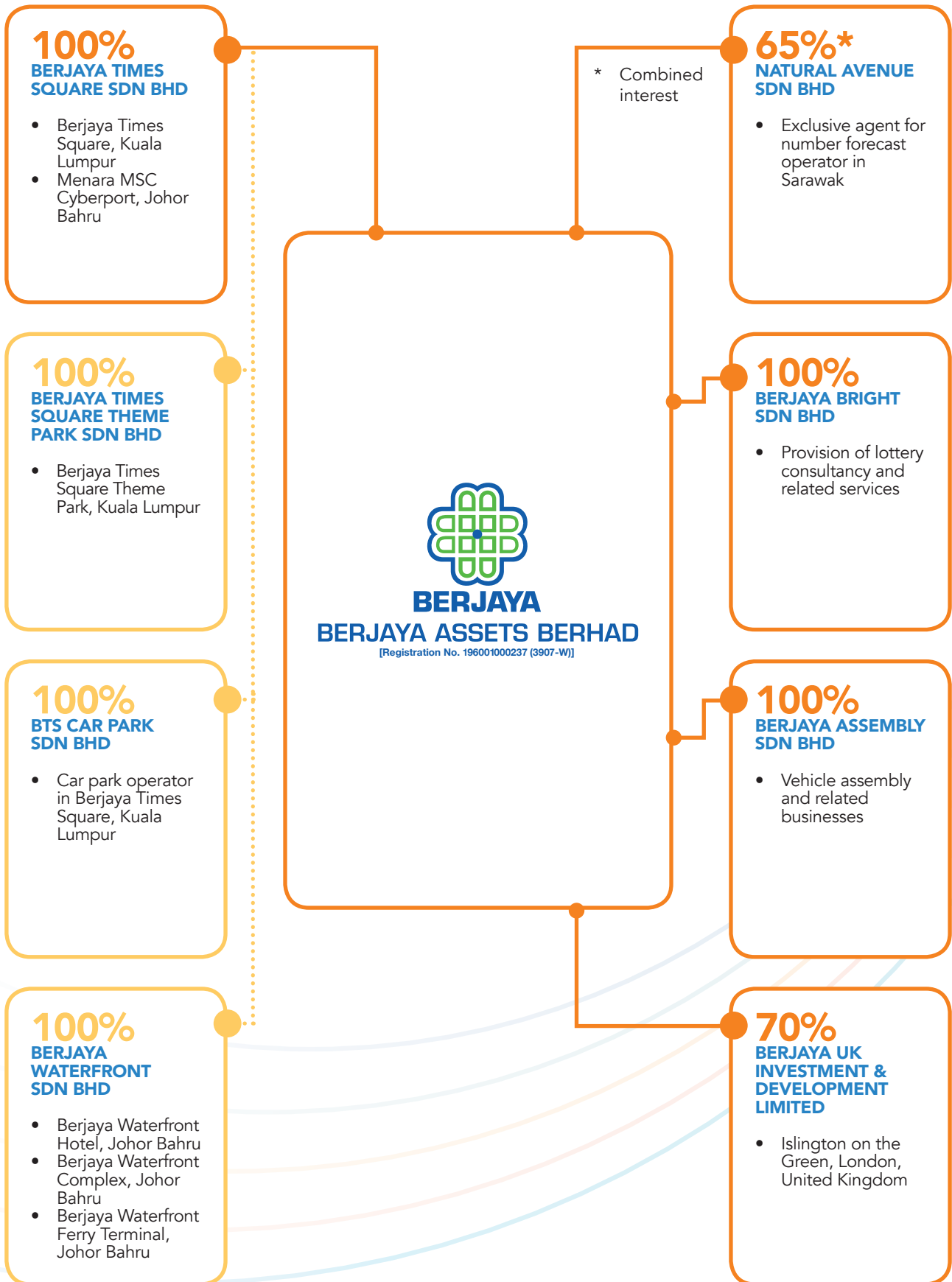
The inflationary pressures on the local economies after the declaration of the endemic have affected local consumers' patronage and consumption patterns at business outlets in Sarawak including NFO outlets. A substantial reduction in physical footfall was observed following the end of the pandemic as consumers have adopted different consumption patterns.

Following the adjustment to minimum wage and efforts by the government to control inflation, it is hopeful that the consumers' spending will increase leading to improvement in local business sentiments, including the NFO.

NASB will persist to reach out to its customers via information channels (including social media and our website) about our games and marketing activities. For the comfort of the customers, some urban based agents have adopted contactless payment services. The company will continue to work closely with the authorities and other NFO in curbing unlicensed gaming activities in Sarawak. NASB will also continue to explore the introduction of new game variants and mobile betting service once allowed and permitted by the relevant authorities.

CORPORATE STRUCTURE

OF MAIN OPERATING COMPANIES AS AT 23 OCTOBER 2023



GROUP FINANCIAL HIGHLIGHTS

Description	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	224,129	174,056	178,400	246,702	330,734
Loss Before Tax	(19,808)	(49,470)	(103,754)	(121,818)	(14,098)
Loss For The Year	(28,526)	(55,878)	(108,211)	(130,518)	(82,358)
Loss Attributable to Owners of the Parent	(23,316)	(54,958)	(107,889)	(123,762)	(81,363)
Share Capital	1,538,122	1,538,120	1,538,120	1,538,120	1,538,120
Reserves	357,744	335,471	412,005	474,354	645,488
Equity Funds	1,895,866	1,873,591	1,950,125	2,012,474	2,183,608
Non-controlling Interests	(6,026)	(1,110)	213	66	9,516
Total Equity	1,889,840	1,872,481	1,950,338	2,012,540	2,193,124
Deferred Tax Liabilities	162,690	161,614	160,773	167,521	173,926
Long Term Liabilities	736,623	790,982	818,394	811,286	820,406
Current Liabilities	356,053	280,610	255,708	284,370	326,560
Total Liabilities	1,255,366	1,233,206	1,234,875	1,263,177	1,320,892
Total Equity and Liabilities	3,145,206	3,105,687	3,185,213	3,275,717	3,514,016
Property, Plant and Equipment	226,806	237,614	249,745	267,041	279,710
Investment Properties	2,090,979	2,316,069	2,362,724	2,401,570	2,499,865
Other Non-Current Assets	262,313	256,872	293,014	2,533,980	352,051
Intangible Assets	9,733	10,780	11,881	12,982	16,058
Total Non-Current Assets	2,589,831	2,821,335	2,917,364	5,215,573	3,147,684
Current Assets	302,324	284,352	267,849	3,185,213	366,332
Non-current Asset Classified as Held For Sale	253,051	-	-	-	-
Total Assets	3,145,206	3,105,687	3,185,213	8,400,786	3,514,016
Net Assets Per Share (RM)	0.74	0.73	0.76	0.79	0.86
Loss Per Share (Sen)	(0.91)	(2.15)	(4.22)	(4.84)	(3.18)
Gross Dividend Rate (Sen)	-	-	-	-	-

Note:

Where additional shares are issued, the loss per share is calculated on a weighted average number of shares in issue.

SUSTAINABILITY STATEMENT

1. ABOUT THIS REPORT

BAssets recognises the challenges within its current environment as well as its commitment to the Group's various stakeholders and will continuously evolve and develop a sustainable business that has a positive impact on the community, economy and environment. This statement outlines the various practices that have been ingrained into the Group's processes to bring more value to its business, society and stakeholders.





The information disclosed in this statement focuses on the operations and management of the economic, environmental and social sustainability of BAssets for the financial year ended 30 June 2023, and were derived from internal reporting processes, systems and records.

SCOPE OF THE STATEMENT	
Reporting Period	1 July 2022 to 30 June 2023
Reporting Cycle	Annually
Reporting Scope and Boundary	Due to the diverse nature of the Group, the scope of the statement covers material issues arising from its principal business activities in Malaysia, operating under the following subsidiaries - Berjaya Times Square Sdn Bhd ("BTSSB"), Berjaya Times Square Theme Park ("BTSTP"), BTS Car Park Sdn Bhd ("BTSCP"), Berjaya Waterfront Sdn Bhd ("BWSB") and Natural Avenue Sdn Bhd ("NASB").
REFERENCES AND GUIDELINES	
Reporting Guidelines	The Sustainability Statement for BAssets is prepared in accordance with the Sustainability Reporting Guide and Toolkits by Bursa Malaysia Securities Berhad ("Bursa Securities").
Reliability of Information Disclosed	The accuracy of the statement's content has been: <ul style="list-style-type: none"> Reviewed by the Sustainability Committee; and Presented to the Board for approval.
Feedback	BAssets is fully committed to listening to stakeholders and welcomes feedback on its sustainability reporting and performance. Please direct queries and comments (if any) through the 'Contact Us' section of the corporate website to: (https://www.berjaya.com/inquiry.php).

2. APPROACH TO SUSTAINABILITY

With sustainability at the core of its business operations, BAssets will continue to drive the Group's long-term business growth strategy, build a strong workplace culture and establish mutually beneficial relationships with its stakeholders.

BAssets strives to conduct its business operations guided by a long-term sustainability strategy comprising four (4) main focus areas:-

 Economic	<ul style="list-style-type: none"> Creating long-term value for shareholders and other stakeholders. 	 Social	<ul style="list-style-type: none"> Engaging with our customers and communities according to good market practices and regulatory requirements as well as promoting conducive workplace practices.
 Environment	<ul style="list-style-type: none"> Striving to reduce our environmental footprint by improving the efficiency of our resources and supporting conservation efforts. 	 Governance	<ul style="list-style-type: none"> Ensuring healthy business practices by being fully compliant with approved policies, standard operating procedures, applicable laws and regulations. Promoting fair engagement, accountability and access to justice internally and externally.

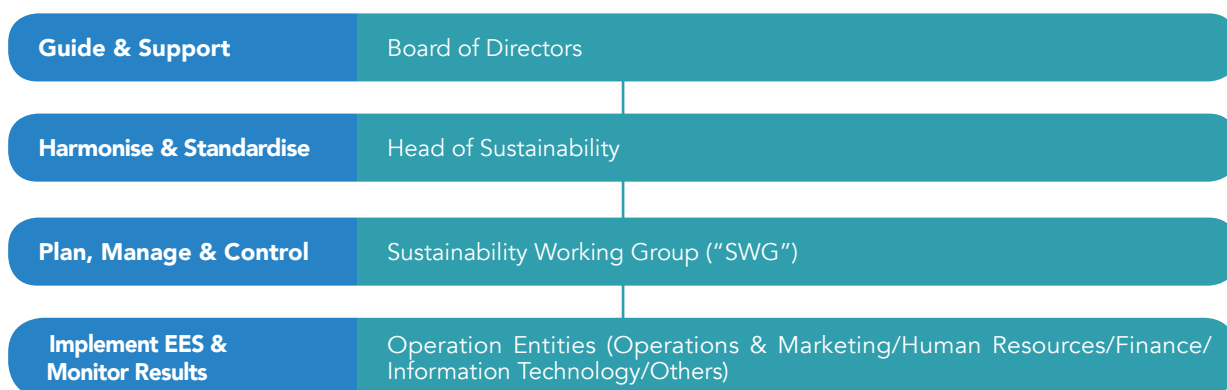
Sustainability Statement

3. SUSTAINABILITY GOVERNANCE STRUCTURE

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

In line with the Group's belief that corporate governance and value creation for stakeholders are mutually dependent as both are critical components for business continuity and sustainability, a Sustainability Working Group ("SWG") was formed in February 2018. The SWG oversees the overall planning and implementation of sustainability practices and policy continuously and systematically.

All operating companies ("OpCos") within the Group strive to embed sustainability into their business strategy planning, operations and processes. The Group monitors the implementation of its internal control measures as well as the completeness and reliability of information regarding the financial, operational, safety, health and environmental aspects of the Group. The Board and the management are committed to continually refine and improve these processes over time.



Note:
EES denotes Economic, Environmental and Social.

4. STAKEHOLDER ENGAGEMENT

Operating as an effective and sustainable business entity, it is highly fundamental for BAssets to maintain a good degree of communication and understanding with its internal and external stakeholders. Hence, the Group conducts regular dialogue or discourse and information-sharing with the relevant stakeholders.

The Group has established a series of engagement initiatives with various stakeholders through its respective OpCos. The input and perspectives gathered from all the relevant stakeholders specialised in their respective fields have been beneficial for long-term collaboration as well as for the development of the Group's business strategy and operations.

The Group's commitments to its key stakeholders and engagement platforms are outlined below:

STAKEHOLDER	OUR COMMITMENT	MODE OF ENGAGEMENT
Government and Regulators	<ul style="list-style-type: none"> Ensuring that business operations are in line with regulatory requirements that ensure safety, accountability, integrity and efficiency. Providing necessary information and working hand in hand with the authorities to counter the proliferation of illegal and unregulated gaming operations. Echoing the Government's call for the private sector to play an active role in community development. 	Meetings with the regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters that concern the customers and the general public.

Sustainability Statement

STAKEHOLDER	OUR COMMITMENT	MODE OF ENGAGEMENT
Customers	<ul style="list-style-type: none"> Instilling customer confidence through reliable and transparent communications via online and offline channels. Providing prompt and efficient assistance to customers. 	A customer survey is conducted once every 3 years to keep updated on customers' needs and expectations for the Group's products and services. Regular outlet visits are a way to keep tabs on customers' behaviour as well.
Employees	<ul style="list-style-type: none"> Evaluating the training and development needs of every level of employees to provide continuous training and up-skilling for better performance of duties and career advancement. Providing a conducive and facilitative working environment. 	Open communication through Berjaya Intranet on events, activities and staff promotions.
Suppliers	<ul style="list-style-type: none"> Developing a structured procurement system that ensures fair play for all suppliers. Suppliers are regularly reviewed to ensure value creation. 	Regular review of major suppliers to provide service delivery feedback and identify areas of improvement for the mutual benefit of both parties.
Communities and Non-Governmental Organisations ("NGOs")	<ul style="list-style-type: none"> Nurturing a collaborative relationship with NGOs and charitable organisations to develop community programmes. 	Various community programmes driven through consultation and collaboration with non-governmental organisations ("NGOs") and charitable organisations.
Media	<ul style="list-style-type: none"> Establishing a mutually beneficial relationship with media organisations to share updates on our sustainability initiatives and generate positive media coverage. 	Regular engagement and updates with the mainstream media on developments within the Group and the industry in general. Media releases relating to key business developments as well as corporate social responsibility activities are made available to the media whenever necessary.
Investors and Stock Analysts	<ul style="list-style-type: none"> Working to generate shareholder returns on a sustainable basis. Reporting financial results on a quarterly and annual basis, and major transactions and proposals undertaken by the Group when investor interest is at stake. 	Communication via announcements to Bursa Securities, Annual Report, General Meetings, the Group's website as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.

5. MATERIALITY ASSESSMENT

BAssets recognises that stakeholders' priorities are constantly evolving and understands that prioritising and addressing essential sustainability areas today ensures that it will be more efficient and future-proof in the long-term. In cognisance of the above, BAssets intends to undertake a materiality study in FYE 2024.

Sustainability Statement

6. ECONOMIC

i. Financial Performance

BAssets strives to strengthening its financial position and enhancing its competitiveness through the adoption of good and ethical business practices, corporate governance, as well as effective capital management BAssets's financial performance highlights for the financial year ended 30 June 2023 and its comparatives for the financial year ended 30 June 2022 are as follows:

Economic Value Generated (Revenue)	Total Assets	Net Assets Per Share
RM224.1 million <i>FYE 2022 RM174.1 million</i>	RM3,145.2 million <i>FYE 2022 RM3,105.7 million</i>	RM0.74 <i>FYE 2022 RM0.73</i>

ii. Economic Impact

a) Creating Value

Part of BAssets's pivotal growth strategy is to add value to Kuala Lumpur as the heart of shopping and tourist attractions. BTS Mall is situated strategically in what is popularly referred to as the Golden Triangle. Thus, it provides a one-stop centre for tourists and locals alike with a vibrant tenant mix, offering a range of retail, food & beverage and entertainment outlets comprising both international and home-grown brands. By supporting local retailers, it provides a platform for them to market their goods and services, as well as access to an international crowd. This allows local brands to grow their brand value beyond Malaysia.

The mall hosts a wide selection of F&B brands such as Richeese Factory, Starbucks Reserve, Mixue, Happy Lemon, Hokkaido Baked Cheese Tart, A&W, Baskin-Robbins, Kim Gary, Subway, Pizza Hut, Auntie Anne's, McDonald's, 4 Fingers, KFC and Nando's, to name a few recognisable international brands, and a mix of local brands such as Kelava, Hometown Hainan Coffee, The Chicken Rice Shop, Bungkus Kaw Kaw, Empire Sushi, Ah Cheng Laksa, Tealive and Kakatoo.

BAssets continues to promote local economic growth by providing ample employment opportunities to Malaysians. BAssets and the OpCos under coverage employ about 450 employees, all of whom are Malaysians as at the FYE 2023.

The Group also continues to support its retailers by developing a digital-centric marketing strategy leveraging on distinct and customisable content that showcases the unique selling points of each retailer on various social media platforms. To this end, BTSSB and BWSB provided this support through their own in-house production and content creation team. BTSSB and BWSB also regularly communicate with their retailers for feedback to enhance customer experience.

BTSSB and BWSB are also undertaking rejuvenation plans with focus on enhancing occupancy and improving tenancy mix as well as adopting more flexible leasing strategies to attract good retailers.

b) Supply Chain

BAssets creates indirect economic impact by supporting local businesses and contributing to local community development. BAssets's subsidiaries use local suppliers for its procurement requirements to generate direct local economic value. The Group also works closely with them to ensure that products and services provided meet the businesses' requirements. The proportion of operational spending on local suppliers in FYE 2023 for BTSSB and NASB is presented below:

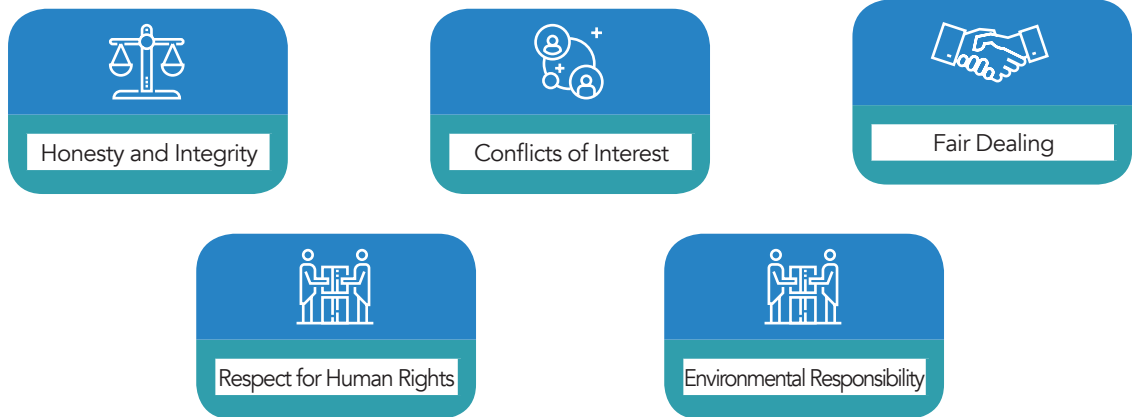
OpCO	% of Spending
BTSSB	99%
NASB	69%

For NASB, the lottery operations require niche or proprietary expertise which is only offered by foreign vendors. These include lottery system software support fees paid to International Lottery & Totalizator Systems, Inc. ("ILTS"), NASB's Gaming System supplier from the USA.

Sustainability Statement

c) Ethical Business Conduct

BAssets is committed to ethical business conduct in all of its dealings. The company has a clear code of ethics that sets out the standards of conduct expected of its directors, employees and business partners. The code of ethics covers a wide range of topics, including:



BAssets also has a number of other policies and procedures in place to promote ethical business conduct, such as its anti-corruption policy and whistleblowing policy.

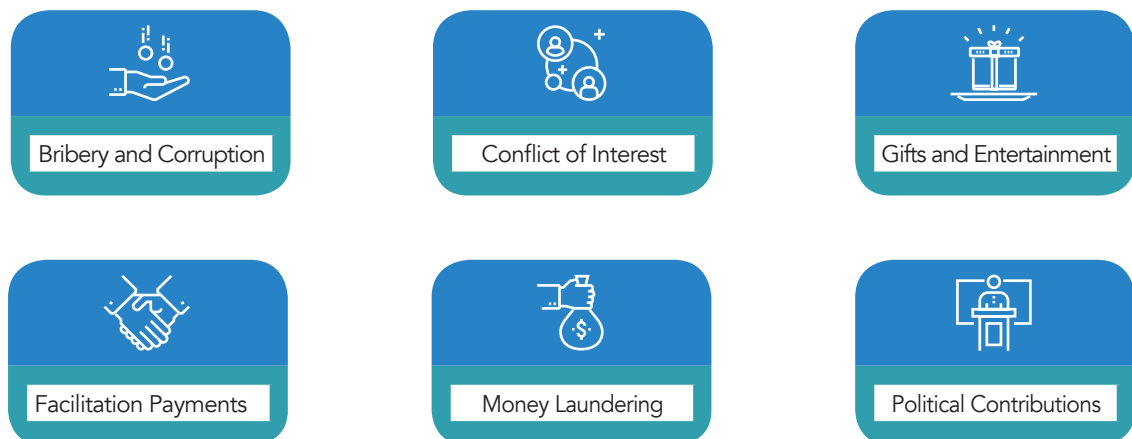
Anti-corruption Policy

BAssets has adopted a zero-tolerance policy towards corruption in all its forms. The company's anti-corruption policy, known as T.R.U.S.T., is designed to prevent, detect and respond to corruption risks.

The T.R.U.S.T. policy is based on the following principles:

- **Transparency:** BAssets is committed to transparency in all its business dealings. The company has clear policies and procedures in place to ensure that all decisions are made fairly and ethically.
- **Responsibility:** BAssets holds all of its directors and employees responsible for complying with the anti-corruption policy. The company has a whistleblowing policy in place to encourage employees to report any suspected or actual corruption.
- **Unity:** BAssets is committed to working together to prevent and combat corruption.

The T.R.U.S.T. policy covers a wide range of topics, including:



The policy also sets out clear procedures for reporting and investigating suspected corruption.

Sustainability Statement

Whistleblowing Policy

The Company has adopted a Whistleblowing Policy and Procedures with the aim to provide an avenue for any individual, whether employee or otherwise, to raise genuine concerns related to any suspected acts of wrongdoings within the Group without fear of reprisal. The Whistleblowing Policy and Procedures, among others, sets out the reporting procedures and information about protections accorded to the whistleblower who reports such allegations.

The Whistleblowing Policy and Procedures also provides contact details of the persons to whom the whistleblowing report can be addressed.

The Whistleblowing Policy and Procedures also serves as an avenue to safeguard against the acts of bribery and corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

BAssets takes all whistleblowing reports seriously and investigates them promptly and thoroughly. The Company is committed to protecting the confidentiality of whistleblowers.

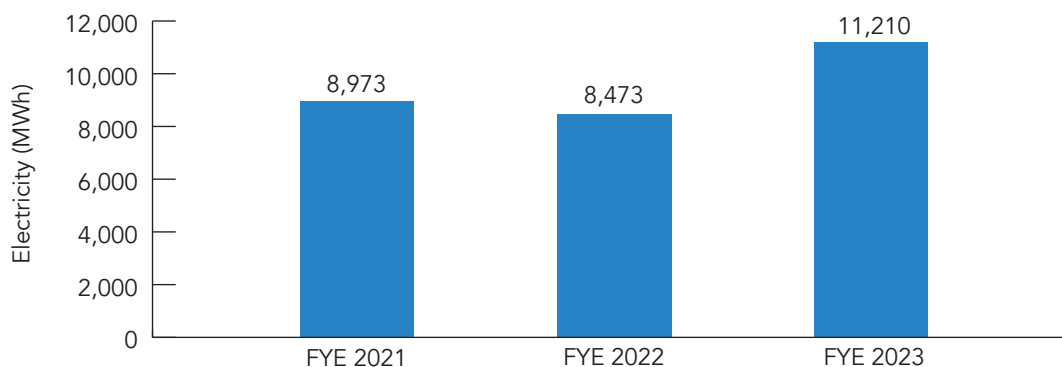
BAssets's ethical business conduct, anti-corruption policy and whistleblowing policy are important tools in the Company's efforts to prevent and combat corruption. The Company's commitment to these policies demonstrates its commitment to ethical and responsible business practices.

7. ENVIRONMENTAL

BAssets endeavours to reduce the negative impact of its business footprint on the environment through the efficient use of resources and minimising wastage in the course of conducting its businesses.

i. Energy Management

Energy is one of the largest cost components for a commercial property. As such, the subsidiaries under BAssets regularly monitor their electricity consumption and any unusual deviations are investigated and immediately addressed. Efforts to reduce energy consumption include daily monitoring of air conditioning usage and adjusting the settings to ensure optimal efficiency. Air Handling Units ("AHU") are installed with a demand control drive ("DCD") to save energy without compromising efficiency. Filament bulbs are replaced with Light-emitting diode ("LED") lighting, refurbishment of electric motor and pump to improve efficiency and energy. Energy-efficient equipment is used where possible. The Group's energy consumption data is presented below:



Sustainability Statement

ii. Waste Management

BAssets manages waste from its operations responsibly. Wastes derived from major renovation work and the malls' rubbish bins are properly disposed of in designated areas to prevent harmful impacts on the environment. We have commenced the collection of data on waste disposed in FYE 2023 as presented below:

Waste	Tonnes
Solid waste	188.67

The data above covers approximately 13% of the OpCos.

BAssets strives to adopt the 3R practices of Reduce, Reuse and Recycle as part of its environmental conservation initiatives. For example, festive and seasonal decorations in its malls and hotel are recycled and reused as much as possible.

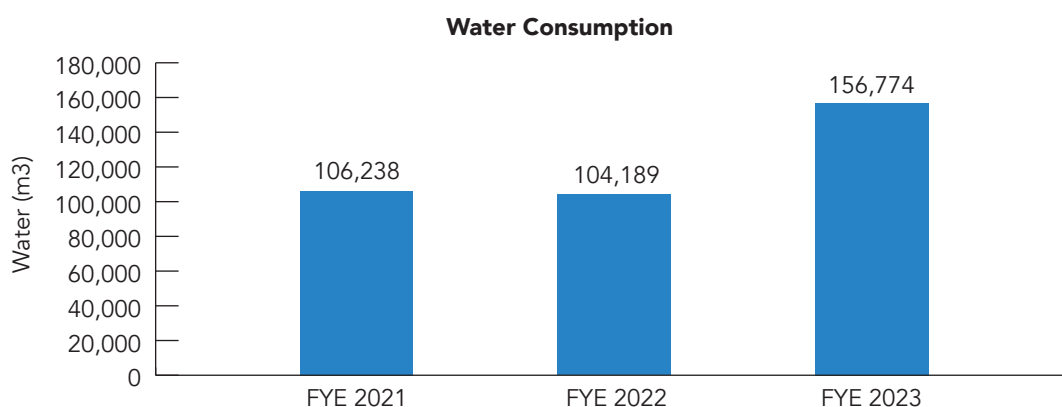
All employees are encouraged to reduce paper waste by reusing one-sided paper in the workplace. Our subsidiaries, including NASB have also implemented a new payroll system with e-payslip and e-leave functions besides introducing in-house developed e-reporting systems. NASB also recycled its six tonnes of paper waste (including tickets) at a local recycling centre in FYE 2023.

The cashless parking system implemented by BTS Car Park has also eliminated the usage of printed parking tickets since 2019. Equipment that is still functioning is regularly repaired and undergoes maintenance to prolong its lifecycle.

iii. Water Management

Water is one of the largest cost components of BWSB where the usage of water is for a variety of purposes. BWSB actively improves its water conservation and monitors its water consumption regularly. Water submeters are installed to evaluate and monitor water consumption as well as to detect water leakage. This will enable precise planning and implementation for improvements.

BWSB also manages its water consumption through the installation of self-closing faucets at all its public toilets in the Mall and Ferry Terminal to minimise water wastage. Besides this, notice will be given to tenants if any abnormal activity of water consumption is detected.











8. SOCIAL

BAssets conducts its business ethically and sustainably. The Group recognises the importance of social sustainability by implementing various practices in employees' well-being, development as well as occupational health & safety. The same is extended to product and service compliance, responsible marketing and communications practices as well as information security and privacy among others. BAssets also seeks to integrate its business operations with its communities.

Sustainability Statement

i. Upholding of Human Rights

BAssets is committed to a process of remediation to address any adverse human rights impacts that it has contributed to or caused. The Group also supports open communication and respects the right to freedom of expression.






BAssets Commitment to Human Rights	
 Minimum wage	 Non-discrimination in hiring and employment practices, including gender, race, religion, age, sexual orientation, disabilities and nationalities
 Safe and conducive working environment for all	 Prohibits physical abuse and harassment of associates
 Prohibits exploitation or use of child labour	 Suppliers & contractors must not allow excessive working hours for their workers
 Prohibits forced, prison, indentured, bonded or involuntary labour	 A grievance procedure with prompt action to address any complaint

As a company with a diverse workforce, Berjaya Assets (BAssets) is committed to providing adequate facilities and amenities to safeguard the welfare of its workers. By providing these facilities and amenities, BAssets is helping to create a safe and healthy work environment for its employees. This is essential for attracting and retaining top talent, and it also contributes to the company's bottom line.

ii. Diversity, Equity & Inclusion

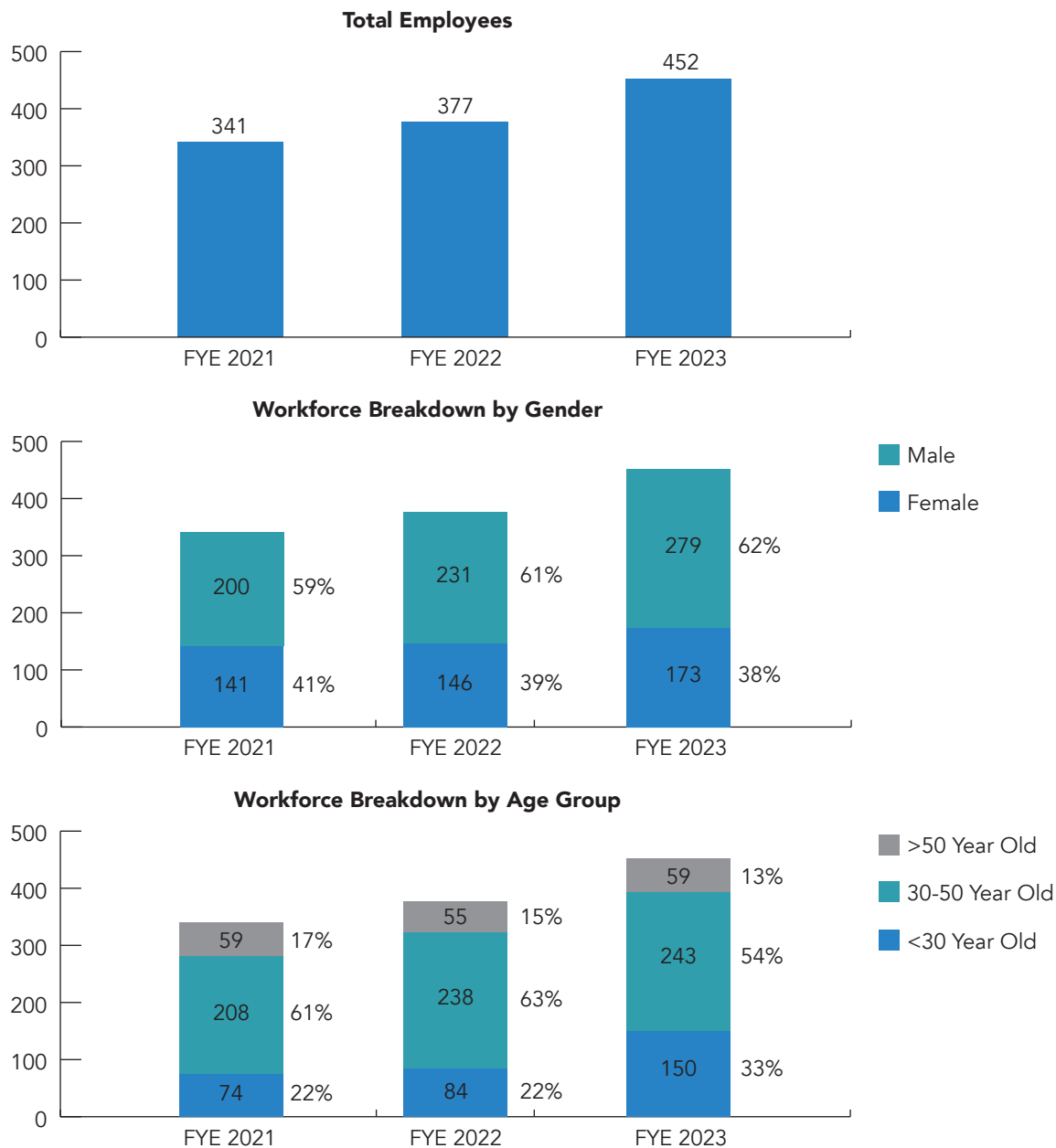
BAssets is committed to equal employment and does not practise any form of discrimination and ensures that equal opportunities are given to everyone based on their merits and talents.

BAssets also embraces the diversity of its workforce who possesses varied skill sets and expertise for the many job functions within its different businesses.

	Adopts and enforces an equal employment opportunity policy that prohibits discrimination on the basis of any of the protected characteristics listed above.
	Trains all employees on the company's equal employment opportunity policy and procedures.
	Creates a culture of respect and inclusion in the workplace.
	Encourages employees to report any concerns about discrimination to management.
	Takes disciplinary action against employees who violate the company's equal employment opportunity policy.

Sustainability Statement

The following charts present a snapshot of BAssets’s diverse workforce:



* The data reported above covers BAssets’s Corporate Office, BTSSB & NASB

OpCO	FYE 2021	FYE 2022	FYE 2023
% Women in Management	44%	36%	36%
% Women in Top Management	42%	13%	11%

Sustainability Statement

iii. Human Capital Development

BAssets recognises that human capital is one of the critical enablers for driving and sustaining the Group's success and growth. As such, BAssets invests heavily in recruiting the best fits, strengthening the talent and leadership pipeline and cultivating a positive and learning culture within the Group. BAssets aims to ensure that its employees are not just engaged but are knowledgeable, productive and competitive.

All employment policies, practices and procedures strictly abide by the Employment Act and other legal statutory provisions of the country. Employees are provided with adequate and comprehensive medical and dental coverage, as well as Group Hospitalisation, Surgical and Personal Accident Insurance.

In addition, employees receive training and participate in development programmes to help them develop and improve their skills and fulfil their personal development goals. The Group encourages employees to maintain a healthy work-life balance and organises weekly sports activities, monthly birthday celebrations and company annual dinners to promote employee bonding.

The total training hours are presented below:

Training	Unit	FYE 2021	FYE 2022	FYE 2023
Total training time	Hours	21	196	802
Total number of employees	Pax	5	27	38

BAssets also leverages digital platforms to engage with talents via LinkedIn and Facebook to build up its talent pipeline. The connection becomes more interactive via digital platforms as it eliminates geographical challenges.

Employment Engagement/Satisfaction & Work Life Balance

Here are some specific things that BAssets does to promote employee engagement, satisfaction and work-life balance:

- Positive work environment: Provides a safe and comfortable workplace, offers competitive salaries and benefits, and creates a culture of respect and appreciation.
- Sense of purpose: Provides employees with challenging and meaningful work that they can see the impact of.
- Encourages employee development: Provides opportunities for training and development, both formal and informal.
- Gives employees a voice: Listens to employees' feedback and takes their concerns seriously.
- Allows for flexibility: Flexible work arrangements, such as flextime, telecommuting and compressed workweeks.

By taking these steps, BAssets is creating a workplace where employees are engaged, satisfied and have a good work-life balance. This will lead to a more productive and successful workforce.

BAssets's new hires and turnover statistics for the past three (3) years are presented below:

Total New Hires	FYE 2021	FYE 2022	FYE 2023
Number of Employees	63	190	264
% of Employees	18%	50%	58%

Total Employees Turnover*	FYE 2021	FYE 2022	FYE 2023
Executive	8%	18%	7%
Non-executive	33%	24%	35%

* Includes part-time and contract workers.

Sustainability Statement

iv. Occupational Health & Safety

The number of fatality cases involving employees for the past three (3) years is reported below:

Coverage	FYE 2021	FYE 2022	FYE 2023
Employees	0	0	0

BAssets recognises the importance of health, safety and security of its employees, tenants and customers within their respective premises. Various standard operating procedures and health and safety policies for daily operations have been put in place at each of the subsidiaries and companies and are strictly adhered to by all employees.

BAssets complies with the regulations and policies set out by the Department of Occupational Safety and Health (“DOSH”), Fire and Rescue Department Malaysia (“FRDM”) and Royal Malaysian Police (“RMP”) for all its business premises. Hygiene and pest control inspections are also carried out to ensure that good hygiene standards are maintained at all times.

BTSTP conducts periodic checks for all the rides at the theme park and ensures that all of its maintenance employees are qualified to conduct maintenance work to ensure the safety of its patrons. In addition, both TUV Nord and TUV SUD are engaged periodically to conduct comprehensive inspections on all the theme park rides on a yearly basis. TUV is an independent inspection body from Germany and its services are well recognised around the world.

Following the lessons learnt from COVID-19 pandemic, NASB adopted better hygiene practices and encouraged the use of face masks, hand sanitisers and sanitisation at public areas including its offices and ticketing outlets. The company takes the health and safety of the staff and customers seriously by ensuring a clean, safe and healthy environment for everyone.

v. Community

BAssets acknowledges the importance of being a responsible corporate citizen. To give back to the communities in which it operates, the Group actively collaborates with reputable and community-changing organisations to help the less fortunate, as well as promote environmental conservation and local arts and cultural heritage.

One of the operating companies under the Group, BWSB collaborated with Majlis Bandaraya Johor Bahru in cleaning up the coastline of Stulang Laut on 21 September 2022. The activity is part of The Shoreline Management Plan for Iskandar Malaysia with the objective of conserving, protecting and enhancing the natural beauty of Iskandar Malaysia’s shoreline, which includes Stulang Laut.



BWSB’s employees participating in cleaning up Stulang Laut



The CSR was part of conserving, protecting and enhancing Iskandar Malaysia’s shoreline

Sustainability Statement

NASB continues to support local organisations such as STEC Kidney Foundation for the past 24 years. STEC Kidney Foundation currently provides assistance to needy patients for dialysis treatment in Kuching, Sibu and Miri. The amount contributed to STEC Foundation was RM300,000 in FYE 2023.

The total contribution of the Group to non-profit organisations for the past three years is presented below:



NASB's RM100,000 to STEC Kidney Foundation

	FYE 2021	FYE 2022	FYE 2023
Total Contributions/Donations To Non-Profit Organisations (RM)	200,000	0	300,000

vi. Marketing and Communications Practices

The Group ensures that all services and products offered to its tenants and customers are in compliance with all regulatory guidelines and takes the responsibility to ensure that all information disseminated through its promotional materials and marketing channels is conveyed in a clear and concise manner.

All the subsidiaries under the Group regularly review and update their marketing materials and websites to ensure that the services and product offerings are accurately presented to prevent any misinformation or misrepresentation of information.

vii. Information Security and Privacy

BAssets 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 respective operating companies' websites which states clearly the use of customers' personal information. The methods and purposes of personal information collected are clearly explained in the privacy policy.

viii. Information Technology

BAssets recognises the importance of digital transformation which is essential for businesses to grow and stay ahead of the competition as customers have higher expectations and demand a more seamless digital experience.

Moving forward, BAssets will endeavour to continue digitalising its existing manual system platforms to streamline work processes and improve workflow in order to minimise staff workload, reduce paperwork and complete jobs in a timely and efficient manner.

BTSSB and BWSB proactively utilise digital platforms to engage with their customers and provide regular updates on the malls' initiatives and promotional activities.

9. LOOKING AHEAD

BAssets is committed to strengthening its sustainability framework and practices within its businesses with the aim of creating more economic value for its stakeholders. The Group will continue to uphold its commitment towards corporate responsibility to make an impact within the communities it engages with, and will strive to implement further sustainable measures, improving its policies and systems in order to ensure future growth and success for the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Berjaya Assets Berhad ("the Company") recognises the importance of corporate governance towards promoting business prosperity and corporate accountability to protect and enhance shareholders' value as well as the interest of the Company.

The Board is also committed in ensuring that the Company and its subsidiaries (collectively "the Group") carries out its business operations within the required standards of corporate governance as set out in the Malaysian Code on Corporate Governance ("MCCG").

The Board is pleased to provide an overview of the Company's corporate governance ("CG") practices during the financial year ended 30 June 2023 ("FYE 2023") and where applicable, up to the date of this CG Overview Statement with reference to the three (3) key CG principles as set out in the 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, approved by the Board, is also in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and shall be read together with the CG Report 2023 ("CG Report") of the Company, which is available on the Company's website at www.berjaya.com/berjaya-assets/ and on Bursa Securities' website at www.bursamalaysia.com.

The CG Report provides details on how the Company has applied each Practice as set out in the MCCG and any departures thereof during the FYE 2023. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2023 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 Group and to provide leadership as well as guidance for setting strategic direction for the Group. The roles and responsibilities of the Board in discharging its fiduciary and leadership functions have been formalised in the Board Charter.

The positions of the Chairman and Chief Executive Officer ("CEO") are held by two different individuals. The roles and responsibilities of the Chairman and CEO, which have been formalised in the Board Charter of the Company, are distinct and separated to ensure that there is a balance of power and authority and that no one has unfettered control of the Board.

The Chairman is responsible for the leadership of the Board and ensures Board effectiveness and standards of conduct and to facilitate constructive deliberation on matters in hand. The Chairman also has authority over the agenda for each Board meeting to ensure that all Directors are provided with relevant information on a timely basis. The general agenda may include minutes of previous meetings of the Board and Board Committees, quarterly financial results of the Group, issues requiring the Board's deliberation and approval, reports or briefings on operational and financial issues of major subsidiaries and other ad-hoc reporting. The Deputy Chairman will assume the role of the Chairman in her absence or at her request.

The CEO holds the primary executive responsibility for the Group's business performance and to manage the Group in accordance with the strategies and policies approved by the Board. The CEO is also responsible to lead the senior management of the Company in making, implementing and managing the day-to-day decisions on the business operations, the Group's resources and the associated risks involved in pursuing the Group's corporate objectives.

The 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 the CEO in discharging his duties.

The Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their own particular expertise and experience in the development of the Group's overall business strategy. Their participation as members of the various Board Committees also contributed towards the enhancement of the corporate governance and controls of the Group.

Corporate Governance Overview Statement

Board Committees

The Board has established and is supported by the following Committees:-

- i. Audit and Risk Management Committee ("ARMC")
- ii. Nomination Committee
- iii. Remuneration Committee
- iv. Sustainability Committee

The ARMC, Nomination Committee and Remuneration Committee consist of a majority of Independent Non-Executive Directors to support the Board in discharging its oversight function and to ensure that there are appropriate checks and balances in place.

The Chairman of the Board is not a member of the ARMC, Nomination Committee or Remuneration Committee which is aligned with the recommendation of the MCCG.

These Committees play a significant part in reviewing matters within each Committee's terms of reference ("TOR") and facilitating the Board in discharging 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. The TOR of each Committee is available on the Company's website at www.berjaya.com/berjaya-assets/.

Company Secretaries

The Board is supported by suitably, qualified and experienced Company Secretaries, who are members of the professional body namely, The Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified Company Secretaries as per Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also advised the Board on adoption of Corporate Governance best practices as recommended under the MCCG. 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.

The Company Secretaries have also been continuously attending the relevant training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory changes in laws, regulatory requirements and corporate governance that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

Board Meetings and Meeting Materials

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Other than quarterly Board meetings, additional Board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration and approval. The Board members will deliberate and in the process, 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/or 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 to the Directors and these are supported with all the relevant information and/or explanations required for an informed decision to be made. These circular resolutions will then be tabled at the next Board meeting for notation.

Prior to the Board 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 include, among others, minutes of preceding meetings of the Board and Committees, summary of dealings in shares by the directors or affected persons and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.

Corporate Governance Overview Statement

In addition, there is also a schedule of matters reserved for Board's deliberations and decision, including among others, the review, evaluation, adoption and approval of the Company and the Group's policies and strategic plans. This is to ensure that the strategic plans of the Company and the Group support long-term value creation including strategies on economic, environmental and social considerations underpinning sustainability. It also includes the review, evaluation and approval for any material acquisition and disposal of undertakings or assets and approval of any new major ventures in the Group.

Access to Information and Advice

The Directors shall 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, Directors' Fit and Proper Policy, Code of Conduct, Whistleblowing Policy and Procedures and T.R.U.S.T. Concept

The Board has the following in place:-

(a) Board Charter

The Board has formally adopted a Board Charter which sets out the roles, duties and responsibilities as well as the composition and processes to enable all Board members, acting on behalf of the Company, to be aware of their duties and responsibilities at all times. The Board will review the Board Charter 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 and approved by the Board on 17 August 2023 to reflect the recent changes in the regulatory requirements and it is available on the Company's website at www.berjaya.com/berjaya-assets/.

(b) Code of Ethics for Directors

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

(c) Directors' Fit and Proper Policy

The Board has established and adopted a Fit and Proper Policy which sets out the fit and proper criteria for the appointment and re-election of directors of the Company and its subsidiaries. This policy serves as a guide to the Board and Nomination Committee in their review and assessment of candidates that are proposed to be appointed to the Board as well as Directors who are seeking re-election. The Fit and Proper Policy is subject to review by the Board periodically to ensure that it remains effective and relevant. A copy of the Policy is available on the Company's website at www.berjaya.com/berjaya-assets/.

(d) Code of Conduct and Business Ethics

The Company has established and adopted a Code of Conduct which applies to all employees of the Group and its subsidiaries as well as the Directors of the Company. The aim of the Code of Conduct is to provide guidelines on the expected behaviour and conduct of all employees and also to serve as a tool to guide the employees' actions when dealing with both internal and external parties and compliance with all applicable laws, rules and regulations in all its business activities.

All employees and Directors of the Company and its subsidiaries 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 Group.

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

(e) Whistleblowing Policy and Procedures

The Company 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.

Corporate Governance Overview Statement

The Company has adopted a Whistleblowing Policy and Procedures with the aim to provide an avenue for any individual, whether employee or otherwise, to raise genuine concerns related to any suspected acts of wrongdoings within the Group without fear of reprisal. The Whistleblowing Policy and Procedures, among others, sets out the reporting procedures and information about protections accorded to the whistleblower who reports such allegations.

The Whistleblowing Policy and Procedures also provides contact details of the persons to whom the whistleblowing report can be addressed.

The Whistleblowing Policy and Procedures also serves as an avenue to safeguard against the acts of bribery and corruption pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Whistleblowing Policy and Procedures was recently reviewed and revised on 17 August 2023. The revised Whistleblowing Policy and Procedures, underlining its protection and reporting channels, is available on the Company's website at www.berjaya.com/berjaya-assets/.

(f) Adequate Procedures to curb and prevent Bribery and Corruption - T.R.U.S.T. Concept

The Board has adopted a T.R.U.S.T. Concept which forms the ethos and philosophy of the top management in respect of the Group's fight against bribery and corruption in all its business dealings, transactions and such other related activities.

The T.R.U.S.T. CONCEPT was formulated to set out the guidelines on adequate procedures to curb and prevent bribery and corruption and the procedures are guided by the following five (5) principles:-

Principle I : **T**op Level Commitment (Berjaya's Ethos and Commitment);

Principle II : **R**isk Management Assessment;

Principle III : **U**ndertake Control Measures;

Principle IV : **S**ystematic Review, Monitoring and Enforcement; and

Principle V : **T**raining and Communication.

(Collectively known as T.R.U.S.T. Concept)

The establishment of this T.R.U.S.T. Concept demonstrates the Group's zero-tolerance approach against all forms of bribery and corruption in its daily operations and the Group takes a strong stance against such acts. The Group will take all reasonable and appropriate measures to ensure that all its directors and employees are committed to act professionally and with integrity in all their business dealings and not participate in any corrupt activities for its advantage or benefit.

The T.R.U.S.T. Concept was recently reviewed and revised on 17 August 2023 and it is available on the Company's website at www.berjaya.com/berjaya-assets/.

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

As at the date of this Statement, the Board has eight (8) members comprising the Chief Executive Officer/Executive Director, one (1) Executive Director, three (3) Non-Independent Non-Executive Directors (including the Chairman) and three (3) Independent Non-Executive Directors. The profile of each Director is set out in the Profile of Directors section in this 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 one-third (1/3) of its members to be Independent Directors. However, the Company is not in compliance with Practice 5.2 of the MCCG as the Board does not have a composition which comprises of 50% Independent Directors.

Corporate Governance Overview Statement

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 on 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 take the necessary measures towards promoting a corporate culture that embraces gender diversity in the Boardroom.

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.

As at the date of this Statement, the Board has three (3) female Directors namely, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, Ms Chryseis Tan Sheik Ling and Dr Jayanthi Naidu G. Danasamy and they represent 37.5% of the total Board members. The Board has complied with Paragraph 15.02(1)(b) of the Main Market Listing Requirements of Bursa Securities and has also fulfilled the requirement of Practice 5.9 of the MCCG.

The Board Diversity Policy, a copy of which is available on the Company's website at www.berjaya.com/berjaya-assets/.

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. During the FYE 2023, the Board met five (5) times and the attendances of the Directors at the Board Meetings were as follows:-

Directors	Attendance
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	4/5
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin	5/5
Dato' Hisham Bin Othman ¹	5/5
Chryseis Tan Sheik Ling	4/5
Datuk Wira Lye Ek Seang	5/5
Chan Kien Sing	5/5
Mohd Shukor Bin Abdul Mumin	5/5
Datuk Robert Yong Kuen Loke ²	5/5
Dr Jayanthi Naidu G. Danasamy ³	-/-

Notes:

¹ Appointed as the Chief Executive Officer/Executive Director on 1 July 2022.

² Resigned as an Independent Non-Executive Director on 1 June 2023.

³ Appointed as an Independent Non-Executive Director on 27 June 2023. There was no Board meeting held subsequent to the date of her appointment up to 30 June 2023.

All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities. They are required to notify the Chairman of the Board before accepting any new directorships outside the Group and indicating the time that will be spent

Corporate Governance Overview Statement

on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

Directors' Training

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

During the FYE 2023, the training programmes, seminars and conferences attended by the Directors were as follows:-

Director	Seminars/Conferences/Forum
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	– Advancing Cyber Resilience- Board's Top 3 must knows
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin	– Webinar on the Nominating & Remuneration Committees- What roles do these Committees play- Can Listed Issuers do without them?
Dato' Hisham Bin Othman	– CEO Forum 2022: Major trends impacting the Malaysian economy – Provision of Financial Assistance & RPT – Sustainability Transition- Innovation as change drivers
Chryseis Tan Sheik Ling	– Advancing Cyber Resilience- Board's Top 3 must knows
Datuk Wira Lye Ek Seang	– MSWG Webinar: Managing Liability of Officer under Corporate Law
Chan Kien Sing	– Webinar on the Nominating & Remuneration Committees- What roles do these Committees play- Can Listed Issuers do without them? – Transformational Leadership for Corporate Directors – MIA Conference
Mohd Shukor Bin Abdul Mumin	– Konsep Hadanah Dalam Undang-undang Keluarga Islam – IELC Employment Webinar Series Sexual Harassment & Workplace Bullying – Aba Roli/Privacy and Internet Freedom in the Digital Age: The right of privacy in the Digital Environment – Continuing Legal Education Webinar: The Defense of Illegality – Aba Roli/Privacy and Internet Freedom in the Digital Age: International Regional and National Privacy Policy Frameworks – The Audit Committee- How to navigate financial reporting oversight amidst potential landmines of misreporting

Note:

Dr Jayanthi Naidu G. Danasamy did not attend any training programme/seminar from the date of her appointment up to 30 June 2023 as she was only appointed as an Independent Director of the Company on 27 June 2023.

All the Directors of the Company (including the newly appointed Director) have completed the Mandatory Accreditation Programme Part I as required by Bursa Securities.

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

Corporate Governance Overview Statement

Appointment to the Board

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

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin ¹	- Chairman/Senior Independent Non-Executive Director
Dr Jayanthi Naidu G. Danasamy ²	- Member/Independent Non-Executive Director
Chan Kien Sing	- Member/Non-Independent Non-Executive Director

¹ Tan Sri Dato' Seri Zulkefli was redesignated as the Chairman of the Nomination Committee on 27 June 2023 following the cessation of Datuk Robert Yong Kuen Loke as the Chairman/member of the said Committee on 1 June 2023.

² Dr Jayanthi Naidu G. Danasamy was appointed as a member of the Nomination Committee on 27 June 2023.

The Chairman of the Nomination Committee, Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin is an Independent Director and has been identified as the Senior Independent Director of the Board to whom concerns relating to the affairs of the Group may be conveyed.

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

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' network and referrals from incumbent Directors and business associates, senior management, major shareholders and/or other independent source such as external consultants;
2. In evaluating the suitability of a candidate to the Board, the Nomination Committee considers, inter-alia, the competency, experience, fitness and propriety, potential contribution, commitment, and integrity of the candidate, and in the case of a candidate proposed for appointment as Independent Non-Executive Director, 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 as recommended by the Nomination Committee.

During the FYE 2023, Datuk Robert Yong Kuen Loke, who has served the Board for a cumulative term of more than twelve (12) years, has resigned as a Senior Independent Director and various Board Committees of the Company on 1 June 2023 so as to comply with the Main Market Listing Requirements of Bursa Securities.

Following the resignation of Datuk Robert Yong, Dr Jayanthi Naidu G. Danasamy was identified as a potential candidate for the appointment as an Independent Director through the recommendation by the major shareholder.

The Nomination Committee has reviewed the profile of Dr Jayanthi Naidu G. Danasamy and assessed her fit and proper criteria in accordance with the Directors' Fit and Proper Policy of the Company as well as her independence prior to her appointment to the Board and various Board Committees. The Nomination Committee was satisfied with her fitness and propriety and has accordingly recommended her appointment as an Independent Director and member of various Board Committees of the Board. Upon the recommendation of the Nomination Committee, the Board has approved the above new appointment.

Corporate Governance Overview Statement

Annual Assessment

The Nomination Committee is responsible to carry out the necessary evaluation of the effectiveness of each Director, the Board and the Board Committees on an annual basis.

During the financial year, the Committee had carried out an annual evaluation assessment as an effort to monitor the level of effectiveness of the Board, the Board Committees as well as the Board members. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and area 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 each Director will assess their own performance and that of their fellow Directors. The outcome of the assessments and comments by all the 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.

Based on the assessment conducted for the FYE 2023, the Nomination Committee and the Board indicated their satisfaction with the level of performance and effectiveness of the Board, the Board Committees and the Board members.

During the FYE 2023, the Nomination Committee also 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 and Risk Management Committee and assessed the financial literacy of its members;
- recommended to the Board, the Directors who are retiring and being eligible, for re-elections;
- recommended to the Board the retention of Independent Director;
- recommended to the Board the proposed revision to the TOR of the Nomination Committee;
- recommended to the Board the proposed adoption of Directors' Fit and Proper Policy; and
- recommended to the Board the proposed appointment of new Director and reconstitution of various Board Committees.

Re-election of Directors

Clause 117 of the Company's Constitution provides that at least one-third (1/3) of the Directors are subject to retirement by rotation at each annual general meeting ("AGM") and that all Directors shall retire once in every three years, and are eligible to offer themselves for re-election. Clause 107 of the Company's Constitution also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his/her appointment.

At the forthcoming 63rd AGM, the Directors who will retire by rotation and eligible for re-election pursuant to Clause 117 of the Company's Constitution are Chryseis Tan Sheik Ling and Chan Kien Sing. Dr Jayanthi Naidu G. Danasamy, who was appointed as an Independent Director on 27 June 2023, will also retire at the forthcoming AGM and shall be eligible for re-election pursuant to Clause 107 of the Company's Constitution. The information of the Directors who stand for re-election at the forthcoming AGM including their profile, details of conflict of interest (if any), position or relationship with Director and/or major shareholder are set out in the profile of Directors of this Annual Report.

All the above retiring directors have provided declaration on their fitness and propriety to continue acting as Directors of the Company in accordance with the Directors' Fit and Proper Policy as well as the confirmation of their independence (as the case may be).

The Nomination Committee has conducted an assessment of the Directors who are subject to retirement at the forthcoming AGM in accordance with the provisions of the Constitution of the Company and was satisfied with the performance, contribution as well as the fitness and propriety of the retiring Directors. Accordingly, the Nomination Committee recommended to the Board the re-election of all the above retiring Directors. The Board (save for the retiring Directors who abstained with regards to his/her own proposed re-election) has endorsed the re-elections of the abovementioned retiring Directors at the forthcoming AGM as recommended by the Nomination Committee.

Corporate Governance Overview Statement

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 assesses the independence of the Independent Directors of the Company based on the criteria set out in the Main Market Listing Requirements on an annual basis.

The current Independent Directors of the Company, namely Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin, Encik Mohd Shukor Bin Abdul Mumin and Dr Jayanthi Naidu G. Danasamy have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Main Market Listing Requirements of Bursa Securities. The Company has also fulfilled the requirement to have at least one-third of its Board members to be Independent Non-Executive Directors. The Board is satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interests of the Company.

Tenure of Independent Directors

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director should not exceed a cumulative terms of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Directors' redesignation as a Non-Independent Director. The MCCG also sets out a recommendation that the Board must justify and seek shareholders' approval in the event there is intention to retain a Director beyond nine years as an Independent Director through a two-tier voting process.

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 date of this statement, none of the Independent Directors of the Company has served the Board for a cumulative term of more than nine years.

Remuneration Policy

The members of the Remuneration Committee, which comprises exclusively of Non-Executive Directors with a majority of them being Independent Directors as at the date of this statement are as follows:-

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin	- Chairman/Senior Independent Non-Executive Director
Dr Jayanthi Naidu G. Danasamy ¹	- Member/Independent Non-Executive Director
Chan Kien Sing	- Member/Non-Independent Non-Executive Director

¹ Dr Jayanthi Naidu G. Danasamy was appointed as a member of the Remuneration Committee on 27 June 2023 in place of Datuk Robert Yong Kuen Loke who has ceased as a member of the said Committee on 1 June 2023.

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/berjaya-assets/.

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 Executive Directors and Key Senior Management who will manage and drive the Company's success.

Corporate Governance Overview Statement

The Board has delegated to the Remuneration Committee to implement its Remuneration Policy. The Remuneration Policy is subject to regular reviews by the Remuneration Committee and will be amended as appropriate to align with the current market practices and requirement of the MCCG and any other new requirements. The Remuneration Policy is also available on the Company's website at www.berjaya.com/berjaya-assets/.

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 Executive 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 the same to the Board for their consideration with the Directors concerned abstaining from deliberations and voting on decisions in respect of his/her individual remuneration package. The recommended level of remuneration shall reflect the experience and the level of responsibilities undertaken by each Non-Executive Director. The Board will then recommend the yearly Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

Details of the Directors' remuneration paid or payable to all Directors (both by the Company and the Group) and categorised into appropriate components for the FYE 2023 were as follows:-

(a) Individual Directors on a named basis

Company	← RM →						
	Fees	Allowance	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive							
Dato' Hisham Bin Othman	-	60,000	360,000	-	5,414	28,026	453,440
Chryseis Tan Sheik Ling	-	-	-	-	-	-	-
Non-Executive							
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	-	366,100	-	-	23,950	44,319	434,369
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin	120,000	13,800	-	-	7,200	-	141,000
Datuk Wira Lye Ek Seang	-	36,000	-	-	-	5,371	41,371
Chan Kien Sing	60,000	14,000	-	-	-	-	74,000
Mohd Shukor Bin Abdul Mumin	60,000	5,900	-	-	-	-	65,900
Dr Jayanthi Naidu G. Danasamy ¹	658	-	-	-	-	-	658
Datuk Robert Yong Kuen Loke ²	55,233	14,500	-	-	-	-	69,733
	295,891	510,300	360,000	-	36,564	77,716	1,280,471

Notes:

¹ Appointed as an Independent Non-Executive Director on 27 June 2023.

² Resigned as an Independent Non-Executive Director on 1 June 2023.

Corporate Governance Overview Statement

Group	← RM →						
	Fees	Allowance	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive							
Dato' Hisham Bin Othman	-	60,000	360,000	-	5,414	28,026	453,440
Chryseis Tan Sheik Ling	60,000	-	-	-	-	-	60,000
Non-Executive							
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	-	886,100	-	20,000	30,121	110,432	1,046,653
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin	120,000	13,800	-	-	7,200	-	141,000
Datuk Wira Lye Ek Seang	-	36,000	-	-	-	5,371	41,371
Chan Kien Sing	70,000	14,000	-	-	-	-	84,000
Mohd Shukor Bin Abdul Mumin	60,000	5,900	-	-	-	-	65,900
Dr Jayanthi Naidu G. Danasamy ¹	658	-	-	-	-	-	658
Datuk Robert Yong Kuen Loke ²	55,233	14,500	-	-	-	-	69,733
	365,891	1,030,300	360,000	20,000	42,735	143,829	1,962,755

Notes:

¹ Appointed as an Independent Non-Executive Director on 27 June 2023.

² Resigned as an Independent Non-Executive Director on 1 June 2023.

(b) The Remuneration of top four Key Senior Management in bands of RM50,000 on an aggregate basis

The number of top four (4) Key Senior Management and their total remuneration from the Group categorised into the various bands are as follows:-

	Number of Key Senior Management
RM250,001 – RM300,000	1
RM300,001 – RM350,000	3
	4

Although the MCCG has stipulated that the Company should disclose the detailed remuneration of the top five (5) Key Senior Management on a named basis, the Board has opined that it is not in the best interest of the Company to make such disclosures on the remuneration of the Key Senior Management due to the sensitivity of their remuneration package, privacy and issue of staff poaching.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC is established by the Board and comprises three (3) members, all of whom are Non-Executive Directors with a majority of them being Independent Directors. The members of the ARMC as at the date of this statement are as follows:-

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin ¹	– Chairman/Senior Independent Non-Executive Director
Dr Jayanthi Naidu G. Danasamy ²	– Member/Independent Non-Executive Director
Chan Kien Sing	– Member/Non-Independent Non-Executive Director

¹ Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was redesignated as the Chairman of the ARMC on 27 June 2023 following the cessation of Datuk Robert Yong Kuen Loke as the Chairman of the ARMC on 1 June 2023.

² Dr Jayanthi Naidu G. Danasamy was appointed as a member of the ARMC on 27 June 2023.

The Chairman of the ARMC 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 ARMC are set out under its TOR approved by the Board and is available at the Company's website at www.berjaya.com/berjaya-assets/.

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

The ARMC provides an independent channel of communication for the external and internal auditors. The Board ensures that an objective and professional relationship is maintained with the external auditors through the ARMC which keeps under review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the auditors. It also reviews the scope and extent of the activity of the internal audit function.

One of the key responsibilities of the ARMC is to review the financial statements and quarterly results of the Group and to ensure that such quarterly results and financial statements comply with the applicable financial reporting standards. The quarterly financial results and audited financial statements were reviewed by the ARMC and approved by the Board before they were released to Bursa Securities. The ARMC would meet with the External Auditors to review the scope and adequacy of the audit process, the annual financial statements and their audit findings. Furthermore, the ARMC is updated regularly by the External Auditors on the changes in financial reporting standards which are applicable to the Group.

The performance of the ARMC 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 ARMC meetings.

Based on the evaluation, the Nomination Committee concluded that the ARMC has been effective in its performance and has carried out its duties in accordance with its TOR during FYE 2023.

Assessment of External Auditors

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

The Board has delegated to the ARMC to perform an annual assessment of the quality of 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.

Corporate Governance Overview Statement

The ARMC has put in place an External Auditors Policy which outlines the policies and procedures for the ARMC to govern the assessment and to monitor the External Auditors. The External Auditor Policy covers, among others, the appointment of External Auditors, assessment of External Auditors, independence of External Auditors, non-audit services including the need to obtain approvals from the Chief Financial Officer (if any)/Executive Director or the ARMC for non-audit work up to a certain threshold and the annual reporting and rotation of the External Audit Engagement Partner. The External Auditors Policy also included a requirement for a former audit partner to observe a cooling-off period of at least three (3) years before they can be considered for appointment as a member of the ARMC and/or the Board.

To support the ARMC's assessment of their independence, the External Auditors have provided a declaration in their annual audit plan presented to the ARMC confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

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

During the FYE 2023, the amount of statutory audit fees and non-audit fees paid/payable to the External Auditors and its affiliates by the Company and the Group respectively for the FYE 2023 were as follows:-

	Company		Group	
	FYE 2023 (RM)	FYE 2022 (RM)	FYE 2023 (RM)	FYE 2022 (RM)
Statutory audit fees paid/payable to:-				
-Deloitte PLT Malaysia	111,240	111,240	354,159	354,159
-Affiliates of Deloitte PLT Malaysia	-	-	-	-
Total (a)	111,240	111,240	354,159	354,159
Non-audit fees paid/payable to:-				
-Deloitte PLT Malaysia	5,400	5,400	5,400	5,400
-Affiliates of Deloitte PLT Malaysia	-	-	-	-
Total (b)	5,400	5,400	5,400	5,400
% of non-audit fees (b/a)	4.85%	4.85%	1.52%	1.52%

In considering the nature and scope of non-audit fees, the ARMC 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 ARMC will make recommendation for re-appointment of the External Auditors to the Board. The proposed re-appointment will be subject to the shareholders' approval at the forthcoming AGM.

The details on the activities and functions of the ARMC are set out in the ARMC Report in this Annual Report.

Risk Management and Internal Control Framework

The Board of Directors acknowledges that risk management and internal control is an integral part of the overall management process. It is an ongoing process to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.

The ARMC is entrusted to provide advice and assistance to the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company's internal and external audit functions, risk management and matters that may significantly impact the financial conditions or affairs of the business.

The details of the risk management and system of internal control of the Company are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Corporate Governance Overview Statement

Internal Audit Function

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

The internal audit function of the Group was outsourced to the internal auditors of Berjaya Corporation Berhad, an affiliated company, to assist the ARMC in discharging its duties and responsibilities. The Internal Auditors report directly to the ARMC and carries out their internal audit based on the plan approved by the ARMC. The Internal Auditors assist the Board in providing independent assessment on the adequacy and effectiveness of the governance, risk management and internal control processes for the purposes of safeguarding the Group's assets and the shareholders' investments.

The internal auditors are responsible for preparing and tabling the internal audit reports on a quarterly basis to the ARMC and to highlight areas for improvements for each of the operating units within the Group. The Internal Auditors will follow up closely on the areas highlighted to determine the extent of the implementation of their recommendations and to ensure that they are satisfactorily resolved by the Management.

The summary of the activities undertaken by the Internal Auditors during the FYE 2023 is set out in the ARMC Report.

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

Communication with Stakeholders

The Company recognises the importance of being transparent and accountable to its shareholders and has used various channels of communications to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public generally.

The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, general meetings of shareholders and through the Company's website at www.berjaya.com/berjaya-assets/ where shareholders can access corporate information, annual reports, press releases, financial information and the Company's announcements.

Conduct at General Meetings

The Company provides a platform for dialogue and interaction with all shareholders through its general meetings. The Chairman of the meeting provides sufficient time for the shareholders to ask questions for each agenda in the notice of the general meetings. At each AGM, the Board presents the progress and performance of the Group's businesses and encourages shareholders to participate through a question and answer session.

In view of the COVID-19 pandemic, the Company had leveraged on technology by conducting the 62nd AGM of the Company held on 6 December 2022 on a virtual basis through live streaming from broadcast venue and online remote voting using the Remote Participation and Electronic Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd. With the RPV Facilities, all shareholders were allowed to participate and vote remotely as well as pose questions to the Board via real time submission of typed texts during the AGM. Shareholders were also given the opportunity to submit their questions via email prior to the AGM. Detailed registration and voting procedures on the remote participation and online voting were provided in the Administrative Guide which was sent to the shareholders together with the Notice of AGM and published on the Company's website prior to the AGM. The Company's Annual Report and Circular to Shareholders can be viewed and downloaded from the websites of the Company and Bursa Securities.

All the Directors (including the Chairman and all members of the Board Committees), Senior Management and External Auditors of the Company attended the 62nd AGM. Questions received from shareholders were made visible to all meeting participants and were read out clearly by the Chairman of the meeting followed by responses by the Board or senior management during the said AGM.

The Company issues its notice of AGM at least twenty-eight (28) days before the AGM to the shareholders of the Company. The Notice of the 62nd AGM was issued to the shareholders and published on the Company's website on 25 October 2022 while the notice for the 63rd AGM in 2023 scheduled to be held on 5 December 2023 will be issued on 26 October 2023. The long notice period provides shareholders with ample time to review the annual report, to consider the resolutions that will be discussed at the AGM for them to make an informed decision in exercising their voting rights and to make the

Corporate Governance Overview Statement

necessary arrangements to attend and participate personally at the AGM or through a proxy or a corporate representative. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate a better understanding and evaluation of issues involved.

The forthcoming 63rd AGM of the Company will also be held on a virtual basis through live streaming from the broadcast venue using the RPV Facilities provided by SS E Solutions Sdn Bhd via Securities Services e-Portal at <https://sshsb.net.my/>.

Poll Voting

All the resolutions passed by the shareholders at the 62nd AGM were conducted by poll pursuant to Paragraph 8.29(1) of the Main Market Listing Requirements of Bursa Securities.

During the AGM, the shareholders were briefed on the voting procedures before the commencement of the voting process. The poll vote count was conducted by the Poll Administrator and the results of the poll were then verified by the Scrutineers, Commercial Quest Sdn Bhd. An announcement of the poll results showing the number of votes cast for and against each resolution was announced to Bursa Securities on the same day for the benefit of all shareholders. The minutes of the AGM were also made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM within 30 business days after the AGM.

Going forward, the Company will periodically review the circumstances to leverage technology to facilitate voting in absentia and/or remote shareholders participation after taking into consideration, among others, the cost and benefits of such facilities.

This CG Overview Statement was approved by the Board of Directors of the Company on 17 October 2023.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITY

The Board of BAssets recognises that it is responsible for the Group’s system of internal control and for reviewing its adequacy and integrity. The Board’s responsibility in relation to the system of internal control extends to all the subsidiaries of the Group. In view of the limitations that are inherent in any system of internal control, the Group’s internal control system is designed to manage rather than eliminate the risks of failure to achieve business objectives. As such, the system can only provide reasonable assurance against material misstatement or loss.

The Board’s primary objective and direction in managing the Group’s principal business risks are to enhance the Group’s ability to achieve its business objectives. The Board recognises that effective risk management framework is an integral part of a good business management. It is an ongoing process to identify, evaluate, monitor, manage and mitigate the risks that may affect the Group’s ability to achieve its business objectives and strategies. In order to measure the achievement of the business objectives, the Board monitors the Group’s performance and its profitability at its Board meetings.

The Group had in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. The Board regularly reviews and discusses these processes.

The Board has obtained assurance from the Chief Executive Officer who is primarily responsible for the management of the financial affairs of the Company that the Group’s governance, risk management and internal control system is operating adequately and effectively, in all material aspects.

MANAGEMENT STYLE

The management of the Group as a whole is assigned to the Chief Executive Officer and the Executive Directors who will lead the management teams. The Executive Directors and their respective management teams of the Group’s individual operating units are accountable for the conduct and performance of their businesses within the agreed business strategy.

The Executive Directors and the management team, hold regular meetings and review financial and operations reports, in order to monitor the performance and profitability of the Group’s businesses. The Group also prides itself in the “open-door” and “close-to-operations” policies practised by the Chief Executive Officer, Executive Directors and the management. These provide the platform for timely identification of the Group’s risks and systems to manage risks.

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 has appointed representatives to the respective board of these associated companies and joint ventures which hold regular meetings to oversee and manage their operations. These representatives provide the Board with information for timely decision making on the continuity of the Board’s investments based on the performance of the associated companies and joint ventures.

INTERNAL CONTROL PROCESS

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

- The operating 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 and Risk Management Committee (“ARMC”) for approval.
- The internal auditors perform the audit and present their audit reports to the ARMC, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

Statement on Risk Management and Internal Control

ASSURANCE MECHANISM

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. The Board has assigned the ARMC with the duty of reviewing and monitoring the effectiveness of the Group's internal control. The ARMC receives assurance reports from both the internal and external auditors.

The Internal Audit function furnishes the ARMC with reports from visits conducted at various operating units. These independent and objective reports on the state of internal control of the operating units within the Group assist the ARMC in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the ARMC together with management's responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audits with implementation status reported to the ARMC. The internal audit function is outsourced to the Group Internal Audit Division of an affiliated company, Berjaya Corporation Berhad which reports directly to the ARMC.

The Board also reviews the minutes of meetings of the ARMC. The Report of the ARMC is set out on pages 50 to 54 of the Annual Report.

KEY ELEMENTS OF INTERNAL CONTROL

Some of the identified key features of the Group's system of internal control include:

- Clearly defined delegation of responsibilities to committees of the Board and to the management of Head Office and business units, including authorisation level for all aspects of the business which are set out in an authority matrix;
- Regular and comprehensive information provided to the management for monitoring performance, covering financial performance and key business indicators;
- Regular visits to business units by senior management;
- Independent assurance on the system of internal control from regular internal audit visits; and
- Physical security and systems access controls.

WHISTLEBLOWING POLICY

The Group has a whistleblowing policy, which provides an avenue for employees, third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis without fear of any form of victimisation, harassment, retribution or retaliation. The whistleblowing policy is available on BAssets's website at <https://www.berjaya.com/berjaya-assets/>.

ANTI-BRIBERY AND CORRUPTION POLICY

In response to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has established its Anti-Bribery and Corruption Policy, titled Adequate Procedures To Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept. The Group and affiliated companies strictly adopt a zero-tolerance policy approach against all forms of bribery and corruption in its daily operations, and take all reasonable and appropriate measures to ensure that all its directors and employees are committed to act professionally and with integrity in all their business dealings and not participate in any corrupt activities for its advantage or benefit.

The Adequate Procedures To Curb and Prevent Bribery and Corruption - T.R.U.S.T. Concept can be accessed on BAssets's website at <https://www.berjaya.com/berjaya-assets/>.

Statement on Risk Management and Internal Control

RISK MANAGEMENT

An ARMC has been established by the Company to further enhance the Group's system of internal control and be in line with the Malaysian Code on Corporate Governance. The management teams of business units maintain risk register which outlines the risk policies including the procedures of risk identification, risk tolerance and the evaluation and managing process.

The members of the ARMC as at 30 June 2023 are Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin (Chairman), Mr Chan Kien Sing and Dr Jayanthi Naidu G. Danasamy.

The ARMC terms of reference include, inter alia:

- To ensure that the strategic context of 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 establish business benefits.
- To ensure alignment and coordination of assurance activity across the organisation.

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 risks levels. 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 ARMC 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 Guidance 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants, for the year ended 30 June 2023, 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 external 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 therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, 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 AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Berjaya Assets Berhad ("the Company") is pleased to present the report of the Audit and Risk Management Committee ("ARMC") for the financial year ended 30 June 2023.

COMPOSITION OF THE ARMC

The members of the ARMC as at the date of this report are as follows:-

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin
Chairman/Independent Non-Executive Director

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

Chan Kien Sing
Member/Non-Independent Non-Executive Director

The ARMC comprises three (3) members and all of them are Non-Executive Directors with a majority of them being independent directors. One of the ARMC members, Mr Chan Kien Sing is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. None of the ARMC members is an alternate director. The composition of the ARMC has complied with Paragraph 15.09 (1) and (2) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Chairman of the ARMC is an Independent Non-Executive Director of the Company and he is not the Chairman of the Board. This composition has complied with Paragraph 15.10 of the Listing Requirements of Bursa Securities and also in line with the recommendation of Practice 9.1 of the Malaysian Code on Corporate Governance.

MEETINGS

The ARMC held six (6) meetings during the financial year ended 30 June 2023. The details of attendance of the members are as follows:

Name	Attendance
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin ¹	6/6
Chan Kien Sing	6/6
Datuk Robert Yong Kuen Loke ²	6/6
Dr Jayanthi Naidu G. Danasamy ³	-/-

¹ Following the cessation of Datuk Robert Yong Kuen Loke as the Chairman of the ARMC, Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was redesignated as the Chairman of the ARMC on 27 June 2023.

² Datuk Robert Yong Kuen Loke ceased as the Chairman/member of the ARMC following his resignation as an Independent Director of the Company on 1 June 2023.

³ Dr Jayanthi Naidu G. Danasamy was appointed as a member of the ARMC on 27 June 2023. There was no ARMC meeting held subsequent to the date of her appointment up to 30 June 2023.

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

The Executive Directors of the Company, the General Manager of Group Internal Audit, the Senior General Manager of Group Accounts and Budgets of Berjaya Land Berhad and the Management team of the main operating subsidiaries were also invited to attend the ARMC meetings. The external auditors were also invited to attend four (4) of these meetings.

Audit and Risk Management Committee Report

SUMMARY OF ACTIVITIES AND WORK OF THE ARMC

During the financial year, the ARMC had discharged its duties and responsibilities by carrying out the following work and activities:-

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
22 August 2022	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 June 2022
22 November 2022	First quarter results for the financial year ended 30 June 2023
16 February 2023	Second quarter results for the financial year ended 30 June 2023
17 May 2023	Third quarter results for the financial year ended 30 June 2023

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

- b. reviewed the audited financial statements of the Company and the Group for the financial year ended 30 June 2022 together with the Management and the External Auditors at its meeting held on 13 October 2022 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and is in compliance with all disclosure and regulatory requirements before recommending the audited financial statements to the Board for approval.

External Audit

- a. discussed and considered the significant accounting and auditing issues arising from the interim audit as well as the final audit with the External Auditors including the following key audit matters raised in the external auditors' report for the financial year ended 30 June 2022:-
1. Valuation of Investment Properties and Properties held for sale; and
 2. Additional Assessment raised by the Inland Revenue Board of Malaysia.

The ARMC also had private discussions with the External Auditors without the presence of the management during the presentation of the Audit Progress Report by the External Auditors on 22 August 2022 and review of the audited financial statements for the year ended 30 June 2022 on 13 October 2022 to discuss any problems/issues arising from the audit review.

- b. evaluated the performance of the External Auditors for the financial year ended 30 June 2022 covering areas such as calibre, quality processes, audit team, audit scope, audit communications, audit governance and independence as well as the audit fees of the External Auditors. The ARMC, having been satisfied with the independence, suitability and performance of Messrs Deloitte PLT ("Deloitte PLT"), had recommended to the Board for approval of the re-appointment of Deloitte PLT as External Auditors for the ensuing financial year of 30 June 2023 at its meeting held on 13 October 2022.
- c. reviewed with the External Auditors at the meeting held on 17 May 2023, their audit plan in respect of the financial year ended 30 June 2023, outlining the auditors' responsibilities, materiality, scoping of components, significant risks and areas of audit focus, internal control plan, involvement of internal auditors and internal specialists, involvement of audit data analytics, timing of audit and technical updates.

Audit and Risk Management Committee Report

Internal Audit

- a. reviewed seven (7) Internal Audit Reports on various non-listed operating subsidiaries of the Group that are involved in the different activities such as:-
- i. Operation of hotel;
 - ii. Management of ferry terminal;
 - iii. Operation of complex and car park;
 - iv. Operation of Sarawak Turf Club's Special Cash Sweep Number Forecast Lotteries; and
 - v. Investment holding, property investment and property development.

The ARMC reviewed the Internal Audit reports which covered, among others, the following areas:-

- i. finance and credit control;
- ii. billing;
- iii. sales, marketing and promotions;
- iv. maintenance and housekeeping;
- v. security and safety;
- vi. purchasing;
- vii. human resource;
- viii. information technology;
- ix. inventory management;
- x. leasing; and
- xi. major operating expenses and capital expenditures.

The ARMC also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto. 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 2024 to ensure there is adequate scope and comprehensive coverage over the activities of the non-listed operating subsidiaries of the Company and the Group and that all the risk areas are audited annually.

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 transaction 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 of the Group;
- iii. Records of RRPT will be retained and compiled by the Group Accountant for submission to the ARMC for review;
- iv. The ARMC 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 party than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;
- v. Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any person connected with them will also abstain from voting on the resolution at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and
- vi. Disclosures will be made in the annual report on the breakdown of the aggregate value of the RRPT during the financial year, among 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.

Audit and Risk Management Committee Report

Related Party Transactions

- a. reviewed transactions with related parties 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 Listing Requirements of Bursa Securities).

During the financial year ended 30 June 2023, the ARMC had reviewed among others, the following related party transactions, prior to their recommendation to the Board for approval and to make the relevant announcement thereof:-

- i. Proposed disposal by the Company's subsidiary company of up to 24.5 million ordinary shares in Berjaya Corporation Berhad via direct business transactions for a total cash consideration of about RM5.64 million;
- ii. Proposed disposals by the Company's subsidiary companies of up to 133,881,000 ordinary shares in Berjaya Land Berhad via direct business transactions for a total cash consideration of about RM30.79 million;
- iii. Proposed disposal by the Company's subsidiary company of 24,116,352 ordinary shares in Berjaya Corporation Berhad via direct business transactions for a total cash consideration of about RM7.23 million; and
- iv. Proposed disposals by the Company's subsidiary company of 1.5 million ordinary shares in Berjaya Corporation Berhad and 3,988,679 ordinary shares in 7-Eleven Malaysia Holdings Berhad via direct business transactions for a total cash consideration of about RM8.01 million.

Risk Management Activities

- a. Reviewed the risk management activities of the Company's subsidiaries namely, Berjaya Times Square Sdn Bhd group of companies and Natural Avenue Sdn Bhd.
- b. Reviewed the summary of the risk register covering areas such as the likelihood of occurrence of the identified risks, the impact of the risks, risk score, risk treatment, risk owner and control effectiveness to ensure that the management of the relevant risks is appropriately placed within the Group.

Other Activities

- a. Reviewed and recommended to the Board for approval, the ARMC Report, Corporate Governance Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the 2022 Annual Report.
- b. Reviewed the performance evaluation of the internal audit function.
- c. Reviewed the financial literacy of the members of ARMC.
- d. Reviewed the Pre-Approval/concurrence policies and procedures for provision of non-assurance services by Deloitte PLT.

In order to discharge the above duties and responsibilities of ARMC effectively, the ARMC had undertaken continuous professional development and attended various seminars, training programmes and conferences during the financial year. They were also briefed by the External Auditors of the latest accounting and auditing 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.

Audit and Risk Management Committee Report

SUMMARY OF THE WORKS OF THE INTERNAL AUDIT FUNCTION

The Company does not have its own in-house Internal Audit function. The internal audit function was outsourced to the internal auditors of its affiliated company, Berjaya Corporation Berhad, to assist the ARMC in discharging its duties and responsibilities. Their role is to provide the ARMC with independent and objective reports on the state of the governance, risk management and internal control of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

The Internal Audit's activities are guided by 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 activities undertaken by the Internal Audit Division during the financial year ended 30 June 2023 included the following:-

1. Tabled Internal Audit Plan for the ARMC's review and endorsement.
2. Reviewed the existing systems, controls and governance processes of various operating units within the Group.
3. Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal control 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 with opinion on the adequacy and operation effectiveness of the operating unit's governance, risk management and internal control processes, incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls to the ARMC and the respective operations management.
6. Presented internal audit reports to the ARMC for review.
7. Followed up review to ensure that the agreed internal audit recommendations are effectively implemented.

For the financial year under review, the Internal Audit Division conducted audit assignments on various operating units in the Group involved in property investment and management, hotel, car park, ferry terminal, vehicle assembly and gaming operations.

The cost incurred for the Internal Audit function in respect of the financial year ended 30 June 2023 was approximately RM369,000.

PERFORMANCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

The Board assessed and evaluated the performance of the ARMC and its members through the Nomination Committee for the financial year ended 30 June 2023. Based on the outcome of the annual assessment, the Board was satisfied with the performance of the ARMC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC.

TERMS OF REFERENCE OF THE ARMC

The Terms of Reference of the ARMC was last reviewed and revised by the ARMC and approved by the Board on 17 August 2023. The latest Terms of Reference of the ARMC can be viewed on the Company's website at www.berjaya.com/berjaya-assets/.



STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

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

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable;
- Ensured that applicable accounting standards have been complied with; and
- Applied the going concern basis.

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

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

FINANCIAL STATEMENTS

- 57** Directors' Report
- 63** Statement by Directors
- 63** Statutory Declaration
- 64** Statements of Financial Position
- 66** Statements of Profit or Loss
- 67** Statements of Other Comprehensive Income
- 68** Consolidated Statement of Changes in Equity
- 69** Statement of Changes in Equity
- 70** Consolidated Statement of Cash Flows
- 74** Statement of Cash Flows
- 76** Notes to the Financial Statements
- 203** Independent Auditors' Report



DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies consist of:

- (i) number forecast lotteries in Sarawak;
- (ii) general trading and commission agent;
- (iii) provision of lottery consultancy and related services;
- (iv) property investment and development;
- (v) investment holding;
- (vi) operation of a hotel;
- (vii) management of ferry terminal;
- (viii) operation of theme park; and
- (ix) vehicle assembly and the manufacturing and sale of engines and transmissions.

The information on the name, place of incorporation, principal activities and percentage of issued capital held by the holding company in each subsidiary companies and associated companies are as disclosed in Note 50 to the financial statements.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Loss for the year	(28,526)	(21,800)
Attributable to:		
Owners of the Company	(23,316)	(21,800)
Non-controlling interests	(5,210)	-
	(28,526)	(21,800)

In the opinion of the Directors, the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report

RESERVES AND PROVISIONS

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

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend payment in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS AND WARRANTS

No options were granted by the Company to any parties during the financial year to take up unissued shares of the Company.

On 7 June 2023, the Company increased its share capital from RM1,538,120,000 to RM1,538,122,000 by way of the issuance of 5,600 new ordinary shares at an issue price of RM0.35 per share pursuant to the exercise of 5,600 Warrants 2018/2023.

The remaining outstanding Warrants 2018/2023 of 1,279,129,759 units expired on 9 June 2023.

The main features of the Warrants 2018/2023 are disclosed in Note 18 to the financial statements.

DIRECTORS

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

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin
Chryseis Tan Sheik Ling
Datuk Wira Lye Ek Seang
Chan Kien Sing
Mohd Shukor Bin Abdul Mumin
Dato' Hisham Bin Othman (Appointed on 1 July 2022)
Dr Jayanthi Naidu G. Danasamy (Appointed on 27 June 2023)
Datuk Robert Yong Kuen Loke (Resigned on 1 June 2023)

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

Directors' Report

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the 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 any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 34 to the financial statements or the fixed salary of a full-time employee of the Company), by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a Directors' and Officers' Liability Insurance for the purposes of Section 289(5) of the Companies Act 2016, throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Company. The amount of insurance premium paid during the financial year amounted to RM54,978.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the Directors in office at the end of the financial year had interest in shares and warrants of the Company and of its related corporations during the financial year were as follows:-

The Company

	<u>Number of Ordinary Shares</u>			<u>As of 30.6.2023</u>
	<u>As of 1.7.2022</u>	<u>Bought</u>	<u>Sold</u>	
Berjaya Assets Berhad				
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	200,000	-	-	200,000

	<u>Number of Warrants 2018/2023</u>			<u>As of 30.6.2023</u>
	<u>As of 1.7.2022</u>	<u>Bought</u>	<u>Expired *</u>	
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	100,000	-	(100,000)	-

* BAssets Warrants 2018/2023 had expired on 9 June 2023.

Directors' Report

DIRECTORS' INTERESTS IN SHARES (CONTD.)

Subsidiary Company

Jauhari Maksima Sdn Bhd	Number of Ordinary Shares			As of 30.6.2023
	As of 1.7.2022	Bought	Sold	
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	380,000	-	-	380,000

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 49 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements 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 had been written off and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they 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 the 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.

Directors' Report

OTHER STATUTORY INFORMATION (CONTD.)

- (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) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) 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 year 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
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year 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 year in which this report is made.

Directors' Report

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

The amount payable as remuneration of the auditors for the financial year ended 30 June 2023 is as disclosed in Note 37 to the financial statements.

INDEMNIFICATION OF AUDITORS

There was no indemnity given to or insurance effected for the auditors of the Company.

Signed on behalf of the Board in accordance with a resolution of the Directors,

DATO' HISHAM BIN OTHMAN
23 October 2023

TAN SRI DATO' SERI ZULKEFLI BIN AHMAD MAKINUDIN

STATEMENT BY DIRECTORS

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

We, DATO' HISHAM BIN OTHMAN and TAN SRI DATO' SERI ZULKEFLI BIN AHMAD MAKINUDIN , being two of the Directors of BERJAYA ASSETS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements 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 of 30 June 2023 and of their financial performance and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 October 2023.

DATO' HISHAM BIN OTHMAN

TAN SRI DATO' SERI ZULKEFLI BIN AHMAD MAKINUDIN

STATUTORY DECLARATION

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

I, DATO' HISHAM BIN OTHMAN, being the Director primarily responsible for the financial management of BERJAYA ASSETS BERHAD, do solemnly and sincerely declare that the accompanying financial statements 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 DATO' HISHAM BIN OTHMAN
at Kuala Lumpur in the Federal Territory
on 23 October 2023.

DATO' HISHAM BIN OTHMAN

Before me,

YM TENGKU NUR ATHIYA TENGKU FARIDDUDIN (W881)
Commissioner for Oaths
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS OF 30 JUNE 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	5	226,806	237,614	34	25
Right-of-use assets	6	10,985	11,911	-	-
Investment properties	7	2,090,979	2,316,069	-	-
Inventories - land held for property development	8	105,000	104,670	-	-
Subsidiary companies	9	-	-	1,283,465	1,284,724
Associated companies	10	10,980	10,874	-	-
Joint ventures	11	11,763	7,263	-	-
Other investments	12	123,585	119,421	-	-
Intangible assets	13	9,733	10,780	-	-
Receivables	14	-	2,733	18,325	27,829
		<u>2,589,831</u>	<u>2,821,335</u>	<u>1,301,824</u>	<u>1,312,578</u>
CURRENT ASSETS					
Inventories - property development cost	8	27,974	-	-	-
Inventories - others	15	187,425	187,346	-	-
Receivables	14	36,836	52,223	114,444	107,919
Tax recoverable		538	962	-	-
Cash and bank balances	16	49,551	43,821	982	2,127
		<u>302,324</u>	<u>284,352</u>	<u>115,426</u>	<u>110,046</u>
Non-current asset classified as held for sale	17	253,051	-	-	-
		<u>555,375</u>	<u>284,352</u>	<u>115,426</u>	<u>110,046</u>
TOTAL ASSETS		<u><u>3,145,206</u></u>	<u><u>3,105,687</u></u>	<u><u>1,417,250</u></u>	<u><u>1,422,624</u></u>

Statements of Financial Position

As Of 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY					
Share capital	18	1,538,122	1,538,120	1,538,122	1,538,120
Fair value through other comprehensive income ("FVTOCI") reserve	19	(87,470)	(131,172)	(29)	(29)
Foreign currency translation reserve	20	22,522	7,679	-	-
Retained earnings/ (Accumulated losses)	21	422,692	458,964	(247,013)	(225,213)
Equity funds		1,895,866	1,873,591	1,291,080	1,312,878
Non-controlling interests		(6,026)	(1,110)	-	-
TOTAL EQUITY		1,889,840	1,872,481	1,291,080	1,312,878
NON-CURRENT LIABILITIES					
Bank borrowings	22	461,156	501,715	27,579	29,579
Senior medium term notes	23	79,648	119,281	-	-
Hire purchase liabilities	24	97	455	-	6
Long term liabilities	25	186,976	160,489	-	-
Lease liabilities	26	8,746	9,042	-	-
Deferred tax liabilities	27	162,690	161,614	3	3
		899,313	952,596	27,582	29,588
CURRENT LIABILITIES					
Bank borrowings	22	103,148	74,437	1,997	-
Senior medium term notes	23	39,903	19,937	-	-
Hire purchase liabilities	24	357	388	6	6
Lease liabilities	26	353	328	-	-
Payables	28	210,808	185,068	96,570	80,077
Provisions	29	73	82	-	-
Tax payable		1,411	370	15	75
		356,053	280,610	98,588	80,158
TOTAL LIABILITIES		1,255,366	1,233,206	126,170	109,746
TOTAL EQUITY AND LIABILITIES		3,145,206	3,105,687	1,417,250	1,422,624

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

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	30	224,129	174,056	725	725
Cost of sales	31	(79,548)	(59,910)	-	-
Gross profit		144,581	114,146	725	725
Fair value changes					
on investment properties	7	(6,083)	(17,223)	-	-
Other income	32	8,343	10,381	7,286	6,995
Distribution and marketing expenses		(3,194)	(2,512)	-	-
Administrative expenses		(95,199)	(94,086)	(2,851)	(1,902)
Other expenses	35	(7,754)	(2,560)	(21,383)	(25,950)
		40,694	8,146	(16,223)	(20,132)
Finance costs	36	(61,646)	(55,658)	(4,124)	(3,380)
Share of results of associated companies		106	176	-	-
Share of results of joint ventures		1,038	(2,134)	-	-
Loss before tax	37	(19,808)	(49,470)	(20,347)	(23,512)
Income tax expense	38	(8,718)	(6,408)	(1,453)	(1,272)
Loss for the year		(28,526)	(55,878)	(21,800)	(24,784)
Attributable to:					
Owners of the Company		(23,316)	(54,958)	(21,800)	(24,784)
Non-controlling interests		(5,210)	(920)	-	-
		(28,526)	(55,878)	(21,800)	(24,784)
Loss per share attributable to owners of the Company (sen)					
Basic	39	(0.91)	(2.15)		

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss for the year	(28,526)	(55,878)	(21,800)	(24,784)
Other comprehensive income:				
<u>Item that may be subsequently reclassified to profit or loss</u>				
Currency translation difference	15,137	(7,027)	-	-
<u>Item that will not be subsequently reclassified to profit or loss</u>				
Changes in fair values of investment at fair value through other comprehensive income ("FVTOCI"):				
- Quoted investments	30,746	(14,952)	-	(4)
Total comprehensive income/(loss) for the year	17,357	(77,857)	(21,800)	(24,788)
Attributable to:				
Owners of the Company	22,273	(76,534)	(21,800)	(24,788)
Non-controlling interests	(4,916)	(1,323)	-	-
	17,357	(77,857)	(21,800)	(24,788)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Attributable to the owners of the Company							Total Equity
	←--Non-distributable-->			Distributable				
	Share Capital	FVTOCI Reserve	Foreign Currency Translation Reserve	Retained Earnings	Equity Funds	Non-controlling Interests	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As of 1 July 2022	1,538,120	(131,172)	7,679	458,964	1,873,591	(1,110)	1,872,481	
Transfer of reserve upon disposal (Note 19)	-	12,956	-	(12,956)	-	-	-	
Total comprehensive income	-	30,746	14,843	(23,316)	22,273	(4,916)	17,357	
Issued pursuant to warrants exercised	2	-	-	-	2	-	2	
As of 30 June 2023	1,538,122	(87,470)	22,522	422,692	1,895,866	(6,026)	1,889,840	
As of 1 July 2021	1,538,120	(120,257)	14,303	517,959	1,950,125	213	1,950,338	
Transfer of reserve upon disposal (Note 19)	-	4,037	-	(4,037)	-	-	-	
Total comprehensive loss	-	(14,952)	(6,624)	(54,958)	(76,534)	(1,323)	(77,857)	
As of 30 June 2022	1,538,120	(131,172)	7,679	458,964	1,873,591	(1,110)	1,872,481	

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Share Capital RM'000	FVTOCI Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
As of 1 July 2022	1,538,120	(29)	(225,213)	1,312,878
Total comprehensive loss	-	-	(21,800)	(21,800)
Issued pursuant to warrants exercised	2	-	-	2
As of 30 June 2023	<u>1,538,122</u>	<u>(29)</u>	<u>(247,013)</u>	<u>1,291,080</u>
As of 1 July 2021	1,538,120	(68)	(200,386)	1,337,666
Transfer of reserve upon disposal (Note 19)	-	43	(43)	-
Total comprehensive loss	-	(4)	(24,784)	(24,788)
As of 30 June 2022	<u>1,538,120</u>	<u>(29)</u>	<u>(225,213)</u>	<u>1,312,878</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 RM'000	2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		241,270	168,694
Payments to suppliers, prize winners and other operating expenses		(178,513)	(138,418)
Payments for pool betting duties, gaming tax, royalties and other government contributions		(8,883)	(4,195)
Tax refund		68	252
Payment of taxes		(5,640)	(5,644)
Other receipts		464	464
Net cash generated from operating activities		48,766	21,153
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		1	213
Proceeds from disposal of investment properties	(a)	-	17,912
Acquisition of property, plant and equipment	(b)	(1,360)	(553)
Acquisition of equity interest in a subsidiary company		(70)	-
Acquisition of investment properties	(c)	(8,820)	(3,028)
Sale of investments		26,601	23,377
Acquisition of investments		-	(1,800)
Interest received		731	1,170
Dividends received		397	327
Other receipts		33,500	-
Net cash generated from investing activities		50,980	37,618

Consolidated Statement of Cash Flows

For The Year Ended 30 June 2023

	Note	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		2	-
Drawdown of borrowings and loans	(e)	14,871	28,000
Repayment of borrowings and loans	(e)	(40,771)	(13,362)
Repayment of senior medium term notes	(e)	(20,000)	(20,000)
Interest paid		(46,620)	(41,859)
Payment of hire purchase liabilities	(e)	(361)	(880)
Payment of lease liabilities	(f)	(1,195)	(1,036)
Placement with monies held in debt service reserve accounts		(3,558)	(2,406)
Net cash used in financing activities		(97,632)	(51,543)
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,114	7,228
EFFECTS OF EXCHANGE RATE CHANGES		60	(131)
OPENING CASH AND CASH EQUIVALENTS		20,061	12,964
CLOSING CASH AND CASH EQUIVALENTS	(d)	22,235	20,061

(a) In the previous financial year, the Group disposed off investment properties with a total sales proceeds of RM17,912,000 which excluded the sales deposit of RM470,000 received in financial year 2021.

(b) The additions to property, plant and equipment consist of the following:

	2023 RM'000	2022 RM'000
Payment by cash	1,360	553
Payment for previous year's acquisition	(42)	-
Other payable and accruals	3	42
Total (Note 5)	1,321	595

(c) The additions to properties consist of the following:

	2023 RM'000	2022 RM'000
Payment by cash	8,820	3,028
Other payables and accrued expenses	31,206	3,200
Total (Notes 7, 8(a) and 8(b))	40,026	6,228

Consolidated Statement of Cash Flows

For The Year Ended 30 June 2023

(d) The closing cash and cash equivalents consist of:

	2023 RM'000	2022 RM'000
Deposits with licensed banks (Note 16)	23,305	17,845
Cash on hand and at banks (Note 16)	26,246	25,976
	<u>49,551</u>	<u>43,821</u>
Less:		
Bank overdraft (Note 22)	(9,988)	(9,990)
Cash and cash equivalents restricted in usage (Note 16)	(17,328)	(13,770)
	<u>22,235</u>	<u>20,061</u>

(e) Reconciliation of liabilities arising from financing activities:

	Senior medium term notes RM'000	Bank borrowings (excluding bank overdraft) RM'000	Hire purchase liabilities RM'000	Total RM'000
2023				
As of 1 July 2022	139,218	566,162	843	706,223
Exchange differences	-	13,791	-	13,791
Charge out of deferred transaction costs	333	594	-	927
Unamortised transaction costs	-	(331)	-	(331)
Repayment of hire purchase liabilities	-	-	(361)	(361)
Reclassification of prepaid instalment	-	-	(28)	(28)
Drawdown of borrowings	-	14,871	-	14,871
Repayment of borrowings	(20,000)	(40,771)	-	(60,771)
As of 30 June 2023	<u>119,551</u>	<u>554,316</u>	<u>454</u>	<u>674,321</u>

Consolidated Statement of Cash Flows

For The Year Ended 30 June 2023

(e) Reconciliation of liabilities arising from financing activities: (contd.)

	Senior medium term notes RM'000	Bank borrowings (excluding bank overdraft) RM'000	Hire purchase liabilities RM'000	Total RM'000
2022				
As of 1 July 2021	158,827	558,058	1,751	718,636
Exchange differences	-	(10,463)	-	(10,463)
Charge out of deferred transaction costs	391	737	-	1,128
Unamortised transaction costs	-	(664)	-	(664)
Repayment of hire purchase liabilities	-	-	(880)	(880)
Reclassification of prepaid instalment	-	-	(28)	(28)
Drawdown of borrowings	-	28,000	-	28,000
Repayment of borrowings	(20,000)	(13,362)	-	(33,362)
Capitalised term loan interest	-	3,856	-	3,856
As of 30 June 2022	<u>139,218</u>	<u>566,162</u>	<u>843</u>	<u>706,223</u>

(f) Total cash outflows for lease liabilities are as follows:

	2023 RM'000	2022 RM'000
Payment for principal portion of lease liabilities	358	274
Interest paid on lease liabilities	524	528
Payment of expenses relating to short term lease	151	148
Variable lease payment	162	86
	<u>1,195</u>	<u>1,036</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 RM'000	2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Payments for operating expenses		(2,359)	(1,028)
Tax refunds		67	199
Payment of taxes		(1,580)	(1,644)
Net cash used in operating activities		(3,872)	(2,473)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(23)	(8)
Net inter-company (payments)/receipts		(2,412)	4,356
Interest received		33	27
Other receipts		6,800	-
Net cash generated from investing activities		4,398	4,375
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares		2	-
Interest paid		(1,667)	(1,523)
Payment of hire purchase liabilities	(b)	(6)	(5)
Net cash used in financing activities		(1,671)	(1,528)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,145)	374
OPENING CASH AND CASH EQUIVALENTS		2,127	1,753
CLOSING CASH AND CASH EQUIVALENTS	(a)	982	2,127

Statement of Cash Flows

For The Year Ended 30 June 2023

(a) The closing cash and cash equivalents consist of:

	2023 RM'000	2022 RM'000
Deposits with licensed banks (Note 16)	903	1,717
Cash on hand and at banks (Note 16)	79	410
	<u>982</u>	<u>2,127</u>

(b) Reconciliation of liabilities arising from financing activities:

	Bank borrowings RM'000	Hire purchase liabilities RM'000	Total RM'000
2023			
As of 1 July 2022	29,579	12	29,591
Reversal of deferred transaction costs	(3)	-	(3)
Repayment of hire purchase liabilities	-	(6)	(6)
As of 30 June 2023	<u>29,576</u>	<u>6</u>	<u>29,582</u>
2022			
As of 1 July 2021	29,555	17	29,572
Charge out of deferred transaction costs	24	-	24
Repayment of hire purchase liabilities	-	(5)	(5)
As of 30 June 2022	<u>29,579</u>	<u>12</u>	<u>29,591</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

1 GENERAL INFORMATION

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

The principal activities of the Company are investment holding and provision of management services to its subsidiary companies.

The principal activities of the subsidiary companies consist of:

- (i) number forecast lotteries in Sarawak;
- (ii) general trading and commission agent;
- (iii) provision of lottery consultancy and related services;
- (iv) property investment and development;
- (v) investment holding;
- (vi) operation of a hotel;
- (vii) management of ferry terminal;
- (viii) operation of theme park; and
- (ix) vehicle assembly and the manufacturing and sale of engines and transmissions.

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 are presented in Ringgit Malaysia ("RM") which is the Company's functional currency. All information presented in RM has been rounded to the nearest thousand (RM'000) unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 23 October 2023.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Notes to the Financial Statements

30 June 2023

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTD.)

2.1 Adoption of Amendments to Malaysian Financial Reporting Standards ("MFRSs")

In the current financial year, the Group and the Company adopted all the Amendments to MFRSs issued by Malaysian Accounting Standards Board that are relevant to their operations and effective for annual financial periods beginning on or after 1 July 2022 as follows:

Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets -
Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020

Adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

2.2 MFRSs and Amendments to MFRSs issued but not yet effective

At the date of authorisation of these financial statements, the following new MFRSs and Amendments to MFRSs which were issued but not yet effective and not early adopted by the Group and the Company are as listed below:

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 -
Comparative Information
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors -
Definition of Accounting Estimates
Amendments to MFRS 112: Income Taxes - Deferred Tax related to Assets and Liabilities arising
from a Single Transaction
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as
Current or Non-current
Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants
Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121: Lack of Exchangeability

Notes to the Financial Statements

30 June 2023

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTD.)

2.2 MFRSs and Amendments to MFRSs issued but not yet effective (contd.)

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

The Directors anticipate that the abovementioned MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these MFRSs and Amendments to MFRSs may have material impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not applicable to provide reasonable estimate of the effect until the Directors undertake a detailed review.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies

(1) Subsidiary Companies and Basis of Consolidation

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

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

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

- (i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) potential voting rights held by the Group, other vote holders or other parties;
- (iii) rights arising from other contractual arrangements; and
- (iv) 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. Under the acquisition method of accounting, consolidation of a subsidiary company begins when the Group obtains control over the subsidiary company and ceases when the Group loses control of the subsidiary company.

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance with 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 and any contingent consideration. For an acquisition that is a business combination, the acquisition-related costs are recognised in the statements of profit or loss as incurred.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(1) Subsidiary Companies and Basis of Consolidation (contd.)

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 the statements of profit or loss.

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 the statements of 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 or MFRS 137 as appropriate with the corresponding gain or loss being recognised in the statements of 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.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(1) Subsidiary Companies and Basis of Consolidation (contd.)

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 Company.

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.

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:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) 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 the statements of 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 the statements of 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.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(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 associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited and supplemented by management financial statements of the associated companies and the joint ventures made up to the Group's financial year-end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

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

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 statement of profit or loss from the date that significant influence or joint control effectively commences or until the date that significant influence or joint control effectively ceases, as appropriate.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(2) Associated Companies and Joint Ventures (contd.)

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 company or the joint venture, 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 legal and constructive obligations or has made payment on behalf of the associated company or the joint venture.

Upon loss of significant influence over the associated company or 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 the statements of profit or loss.

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

(3) Affiliated Companies

The Group treats companies substantially owned directly or indirectly by a major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun and persons connected with him as affiliated companies.

(4) 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 property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives. All other repairs and maintenance are charged to the statements of profit or loss during the financial period in which they are incurred.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(4) Property, Plant and Equipment and Depreciation (contd.)

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

Capital work-in-progress are not depreciated as these assets are not available for use.

Depreciation of 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:

Freehold building	2%
Long term leasehold land and buildings	Over remaining economic useful life of the lease
Short term leasehold land and buildings	Up to 50 years
Plant, machinery and equipment	10% - 20%
Computer equipment	10% - 20%
Renovation	10% - 33%
Furniture, fittings and office equipment	5% - 50%
First aid, theme park equipment and lifts	10% - 20%
Motor vehicles	14% - 20%
Others *	10% - 20%

* Others comprise mainly ponies, draw equipment and telecommunications equipment.

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 gain or losses on the derecognition of the asset are included in the statements of profit or loss in the year in which they arise.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(5) 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 the statements of profit or loss in the year in which they arise.

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 the statements of 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 shall be its fair value at the date of change in use.

When an item of property, plant and equipment is transferred to investment property 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 a fair value gain reverses a previous impairment loss, the gain is recognised in the statements of 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 transfer and its fair value is recognised directly to the statements of profit or loss.

(6) Prepaid Lease Payments

Leasehold land, when an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Leasehold land is amortised in equal instalments over the remaining lease period of 12 years.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(7) Intangible Assets

(i) 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 not amortised but instead, it 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.

(ii) 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 any 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.

Other intangible assets consist of the rights acquired to receive Special Cash Sweep Lottery royalty revenue. The estimated useful life of the rights is 28 years.

(8) Inventories

Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost plus incidental expenditure incurred to put the land in a condition ready for development and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less all estimated costs to completion and other related costs.

Land held for property development is classified as current assets in the statement of financial position when the development activities with a view of sale have commenced and where the development activities can be completed within the Group's normal operating cycle.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(8) Inventories (contd.)

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.

Others

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction and other related costs.

Inventories also include ticket inventories, gaming equipment, finished goods, souvenirs and stores and consumables, which are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis.

The cost of work-in-progress is calculated using the weighted average method. In the case of work-in-progress and finished goods of vehicle assembly, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost comprises the invoiced value of the goods purchased plus cost incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(9) Fair Value Measurement

The Group measures financial instruments and certain non financial assets 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:

- (i) in the principal market for the asset or liability, or
- (ii) 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 by the Group.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(9) Fair Value Measurement (contd.)

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 45.

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 as explained above.

(10) Impairment of Non-financial Assets

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

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(10) Impairment of Non-financial Assets (contd.)

For goodwill, intangible 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 is any indication 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment 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 the statements of profit or loss in the year 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 asset revaluation reserve for the same asset.

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 the statements of profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(11) 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.

With the exception of trade receivables that do not contain a significant financing component, 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statements of profit or loss.

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.

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.

Classification and subsequent measurement

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.

The classification of financial assets is as follows:

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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 on specified dates to cash flows 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 the statements of profit or loss. Any gain or loss on derecognition is recognised in the statements of profit or loss.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(11) Financial Assets (contd.)

Classification and subsequent measurement (contd.)

The classification of financial assets is as follows: (contd.)

(ii) Fair value through other comprehensive income

Debt instruments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statements of profit or loss. Fair value changes are recognised in other comprehensive income. On derecognition, fair value changes accumulated in other comprehensive income are reclassified to the statements of profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

Equity instruments

This category comprises investment in equity that is neither held for trading nor a contingent consideration arising from a business combination as of FVTOCI initial recognition. The Group and the Company irrevocably elect to account for subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in the statements of profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to the statements of profit or loss.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(11) Financial Assets (contd.)

Classification and subsequent measurement (contd.)

The classification of financial assets is as follows: (contd.)

(iii) 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 a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be classified as amortised cost or as fair value through other comprehensive income as 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 classified as fair value through profit or loss are subsequently measured at their fair values. Net gains or losses, including any interest or dividend income, are recognised in the statements of 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; or
- (iii) The Group or the Company has assumed an obligation to pay the cash flows in full from the assets without material delay to a third party under a 'pass-through' arrangement; or
- (iv) The Group or the Company has transferred its rights to receive the cash flows from the assets, has not transferred substantially all risk and rewards but has not retained control of the assets.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(12) 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 performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group and the Company recognise impairment loss in the statements of 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 the statements of profit or loss and accumulated in the fair value reserve.

(13) Statements of Cash Flows

Cash comprises cash in hand, at bank and demand deposits. Cash equivalents, 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 and the Company adopt the direct method in the preparation of the statements of cash flows.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(14) 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.

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.

Classification and subsequent measurement

The Group and the Company classify their financial liabilities in the following measurement categories:

(i) Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense at a constant rate over the term of the financial liability. The effective interest rate is the rate that discounts estimated future cash payments (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 (where appropriate).

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

(ii) 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 the statements of profit or loss.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(14) Financial Liabilities (contd.)

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 statements of profit or loss.

(15) 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, or to realise the assets and settle the liabilities simultaneously.

(16) Financial Guarantee Contracts

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

Financial guarantee contracts are 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:

- the amount of the loss allowance determined in accordance with ECL; and
- the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15, where appropriate.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(17) 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. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to settle the obligation.

(i) Provision for Additional Employees Provident Fund ("EPF") Entitlement

A provision for additional EPF entitlement is recognised by a subsidiary company upon the employment of a staff. It is based on 4% of gross salary of employees with less than 5 years of employment service. The provision is payable when an employee with at least five years of employment service resigns or retires. The provision is reversed if an employee resigns before his 5 years of employment service.

(18) Leases

A lease, as defined in MFRS 16, is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group and the Company assess at inception of a contract whether a contract is, or contains a lease in accordance to MFRS 16.

(i) The Group As Lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease i.e., the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, estimated cost to dismantle/restore the underlying asset, and lease payments made at or before the commencement date less any lease incentives received.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases (contd.)

- (i) The Group As Lessee (contd.)

Right-of-use assets (contd.)

Right-of-use assets are depreciated on a straight-line basis over the lease term. In case where the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset implies that the Group will exercise a purchase option, depreciation is calculated using the estimated useful life of the underlying asset. The depreciation period are as follows:

Photocopier	3 years
Land use right	1.5 to 30 years
Building use right	3 to 6 years
Prepaid lease payments	13 years

'Lease term' refers to the non-cancellable period of a lease plus: (i) the period covered by an option to extend the lease if the Group and the Company are reasonably certain to exercise; and (ii) the period covered by an option to terminate if the Group and the Company are reasonably certain not to exercise.

If the lease transfers the ownership of the underlying asset to the Group and the Company at the end of the lease term or the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, depreciation is calculated using the estimated useful life of the underlying asset.

The right-of-use assets are also subject to impairment as detailed in Note 3.2(10).

Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company, and payments of penalties for termination (if the lease term reflects the Group and the Company exercising the option to terminate the lease).

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases (contd.)

(i) The Group As Lessee (contd.)

Lease liabilities (contd.)

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment (e.g. change in the lease term) or lease modification (e.g. change in scope of lease).

Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of asset (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) The Group As Lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset to the lessee.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases (contd.)

(ii) The Group As Lessor (contd.)

Operating lease

Leases in which the Group and the Company retain substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Lease income from operating lease is accounted for on a straight-line basis or another systematic basis if another systematic basis is more representative of the pattern of benefit received. Initial direct costs incurred in negotiating and arranging 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. The underlying asset of an operating lease is included in the statements of financial position based on the nature of the asset.

Contingent rents are recognised in the statements of profit or loss in the period in which they are earned.

Finance lease

A finance lease is a lease contract which transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. At commencement of the contract, the Group and the Company recognise the finance lease as a receivable at an amount equal to the net investment in the lease. The net investment of a lease is the present value of the gross investments which includes fixed payments (including in-substance fixed payments) less any lease incentives payable, variable lease payments that depend on an index or a rate, residual value guarantees, exercise price of a purchase option and penalties for termination which are reasonably certain to be received.

Subsequent to the commencement date, finance income is recognised over the lease term on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Contingent rents from finance lease are recognised in the statements of profit or loss in the period in which they are earned.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) 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 the statements of profit or loss except to the extent that the taxes relates to items recognised outside the statements of profit or loss which is recognised either in other comprehensive income or directly in equity.

(ii) Deferred Tax

Deferred tax is provided 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 taxable 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, associated companies and 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.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes (contd.)

(ii) Deferred Tax (contd.)

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 future 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, associated companies and 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.

(iii) Gaming and Sales Tax

Revenues are recognised net of the amount of gaming and sales tax while expenses and assets are recognised net of sales tax except where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax 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 gaming and sales tax payable to the taxation authority is included as part of payables in the statements of financial position.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes (contd.)

- (iv) Sales and Service Tax ("SST") and Value Added Tax ("VAT")

Where the SST 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 VAT being the difference between output and input of VAT, payable to or receivable from the respective taxation authorities at the reporting date, is included in trade and other payables or trade and other receivables accordingly in the statements of financial position.

(20) Foreign Currencies

- (i) 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 ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

- (ii) 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 the statements of 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 operations. 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 the statements of profit or loss.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(20) Foreign Currencies (contd.)

(ii) Foreign Currency Transactions (contd.)

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in the statements of profit or loss of the Company's separate 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 the statements of profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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

The principal closing rates used in translation are as follows:

Foreign currency	Currency code	2023 RM	2022 RM
1 Great Britain Pound	GBP	5.885	5.353
1 Singapore Dollar	SGD	3.438	3.170

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(21) Borrowing Costs

Borrowing costs consist of interest and transaction costs that the Group and the Company incurred in connection with the borrowing of funds.

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 expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Transaction costs that are directly attributable to the issue of financial liabilities measured at amortised cost are amortised over the tenures of the respective financial liabilities at effective interest rates.

All other borrowing costs are recognised in the statements of profit or loss in the period in which they are incurred.

(22) Share Capital

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

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

(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 not wholly within the control of the Group or of the Company.

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

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) 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. A contract falls within the scope of MFRS 15 if it meets all the criteria sets out in this standard.
- (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 expect(s) 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 need(s) 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 satisfy(s) 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.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition (contd.)

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

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

(a) The description of revenue streams by segment are as follows:

(i) Gaming activities

Revenue from gaming activities is recognised based on ticket sales, net of gaming tax and SST, where applicable, relating to draw days within the financial year.

(ii) Gaming equipment sale

Revenue from the sale of gaming equipment, is recognised net of discounts upon delivery of products and customer acceptance.

(iii) Hotel operation income

Revenue from hotel operations is recognised upon rendering of services and when it is probable that the economic benefits associated with the transaction will flow to the Group.

(iv) Sale of goods or properties

Revenue is recognised when the Group sells the goods or properties to customers and control of the goods or properties has transferred. Revenue is recognised net of SST and discount, where applicable.

(v) Theme park tickets, car park tickets and ferry tickets

Revenue from sale of theme park tickets, car park tickets and ferry tickets is recognised when the obligation to render services are discharged, net of SST where applicable.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition (contd.)

(a) The description of revenue streams by segment are as follows: (contd.)

(vi) Assembly charges

Revenue is recognised when work has been performed.

(b) The revenue recognition policy of the other classes of revenue which are not within the scope of MFRS 15 are set out below:

(i) Dividend income

Dividend income is recognised when the right to receive dividend is established.

(ii) Interest income

Interest income from short term deposits and advances is recognised on an accrual basis, unless recoverability is in doubt.

(iii) Lease income

Lease income is recognised on the basis detailed in Note 3.2(18)(ii).

(iv) Other income

All other income is recognised on accrual basis.

When either party to a contract has performed, the Group and the Company shall present the contract in the statements of financial position as a contract asset or a contract liability.

A contract asset is presented when the Group or the Company perform by transferring goods or services to a customer. Contract asset is the excess of cumulative revenue earned over cumulative billings to-date. Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

A contract liability is presented when a customer pays consideration or the Group and the Company recognises a receivable (i.e. has a right to an amount of consideration that is unconditional) before the Group or the Company transfer goods or services to the customer. Contract liability is recognised as revenue when the Group or the Company perform its obligation under the contract.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(25) Employee Benefits

(i) 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. 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.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays 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 statement of profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(26) Segment Information

For management purposes, the Group is organised into operating segments based on their products and services which are 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 chief operating decision maker of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Notes to the Financial Statements

30 June 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(26) Segment Information (contd.)

The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format. The geographical segment information is prepared based on location of assets.

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.

Segment assets include all operating assets used by a segment and do not include tax assets and items arising on investing or financing activities.

Segment liabilities comprise operating liabilities and do not include tax liabilities and items arising on investing or financing activities.

(27) Current and Non-current Classification

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

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- 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:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- 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 2023

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(28) Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lowest of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered 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 is available for immediate sale in its present condition subject to terms that are usual and customary. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Asset is classified as held for sale if its 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 is available for immediate sale in its present condition.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimation judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 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.

(1) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgements have been made by the Group that the portion held for administrative purposes is insignificant.

(2) Classification of car parks as investment properties

The Group is the developer and owner of the majority of the investment units and properties held for sale of Berjaya Times Square building complex. The complex consisted of common areas that included various levels of car parks. The Group had obtained strata titles for these car parks which are owner operated for both seasonal rental and casual parking. The car parks are classified as investment properties even though they are owner operated and they are used by the tenants of the mall, owners of some of the investment units and properties held for sale and the public who visit the mall for shopping and recreation purposes. The car parks are providing services that prima facie could be deemed to be classified as property plant and equipment. The Group has stated that its primary purpose of the shopping mall complex is for investment purpose. As of reporting date, the Group still owns majority of the investment units and the main contributor of the revenue is arising from lease income investment properties. Accordingly the Group has classified those car parks as investment properties. The Group's judgement is based on the facts although the car parks are providing services, they are an integral part of the investment properties which the shopping complex cannot do without. The car parks act, as a catalyst to enhance the investment value of the investment properties.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.1 Critical Judgements Made in Applying Accounting Policies (contd.)

(3) Determination of lease term

The Group assesses, by applying significant judgement at lease commencement, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

(4) Impairment of financial assets

The Group and the Company follow the guidance of MFRS 9 in determining when a financial asset is considered impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost; and the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry performance, changes in technology and operational and financing cash flows.

(5) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured at fair value, the Group has reviewed its investment property portfolios and concluded that its investment property portfolios are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred tax on investment properties, the Group determined that the presumption that the carrying amounts of the investment properties measured at fair value are recovered through sale is not rebutted. As a result, the Group has measured deferred tax on changes in fair values of investment properties at real property gains tax rates as the gains from disposal of investment properties of the Group are subject to these tax rates.

(6) Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB")

On 1 September 2016, IRB issued Notices of Additional Assessments ("Forms JA") to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group, to assess the gains from the disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 under Section 4(a) of the Income Tax Act 1967 instead of Real Property Gains Tax Act 1976. The IRB has regarded the disposal of the investment properties to be in the ordinary course of business of BTSSB as a property developer. The amount of additional taxes assessed amounted to RM156.48 million, inclusive of tax penalties amounted to RM48.56 million.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.1 Critical Judgements Made in Applying Accounting Policies (contd.)

(6) Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB") (contd.)

The total additional taxes amounting to RM156.48 million were accrued for as provision for taxes in dispute in the first financial quarter ended 30 September 2016 as the IRB did not accede to the application for deferment of payment of the additional taxes from BTSSB. The IRB has further imposed late payment penalty of RM24.25 million due to non-payment of the additional taxes and subsequently commenced civil proceedings against BTSSB for the disputed tax liabilities totalling RM180.73 million ("Tax Appeal 1").

On 3 April 2017, the High Court judge granted an order for stay of proceedings in favour of BTSSB until the full and final determination of BTSSB's tax appeal case by the Special Commissioners of Income Tax ("SCIT"). Consequently, upon being granted the stay of proceedings, the management has decided to reverse the provisions made previously and the taxes in dispute with further tax penalties amounted to RM180.73 million (inclusive of further tax penalties amounted to RM72.81 million) is now disclosed as contingent liabilities.

Other than the RM180.73 million tax in dispute, the IRB had on 11 January 2019, issued notices of additional tax assessment with additional taxes totalling RM69.6 million to BTSSB for YA 2015 and YA 2016 ("Tax Appeal 2").

Consequently, BTSSB made an application for judicial review at the KL High Court to apply for leave and stay order against the aforesaid additional tax assessment. On 9 April 2019, the presiding KL High Court judge dismissed BTSSB's application for leave for judicial review with costs. BTSSB informed the KL High Court that it wished to appeal to the Court of Appeal ("COA"). An interim stay was subsequently granted by the KL High Court pending BTSSB's appeal to the COA.

At a hearing held on 10 May 2019, the COA unanimously granted an interim stay order pending the disposal of BTSSB's appeal against the dismissal of leave by the KL High Court. Subsequently, the COA fixed the hearing of the appeal on 15 February 2021. Upon the interim stay granted by the COA, this additional RM69.6 million tax in dispute is also disclosed as contingent liabilities.

The COA has adjourned the hearing on 15 February 2021 to 18 February 2021 and an interim stay has been granted till then. On 18 February 2021, the COA adjourned the hearing for a decision to 2 April 2021 and an interim stay has been granted till then.

On 2 April 2021, the COA handed a judgement to dismiss BTSSB's appeal with costs awarded to IRB. The COA proceeded to record an undertaking from the solicitors of IRB to refrain from taking any enforcement action against BTSSB for the payment of RM69.6 million taxes disputed, until the hearing at the SCIT on 11 August 2021 to 13 August 2021.

The hearing at the SCIT of BTSSB's appeal has been subsequently adjourned to 7 December 2021 to 9 December 2021.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.1 Critical Judgements Made in Applying Accounting Policies (contd.)

(6) Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB") (contd.)

Further to the above, IRB has issued Forms JA for YA 2015 to YA 2018 for additional tax assessments amounting to RM26.73 million ("Tax Appeal 3"). BTSSB made an application to the High Court for judicial review and had submitted an official appeal through submission of Forms Q to SCIT. The High Court has fixed a mention date on 16 February 2021 and has granted an interim stay till then. As such, the additional RM26.73 million tax dispute is also disclosed as contingent liabilities.

On 16 February 2021, the High Court has fixed 3 March 2021 as case management date as the hearing of Tax Appeal 2 has been adjourned to 18 February 2021. An interim stay had been extended till 3 March 2021.

On 25 February 2021, BTSSB was informed by the High Court that the case management date for Tax Appeal 3 has been moved to 5 April 2021 in light of the COA's decision on Tax Appeal 2 which was to be delivered on 2 April 2021. Interim stay was extended to 5 April 2021.

On 5 April 2021, the High Court was informed of the COA's dismissal of BTSSB's Tax Appeal 2 and the undertaking given by IRB. Following the Court of Appeal's decision on Tax Appeal 2, the lawyers of BTSSB will need to seek BTSSB's instruction on the judicial review application for Tax Appeal 3. The High Court then fixed 12 April 2021 as the next case management date and an extended stay was granted till then.

On 12 April 2021, BTSSB informed the High Court that it wished to withdraw the judicial review application for Tax Appeal 3 and subsequently filed a Notice of Discontinuance at the High Court on 16 April 2021.

As for the status of BTSSB's tax appeals at the SCIT, Tax Appeal 1, Tax Appeal 2 and Tax Appeal 3 will be heard together. The hearing at SCIT that was initially fixed from 7 December 2021 to 9 December 2021 was adjourned to 20 April 2022 to 22 April 2022. On 20 April 2022, SCIT further adjourned the hearing and held several mention dates thereafter. The next mention date is fixed on 14 November 2023.

At the date of issue of these financial statements, the litigations are still on-going. The details of the litigations are disclosed in Note 41.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.1 Critical Judgements Made in Applying Accounting Policies (contd.)

(7) Litigation between Tropicfair Sdn Bhd and Violet Circle Sdn Bhd

Violet Circle Sdn Bhd ("VCSB") filed in an Originating Summons in the Kuala Lumpur High Court ("High Court") against Tropicfair Sdn Bhd ("Tropicfair") which is a wholly-owned subsidiary of the Company, seeking among several Orders from the Court against Tropicfair, the following:

- (i) Specific performance against Tropicfair in relation to the Share Sale Agreement dated 12 July 2016 entered into between Tropicfair and the VCSB ("Share Sale Agreement") whereby Tropicfair do, within 14 days from the date of the Order made by the Court, pay the VCSB the sum of RM97,600,000 as at 11 October 2016 with interest accruing thereon the rate of 6% per annum calculated on a daily basis from 12 October 2016 until full and final settlement ("the said Sum");
- (ii) A declaration that the Company and Other Defendant jointly and severally with Tropicfair, be liable for payment of the said Sum to VCSB pursuant to a collateral agreement between VCSB and the Company and Other Defendant made in or about July 2016;
- (iii) Damages in lieu of and/or in addition to specific performance of the aforesaid; and
- (iv) Costs on full indemnity basis.

Tropicfair has filed an application to convert the Originating Summons to a Writ of Summons whilst the Company has filed an application to strike out and/or to convert the Originating Summons to a Writ Action. On 29 June 2022, the High Court allowed the Company's striking out application and Tropicfair's application to convert the Originating Summons to a Writ Action with costs against the VCSB.

On 10 August 2022, VCSB filed a stay of proceeding motion at the Court of Appeal. Consequently, the Court of Appeal allowed VCSB's stay of proceeding motion at the hearing held on 8 September 2022.

On 23 May 2023, at the hearing for VCSB Appeal, the Court of Appeal allowed VCSB Appeal against the High Court Judge decision in striking out its case against the Company and Other Defendant with costs in the cause.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.1 Critical Judgements Made in Applying Accounting Policies (contd.)

(7) Litigation between Tropicfair Sdn Bhd and Violet Circle Sdn Bhd (contd.)

With the Decision, the Court of Appeal has remitted the case back to the Kuala Lumpur High Court and ordered a different judge to hear the case, which will now be proceeded on writ basis.

On 22 June 2023, the Company and Other Defendant filed a leave application to the Federal Court against the decision of the Court of Appeal ("BAB FC Leave Application").

The Federal Court has fixed 7 November 2023 as the hearing date for BAB FC Leave Application.

On 28 July 2023, in regards to Tropicfair Writ Action, VCSB served Tropicfair, the Company and Other Defendant ("Defendants"), a Statement of Claims:

- (i) specific performance against Tropicfair to pay VCSB a sum of RM97.6 million with interest accruing at the rate 6% pa accruing from 12 October 2016 to the date of full and final settlement ("Said Sum");
- (ii) damages in lieu and/or in addition to specific performance be ordered to be paid by Tropicfair to VCSB and which ought not be less than the Said Sum;
- (iii) declaration that the Company and Other Defendant are jointly and severally with Tropicfair be liable for payment of the Said Sum to VCSB;
- (iv) further or in alternative, damages which ought not to be less than the Said Sum to be paid by the Company and Other Defendant, jointly and severally, to VCSB;
- (v) interest on amounts of damages as the Court thinks fits;
- (vi) costs on full indemnity basis to be paid by Defendants and each of them to VCSB; and
- (vii) such other orders or reliefs as the Court deems fit to grant, including with regard to damages.

On 11 August 2023, the Company and Other Defendant filed an application to strike out VCSB Statement of Claim (SOC Striking Out Application) as VCSB has deviated from its original pleaded case in the Originating Summons.

At the hearing for SOC Striking Out Application held on 5 October 2023, the judge dismissed the SOC Striking Out Application with costs subject to allocator.

The trial for Tropicfair Writ Action has now been fixed on 4 June 2024 to 6 June 2024 and 24 June 2024. The next case management date for Tropicfair Writ Action is fixed on 23 November 2023.

Based on the legal opinion obtained from Tropicfair's lawyers, the chances of Tropicfair defending the aforementioned are even. Consequently, the Said Sum is disclosed as contingent liabilities pending the final determination of the litigation. The details of the litigations are disclosed in Note 41.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.1 Critical Judgements Made in Applying Accounting Policies (contd.)

(8) Sale and buyback agreements

In 2016, BTSSB entered into Sale and Purchase Agreements ("SPAs") with an independent third party, Datuk Bandar Kuala Lumpur ("DBKL") to dispose of two parcels of commercial premise ("Properties") with carrying amount of RM82,650,000 for a total cash consideration of RM150.0 million. In the same year, BTSSB entered into Guaranteed Rental Return Agreements with DBKL to lease back the Properties for a period of 10 years ("Tenure") and buyback the Properties after the Tenure ("Transaction").

The Group has assessed that the Transaction is in the nature of a financing arrangement and merely a means by which DBKL provides finance to BTSSB, with the Properties as security and has accounted this Transaction in accordance with the requirements of MFRS 9.

4.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use ("VIU") of the cash-generating unit ("CGU") to which the goodwill is allocated. Estimating a VIU amount requires 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.

There is no impairment loss recognised in respect of goodwill in the current financial year.

Details of goodwill are disclosed in Note 13.

(2) Impairment of investments in subsidiary companies, associated companies and joint ventures

The Group and the Company conduct an annual impairment review of their investments in subsidiary companies, associated companies and joint ventures. The Group and the Company carried out the impairment test based on the assessment of the fair value less costs to sell of the investees' assets or CGUs or based on the estimation of the VIUs of the CGUs of the investees. The directors' estimation of fair values of these subsidiary companies are principally based on the Company's share of adjusted net assets in these subsidiaries companies.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.2 Key Sources of Estimation Uncertainty (contd.)

(2) Impairment of investments in subsidiary companies, associated companies and joint ventures (contd.)

The annual impairment review resulted in the Company recognising an impairment loss in respect of its investment in subsidiary companies. Details of the impairment loss recognised are disclosed in Notes 9 and 35.

The carrying amounts of investments in associated companies and joint ventures of the Group are disclosed in Notes 10 and 11 respectively whilst the carrying amounts of investments in subsidiary companies of the Company are disclosed in Note 9.

(3) Impairment of property, plant and equipment and right-of-use assets

The Group conducted an impairment review of property, plant and equipment and right-of-use assets. The Group estimated the recoverable amounts of the property, plant and equipment and right-of-use assets based on the respective assets' or CGU's fair value less costs to sell or based on the estimated VIU of the CGU. Significant judgments are required in the estimation of the recoverable amount of the property, plant and equipment and right-of-use-assets.

There is no impairment loss recognised in respect of property, plant and equipment and right-of-use assets in the current financial year.

Details of property, plant and equipment and right-of-use assets are disclosed in Notes 5 and 6.

(4) Depreciation of property, plant and equipment and right-of-use assets

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. The right-of-use assets are depreciated over the remaining lease term. Management estimates the useful lives of these property, plant and equipment to be within 2 to 50 years based on past experience with similar assets or/and common life expectancies of the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation.

(5) Provision for expected credit loss of financial assets at amortised cost

The Group assesses the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.2 Key Sources of Estimation Uncertainty (contd.)

(5) Provision for expected credit loss of financial assets at amortised cost (contd.)

Where there is a significant increase in credit risk, the Group determines the lifetime expected credit loss ("ECL") by considering the loss given default and the probability of default assigned to each debtor. Loss allowances are then provided or the amount is written off in full when there is no indication of recovery. This is determined when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off.

The information about the ECLs on the Group's trade and other receivables is disclosed in Note 14.

(6) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 38.

(7) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 27.

(8) Fair values of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in the statements of profit or loss. The Group engaged independent professional valuers to determine fair value at the reporting date by reference to open market value using the Investment, Comparison and Cost Methods. The carrying amounts of investment properties are disclosed in Note 7.

(9) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. The Group engaged independent professional valuers to determine the market value of the properties held for sale at the reporting date by reference to open market value using Comparison Method as disclosed in Note 45.

Notes to the Financial Statements

30 June 2023

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD.)

4.2 Key Sources of Estimation Uncertainty (contd.)

(10) Lease liabilities - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR is therefore reflects what the Group "would have to pay", which require estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR by first determine the closest available borrowing rates and adjusts with observable inputs when available.

Notes to the Financial Statements

30 June 2023

5 PROPERTY, PLANT AND EQUIPMENT

Group	Net carrying amount as of 1.7.2022	Additions	Write off/ Disposal	Reversal of impairment losses	Depreciation	Net carrying amount as of 30.6.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As of 30 June 2023						
Freehold building	126,284	-	-	-	(4,106)	122,178
Long term leasehold land and buildings	86,226	-	-	-	(3,437)	82,789
Short term leasehold land and buildings	20,459	-	-	-	(2,356)	18,103
Plant, machinery and equipment	570	1	-	-	(552)	19
Computer equipment	1,198	292	-	-	(232)	1,258
Renovation	452	647	(14)	-	(231)	854
Furniture, fittings and office equipment	1,140	243	(4)	3	(486)	896
First aid, theme park equipment and lifts	1,080	134	(40)	1	(509)	666
Motor vehicles	177	-	-	-	(159)	18
Others	28	4	(1)	-	(6)	25
	237,614	1,321	(59)	4	(12,074)	226,806

Notes to the Financial Statements

30 June 2023

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group	Net carrying amount as of		Additions	Write off/ Disposal	Depreciation	Net carrying amount as of
	1.7.2021	30.6.2022				
As of 30 June 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold building	130,391	-	-	-	(4,107)	126,284
Long term leasehold land and buildings	89,664	-	-	-	(3,438)	86,226
Short term leasehold land and buildings	22,816	-	-	-	(2,357)	20,459
Plant, machinery and equipment	1,396	-	-	(56)	(770)	570
Computer equipment	1,288	133	133	-	(223)	1,198
Renovation	347	254	254	-	(149)	452
Furniture, fittings and office equipment	1,637	105	105	-	(602)	1,140
First aid, theme park equipment and lifts	1,519	84	84	-	(523)	1,080
Motor vehicles	663	-	-	(215)	(271)	177
Others	24	19	19	(2)	(13)	28
	249,745	595	595	(273)	(12,453)	237,614

Notes to the Financial Statements

30 June 2023

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

As of 30 June 2023

	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Net carrying amount RM'000
Freehold building	195,485	73,307	-	122,178
Long term leasehold land and buildings	118,310	35,521	-	82,789
Short term leasehold land and buildings	57,226	39,123	-	18,103
Plant, machinery and equipment	23,949	23,930	-	19
Computer equipment	14,939	13,497	184	1,258
Renovation	4,677	3,765	58	854
Furniture, fittings and office equipment	15,452	12,580	1,976	896
First aid, theme park equipment and lifts	40,913	40,113	134	666
Cinema fixtures, fittings and equipment	500	500	-	-
Motor vehicles	3,047	3,009	20	18
Capital work-in-progress	312	-	312	-
Others	620	595	-	25
	475,430	245,940	2,684	226,806

Notes to the Financial Statements

30 June 2023

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Net carrying amount RM'000
As of 30 June 2022				
Freehold building	195,485	69,201	-	126,284
Long term leasehold land and buildings	118,310	32,084	-	86,226
Short term leasehold land and buildings	57,226	36,767	-	20,459
Plant, machinery and equipment	23,948	23,378	-	570
Computer equipment	14,647	13,265	184	1,198
Renovation	4,050	3,540	58	452
Furniture, fittings and office equipment	15,346	12,227	1,979	1,140
First aid, theme park equipment and lifts	41,739	40,524	135	1,080
Cinema fixtures, fittings and equipment	500	500	-	-
Motor vehicles	3,047	2,850	20	177
Capital work-in-progress	312	-	312	-
Others	627	599	-	28
	475,237	234,935	2,688	237,614

Notes to the Financial Statements

30 June 2023

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (a) The net carrying amounts of property, plant and equipment held under hire purchase arrangements of the Group are as follows:

	Group	
	2023 RM'000	2022 RM'000
Motor vehicles	7	14
First aid, theme park equipment and lifts	-	283
	7	297

- (b) The net carrying amounts of property, plant and equipment pledged to financial institutions for credit facilities granted to the Group, as referred to in Note 22 are as follows:

	Group	
	2023 RM'000	2022 RM'000
Freehold building	3,820	3,930
Computer equipment	246	196
Renovation	66	138
Furniture, fittings and office equipment	470	507
Motor vehicles	11	145
	4,613	4,916

Company

	Net carrying amount as of 1.7.2022 RM'000	Additions RM'000	Depreciation RM'000	Net carrying amount as of 30.6.2023 RM'000
As of 30 June 2023				
Computer equipment	11	23	(7)	27
Motor vehicles	14	-	(7)	7
	25	23	(14)	34

Notes to the Financial Statements

30 June 2023

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

	Net carrying amount as of 1.7.2021 RM'000	Additions RM'000	Depreciation RM'000	Net carrying amount as of 30.6.2022 RM'000
As of 30 June 2022				
Computer equipment	7	8	(4)	11
Motor vehicles	22	-	(8)	14
	<u>29</u>	<u>8</u>	<u>(12)</u>	<u>25</u>

Company

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As of 30 June 2023			
Computer equipment	55	28	27
Motor vehicles	37	30	7
	<u>92</u>	<u>58</u>	<u>34</u>

As of 30 June 2022

Computer equipment	32	21	11
Motor vehicles	37	23	14
	<u>69</u>	<u>44</u>	<u>25</u>

- (a) The net carrying amount of property, plant and equipment held under hire purchase arrangement of the Company are as follows:

	Company	
	2023 RM'000	2022 RM'000
Motor vehicles	<u>7</u>	<u>14</u>

Notes to the Financial Statements

30 June 2023

6 RIGHT-OF-USE ASSETS

Group	Photocopier RM'000	Land use right RM'000	Building use right RM'000	Prepaid lease payments RM'000	Total RM'000
Cost					
As of 1 July 2021	112	9,616	144	8,510	18,382
Additions during the year	-	308	-	-	308
Write off	-	(193)	-	-	(193)
As of 30 June 2022/1 July 2022	112	9,731	144	8,510	18,497
Additions during the year	-	36	51	-	87
Adjustment	-	-	(35)	-	(35)
As of 30 June 2023	112	9,767	160	8,510	18,549
Accumulated Depreciation					
As of 1 July 2021	(54)	(941)	(84)	(4,770)	(5,849)
Depreciation charge for the year (Note 37)	(27)	(473)	(22)	(408)	(930)
Write off	-	193	-	-	193
As of 30 June 2022/1 July 2022	(81)	(1,221)	(106)	(5,178)	(6,586)
Depreciation charge for the year (Note 37)	(22)	(540)	(43)	(408)	(1,013)
Adjustment	-	-	35	-	35
As of 30 June 2023	(103)	(1,761)	(114)	(5,586)	(7,564)
Net Carrying Amount					
As of 30 June 2023	9	8,006	46	2,924	10,985
As of 30 June 2022	31	8,510	38	3,332	11,911

Notes to the Financial Statements

30 June 2023

7 INVESTMENT PROPERTIES

	Group	
	2023 RM'000	2022 RM'000
At fair value:		
As of 1 July 2022/2021	2,316,069	2,362,724
Fair value changes	(6,083)	(17,223)
Additions during the year	8,820	3,028
Disposal during the year	-	(14,274)
Exchange differences	25,224	(18,186)
Reclassified to non-current asset held for sale (Note 17)	(253,051)	-
As of 30 June 2023/2022	2,090,979	2,316,069

In 2016, BTSSB has entered into Sale and Purchase Agreements ("SPAs") with an independent third party, Datuk Bandar Kuala Lumpur ("DBKL") to dispose of two parcels of commercial premise ("Properties") with carrying amount of RM82,650,000 for a total cash consideration of RM150.0 million. The said transaction is regarded as a financing arrangement as disclosed in Note 25(a)(ii).

Investment properties amounting to RM1,877,172,000 (2022: RM2,102,262,000) have been pledged to financial institutions for credit facilities as referred to in Notes 22 and 23.

Included in the investment properties are RM237,645,000 (2022: RM462,735,000) representing investment properties held under lease terms.

The fair values of the Group's investment properties at 30 June 2023 have been arrived at on the basis of a valuation carried out by independent valuers which have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined primarily based on Investment, Comparison and Cost Methods. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Fair value hierarchy disclosures for investment properties have been provided in Note 45.

8 INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
<u>NON-CURRENT</u>		
Land held for property development (Note a)	105,000	104,670
<u>CURRENT</u>		
Property development costs (Note b)	27,974	-
	132,974	104,670

Notes to the Financial Statements

30 June 2023

8 INVENTORIES (CONTD.)

(a) Land held for property development

	Group	
	2023 RM'000	2022 RM'000
As of 1 July 2022/2021		
Freehold land - at cost	104,670	101,470
Additions during the year: Development cost	3,232	3,200
Impairment loss during the year	(2,902)	-
As of 30 June 2023/2022	105,000	104,670

During the current financial year, the Group recognised an impairment loss of RM2,902,000 (2022: RM Nil) on land held for property development as the carrying value was assessed to be in excess of its recoverable amount.

(b) Property development cost

	Group	
	2023 RM'000	2022 RM'000
At of 1 July 2022/2021	-	-
Additions during the year: Development cost	27,974	-
As of 30 June 2023/2022	27,974	-

9 SUBSIDIARY COMPANIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	1,626,439	1,626,439
Less: Accumulated impairment losses	(342,974)	(341,715)
	1,283,465	1,284,724

The Group's equity interest in the subsidiary companies, details of their respective principal activities and countries of incorporation are shown in Note 50.

As of 30 June 2023, the Company conducted an impairment review of the investments in subsidiary companies, principally based on the Company's share of adjusted net assets in these subsidiary companies, which represents the directors' estimation of fair values of these subsidiary companies.

The review gave rise to recognition of an impairment loss of investment in subsidiary companies of RM1,259,000 (2022: RM1,013,000) as disclosed in Note 35.

Notes to the Financial Statements

30 June 2023

9 SUBSIDIARY COMPANIES (CONTD.)

(a) The changes to the composition of the Group for the financial year ended 30 June 2023 are as follows:

- (i) On 2 November 2022, Natural Avenue Sdn Bhd, a subsidiary company of the Group, had acquired 150,000 ordinary shares, representing 100% equity interest in Best Bloom Sdn Bhd ("BBSB") for a total cash consideration of RM70,000. The principal activity of BBSB is provision of commission agent service for Sarawak Turf Club.

(b) **Subsidiary companies with material non-controlling interests**

Set out below are the non-controlling interests of the subsidiary companies which the Group regards as material to the Group. The equity interests held by non-controlling interests are as follows:

	Equity interest held by non-controlling interests	
	2023 %	2022 %
Berjaya UK Investment & Development Ltd ("BIDL")	30	30
Natural Avenue Sdn Bhd ("NASB")	35	35

	Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
BIDL	(3,233)	525	2,682	5,621
NASB	1,001	(6)	5,210	4,209
Individually immaterial subsidiary companies with non-controlling interests	(2,978)	(1,439)	(13,918)	(10,940)
	<u>(5,210)</u>	<u>(920)</u>	<u>(6,026)</u>	<u>(1,110)</u>

Notes to the Financial Statements

30 June 2023

9 SUBSIDIARY COMPANIES (CONTD.)

(b) Subsidiary companies with material non-controlling interests (contd.)

Summarised financial information of the 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.

Group

	BIDL RM'000	NASB RM'000
As of 30 June 2023		
Non-current assets	279,551	5,251
Current assets	7,904	15,315
Non-current liabilities	(140,137)	(235)
Current liabilities	(138,377)	(5,446)
Net assets	<u>8,941</u>	<u>14,885</u>
Equity attributable to:		
- owners of the Company	6,259	9,675
- non-controlling interests	2,682	5,210
Total equity	<u>8,941</u>	<u>14,885</u>
As of 30 June 2022		
Non-current assets	251,604	5,441
Current assets	6,027	11,995
Non-current liabilities	(137,910)	(215)
Current liabilities	(100,983)	(5,195)
Net assets	<u>18,738</u>	<u>12,026</u>
Equity attributable to:		
- owners of the Company	13,117	7,817
- non-controlling interests	5,621	4,209
Total equity	<u>18,738</u>	<u>12,026</u>

Notes to the Financial Statements

30 June 2023

9 SUBSIDIARY COMPANIES (CONTD.)

(b) Subsidiary companies with material non-controlling interests (contd.)

Group

	BIDL RM'000	NASB RM'000
Year ended 30 June 2023		
Revenue	11,264	80,056
(Loss)/Profit for the year	(10,775)	2,859
Other comprehensive loss	(887)	-
Total comprehensive (loss)/income	(11,662)	2,859
(Loss)/Profit for the year attributable to:		
- owners of the Company	(7,542)	1,858
- non-controlling interests	(3,233)	1,001
	(10,775)	2,859
Total comprehensive (loss)/income attributable to:		
- owners of the Company	(8,163)	1,858
- non-controlling interests	(3,499)	1,001
	(11,662)	2,859
Net cash generated from/(used in):		
- operating activities	11,987	4,688
- investing activities	(7,550)	139
- financing activities	(4,887)	(41)
Net change in cash and cash equivalents	(450)	4,786
Dividend paid to non-controlling interests	-	-

Notes to the Financial Statements

30 June 2023

9 SUBSIDIARY COMPANIES (CONTD.)

(b) Subsidiary companies with material non-controlling interests (contd.)

Group

	BIDL RM'000	NASB RM'000
Year ended 30 June 2022		
Revenue	<u>11,083</u>	<u>57,111</u>
Profit/(Loss) for the year	1,750	(17)
Other comprehensive loss	(82)	-
Total comprehensive income/(loss)	<u>1,668</u>	<u>(17)</u>
Profit/(Loss) for the year attributable to:		
- owners of the Company	1,225	(11)
- non-controlling interests	525	(6)
	<u>1,750</u>	<u>(17)</u>
Total comprehensive income/(loss) attributable to:		
- owners of the Company	1,168	(11)
- non-controlling interests	500	(6)
	<u>1,668</u>	<u>(17)</u>
Net cash generated from/(used in):		
- operating activities	6,186	(23)
- investing activities	(1,626)	87
- financing activities	(5,402)	(22)
Net change in cash and cash equivalents	<u>(842)</u>	<u>42</u>
Dividend paid to non-controlling interests	<u>-</u>	<u>-</u>

Notes to the Financial Statements

30 June 2023

10 ASSOCIATED COMPANIES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	10,398	10,398
Share of post acquisition reserves	2,005	1,899
	<u>12,403</u>	<u>12,297</u>
Less: Accumulated impairment losses	(923)	(923)
Less: Intragroup adjustments	(500)	(500)
	<u>10,980</u>	<u>10,874</u>

The Group's investment in an associated company which has interest in a subsidiary company of the Group has been eliminated on consolidation.

The details of the associated companies are set out in Note 50.

There is no change to the composition of associated companies of the Group during the financial year.

During the financial year, the Group conducted an impairment review of the investments in associated companies and no additional impairment loss was recognised.

Notes to the Financial Statements

30 June 2023

10 ASSOCIATED COMPANIES (CONTD.)

Summarised financial information in respect of the associated companies of the Group which are Jubli Mentari Sdn Bhd ("JMSB"), Megaquest Sdn Bhd ("Megaquest") and Mantra Design Sdn Bhd ("Mantra Design") are set out below. The summarised financial information presented below represents the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

Group	JMSB RM'000	Megaquest RM'000	Mantra Design RM'000	Total RM'000
As of 30 June 2023				
Non-current assets	-	16	265	281
Current assets	27,142	1,830	12,495	41,467
Non-current liabilities	-	-	(186)	(186)
Current liabilities	(2,372)	(9)	(6,331)	(8,712)
Net assets	<u>24,770</u>	<u>1,837</u>	<u>6,243</u>	<u>32,850</u>
Equity attributable to:				
- owners of the Company	7,920	919	3,060	11,899
- non-controlling interests	16,850	918	3,183	20,951
Total equity	<u>24,770</u>	<u>1,837</u>	<u>6,243</u>	<u>32,850</u>
As of 30 June 2022				
Non-current assets	-	22	243	265
Current assets	27,145	1,807	9,304	38,256
Non-current liabilities	-	-	(129)	(129)
Current liabilities	(2,372)	(8)	(3,392)	(5,772)
Net assets	<u>24,773</u>	<u>1,821</u>	<u>6,026</u>	<u>32,620</u>
Equity attributable to:				
- owners of the Company	7,920	911	2,954	11,785
- non-controlling interests	16,853	910	3,072	20,835
Total equity	<u>24,773</u>	<u>1,821</u>	<u>6,026</u>	<u>32,620</u>

Notes to the Financial Statements

30 June 2023

10 ASSOCIATED COMPANIES (CONTD.)

Group	JMSB RM'000	Megaquest RM'000	Mantra Design RM'000	Total RM'000
Year ended 30 June 2023				
Revenue	-	1	15,858	15,859
(Loss)/Profit for the year	(3)	16	217	230
Other comprehensive income	-	-	-	-
Total comprehensive income	(3)	16	217	230
(Loss)/Profit for the year, representing total comprehensive (loss)/income attributable to owners of the associated companies	(3)	16	217	230
Dividend received from the associated companies during the year	-	-	-	-
Year ended 30 June 2022				
Revenue	-	-	10,683	10,683
(Loss)/Profit for the year	(2)	9	359	366
Other comprehensive income	-	-	-	-
Total comprehensive income	(2)	9	359	366
(Loss)/Profit for the year, representing total comprehensive (loss)/income attributable to owners of the associated companies	(2)	9	359	366
Dividend received from the associated companies during the year	-	-	-	-

Notes to the Financial Statements

30 June 2023

10 ASSOCIATED COMPANIES (CONTD.)

Reconciliation of the summarised financial information presented above to the carrying value of the Group's interest in the associated companies

Group 2023	JMSB RM'000	Megaquest RM'000	Mantra Design RM'000	Total RM'000
Attributable to the owners of associated companies:				
Net assets at 1 July 2022	24,773	1,821	6,026	32,620
(Loss)/Profit for the year	(3)	16	217	230
Net assets at 30 June 2023	<u>24,770</u>	<u>1,837</u>	<u>6,243</u>	<u>32,850</u>
Group's equity interest	31.97%	50%	49%	
Interest in net assets of associated companies	7,920	919	3,060	11,899
Less: Intragroup adjustments	-	(919)	-	(919)
Carrying value of Group's interest in the associated companies	<u>7,920</u>	<u>-</u>	<u>3,060</u>	<u>10,980</u>
2022				
Attributable to the owners of associated companies:				
Net assets at 1 July 2021	24,775	1,812	5,667	32,254
(Loss)/Profit for the year	(2)	9	359	366
Net assets at 30 June 2022	<u>24,773</u>	<u>1,821</u>	<u>6,026</u>	<u>32,620</u>
Group's equity interest	31.97%	50%	49%	
Interest in net assets of associated companies	7,920	911	2,954	11,785
Less: Intragroup adjustments	-	(911)	-	(911)
Carrying value of Group's interest in the associated companies	<u>7,920</u>	<u>-</u>	<u>2,954</u>	<u>10,874</u>

Notes to the Financial Statements

30 June 2023

11 JOINT VENTURES

	Group	
	2023 RM'000	2022 RM'000
Unquoted investment, at cost:		
Ordinary shares	7,305	4,595
Share of post acquisition reserves	3,683	2,645
Exchange differences	775	23
	11,763	7,263

Details of the joint ventures are as follows:

Name of Joint Ventures	Paid-up Capital	Proportion of Ownership Interest Held by the Group		Principal Activities
		2023 %	2022 %	
Berjaya - GSC Sdn Bhd	RM5,000,000	50	50	Cinema operations
Cardiff City (House of Sport) Limited ("Cardiff")	GBP500,000 (approximately RM2,480,000)	50	50	Development and running of a sports and leisure academy
TREC Holdings Sdn Bhd ("TREC")	RM350,000	30	30	Letting of properties and maintenance

The Group regards Cardiff and TREC as its material joint ventures.

During the financial year, the Group conducted an impairment review of the investments in joint ventures and no impairment loss was recognised.

There are impairment reversal during the year. The Group recognised a reversal of impairment loss of RM629,000 as disclosed in Note 32.

Notes to the Financial Statements

30 June 2023

11 JOINT VENTURES (CONTD.)

Summarised financial information in respect of the material joint ventures of the Group is set out below. The summarised financial information presented below represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

Group	Cardiff	TREC
As of 30 June 2023	RM'000	RM'000
Non-current assets	102,448	56,631
Current assets	3,178	11,848
Non-current liabilities	(33,205)	(50,668)
Current liabilities	(57,592)	(8,353)
Net assets	<u>14,829</u>	<u>9,458</u>
The above amounts of assets and liabilities including the following:		
Cash and cash equivalents	358	5,990
Current financial liabilities (excluding trade and other payables and provision)	(39,745)	-
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(32,416)</u>	<u>(50,668)</u>
As of 30 June 2022		
Non-current assets	45,671	33,331
Current assets	8,558	13,779
Non-current liabilities	(12,674)	(27,030)
Current liabilities	(33,490)	(12,254)
Net assets	<u>8,065</u>	<u>7,826</u>
The above amounts of assets and liabilities including the following:		
Cash and cash equivalents	1,701	6,304
Current financial liabilities (excluding trade and other payables and provision)	(1,286)	-
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(11,957)</u>	<u>(26,830)</u>

Notes to the Financial Statements

30 June 2023

11 JOINT VENTURES (CONTD.)

Group	Cardiff	TREC
Year ended 30 June 2023	RM'000	RM'000
Revenue	7,315	17,217
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the year	(161)	1,632
The above (loss)/profit for the year includes the following:		
Depreciation and amortisation	2,502	2,274
Finance costs	894	1,273
Interest income	-	92
Dividend paid by the joint venture during the year	-	-
Year ended 30 June 2022		
Revenue	7,780	8,360
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year	439	(8,992)
The above profit/(loss) for the year includes the following:		
Depreciation and amortisation	2,562	2,321
Finance costs	671	1,175
Interest income	-	61
Dividend paid by the joint venture during the year	-	-

Notes to the Financial Statements

30 June 2023

11 JOINT VENTURES (CONTD.)

Reconciliation of the summarised financial information presented above to the carrying value of the Group's interest in the joint ventures

Group 2023	Cardiff RM'000	TREC RM'000
Net assets as of 1 July 2022	8,065	7,826
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the year	(161)	1,632
Exchange differences	1,504	-
Issuance of new shares	5,421	-
Net assets as of 30 June 2023	<u>14,829</u>	<u>9,458</u>
Group's equity interest (%)	50	30
Interests in joint ventures	<u>7,415</u>	<u>2,837</u>

2022

Net assets as of 1 July 2021	8,206	14,318
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year	439	(8,992)
Exchange differences	(580)	-
Issuance of new shares	-	2,500
Net assets as of 30 June 2022	<u>8,065</u>	<u>7,826</u>
Group's equity interest (%)	50	30
Interests in joint ventures	<u>4,033</u>	<u>2,348</u>

Aggregate information of a joint venture that is not individually material

	Group	
	2023 RM'000	2022 RM'000
The Group's share of profit for the year, representing total comprehensive income for the year	629	344
Aggregate carrying amount of the Group's interest in the joint venture	<u>1,511</u>	<u>882</u>

Notes to the Financial Statements

30 June 2023

12 OTHER INVESTMENTS

	Group	
	2023 RM'000	2022 RM'000
- Quoted shares in Malaysia at fair value	118,818	114,647
- Unquoted loan stocks outside Malaysia at fair value	3,731	3,731
- Malaysian Government Securities at amortised cost	1,036	1,043
Total non-current investments	<u>123,585</u>	<u>119,421</u>
Market value of: Malaysian Government Securities	<u>1,000</u>	<u>1,000</u>

As of 30 June 2023, the investments in quoted shares included certain investments in affiliated companies, Berjaya Corporation Berhad ("BCorp"), Berjaya Food Berhad, Berjaya Land Berhad, Sports Toto Berhad and 7-Eleven Malaysia Holdings Berhad with carrying amounts of RM70,785,000 (2022: RM69,219,000), RMNil (2022: RM1,218,000), RM37,136,000 (2022: RM29,513,000), RM2,145,000 (2022: RM2,962,000) and RM8,468,000 (2022: RM11,460,000) respectively.

Certain quoted investments of the Group with fair value of RM118,817,000 (2022: RM109,212,000) have been pledged to financial institutions for credit facilities granted to certain of its subsidiary companies as disclosed in Note 22.

Unquoted loan stocks outside Malaysia designated as fair value through profit or loss ("FVTPL") debt investments comprise investment in 3% Redeemable Convertible Unsecured Loan Stock ("RCULS") issued by a joint venture, Cardiff City (House of Sport) Limited ("Cardiff"). The 3% RCULS of GBP1.00 each are constituted by a deed dated 30 November 2010 between Cardiff and the holders of 3% RCULS. The main features of 3% RCULS are as follows:

- (a) The 3% RCULS is convertible into ordinary shares of Cardiff at the rate of one GBP1.00 of 3% RCULS for one GBP1.00 ordinary share of Cardiff;
- (b) Upon conversion of the 3% RCULS into new Cardiff ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of Cardiff 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 3% RCULS are converted or any interim dividend declared prior to the date of conversion of 3% RCULS; and
- (c) The interest on 3% RCULS is payable semi-annually in arrears.

Notes to the Financial Statements

30 June 2023

12 OTHER INVESTMENTS (CONTD.)

In the current financial year, the Group and the Company accounted for the changes in fair value of its investments designated as FVTOCI financial assets amounting to a gain of RM30,746,000 (2022: loss of RM14,952,000) and RMNil (2022: loss of RM4,000) respectively in the FVTOCI reserve.

The investment in Malaysian Government Securities has been pledged to the Malaysian Government as security in compliance with the terms and conditions for the issuance of gaming licence by the Minister of Finance.

Further details on fair value hierarchy and classification of other investments are disclosed in Notes 45 and 46 respectively.

13 INTANGIBLE ASSETS

Group

	Goodwill on consolidation RM'000	Rights RM'000	Total RM'000
Cost			
As of 30 June 2022/1 July 2022	201,256	28,243	229,499
Addition during the year	54	-	54
As of 30 June 2023	<u>201,310</u>	<u>28,243</u>	<u>229,553</u>
Accumulated amortisation and impairment			
As of 1 July 2021	198,135	19,483	217,618
Amortisation (Note 35)	-	1,101	1,101
As of 30 June 2022	198,135	20,584	218,719
Amortisation (Note 35)	-	1,101	1,101
As of 30 June 2023	<u>198,135</u>	<u>21,685</u>	<u>219,820</u>
Net carrying amount			
As of 30 June 2023	<u>3,175</u>	<u>6,558</u>	<u>9,733</u>
As of 30 June 2022	<u>3,121</u>	<u>7,659</u>	<u>10,780</u>

Rights

Comprises the rights to receive Special Cash Sweep Lottery royalty revenue. The intangible asset is amortised over the remaining tenure of the rights expiring on 9 November 2029.

Impairment test for goodwill on consolidation

Goodwill on consolidation of RM3,148,000 (2022: RM3,094,000) and RM27,000 (2022: RM27,000) have been allocated to the Group's CGUs identified to the gaming and related activities and the property investment business segments respectively.

Notes to the Financial Statements

30 June 2023

13 INTANGIBLE ASSETS (CONTD.)

Key assumptions used in VIU calculations

The recoverable amount of a CGU is determined based on VIU calculations using cash flow projections based on financial budgets covering a five-year period. The key assumptions used for VIU calculations are:

(a) Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is 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 rate

The long term annual growth rate of 2.00% (2022: 2.00%) used is consistent with the average long term annual growth rate for the relevant industries.

(c) Discount rate

The pre-tax discount rate used for identified CGUs of 18.81% (2022: 18.81%) is on a basis that reflect specific risks relating to the CGU.

Sensitivity to changes in assumptions

Management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying amount of the CGUs relating to goodwill and rights to materially exceed their recoverable assets.

14 RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT				
Other receivables (Note a)				
Amount due from a joint venture	-	2,733	-	-
Amounts due from subsidiary companies	-	-	80,502	76,594
	-	2,733	80,502	76,594
Less: Allowance for impairment	-	-	(62,177)	(48,765)
Total non-current receivables	-	2,733	18,325	27,829

Notes to the Financial Statements

30 June 2023

14 RECEIVABLES (CONTD.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CURRENT				
Trade receivables (Note b)				
Third parties	28,206	41,273	-	-
Less: Allowance for impairment	(16,192)	(21,079)	-	-
Trade receivables, net	12,014	20,194	-	-
Other receivables (Note a)				
Sundry receivables	16,149	17,537	56	60
Contract assets	1,306	202	-	-
Deposits	1,840	2,251	-	-
Amounts due from:				
- affiliated companies	2,820	8,420	-	-
- subsidiary companies	-	-	169,695	156,454
GST recoverable	77	77	-	-
	22,192	28,487	169,751	156,514
Less: Allowance for impairment	(1,477)	(3,976)	(55,307)	(48,595)
	20,715	24,511	114,444	107,919
Other current assets (Note c)				
Prepayments	4,107	7,518	-	-
	4,107	7,518	-	-
Total current receivables	36,836	52,223	114,444	107,919

(a) Other receivables

- (i) The amounts due from subsidiary companies, affiliated companies and a joint venture are unsecured, non interest bearing and repayable on demand, except for amount due from subsidiary companies amounted to RM148,012,000 (2022: RM140,568,000) which bears interest at 5.15% (2022: 5.22%) per annum.

The amounts due from certain subsidiary companies and a joint venture have been classified as non-current assets as the Group and the Company have reassessed that it does not intend to call for the payments of these amounts within the next 12 months.

Notes to the Financial Statements

30 June 2023

14 RECEIVABLES (CONTD.)

(a) Other receivables (contd.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Movement in allowance account:				
Balance as of 1 July 2022/2021	3,976	3,952	97,360	72,446
Charge for the year (Notes 35 and 37)	44	24	20,124	24,914
Reversal of impairment (Note 32)	(1,000)	-	-	-
Write off	(1,543)	-	-	-
As of 30 June 2023/2022	<u>1,477</u>	<u>3,976</u>	<u>117,484</u>	<u>97,360</u>

The Group measures the loss allowance for other receivables at an amount equal to 12-month ECL, taking into account the historical default experience and the future prospect of the relevant customer's industry. The Company measures the loss allowance for amount due from subsidiary companies at an amount equal to lifetime ECL, taking into account the historical default experience of the subsidiary companies and an analysis of the subsidiary companies' current financial position. None of the amounts due from other receivables and subsidiary companies as of the end of the reporting period is past due.

(ii) Contract assets comprise unbilled revenue and other recoverable from customers for which the Company has performed work as of the end of the reporting period, but the agreed billing milestones have not been reached. Such unbilled revenue and recoverable arise from assembly work. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

(b) Trade receivables

The Group's trade receivables are non-interest bearing with credit terms ranging from 1 to 30 (2022: 1 to 30) days. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Notes to the Financial Statements

30 June 2023

14 RECEIVABLES (CONTD.)

(b) Trade receivables (contd.)

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Group 2023		
	Gross RM'000	Impaired RM'000	Net RM'000
Current	1,033	-	1,033
1 to 30 days	315	(138)	177
31 to 60 days	746	(67)	679
61 to 90 days	585	(60)	525
91 to 120 days	158	(19)	139
More than 120 days	25,369	(15,908)	9,461
	<u>27,173</u>	<u>(16,192)</u>	<u>10,981</u>
	<u>28,206</u>	<u>(16,192)</u>	<u>12,014</u>

	Group 2022		
	Gross RM'000	Impaired RM'000	Net RM'000
Current	3,050	-	3,050
1 to 30 days	577	(259)	318
31 to 60 days	1,207	(250)	957
61 to 90 days	1,480	(316)	1,164
91 to 120 days	414	(75)	339
More than 120 days	34,545	(20,179)	14,366
	<u>38,223</u>	<u>(21,079)</u>	<u>17,144</u>
	<u>41,273</u>	<u>(21,079)</u>	<u>20,194</u>

Receivables that are impaired

	Group	
	2023 RM'000	2022 RM'000
Balance as of 1 July 2022/2021	21,079	29,808
Charge for the year (Note 37)	5,281	6,805
Reversal of impairment (Note 37)	(8,681)	(15,048)
Write off	(1,487)	(486)
As of 30 June 2023/2022	<u>16,192</u>	<u>21,079</u>

Notes to the Financial Statements

30 June 2023

14 RECEIVABLES (CONTD.)

(b) Trade receivables (contd.)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtors and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

During the financial year, an amount of RM125,000 (2022: RM398,000) bad debts was written off from trade receivables as disclosed in Note 37.

(c) Other current assets

In the previous financial year, the deposit for acquisition of asset amounting to RM560,000 was forfeited upon the termination of a conditional sale and purchase agreement to acquire lease interest in a parcel of land.

15 INVENTORIES - OTHERS

	Group	
	2023 RM'000	2022 RM'000
At cost:		
Raw materials	80	86
Finished goods and consumables	399	358
Ticket inventories	155	201
Gaming equipment	321	428
Work-in-progress	270	73
	<u>1,225</u>	<u>1,146</u>
At net realisable value :		
Properties held for sale	186,200	186,200
	<u>187,425</u>	<u>187,346</u>

During the financial year, the Group recognised the cost of inventories as an expense amounting RM9,636,000 (2022: RM7,862,000).

Properties held for sale are pledged to financial institutions for credit facilities as referred to in Note 22.

Notes to the Financial Statements

30 June 2023

16 CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks	23,305	17,845	903	1,717
Cash on hand and at banks	26,246	25,976	79	410
	<u>49,551</u>	<u>43,821</u>	<u>982</u>	<u>2,127</u>

Included in deposits with licensed banks and cash on hand and at banks of the Group is monies held in debt service reserve accounts amounting to RM17,328,000 (2022: RM13,770,000) for the Group which are restricted in usage and do not form part of cash and cash equivalents.

The range of interest rates of the Group and of the Company during the financial year and the range of maturities of deposits of the Group and of the Company as at the end of financial year were as follows:

	Range of interest rates		Range of maturities	
	2023 %	2022 %	2023 Days	2022 Days
Group				
Licensed banks	<u>0.11 - 3.00</u>	<u>0.11 - 2.10</u>	<u>6 - 90</u>	<u>6 - 90</u>
Company				
Licensed banks	<u>1.20 - 2.23</u>	<u>1.60</u>	<u>90</u>	<u>90</u>

17 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

In the current financial year, the Group decided to dispose investment property owned by a subsidiary company, which consists of 70 residential apartment units situated in the United Kingdom. Negotiations with several interested parties have taken place.

The fair value of the investment property as at 30 June 2023 has been determined based on a valuation carried out by an independent valuer who has appropriate qualifications and recent experience in valuing properties in the relevant locations.

The investment property, which is expected to be sold within 12 months, has been classified as asset held for sale and presented separately in the statements of financial position. The asset classified as held for sale is as follows:

Notes to the Financial Statements

30 June 2023

17 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE (CONTD.)

	Group	
	2023 RM'000	2022 RM'000
Investment property	253,051	-
Total asset classified as held for sale	253,051	-

18 SHARE CAPITAL

	Group and Company Ordinary shares			
	No. of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:				
As of 1 July 2022/2021	2,558,270	2,558,270	1,538,120	1,538,120
Issuance of ordinary shares pursuant to exercise of Warrant 2018/2023	6	-	2	-
As of 30 June 2023/2022	2,558,276	2,558,270	1,538,122	1,538,120

Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Warrants

The salient terms of Warrants 2018/2023 were:

- Each Warrant 2018/2023 entitled the holder to subscribe for one new ordinary share of the Company at a price of RM0.35 per new ordinary share.
- The Warrants 2018/2023 may be exercised at any time up to 9 June 2023.
- The shares arising from the exercise of Warrants 2018/2023 shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments or distributions, unless the exercise of warrants was effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions.

On 7 June 2023, the Group and the Company increased its share capital from RM1,538,120,000 to RM1,538,122,000 by way of the issuance of 5,600 new ordinary shares at an issue price of RM0.35 per share pursuant to the exercise of 5,600 Warrants 2018/2023.

The remaining outstanding Warrants 2018/2023 of 1,279,129,759 units expired on 9 June 2023.

Notes to the Financial Statements

30 June 2023

19 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RESERVE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As of 1 July 2022/2021	(131,172)	(120,257)	(29)	(68)
Transfer to retained earnings upon disposal	12,956	4,037	-	43
Changes in fair value of FVTOCI financial assets during the year:				
- Quoted investment	30,746	(14,952)	-	(4)
As of 30 June 2023/2022	<u>(87,470)</u>	<u>(131,172)</u>	<u>(29)</u>	<u>(29)</u>

Fair value through other comprehensive income reserve ("FVTOCI") represents the cumulative fair value changes of FVTOCI financial assets until they are disposed of. The information on the other investments are disclosed in Note 12.

20 FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2023 RM'000	2022 RM'000
As of 1 July 2022/2021	7,679	14,303
Current year movement	14,843	(6,624)
As of 30 June 2023/2022	<u>22,522</u>	<u>7,679</u>

21 RETAINED EARNINGS/(ACCUMULATED LOSSES)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As of 1 July 2022/2021	458,964	517,959	(225,213)	(200,386)
Transfer from FVTOCI reserve	(12,956)	(4,037)	-	(43)
Total loss for the year	(23,316)	(54,958)	(21,800)	(24,784)
As of 30 June 2023/2022	<u>422,692</u>	<u>458,964</u>	<u>(247,013)</u>	<u>(225,213)</u>

Notes to the Financial Statements

30 June 2023

22 BANK BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Long term borrowings				
Secured:				
Term loans	461,156	501,715	27,579	29,579
Short term borrowings				
Secured:				
Term loans	68,851	33,721	1,997	-
Revolving credit facility	4,475	4,475	-	-
Margin accounts	19,834	26,251	-	-
Bank overdraft	9,988	9,990	-	-
	103,148	74,437	1,997	-
Total borrowings				
Secured:				
Term loans	530,007	535,436	29,576	29,579
Revolving credit facility	4,475	4,475	-	-
Margin accounts	19,834	26,251	-	-
Bank overdraft	9,988	9,990	-	-
	564,304	576,152	29,576	29,579
Maturity of borrowings				
Not later than 1 year	103,148	74,437	1,997	-
Later than 1 year and not later than 2 years	82,598	73,412	4,400	2,000
Later than 2 years and not later than 5 years	342,510	360,172	18,100	15,700
Later than 5 years	36,048	68,131	5,079	11,879
	564,304	576,152	29,576	29,579

The interest rates per annum for borrowings are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Term loans	5.15 to 7.75	4.99 to 6.75	5.95	4.99 to 5.11
Revolving credit facility	5.22 to 6.24	4.90 to 5.21	-	-
Margin accounts	8.00 to 10.25	7.00 to 8.25	-	-
Bank overdraft	8.65 to 9.65	7.40 to 7.65	-	-

Notes to the Financial Statements

30 June 2023

22 BANK BORROWINGS (CONTD.)

The borrowings are secured by the following:

- property, plant and equipment (as disclosed in Note 5), investment properties (as disclosed in Note 7), properties held for sale (as disclosed in Note 15) and debenture over assets of certain subsidiary companies of the Group;
- the assignment of sales proceeds, future rental and insurance policies by Berjaya Times Square Sdn Bhd ("BTSSB") for the entire development project;
- a guarantee from a major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun;
- certain quoted investments (as disclosed in Note 12) of the Group;
- legal charge over BTSSB's Debt Service Reserve Account and Designated Rental Collection Account (as disclosed in Note 16); and
- corporate guarantee by the Company.

23 SENIOR MEDIUM TERM NOTES

On 1 June 2018, a subsidiary company issued a series of serial fixed rate medium term notes amounting to RM160 million nominal value comprising the following series ("Senior MTNs"):

Series	Maturity	Interest rate p.a. (%)	Group			
			Nominal value		At amortised cost	
			2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
1	1 June 2023	5.30	-	20,000	-	19,937
2	31 May 2024	5.90	40,000	40,000	39,903	39,801
3	30 May 2025	6.00	80,000	80,000	79,648	79,480
			<u>120,000</u>	<u>140,000</u>	<u>119,551</u>	<u>139,218</u>

Maturity of Senior MTNs

Not later than 1 year
 Later than 1 year and not later than 2 years
 Later than 2 years and not later than 5 years

Group	
At amortised cost	
2023 RM'000	2022 RM'000
39,903	19,937
79,648	39,801
-	79,480
<u>119,551</u>	<u>139,218</u>

Notes to the Financial Statements

30 June 2023

23 SENIOR MEDIUM TERM NOTES (CONTD.)

The Senior MTNs are secured by:

- (a) 5 levels of basement car park and 13 levels of annexed car park located at Berjaya Times Square, No. 1, Jalan Imbi, Kuala Lumpur (as disclosed in Note 7);
- (b) legal assignment of the put option agreement entered into by the subsidiary company and BTSSB, whereby the subsidiary has the right to sell back the car park to BTSSB at the outstanding amount of the Senior MTNs upon its maturity or on the occurrence of an event of default;
- (c) corporate guarantees by the Company and BTSSB;
- (d) a first fixed legal charge over a retail lot granted by BTSSB located at Lot 06-16, Berjaya Times Square, No. 1, Jalan Imbi, Kuala Lumpur (as disclosed in Note 7); and
- (e) deeds of assignment of certain rights, interest and benefits under the insurance related to BTSSB and TS Service Suites Sdn Bhd.

24 HIRE PURCHASE LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Minimum lease payments:				
Not later than 1 year	382	446	6	7
Later than 1 year and not later than 2 years	99	383	-	6
Later than 2 years and not later than 5 years	-	99	-	-
	<u>481</u>	<u>928</u>	<u>6</u>	<u>13</u>
Less: Future finance charges	(27)	(85)	-	(1)
Present value of hire purchase liabilities	<u>454</u>	<u>843</u>	<u>6</u>	<u>12</u>
Present value of hire purchase liabilities:				
Not later than 1 year	357	388	6	6
Later than 1 year and not later than 2 years	97	326	-	6
Later than 2 years and not later than 5 years	-	129	-	-
	<u>454</u>	<u>843</u>	<u>6</u>	<u>12</u>
Analysed as:				
Due within 12 months	357	388	6	6
Due after 12 months	97	455	-	6
	<u>454</u>	<u>843</u>	<u>6</u>	<u>12</u>

The hire purchase liabilities bear interest from 5.00% to 5.35% (2022: 4.75% to 5.35%) per annum.

Notes to the Financial Statements

30 June 2023

25 LONG TERM LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Other long term liabilities (Note a)	164,610	168,725
Less: Current portion included in payables (Note 28)	(6,360)	(14,619)
	<u>158,250</u>	<u>154,106</u>
Rental deposits	14,109	5,024
Other payables and accruals	11,337	-
Other deferred income (Note b)	3,280	1,359
	<u>186,976</u>	<u>160,489</u>

(a) Other long term liabilities relate to:

- (i) the portion of purchase consideration for the acquisition of two parcels of properties which will be recognised as rental income from a tenant over a period of 10 years.

During the financial year, an amount of RM9,960,000 (2022: RM9,960,000) is recognised as rental income in profit or loss; and

- (ii) the sale and buyback agreements as disclosed in Note 4.1(8), which represent a financing arrangement that bears interest at the effective interest rate of 5.67% per annum.

During the financial year, an amount of RM9,528,000 (2022: RM8,687,000) is recognised as unwinding of discount on long term liabilities (Note 36).

(b) Other deferred income represents 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 tenancy periods.

Notes to the Financial Statements

30 June 2023

26 LEASE LIABILITIES

The following tables summarise the carrying amount of the Group's lease liabilities arising from right-of-use assets and the reconciliation of lease liabilities arising from financing activities.

	Group	
	2023 RM'000	2022 RM'000
Representing:		
Current	353	328
Non-current	8,746	9,042
	<u>9,099</u>	<u>9,370</u>

	Group	
	2023 RM'000	2022 RM'000
As of 1 July 2022/2021	9,370	9,381
Cash flows		
Payment of lease liabilities	(358)	(274)
Payment of lease interest	(524)	(528)
	<u>8,488</u>	<u>8,579</u>
Non-cash flows		
Addition during the year	87	308
Interest expenses	524	528
Adjustment	-	4
COVID-19 related rent concessions	-	(49)
As of 30 June 2023/2022	<u>9,099</u>	<u>9,370</u>

Maturity analysis for lease liabilities of the Group at year end are as follows:

	Group	
	2023 RM'000	2022 RM'000
Maturity analysis:		
Not later than 1 year	856	849
Later than 1 year and not later than 2 years	745	840
Later than 2 years and not later than 5 years	2,073	2,085
Later than 5 years	11,750	12,441
	<u>15,424</u>	<u>16,215</u>
Less: Future finance charges	(6,325)	(6,845)
	<u>9,099</u>	<u>9,370</u>

Notes to the Financial Statements

30 June 2023

27 DEFERRED TAX LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As of 1 July 2022/2021	161,614	159,799	3	4
Recognised in the statements of profit or loss (Note 38)	1,076	1,815	-	(1)
As of 30 June 2023/2022	<u>162,690</u>	<u>161,614</u>	<u>3</u>	<u>3</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	162,690	161,614	3	3
	<u>162,690</u>	<u>161,614</u>	<u>3</u>	<u>3</u>

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets of the Group

	Tax losses and unabsorbed capital allowances			Total RM'000
	RM'000	Others RM'000	RM'000	
As of 1 July 2022	955	(6,457)		(5,502)
Recognised in the statements of profit or loss	(118)	526		408
	<u>837</u>	<u>(5,931)</u>		<u>(5,094)</u>
Less: Set-off of deferred tax liabilities				5,094
As of 30 June 2023				<u>-</u>
As of 1 July 2021	(3,191)	(5,033)		(8,224)
Recognised in the statements of profit or loss	4,146	(1,424)		2,722
	<u>955</u>	<u>(6,457)</u>		<u>(5,502)</u>
Less: Set-off of deferred tax liabilities				5,502
As of 30 June 2022				<u>-</u>

Notes to the Financial Statements

30 June 2023

27 DEFERRED TAX LIABILITIES (CONTD.)

Deferred Tax Liabilities of the Group

	Property, plant and equipment, investment properties and other RM'000	Accelerated capital allowances RM'000	Total RM'000
As of 1 July 2022	100,772	66,344	167,116
Recognised in the statements of profit or loss	969	(301)	668
	<u>101,741</u>	<u>66,043</u>	<u>167,784</u>
Less: Set-off of deferred tax assets			(5,094)
As of 30 June 2023			<u>162,690</u>
As of 1 July 2021	97,653	70,370	168,023
Recognised in the statements of profit or loss	3,119	(4,026)	(907)
	<u>100,772</u>	<u>66,344</u>	<u>167,116</u>
Less: Set-off of deferred tax assets			(5,502)
As of 30 June 2022			<u>161,614</u>

Deferred Tax Liabilities of the Company

	Property, plant and equipment RM'000
As of 1 July 2022/30 June 2023	<u>3</u>
As of 1 July 2021	4
Recognised in the statements of profit or loss	(1)
As of 30 June 2022	<u>3</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023 RM'000	2022 RM'000
Unused tax losses	88,328	81,864
Unabsorbed capital allowances	97,660	101,622
Unutilised investment tax allowance	116,147	116,147
Other deductible temporary differences	11,504	9,018
	<u>313,639</u>	<u>308,651</u>

Notes to the Financial Statements

30 June 2023

27 DEFERRED TAX LIABILITIES (CONTD.)

The availability of the unused tax losses, unabsorbed capital allowances, unutilised investment tax allowance and other deductible temporary differences for offsetting against future taxable profits of the respective subsidiary companies are subject to no substantial changes in shareholdings of the subsidiary companies under Section 44(5A) of the Income Tax Act, 1967.

Under Malaysian Finance Act 2021, which was gazetted on 31 December 2021, any accumulated unused tax losses brought forward from year assessment 2018 can be carried forward for another 10 consecutive year of assessment. Upon expiry of the 10 years, the unused tax losses will be disregarded.

Pursuant to the relevant tax regulations, the unused tax losses at the end of the reporting period will expire as follows:

	Group	
	2023 RM'000	2022 RM'000
Year of assessment 2028	35,252	35,252
Year of assessment 2029	1,766	1,766
Year of assessment 2030	7,519	7,519
Year of assessment 2031	25,316	25,315
Year of assessment 2032	14,218	12,012
Year of assessment 2033	4,257	-
	<u>88,328</u>	<u>81,864</u>

Notes to the Financial Statements

30 June 2023

28 PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CURRENT				
Trade payables	26,170	15,324	-	-
Refundable deposits	20,928	30,665	-	-
Other payables and accruals	141,090	117,758	7,486	941
Amounts due to affiliated companies	16,203	6,645	-	-
Amounts due to subsidiary companies	-	-	89,084	79,136
	<u>204,391</u>	<u>170,392</u>	<u>96,570</u>	<u>80,077</u>
Advance rental received	57	57	-	-
Current portion of other long term liabilities (Note 25)	6,360	14,619	-	-
	<u>210,808</u>	<u>185,068</u>	<u>96,570</u>	<u>80,077</u>

The normal trade credit terms granted to the Group and the Company ranges from 7 to 90 days (2022: 1 to 90 days).

Included in other payables and accruals of the Group is the balance purchase consideration for the acquisition of several parcels of land amounting to RM36,370,000 (2022: RM40,583,000). This balance payment bears interest at 7.0% (2022: 7.0%) per annum.

Included in other payables is an amount of RM400,000 which represents the balance of liquidated ascertained damages payable on the rescission of the share sale agreement in relation to the acquisition of the remaining 50% equity interest in Megaquest Sdn Bhd.

The amounts due to affiliated companies are unsecured, non interest bearing and repayable on demand.

The amounts due to subsidiary companies are unsecured, non interest bearing and repayable on demand, except for amounts due to subsidiary companies amounting to RM47,709,000 (2022: RM41,375,000) which bear interest range from 5.15% to 6.75% (2022: 5.22% to 6.65%) per annum.

Notes to the Financial Statements

30 June 2023

29 PROVISIONS

Group	Additional EPF entitlement RM'000
As of 1 July 2022	82
Reversal during the year	(9)
As of 30 June 2023	<u>73</u>
As of 1 July 2021	88
Reversal during the year	(6)
As of 30 June 2022	<u>82</u>

(a) Additional employees provident fund ("EPF") entitlement

Provision for additional EPF entitlement relates to a subsidiary company's employment benefit policy whereby an additional 4% of employer's contribution is payable to employees with less than 5 years of employment service. It is based on 4% of gross salary of employees for the first 5 years of employment service. The provision is payable when an employee with at least 5 years of employment service resigns or retires. The provision is reversed if an employee resigns before his 5 years of employment service.

30 REVENUE

The main categories of revenue are as follows:

Group	2023 RM'000	2022 RM'000
Revenue from contract with customers recognised at a point in time:		
Gaming ticket sales net of gaming tax	80,077	57,111
Sale of theme park tickets	18,864	11,897
Sale of investment properties	-	5,026
Revenue from jetty operations	16,600	2,435
Revenue from hotel operations	8,289	5,400
Revenue from assembly charges	5,337	4,704
	<u>129,167</u>	<u>86,573</u>
Other revenue:		
Lease income from investment properties	94,962	87,483
	<u>224,129</u>	<u>174,056</u>
Company		
Other revenue:		
Management fees from subsidiary companies	725	725
	<u>725</u>	<u>725</u>

Notes to the Financial Statements

30 June 2023

31 COST OF SALES

This relates to cost of sales incurred in respect of the business segments of gaming and related activities, property investment, vehicle assembly and recreation and others.

32 OTHER INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividend income from:				
- quoted investments in Malaysia	424	327	-	-
Interest income:				
- fixed and other deposits	744	580	33	27
- subsidiary companies	-	-	7,244	6,968
- others	40	805	-	-
Gain on disposal of property, plant and equipment	1	7	-	-
Gain on disposal of investment properties	-	4,108	-	-
Gain on foreign exchange - unrealised	102	182	9	-
Reversal of impairment in investment in joint venture (Note 11)	629	-	-	-
Reversal of impairment of plant and equipment (Note 5)	4	-	-	-
Reversal of impairment of other receivables (Note 14(a))	1,000	-	-	-
Miscellaneous	5,399	4,372	-	-
	8,343	10,381	7,286	6,995

33 STAFF COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	22,151	18,547	692	475
Bonus	276	96	72	11
EPF contributions	2,464	2,194	78	48
Social security organisation contributions	339	268	7	9
Other staff related expenses	1,368	627	81	27
	26,598	21,732	930	570

The above staff costs exclude the Company's Directors salary and other emoluments.

Notes to the Financial Statements

30 June 2023

34 DIRECTORS' REMUNERATION

The total remuneration paid or payable to the Directors of the Company categorised into appropriate components for the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive:				
Fees	60	60	-	-
Salary and other emoluments	448	335	448	-
Benefits-in-kind	5	28	5	-
	<u>513</u>	<u>423</u>	<u>453</u>	<u>-</u>
Non-Executive:				
Fees	306	247	296	237
Salary and other emoluments	1,107	1,049	500	503
Benefits-in-kind	37	32	31	30
	<u>1,450</u>	<u>1,328</u>	<u>827</u>	<u>770</u>
Total	<u>1,963</u>	<u>1,751</u>	<u>1,280</u>	<u>770</u>

35 OTHER EXPENSES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Impairment of investments in subsidiary companies (Note 9)	-	-	1,259	1,013
Impairment losses on amounts owing from subsidiary companies (Note 14(a))	-	-	20,124	24,914
Loss on foreign exchange - unrealised	3,751	1,392	-	22
Loss on disposal of property, plant and equipment	-	66	-	-
Amortisation of Rights (Note 13)	1,101	1,101	-	-
Impairment loss on land held for development (Note 8)	2,902	-	-	-
Miscellaneous	-	1	-	1
	<u>7,754</u>	<u>2,560</u>	<u>21,383</u>	<u>25,950</u>

Notes to the Financial Statements

30 June 2023

36 FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense:				
- borrowings	47,295	41,107	1,667	1,523
- hire purchase liabilities	58	117	1	1
- lease liabilities	524	528	-	-
- subsidiary companies	-	-	2,456	1,848
- loan related expenses	1,416	1,777	-	8
- other finance costs	2,825	3,442	-	-
- unwinding of discount on long term liabilities (Note 25)	9,528	8,687	-	-
	<u>61,646</u>	<u>55,658</u>	<u>4,124</u>	<u>3,380</u>

37 LOSS BEFORE TAX

Other than those disclosed elsewhere in the financials statements, the following items have been included in arriving at loss before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax is stated after charging/(crediting):				
Direct operating expenses of investment properties:				
- revenue generating during the year	12,048	9,724	-	-
- non-revenue generating during the year	14,421	17,542	-	-
Gaming royalty	443	315	-	-
Depreciation of property, plant and equipment (Note 5)	12,074	12,453	14	12
Depreciation of right-of-use assets (Note 6)	1,013	930	-	-
Directors' remuneration (Note 34):				
- fees	366	307	296	237
- salary and other emoluments	1,555	1,384	948	503

Notes to the Financial Statements

30 June 2023

37 LOSS BEFORE TAX (CONTD.)

Other than those disclosed elsewhere in the financials statements, the following items have been included in arriving at loss before tax: (contd.)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax is stated after charging/(crediting): (contd.)				
Auditors' remuneration:				
- statutory audit	493	508	111	114
- under/(over) provision in prior years	15	1	(3)	-
- other services	5	5	5	5
Management fee	96	96	-	-
Reversal of impairment of trade receivables (Note 14(b))	(8,681)	(15,048)	-	-
Impairment of trade receivables (Note 14(b))	5,281	6,805	-	-
Expenses relating to variable lease payment and not included in the measurement of lease liability	162	86	-	-
Impairment loss on amount due from an affiliated company (Note 14(a))	44	24	-	-
Staff costs (Note 33)	26,598	21,732	930	570
Property, plant and equipment written off	60	1	-	-
Bad debts written off	125	398	-	-
Reversal of provisions (Note 29)	(9)	(6)	-	-
Short term leases and leases of low value assets	151	148	-	-

38 INCOME TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax:				
Malaysian income tax	7,984	4,624	1,631	1,589
Withholding tax	605	572	-	-
Overprovision in prior years	(947)	(603)	(178)	(316)
	7,642	4,593	1,453	1,273
Deferred tax (Note 27):				
Relating to origination and reversal of temporary differences	1,298	696	-	(1)
(Over)/Underprovision in prior years	(222)	1,119	-	-
	1,076	1,815	-	(1)
Total income tax expense	8,718	6,408	1,453	1,272

Notes to the Financial Statements

30 June 2023

38 INCOME TAX EXPENSE (CONTD.)

A reconciliation of income tax expense applicable to 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 are follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax	(19,808)	(49,470)	(20,347)	(23,512)
Taxation at Malaysian statutory tax rate of 24%	(4,754)	(11,873)	(4,883)	(5,643)
Effect of different tax rates in other countries	252	70	-	-
Effect of expenses not deductible for tax purposes	13,668	13,663	6,514	7,231
Effect of income not subject to tax	(807)	(1,047)	-	-
Effect of share of results of associated companies	(25)	(42)	-	-
Effect of share of results of joint ventures	(249)	512	-	-
Effect of withholding tax	605	572	-	-
Real property gain tax at Malaysian Statutory tax rate of 10%	-	780	-	-
Deferred tax assets not recognised during the year	1,197	3,257	-	-
(Over)/Underprovision of deferred tax in prior years	(222)	1,119	-	-
Overprovision of income tax in prior years	(947)	(603)	(178)	(316)
Income tax expense for the year	8,718	6,408	1,453	1,272

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB")

On 1 September 2016, IRB issued Notices of Additional Assessments ("Forms JA") to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group, to assess the gains from the disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 under Section 4(a) of the Income Tax Act 1967 instead of Real Property Gains Tax Act 1976. The IRB has regarded the disposal of the investment properties to be in the ordinary course of business of BTSSB as a property developer. The amount of taxes in dispute amounted to RM180.73 million (inclusive of further tax penalties amounted to RM72.81 million) ("Tax Appeal 1") and had been disclosed as contingent liabilities since prior years.

The hearing at the SCIT has been fixed from 7 December 2021 to 9 December 2021 for the determination of BTSSB's appeal against the Tax Appeal 1 which had been disclosed as contingent liabilities since the prior years.

Notes to the Financial Statements

30 June 2023

38 INCOME TAX EXPENSE (CONTD.)

Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB") (contd.)

Other than Tax Appeal 1, the IRB had on 11 January 2019, issued notices of additional tax assessment of RM69.6 million to BTSSB for YA 2015 and YA 2016 ("Tax Appeal 2"). Consequently, BTSSB had made an application for judicial review at the KL High Court to apply for leave and stay order against the aforesaid additional tax assessments. On 9 April 2019, the presiding KL High Court judge dismissed BTSSB's application for leave for judicial review with costs. BTSSB informed the KL High Court that it wished to appeal to the Court of Appeal ("COA"). An interim stay was subsequently granted by the KL High Court pending BTSSB's appeal to the COA.

At a hearing held on 10 May 2019, the COA unanimously granted an interim stay order pending the disposal of BTSSB's appeal against the dismissal of leave by the KL High Court. Subsequently, the COA fixed the hearing of the appeal on 15 February 2021. The additional tax assessments of RM69.6 million is also disclosed as contingent liabilities.

Further to the above, IRB had on 9 January 2020, issued Forms JA for YAs 2015 to 2018 being additional tax assessments of:

- (i) RM16.31 million arising from disallowable unabsorbed tax losses;
- (ii) RM7.34 million being tax penalties on item (i); and
- (iii) RM3.08 million relating to interest income arising from early redemption of Junior Bonds.

BTSSB did not agree to IRB's basis of disallowing the unabsorbed tax losses. IRB has arbitrarily regarded the unabsorbed tax losses to be no longer available as they have been fully absorbed in the previous years against the gains from the disposal of investment assets, notwithstanding the ongoing uncompleted Tax Appeal 1 and Tax Appeal 2 related litigations.

Consequently, on 17 January 2020, BTSSB made an application to the High Court for judicial review. The hearing date for BTSSB's judicial review application has been set on 30 April 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. In addition, BTSSB had on 7 February 2020, submitted an official appeal through submission of Forms Q to SCIT ("Tax Appeal 3"). SCIT has fixed 10 November 2020 as case management date.

Due to the imposition of MCO, the hearing date for BTSSB's judicial review application was postponed to 1 June 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. Subsequently, the hearing date on 1 June 2020 was vacated and fixed as a case management date instead.

On 1 June 2020, the High Court has extended the interim stay until the next hearing date which was fixed on 9 July 2020. The hearing date was subsequently vacated and instead a case management was fixed. On 9 July 2020, the High Court has directed that the hearing date of the application for judicial review be fixed on 12 August 2020, and the Court has granted BTSSB an interim stay until 12 August 2020.

On 12 August 2020, the High Court adjourned the hearing and a case management was conducted instead. The new hearing date is now fixed on 7 October 2020 and the interim stay continued to be granted to BTSSB until then.

Notes to the Financial Statements

30 June 2023

38 INCOME TAX EXPENSE (CONTD.)

Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB") (contd.)

On 7 October 2020, the High Court adjourned the hearing and fixed a mention date on 16 February 2021 and extended the interim stay until 16 February 2021.

On 16 February 2021, the High Court has fixed 3 March 2021 as case management date as the hearing of Tax Appeal 2 has been adjourned to 18 February 2021. An interim stay had been extended till 3 March 2021.

On 25 February 2021, BTSSB was informed by the High Court that the case management date for Tax Appeal 3 has been moved to 5 April 2021 in light of the Court of Appeal's decision on Tax Appeal 2 which was to be delivered on 2 April 2021. Interim stay was extended to 5 April 2021.

On 5 April 2021, the High Court was informed of the Court of Appeal's dismissal of BTSSB's Tax Appeal 2 and the undertaking given by IRB. Following the Court of Appeal's decision on Tax Appeal 2, the lawyers of BTSSB will need to seek BTSSB's instruction on the judicial review application for Tax Appeal 3. The High Court then fixed 12 April 2021 as the next case management date and an extended stay was granted till then.

On 12 April 2021, BTSSB informed the High Court that it wished to withdraw the judicial review application for Tax Appeal 3 and subsequently filed a Notice of Discontinuance at the High Court on 16 April 2021.

On 2 February 2021, BTSSB wrote to the Ministry of Finance ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
 - (b) to grant an exemption under Section 127(3A) of the ITA 1967;
- with regards to Tax Appeal 2 and Tax Appeal 3, by 9 February 2021.

As MOF did not respond to BTSSB's request, BTSSB has filed an application to the High Court for judicial review against MOF on 11 February 2021 ("MOF Judicial Review"). The High Court fixed 4 March 2021 for the first hearing of the MOF Judicial Review. The first hearing date was then vacated by the High Court and a new hearing date was fixed on 6 May 2021. The High Court also granted an interim stay for Tax Appeal 3 up to 6 May 2021.

On 16 April 2021, IRB filed an application to the High Court to intervene in the MOF Judicial Review. At the first hearing on 6 May 2021, the High Court was informed that BTSSB has filed the affidavit in reply in response to IRB's application to intervene. IRB responded with a request for the right to file another affidavit in reply. The High Court has fixed 7 July 2021 as the hearing date for IRB's application to intervene and as the case management date for BTSSB's MOF Judicial Review. The Court also granted an interim stay for Tax Appeal 3 until 7 July 2021. The hearing date has subsequently been rescheduled to 12 September 2022 and the interim stay was granted till then.

Notes to the Financial Statements

30 June 2023

38 INCOME TAX EXPENSE (CONTD.)

Additional assessments raised by the Inland Revenue Board of Malaysia ("IRB") (contd.)

The High Court disallowed IRB's application to intervene at the hearing held on 12 September 2022. The MOF Judicial Review hearing is fixed on 23 November 2022. On 23 November 2022, the High Court dismissed BTSSB's application for judicial review against MOF and did not grant a stay order on the payment of tax in dispute.

On 8 December 2022, BTSSB filed an appeal to Court of Appeal for a motion for stay order on the payment of taxes ("Application for Stay Motion") and also filed an appeal against dismissal of MOF Judicial Review. The Court of Appeal has dismissed BTSSB's Application for Stay Motion at hearing held on 9 February 2023. On 22 February 2023, the Court of Appeal fixed the hearing date for Appeal Against Dismissal of MOF Judicial Review on 23 June 2023 and require both parties to file the necessary submission before the hearing date. The court then fixed the case management on 12 June 2023 to update the status of filing. On 5 June 2023, the Registrar of the Court of Appeal informed BTSSB that the case management on 12 June 2023 and hearing date on 23 June 2023 have been vacated. A new hearing date was subsequently fixed on 19 September 2023. On 19 September 2023, the Court of Appeal instructed both parties to file agreed issues on or before 4 October 2023. The next case management is fixed on 25 October 2023.

BTSSB has filed official appeals for Tax Appeal 1, Tax Appeal 2 and Tax Appeal 3 at the SCIT. The SCIT has acceded to BTSSB's request that all 3 tax appeals will be consolidated and be heard at the same hearing date. The hearing date at the SCIT initially fixed from 7 December 2021 to 9 December 2021 was vacated and the hearing dates were fixed from 20 April 2022 to 22 April 2022. On 20 April 2022, SCIT adjourned the hearing to 25 July 2022 for mention, pending the proposed settlement between both parties. On 25 July 2022, SCIT fixed the next mention date on 25 October 2022 to update SCIT on the outcome of the proposed settlement. The SCIT granted a further mention date to update SCIT on the outcome of the proposed settlement. The next mention date is fixed on 14 November 2023.

As of the date of the reporting period, the litigations are still on-going.

The details of the litigations are disclosed in Note 41.

39 LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue with voting rights during the financial year.

	Group	
	2023 RM'000	2022 RM'000
Loss attributable to owners of the Company	(23,316)	(54,958)
	'000	'000
Weighted average number of ordinary shares in issue	2,558,276	2,558,270

Notes to the Financial Statements

30 June 2023

39 LOSS PER SHARE (CONTD.)

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue with voting rights during the financial year. (contd.)

	Group	
	2023 Sen	2022 Sen
Basic loss per share	(0.91)	(2.15)

The basic and diluted loss per share are the same as the Company has no dilutive potential ordinary shares.

40 FINANCIAL GUARANTEES

The Company provided corporate guarantees to certain financial institutions for credit facilities granted to its subsidiary companies. The Company has assessed and regarded that the credit enhancements provided by these guarantees are minimal as the credit facilities granted to its subsidiary companies are secured against the plant, property and equipment, investment properties, investments and inventories as disclosed in Notes 22 and 23.

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS

a) BTSSB Tax Litigations

On 1 September 2016, IRB issued notices of Additional Assessment ("Forms JA") in accordance with Section 4(a) of the Income Tax Act 1967 ("ITA 1967") on gains from disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group. The IRB has regarded the disposal of the investments properties to be in the ordinary course of business of BTSSB as a property developer. The amount of additional taxes assessed amounted to RM156.48 million, inclusive of tax penalties amounted to RM48.56 million.

BTSSB did not agree with the basis applied by the IRB and has filed an official appeal against the additional assessments for the said years of assessment through submission of the prescribed Forms Q to the Special Commissioners of Income Tax ("SCIT")("Tax Appeal 1"). In accordance with Section 103(2) of the Income Tax Act 1967, BTSSB is liable and required to pay the additional taxes of RM156.48 million, inclusive of tax penalties, pending the outcome of the appeals. At the same time, BTSSB has also submitted applications to the Ministry of Finance and the IRB for the deferment of payment of the said additional taxes until the decision of the appeal is determined by the court of law. The IRB did not accede to the application for deferment of payment of the additional taxes from BTSSB and had commenced civil proceedings against BTSSB for the disputed tax assessments. IRB subsequently imposed further penalties which increased the amount of tax in dispute to RM180.73 million.

On 8 February 2017, BTSSB was informed by the IRB, that the Forms Q tax appeal filed by BTSSB, has been referred to the SCIT for a determination. The next mention date of the tax appeal case before the SCIT was fixed on 14 December 2018.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

a) BTSSB Tax Litigation (contd.)

Subsequently, on 3 April 2017, the High Court judge granted an order for a stay of civil proceedings in favour of BTSSB, pending the full and final determination of the tax appeal case of BTSSB by the SCIT.

On 25 April 2017, the IRB filed to the Putrajaya Court of Appeal of Malaysia ("Court of Appeal"), a notice of appeal to challenge the stay of civil proceedings granted by the High Court in favour of BTSSB ("IRB Appeal"). The Court of Appeal had unanimously dismissed the IRB Appeal at the hearing held on 13 April 2018. IRB had on 8 May 2018, filed an application for leave to appeal against the Court of Appeal's decision to preserve the stay order granted by the High Court at the Federal Court.

Subsequently on 6 September 2018, IRB filed a Notice of Discontinuance at the Federal Court to withdraw their application for leave to appeal. As such, the stay order on tax payment granted by the High Court will stay until the full and final determination of the tax appeal case at the SCIT.

On 10 July 2019, the presiding High Court judge has ordered the stay order application case be struck out with liberty to file afresh. IRB may re-file the action after the determination of the appeal at SCIT. The stay order remained effective until the disposal of the case at SCIT.

The hearing date at SCIT for Tax Appeal 1 had been initially fixed from 11 August 2021 to 13 August 2021.

Other than the RM180.73 million tax in dispute, the IRB had on 11 January 2019, issued notices of additional assessment with additional taxes totalling RM69.6 million to BTSSB for YA 2015 and YA 2016, inclusive of tax penalties of RM21.60 million. IRB had regarded that the gains from the disposals of investment properties should be subject to business income tax under Section 4(a) of the ITA 1967. Consequently, BTSSB had made an application for judicial review at the High Court to apply for leave and stay order against the aforesaid additional tax assessments.

BTSSB did not agree with the basis applied by the IRB and has filed an official appeal against the second additional assessments for the said years of assessment through submission of the prescribed Forms Q to SCIT ("Tax Appeal 2").

On 9 April 2019, the presiding High Court judge dismissed BTSSB's application for judicial review with costs. BTSSB informed the High Court that it wished to appeal to the Court of Appeal. An interim stay was subsequently granted by the High Court pending BTSSB's appeal to the Court of Appeal.

At a hearing held on 10 May 2019, the Court of Appeal unanimously granted an interim stay order pending the disposal of BTSSB's appeal against the dismissal of leave by the High Court. Subsequently, the Court of Appeal fixed the hearing of the appeal on 18 February 2020.

At the SCIT case management held on 19 September 2019, BTSSB requested the SCIT to consolidate both the Tax Appeal 1 and Tax Appeal 2 and that both appeals be heard at the same hearing dates which were already fixed for Tax Appeal 1. The SCIT acceded to BTSSB's requests and both Tax Appeal 1 and Tax Appeal 2 will now be heard at the SCIT hearing from 11 August 2021 to 13 August 2021. Subsequently, the hearing date at SCIT for Tax Appeal 1 and Tax Appeal 2 had been adjourned to 7 December 2021 to 9 December 2021.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

a) BTSSB Tax Litigation (contd.)

The Court of Appeal had earlier fixed the hearing of BTSSB's appeal against the dismissal of its application for leave for judicial review of Tax Appeal 2 by the High Court on 18 February 2020.

The hearing date of 18 February 2020 was subsequently vacated and instead fixed for case management, pending the Federal Court's decision on a case involving another taxpayer on similar issues ("Similar Case"). On 18 February 2020, the Court of Appeal directed that both parties to attend a case management vide e-Review on 2 June 2020 and to further update the Court of Appeal on 10 June 2020 (if the Federal Court has made a decision on the aforementioned similar case prior to that date).

On 2 June 2020, the Court of Appeal was informed that the hearing date of the Similar Case was vacated and a case management date is now fixed on 9 June 2020. Hence, the Court of Appeal fixed the next case management date for Tax Appeal 2 to be on 20 July 2020.

On 20 July 2020, The Court of Appeal was informed that the hearing date for Similar Case at the Federal Court has been fixed on 26 August 2020. After deliberation, the Court of Appeal decided that both parties to submit necessary documents for trial and fixed 15 February 2021 as a case management date to update the Court of Appeal on the status of the submission of trial documents and the status of Similar Case.

Further to the above, IRB had on 9 January 2020, issued Forms JA for YAs 2015 to 2018 being additional tax assessments of:

- (i) RM16.31 million arising from disallowable unabsorbed tax losses;
- (ii) RM7.34 million being tax penalties on item (i); and
- (iii) RM3.08 million relating to interest income arising from early redemption of Junior Bonds.

BTSSB did not agree to IRB's basis of disallowing the unabsorbed tax losses. IRB has arbitrarily regarded the unabsorbed tax losses to be no longer available as they have been fully absorbed in the previous years against the gains from the disposal of investment assets, notwithstanding the ongoing unconcluded Tax Appeal 1 and Tax Appeal 2 related litigations.

Consequently, on 17 January 2020, BTSSB made an application to the High Court for judicial review. The hearing date for BTSSB's judicial review application has been set on 30 April 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. In addition, BTSSB had on 7 February 2020, submitted an official appeal through submission of Forms Q to SCIT ("Tax Appeal 3"). Both IRB and BTSSB agreed that Tax Appeal 3 will be heard at SCIT on 7 December 2021 to 9 December 2021, together with Tax Appeal 1 and Tax Appeal 2.

Due to the imposition of MCO, the hearing date for BTSSB's judicial review application was postponed to 1 June 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. Subsequently, the hearing date on 1 June 2020 was vacated and fixed as a case management date instead.

On 1 June 2020, the High Court has extended the interim stay until the next hearing date which was fixed on 9 July 2020. The hearing date was subsequently vacated and instead a case management was fixed. On 9 July 2020, the High Court has directed that the hearing date of the application for judicial review be fixed on 12 August 2020, and the Court has granted BTSSB an interim stay until 12 August 2020.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

a) BTSSB Tax Litigation (contd.)

On 12 August 2020, the High Court adjourned the hearing and a case management was conducted instead. The new hearing date is now fixed on 7 October 2020 and the interim stay continued to be granted to BTSSB until then.

On 7 October 2020, the High Court adjourned the hearing and fixed a mention date on 16 February 2021 and extended the interim stay until 16 February 2021.

On 16 February 2021, the High Court has fixed 3 March 2021 as case management date as the hearing of Tax Appeal 2 has been adjourned to 18 February 2021. An interim stay had been extended till 3 March 2021.

On 25 February 2021, BTSSB was informed by the High Court that the case management date for Tax Appeal 3 has been moved to 5 April 2021 in light of the Court of Appeal's decision on Tax Appeal 2 which was to be delivered on 2 April 2021. Interim stay was extended to 5 April 2021.

On 5 April 2021, the High Court was informed of the Court of Appeal's dismissal of BTSSB's Tax Appeal 2 and the undertaking given by IRB. Following the Court of Appeal's decision on Tax Appeal 2, the lawyers of BTSSB will need to seek BTSSB's instruction on the judicial review application for Tax Appeal 3. The High Court then fixed 12 April 2021 as the next case management date and an extended stay was granted till then.

On 12 April 2021, BTSSB informed the High Court that it wished to withdraw the judicial review application for Tax Appeal 3 and subsequently filed a Notice of Discontinuance at the High Court on 16 April 2021.

As for the status of the 3 tax appeals at the SCIT, the case mention was held on 19 March 2021 after several postponements due to movement control orders. Subsequent to 19 March 2021, both parties attended several case mentions at the SCIT to update the SCIT on the filing of cause papers. On the case mention held on 1 December 2021, SCIT vacated the hearing initially set on 7 December 2021 to 9 December 2021 and fixed the new hearing dates to be from 20 April 2022 to 22 April 2022. On 20 April 2022, SCIT adjourned the hearing to 25 July 2022 for mention, pending the proposed settlement between both parties. On 25 July 2022, SCIT fixed the next mention date on 25 October 2022 to update SCIT on the outcome of the proposed settlement. The SCIT granted a further mention date to update the SCIT on the outcome of the proposed settlement. The next mention date is fixed on 14 November 2023.

On 2 February 2021, BTSSB wrote to the Ministry of Finance ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
 - (b) to grant an exemption under Section 127(3A) of the ITA 1967;
- with regards to Tax Appeal 2 and Tax Appeal 3, by 9 February 2021.

As MOF did not respond to BTSSB's request, BTSSB has filed an application to the High Court for judicial review against MOF on 11 February 2021 ("MOF Judicial Review"). The High Court fixed 4 March 2021 for the first hearing of the MOF Judicial Review. The first hearing date was then vacated by the High Court and a new hearing date was fixed on 6 May 2021. The High Court also granted an interim stay for Tax Appeal 3 up to 6 May 2021.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

a) BTSSB Tax Litigation (contd.)

On 16 April 2021, IRB filed an application to the High Court to intervene in the MOF Judicial Review. At the first hearing on 6 May 2021, the High Court was informed that BTSSB has filed the affidavit in reply in response to IRB's application to intervene. IRB responded with a request for the right to file another affidavit in reply. The High Court has fixed 7 July 2021 as the hearing date for IRB's application to intervene and as the case management date for BTSSB's MOF Judicial Review. The Court also granted an interim stay for Tax Appeal 3 until 7 July 2021.

The hearing date for IRB's application to intervene was subsequently rescheduled to 1 March 2022 and the interim stay was granted until then. The hearing date on 1 March 2022 was converted into a case management and the High Court fixed the next case management on 26 May 2022 for parties to update the Court on the status of the two similar cases and the interim stay order was granted until then. On 26 May 2022, the High Court was informed that the leave appeal by the two similar cases were rejected by the Federal Court. Consequently, the High Court fixed the hearing date for IRB's application to intervene on 12 September 2022.

The High Court disallowed IRB's application to intervene at the hearing held on 12 September 2022. At the case management held on 19 September 2022, the High Court fixed the hearing for MOF Judicial Review on 23 November 2022 and the interim stay for Tax Appeal 3 is granted until the MOF Judicial Review is heard. On 23 November 2022, the High Court dismissed BTSSB's application for Judicial review against MOF and did not grant a stay of order on the payment of tax in dispute.

On 8 December 2022, BTSSB filed an appeal to the Court of Appeal for a motion for stay of order on the payment of taxes ("Application for Stay Motion") and also filed an appeal against dismissal of MOF Judicial Review. The court of Appeal has dismissed BTSSB's Application for Stay Motion at a hearing held on 9 February 2023. On 22 February 2023, the Court of Appeal fixed the hearing date for Appeal Against Dismissal of MOF Judicial Review on 23 June 2023 and require both parties to file the necessary submission before the hearing date. The court then fixed the case management on 12 June 2023 to update the status of filing. On 5 June 2023, the Registrar of the Court of Appeal informed BTSSB that the case management on 12 June 2023 and hearing date on 23 June 2023 at the Court of Appeal have been vacated. A new hearing date was subsequently fixed on 19 September 2023. On 19 September 2023, the Court of Appeal instructed both parties to file agreed issues on or before 4 October 2023. The next case management is fixed on 25 October 2023.

As of the date of the reporting period, the litigations are still on-going.

Based on the legal opinion obtained from BTSSB's lawyers, there are reasonable grounds for BTSSB to take a position that the gains from disposal of investment properties should not be subjected to income tax and the High Court was right in granting the stay of proceedings. As such, no provisions in respect of the taxes in dispute are required to be made in the financial statements.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

b) VCSB Litigation

On 21 February 2022, Violet Circle Sdn Bhd ("VCSB") filed in an Originating Summons in the Kuala Lumpur High Court ("High Court") against the Company and its wholly-owned subsidiary, Tropicfair Sdn Bhd ("Tropicfair") ("VCSB Litigation").

The Originating Summons seeks, among several Orders from the Court against Tropicfair, the following:

- (i) Specific performance against Tropicfair in relation to the Share Sale Agreement dated 12 July 2016 entered into between Tropicfair and VCSB ("Share Sale Agreement") whereby Tropicfair do, within 14 days from the date of the Order made by the Court, pay VCSB the sum of RM97,600,000 as at 11 October 2016 with interest accruing thereon the rate of 6% per annum calculated on a daily basis from 12 October 2016 until full and final settlement ("the said Sum");
- (ii) A declaration that the Company and Other Defendant jointly and severally with Tropicfair, be liable for payment of the said Sum to VCSB pursuant to a collateral agreement between VCSB and Company and Other Defendant made in or about July 2016;
- (iii) Damages in lieu of and/or in addition to specific performance of the aforesaid; and
- (iv) Costs on full indemnity basis.

The subject matter of the Originating Summons stems from the Share Sale Agreement for the proposed acquisition by Tropicfair of the remaining 50% equity interest comprising 3,505,000 ordinary shares in Megaquest Sdn Bhd ("Megaquest") from VCSB for a cash consideration of RM108 million (the "Proposed Acquisition"). The Proposed Acquisition was announced by the Company on 12 July 2016.

On 12 June 2020, Tropicfair had given notice to VCSB of rescission of the Share Sale Agreement on the ground that the core operating business of Megaquest has been substantially impaired and the entire transaction as contemplated under the Share Sale Agreement has suffered a material adverse change. Following the said rescission, as disclosed in the Annual Report 2020, the forfeited deposit and liquidated ascertained damages incurred in the Group's avers that it is not liable for payment of the said Sum to VCSB.

Tropicfair has filed an application to convert the Originating Summons to a Writ of Summons whilst the Company has filed an application to strike out and/or to convert the Originating Summons to a Writ Action.

The hearing date of the applications was set on 27 June 2022. On 29 June 2022, the High Court allowed the Company's striking out application and Tropicfair's application to convert the Originating Summons to a Writ Action with costs against VCSB.

On 10 August 2022, VCSB filed a stay of proceeding motion at the Court of Appeal. Consequently, the Court of Appeal allowed VCSB's stay of proceeding motion at the hearing held on 8 September 2022.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

b) VCSB Litigation (contd.)

The High Court subsequently fixed the next case management on 27 October 2022 to update the High Court on the status of the VCSB appeal at the Court of Appeal.

With regards to Tropicfair's application to convert the Originating Summons to Writ Action ("Tropicfair Writ Action"), the High Court has fixed case management on 25 May 2023 to update the Kuala Lumpur High Court on the status of VCSB Appeal.

On 14 July 2022, VCSB filed an application at the Court of Appeal to appeal against the High Court decision rendered on 29 June 2022 ("VCSB Appeal"). The Court of Appeal has fixed the case management for VCSB Appeal on 12 October 2022. VCSB also filed for a stay proceeding motion at the High Court, which was dismissed by the High Court. The Court of Appeal has fixed the hearing of VCSB Appeal on 23 May 2023.

On 23 May 2023, at the hearing for VCSB Appeal, the Court of Appeal allowed VCSB Appeal against the High Court Judge decision in striking out its case against BAssets and Other Defendant with costs in the cause ("the Decision").

With the Decision, the Court of Appeal has remitted the case back to the High Court and ordered a different judge to hear the case, which will now be proceeded on writ basis.

On 22 June 2023, the Company and Other Defendant have filed a leave application to the Federal Court against the decision of the Court of Appeal ("BAC FC Leave Application").

The Federal Court has fixed 7 November 2023 as the hearing date for BAB FC Leave Application.

On 28 July 2023, in regards to Tropicfair Writ Action, VCSB served Tropicfair, the Company and Other Defendant ("Defendants"), a Statement of Claims:

- (i) specific performance against Tropicfair to pay VCSB a sum of RM97.6 million with interest accruing at the rate 6% pa accruing from 12 October 2016 to the date of full and final settlement ("Said Sum");
- (ii) damages in lieu and/or in addition to specific performance be ordered to be paid by Tropicfair to VCSB and which ought not be less than the Said Sum;
- (iii) declaration that the Company and Other Defendant are jointly and severally with Tropicfair be liable for payment of the Said Sum to VCSB;
- (iv) further or in alternative, damages which ought not to be less than the Said Sum to be paid by the Company and Other Defendant, jointly and severally, to VCSB;
- (v) interest on amounts of damages as the Court thinks fits;
- (vi) costs on full indemnity basis to be paid by Defendants and each of them to VCSB; and
- (vii) such other orders or reliefs as the Court deems fit to grant, including with regard to damages.

On 11 August 2023, the Company and Other Defendant filed an application to strike out VCSB Statement of Claim (SOC Striking Out Application) as VCSB has deviated from its original pleaded case in the Originating Summons.

At the hearing for SOC Striking Out Application held on 5 October 2023, the judge dismissed the SOC Striking Out Application with costs subject to allocator.

Notes to the Financial Statements

30 June 2023

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTD.)

b) VCSB Litigation (contd.)

The trial for Tropicfair Writ Action has now been fixed on 4 June 2024 to 6 June 2024 and 24 June 2024. The next case management for Tropicfair Writ Action is fixed on 23 November 2023.

As of the date of the reporting period, the VCSB Litigation is still on-going.

Based on the legal opinion obtained from Tropicfair's lawyers, the chances of Tropicfair defending the VCSB Litigation are even.

42 COMMITMENTS

(a) Other Commitments

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure approved and contracted for	42,644	16,500

(b) Non-cancellable Operating Lease Commitments - Group as Lessee

	Group	
	2023 RM'000	2022 RM'000
Future minimum payments on short term leases:		
Not later than 1 year	116	176
Later than 1 year and not later than 2 years	11	96
	<u>127</u>	<u>272</u>

The Group has entered into non-cancellable short term operating lease agreements which represent rental payable for the use of land and building for a period of only 1 to 2 years.

(c) Non-cancellable Operating Lease Commitments - Group as Lessor

	Group	
	2023 RM'000	2022 RM'000
Future minimum rental receivables:		
Not later than 1 year	44,104	26,704
Later than 1 year and not later than 5 years	74,890	53,637
Later than 5 years	119,008	130,730
	<u>238,002</u>	<u>211,071</u>

Notes to the Financial Statements

30 June 2023

42 COMMITMENTS (CONTD.)

(c) Non-cancellable Operating Lease Commitments - Group as Lessor (contd.)

The Group entered into non-cancellable operating lease agreements which represent rental receivable for the use of land and commercial property leases on its investment properties portfolio consisting of commercial space. These leases have non-cancellable lease terms of between 6 months and 30 years (2022: 6 months and 30 years). The future minimum rental receivable of certain subsidiary companies are pledged to financial institutions for credit facilities as referred to in Notes 22 and 23.

43 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Management fees charged to subsidiary companies		-	-	(725)	(725)
Rental income and other related income charged to:					
- Berjaya Registration Services Sdn Bhd	a	(54)	(270)	-	-
- Berjaya Higher Education Sdn Bhd	a	(1,076)	(1,076)	-	-
- Berjaya Krispy Kreme Doughnuts Sdn Bhd	a	(165)	(118)	-	-
- Berjaya EnviroParks Sdn Bhd	a	(334)	(251)	-	-
- Berjaya Enviro Holdings Sdn Bhd	a	(149)	(117)	-	-
- Cosway (M) Sdn Bhd	a	(447)	(441)	-	-
- Berjaya Eco Services Sdn Bhd	a	(69)	-	-	-
- Berjaya Food Trading Sdn Bhd	b	(12)	(28)	-	-
- Berjaya College Sdn Bhd	a	(569)	(569)	-	-
- Mantra Design Sdn Bhd	b	(109)	(114)	-	-
- Caring Pharmacy Retail Management Sdn Bhd	c	(334)	(311)	-	-
- 7-Eleven Malaysia Sdn Bhd	c	(1,111)	(1,086)	-	-
- U Mobile Sdn Bhd	d	(3,875)	(3,976)	-	-
- Ascot Sports Sdn Bhd	e	(7)	(661)	-	-
- Berjaya Roasters (M) Sdn Bhd	b	(545)	(385)	-	-
- Berjaya Starbucks Coffee Company Sdn Bhd	b	(306)	(555)	-	-
- Berjaya Kelava Sdn Bhd	b	(24)	-	-	-
- Roasters Asia Pacific (M) Sdn Bhd	a	(145)	(145)	-	-
		(9,331)	(10,103)	-	-

Notes to the Financial Statements

30 June 2023

43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Rental income and other related income charged to:					
- Berjaya - GSC Sdn Bhd	h	(479)	(24)	-	-
- Marvel Fresh Sdn Bhd	b	(54)	(42)	-	-
- Sports Toto Fitness Sdn Bhd	b	-	(86)	-	-
- STM Lottery Sdn Bhd	b	(92)	(92)	-	-
- Sports Toto Computer Sdn Bhd	b	(56)	-	-	-
- REDtone Digital Berhad and its subsidiary companies	f	(73)	(75)	-	-
		(754)	(319)	-	-
Rental payable to					
- ANSA Hotel KL Sdn Bhd	b	-	7	-	-
Parking charges charged to:					
- Berjaya Land Berhad and its unlisted subsidiaries	b	(113)	(115)	-	-
- Berjaya Corporation Berhad and its unlisted subsidiaries	a	(520)	(492)	-	-
- Sports Toto Berhad and its unlisted subsidiaries	b	(351)	(362)	-	-
- 7-Eleven Malaysia Sdn Bhd	c	(142)	(151)	-	-
- U Mobile Sdn Bhd	d	(708)	(730)	-	-
- Berjaya Food Berhad and its unlisted subsidiaries	b	(133)	(113)	-	-
		(1,967)	(1,963)	-	-
Promotion, advertisement and publishing expenses charged by Sun Media Corporation Sdn Bhd	g	68	51	68	51
Receipt of share registration services and related expenses charged by Berjaya Registration Services Sdn Bhd	a	60	56	60	56

Notes to the Financial Statements

30 June 2023

43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Receipt of information technology consultancy and management services by					
- Qinetics Services Sdn Bhd	e	134	81	-	-
- Qinetics MSP Sdn Bhd	e	29	23	25	23
Procurement of computerised lottery system and related services from International Lottery & Totalizator Systems, Inc	b	732	710	-	-
Receipt of leasing and hire purchase facilities charged by Prime Credit Leasing Berhad	a	419	1,036	-	-
Receipt of security guard services charged by Berjaya Guard Services Sdn Bhd	b	28	15	-	-
Purchase of consumer products charged by JL Morison (Malaya) Sdn Bhd	a	44	33	-	-
Disposal of 2 units of commercial units to Berjaya Starbucks Coffee Company Sdn Bhd	b	-	15,670	-	-

The nature of the related party relationships are as follows:

- (a) Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiaries
BCorp and Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") are major shareholders of the Company. TSVT is also a major shareholder of BCorp. Chryseis Tan Sheik Ling ("CTSL") is an Executive Director of the Company and BCorp as well as a daughter of TSVT.

Notes to the Financial Statements

30 June 2023

43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

The nature of the related party relationships are as follows: (contd.)

- (b) Berjaya Land Berhad ("BLand"), Sports Toto Berhad ("SPToto") Berjaya Food Berhad ("BFood") and their unlisted subsidiaries. BCorp is a major shareholder of BLand, SPToto and BFood. CTSL is an Executive Director of BLand and a Director of BFood.
- (c) Unlisted subsidiary companies of 7-Eleven Malaysia Holdings Berhad ("SEM"). BCorp and TSVT are major shareholders of SEM.
- (d) TSVT is the Chairman of U Mobile Sdn Bhd ("UMSB") and a major shareholder of UMSB. DYMM Sultan Ibrahim Johor is a major shareholder of UMSB and the Company. YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, a daughter of DYMM Sultan Ibrahim Johor is the Chairman of the Company.
- (e) Companies in which TSVT is a major shareholder.
- (f) REDtone Digital Berhad ("REDtone") and its unlisted subsidiaries
BCorp and DYMM Sultan Ibrahim Johor are major shareholders of REDtone. His Majesty is also the father of YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail who is the Chairman of REDtone.
- (g) A subsidiary company of Berjaya Media Berhad, in which TSVT is a major shareholder.
- (h) A joint venture of the Company.

The compensation of the key management personnel of the Group other than Directors of the subsidiary companies as disclosed in Note 34 are disclosed as follows:

	Group	
	2023 RM'000	2022 RM'000
Short term employee benefits	1,077	1,055
Post-employment benefits:		
Defined contribution plan	129	125
	1,206	1,180

Notes to the Financial Statements

30 June 2023

44 SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their products and services, and has reportable operating segments as follows:

- (i) gaming and related activities;
- (ii) property development and property investment; and
- (iii) recreation and others (including hotel and vehicle assembly businesses).

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

Chief operating decision maker monitors the operating results of its business segments separately for performance assessment and makes strategic decisions based on the operating results. Segment performance is evaluated based on operating profit or loss which is measured similar to the operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and not allocated to operating segments.

The geographical segment information is prepared based on locations of assets. The segments revenue by geographical location of customers does not differ materially from 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 segment. These mainly include corporate assets, tax recoverable/liabilities, borrowings, hire purchase and lease obligations.

Other non cash expenses mainly include write-off of property, plant and equipment, impairment of receivables and unrealised loss on foreign exchange.

(a) Business segments:

Revenue	<-----2023----->			<-----2022----->		
	External RM'000	Inter- segment RM'000	Total RM'000	External RM'000	Inter- segment RM'000	Total RM'000
Gaming and related activities	80,077	1,548	81,625	57,111	1,103	58,214
Property development and property investment	111,562	-	111,562	94,944	-	94,944
Recreation and others	32,490	-	32,490	22,001	-	22,001
Inter-segment eliminations	-	(1,548)	(1,548)	-	(1,103)	(1,103)
	<u>224,129</u>	<u>-</u>	<u>224,129</u>	<u>174,056</u>	<u>-</u>	<u>174,056</u>

Notes to the Financial Statements

30 June 2023

44 SEGMENT INFORMATION (CONTD.)

(a) Business segments: (contd.)

Results	2023 RM'000	2022 RM'000
Gaming and related activities	5,145	727
Property development and property investment	51,309	29,005
Recreation and others	(7,434)	(10,168)
	49,020	19,564
Unallocated corporate expenses	(2,832)	(2,016)
	46,188	17,548
Fair value changes on investment properties	(6,083)	(17,223)
Other income		
- gaming and related activities	815	1,627
- property development and property investment	3,941	7,644
- recreation and others	3,075	901
- unallocated	512	209
	8,343	10,381
Other expenses		
- gaming and related activities	(1,101)	(1,102)
- property development and property investment	(3,075)	(262)
- unallocated	(3,578)	(1,196)
	(7,754)	(2,560)
Operating profit	40,694	8,146
Finance costs	(61,646)	(55,658)
Share of results of associated companies	106	176
Share of results of joint ventures	1,038	(2,134)
Loss before tax	(19,808)	(49,470)
Income tax expense	(8,718)	(6,408)
Loss for the year	(28,526)	(55,878)
Non-controlling interests	5,210	920
Loss attributable to owners of the Company	(23,316)	(54,958)

Notes to the Financial Statements

30 June 2023

44 SEGMENT INFORMATION (CONTD.)

(a) Business segments: (contd.)

Assets and liabilities	2023		2022	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Gaming and related activities	26,260	7,984	23,986	7,392
Property development and property investment	2,514,177	344,098	2,712,352	290,215
Recreation and others	199,457	33,903	221,714	43,662
	<u>2,739,894</u>	<u>385,985</u>	<u>2,958,052</u>	<u>341,269</u>
Investments in associated companies	10,980	-	10,874	-
Investments in joint ventures	11,763	-	7,263	-
Unallocated corporate assets/liabilities	382,569	869,381	129,498	891,937
Consolidated assets/liabilities	<u>3,145,206</u>	<u>1,255,366</u>	<u>3,105,687</u>	<u>1,233,206</u>

Other information	<-----2023----->			<-----2022----->		
	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non-cash expenses RM'000	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non-cash expenses RM'000
Gaming and related activities	68	1,434	-	59	1,483	2
Property development and property investment	13,241	1,796	8,224	6,756	1,834	6,724
Recreation and others	46	10,944	-	-	11,155	33
Unallocated	23	14	-	8	12	-
	<u>13,378</u>	<u>14,188</u>	<u>8,224</u>	<u>6,823</u>	<u>14,484</u>	<u>6,759</u>

Capital expenditure consists of additions to property, plant and equipment, investment properties and land held for property development as disclosed in Notes 5, 7 and 8(a).

Impairment	2023 RM'000	2022 RM'000
Property development and property investment	<u>2,902</u>	<u>-</u>

Notes to the Financial Statements

30 June 2023

44 SEGMENT INFORMATION (CONTD.)

(b) Geographical locations:

	<-----2023----->			<-----2022----->		
	Revenue RM'000	Segment assets RM'000	Capital expenditure RM'000	Revenue RM'000	Segment assets RM'000	Capital expenditure RM'000
Malaysia	212,865	2,452,439	5,808	162,973	2,700,421	5,271
Outside Malaysia	11,264	287,455	7,570	11,083	257,631	1,552
	<u>224,129</u>	<u>2,739,894</u>	<u>13,378</u>	<u>174,056</u>	<u>2,958,052</u>	<u>6,823</u>

The Group operates principally in Malaysia. Outside Malaysia mainly comprises the Cayman Islands, Singapore and the United Kingdom.

45 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.

(a) Non financial assets that are measured at fair value

- (i) 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 As of 30 June 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Investment Properties</u>				
Commercial properties	-	2,025,897	-	2,025,897
Residential properties	-	-	26,482	26,482
Other properties	-	38,600	-	38,600
	<u>-</u>	<u>2,064,497</u>	<u>26,482</u>	<u>2,090,979</u>
Asset held for sale	-	-	253,051	253,051

Notes to the Financial Statements

30 June 2023

45 FAIR VALUE MEASUREMENT (CONTD.)

(a) Non financial assets that are measured at fair value (contd.)

- (i) 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: (contd.)

Group As of 30 June 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Investment Properties</u>				
Commercial properties	-	2,025,897	-	2,025,897
Residential properties	-	-	251,572	251,572
Other properties	-	38,600	-	38,600
	<u>-</u>	<u>2,064,497</u>	<u>251,572</u>	<u>2,316,069</u>

- (ii) Description of valuation techniques used on non financial assets

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. Investment properties valued under the comparison method with significant adjustments made for differences such as location, size condition, accessibility and design ("adjustment factors") are categorised as Level 2 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, ranged generally between 11% and -35% (2022: 11% and -35%) of the respective properties' fair value. Larger properties of the Group which are owned en-bloc may contain adjustment factors outside this range.

Cost method

Under the cost method, fair value is determined to be the depreciated replacement cost of the property. Depreciated replacement cost is derived from the estimated replacement cost of the replaceable property in the light of current market prices for materials, labour, manufactured machinery and equipment, freight, installation and other related charges. Accrued depreciation due to use, disrepair, age and obsolescence from technology and market changes are then deducted therefrom.

Notes to the Financial Statements

30 June 2023

45 FAIR VALUE MEASUREMENT (CONTD.)

(a) Non financial assets that are measured at fair value (contd.)

(ii) Description of valuation techniques used on non financial assets (contd.)

Investment method *

Under the investment method, fair value is determined based on the projection of a series of cash flows on a real property interest. To this projected cash flows series, an appropriate capitalisation rate is applied to establish the present value of the income stream associated with the asset.

Periodic cash flows is typically the estimated net annual rental value of the property which is calculated as the gross rental income anticipated over the lease period of the property, less the expenses or outgoings incidental to the ownership of the property.

The relevant capitalisation rate is chosen based on the investment rate of return expected from the type of property, taking into consideration of the risk factors, capital appreciation, security of income, ease of sale and management of the subject property.

* The investment properties valued using these methods are categorised as Level 3 in the fair value hierarchy.

(b) Financial instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2023				
<u>Financial assets</u>				
Other investments	118,818	-	-	118,818

Notes to the Financial Statements

30 June 2023

45 FAIR VALUE MEASUREMENT (CONTD.)

(b) Financial instruments that are measured at fair value (contd.)

The table below analyses the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy: (contd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2022				
Financial assets				
Other investments	114,647	-	3,731	118,378

(c) The following table reconciles the Group's Level 3 fair value measurements

	2023 RM'000	2022 RM'000
Non-financial assets		
As of 1 July 2022/2021	251,572	263,663
Additions during the year	7,564	1,525
Fair value changes	(4,827)	4,570
Exchange differences	25,224	(18,186)
Reclassified to non-current asset held for sale (Note 17)	(253,051)	-
As of 30 June 2023/2022	26,482	251,572

(d) Description of key inputs to valuation on assets measured at Level 3

Description of valuation techniques and Key input to valuation on investment properties measured at Level 3 are as follows:

Valuation technique	Significant unobservable inputs	2023	2022	Inter-relationship
<u>Investment properties</u>				
Investment method	Estimated value per month: - rental value per square foot	RM255	RM220	Higher estimated rental, higher fair value
	Capitalisation rate	4.5%	4.5%	Higher range of inputs, lower fair value

Notes to the Financial Statements

30 June 2023

46 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3.2 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 statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Financial assets</u>					
<u>FVTOCI</u>					
Other investments	12	118,818	114,647	-	-
<u>FVTPL</u>					
Other investments	12	3,731	3,731	-	-
<u>Amortised costs</u>					
Other investments	12	1,036	1,043	-	-
Receivables	14	31,346	47,159	132,769	135,748
Deposits with licensed banks	16	23,305	17,845	903	1,717
Cash on hand and at banks	16	26,246	25,976	79	410
		81,933	92,023	133,751	137,875
Total financial assets		204,482	210,401	133,751	137,875
<u>Financial liabilities</u>					
<u>Amortised costs</u>					
Bank borrowings	22	564,304	576,152	29,576	29,579
Senior medium term notes	23	119,551	139,218	-	-
Hire purchase liabilities	24	454	843	6	12
Long term liabilities	25	183,696	159,130	-	-
Lease liabilities	26	9,099	9,370	-	-
Payables	28	210,751	185,011	96,570	80,077
Total financial liabilities		1,087,855	1,069,724	126,152	109,668

Notes to the Financial Statements

30 June 2023

46 FINANCIAL INSTRUMENTS (CONTD.)

(b) Fair values

(i) Financial instruments that are measured at fair value

Information of financial instruments of the Group and of the Company that are measured at fair value is disclosed in Note 45.

(ii) Financial instruments that are not measured at fair value and whose carrying amount are reasonable approximation of fair value

Included in these classes of financial instruments are certain financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Receivables	14
Bank borrowings	22
Senior medium term notes	23
Hire purchase liabilities	24
Long term liabilities	25
Payables	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to 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 value of sale and buyback agreements included in long term liabilities is estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at reporting date.

The carrying amounts of the amounts due from subsidiary companies disclosed in Note 14 are reasonable approximation of fair values as they are repayable on demand.

The carrying amounts of the bank borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

Notes to the Financial Statements

30 June 2023

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's financial risk management policy seeks 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 risk. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The interest-bearing assets are mainly deposits with licensed banks and they are not held for speculative purposes. The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank.

The interest-bearing debts are mainly term loans, senior medium term notes, revolving credit facility, margin account, hire purchase liabilities and amounts due to subsidiary companies. Debts at floating rates expose the Group to cash flow interest rate risk. Debts at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate debts.

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk are disclosed in Notes 12, 14, 16, 22, 23, 24, 25, 26 and 28.

Notes to the Financial Statements

30 June 2023

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market risk (contd.)

(i) Interest rate risk (contd.)

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Fixed rate</u>				
Financial assets	5,034	8,581	903	1,717
Financial liabilities	148,938	175,682	6	12
<u>Floating rate</u>				
Financial assets	23,821	23,191	132,713	135,688
Financial liabilities	544,470	549,901	118,660	108,715

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for 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 statements of profit or loss.

Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the loss before tax of the Group to higher by RM1,302,000 (2022: RM1,317,000) and the loss before tax of the Company to be lower by RM35,000 (2022: RM67,000) respectively. This analysis assumes that all other variables remain constant.

Notes to the Financial Statements

30 June 2023

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market risk (contd.)

(ii) Foreign currency risk

Foreign 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 mainly transacts in Ringgit Malaysia. However, certain of the Group's purchases are in foreign currencies and as such, the Group is exposed to exchange rate fluctuation between Ringgit Malaysia and foreign currencies such as Great Britain Pound and Singapore Dollar. The Group seeks to mitigate foreign currency risk with close monitoring via making payments when foreign exchange rates are favourable to the Group.

The financial impact of changes in foreign currency rates is not material to the Group.

(iii) Equity price risk

Equity 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 investments in quoted equity instruments. The quoted equity instruments in Malaysia are listed on Bursa Securities and classified as FVTOCI financial assets based on the purpose for which the quoted equity instruments were acquired. The Group and the Company do not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the quoted equity instrument prices had been 1% higher/lower, with all other variables held constant, the Group's FVTOCI reserve would have been RM1,188,000 (2022: RM1,146,000) higher/lower, arising as a result of an increase/decrease in the fair values of equity instruments designated as FVTOCI financial assets.

Notes to the Financial Statements

30 June 2023

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to the shortage of funds.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funds so as to ensure that all funding needs are met. As part of its overall 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 of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio so as to achieve overall cost effectiveness.

Analysis of undiscounted financial instruments by remaining contractual maturities

Group <u>Financial liabilities</u>	On demand	Two to five	Over five	Total
	or within one year RM'000	years RM'000	years RM'000	
2023				
Payables	210,751	-	-	210,751
Long term liabilities	-	210,696	-	210,696
Senior medium term notes	46,979	84,379	-	131,358
Lease liabilities	856	2,818	11,750	15,424
Bank borrowings	137,536	466,432	40,437	644,405
Hire purchase liabilities	382	99	-	481
	<u>396,504</u>	<u>764,424</u>	<u>52,187</u>	<u>1,213,115</u>
2022				
Payables	185,011	-	-	185,011
Long term liabilities	-	32,024	165,000	197,024
Senior medium term notes	28,133	131,358	-	159,491
Lease liabilities	849	2,925	12,441	16,215
Bank borrowings	111,217	494,638	73,047	678,902
Hire purchase liabilities	446	482	-	928
	<u>325,656</u>	<u>661,427</u>	<u>250,488</u>	<u>1,237,571</u>

Notes to the Financial Statements

30 June 2023

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(b) Liquidity risk (contd.)

Analysis of undiscounted financial instruments by remaining contractual maturities (contd.)

Company Financial liabilities	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
2023				
Payables	96,570	-	-	96,570
Hire purchase liabilities	6	-	-	6
Bank borrowings	3,750	26,821	5,231	35,802
	<u>100,326</u>	<u>26,821</u>	<u>5,231</u>	<u>132,378</u>
2022				
Payables	80,077	-	-	80,077
Hire purchase liabilities	7	6	-	13
Bank borrowings	1,523	22,469	12,492	36,484
	<u>81,607</u>	<u>22,475</u>	<u>12,492</u>	<u>116,574</u>

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk mainly from trade and other receivables.

The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

At reporting date, the Group's and the Company's maximum exposure to credit risk arising from trade and other receivables are represented by the carrying amounts of these financial assets recorded on the statements of financial position.

All deposits and bank balances are assessed to have low credit risk. The Group and the Company do not expect any counterparty fails to meets its obligations. As of the reporting date, there was no impairment required for investments, deposits and bank balances.

Notes to the Financial Statements

30 June 2023

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(c) Credit risk (contd.)

The Group and the Company are also exposed to low credit risk from amounts due from related companies, a joint venture and subsidiary companies. The Group and the Company monitor on on-going basis the results of the companies and repayments made by the companies. As of 30 June 2023, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position and financial guarantees given to bank for credit facilities granted to subsidiaries with nominal amount of RM643,758,000 (2022: RM677,139,000).

Management has taken reasonable steps to ensure that intercompany receivables are the realisable values and made necessary provision for impairment for the unrecoverable amounts as mentioned in Note 14(a).

48 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 shareholders' 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. No changes were made in the objectives, policies or processes during the financial years ended 2023 and 2022.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's total debt includes borrowings, senior medium term notes, hire purchase liabilities, lease liabilities and long term liabilities. Total equity represents net equity attributable to the owners of the Company plus non-controlling interests.

Notes to the Financial Statements

30 June 2023

48 CAPITAL MANAGEMENT (CONTD.)

The gearing ratios as of 30 June 2023 and 30 June 2022 were as follows:

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank borrowings	22	564,304	576,152	29,576	29,579
Senior medium term notes	23	119,551	139,218	-	-
Hire purchase liabilities	24	454	843	6	12
Long term liabilities	25	186,976	160,489	-	-
Lease liabilities	26	9,099	9,370	-	-
Total debt		880,384	886,072	29,582	29,591
Total equity		1,889,840	1,872,481	1,291,080	1,312,878
Gearing ratio (%)		47	47	2	2

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

49 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 25 July 2022, BTSSB, a wholly-owned subsidiary of the Company had entered into a Rent cum Option To Purchase Agreement ("RCOPA") with Extreme Broadband Sdn Bhd ("EBSB") to lease out the 42 untenanted office units in Menara MSC Cyberport for a period of 3 years commencing from 1 August 2022 until 31 July 2025 for a total monthly rental of RM250,000.

An option was also granted to EBSB in RCOPA to purchase from BTSSB, for a total of 72 units of office units in Menara MSC Cyberport for a total cash consideration of RM69,608,000 at any time during the tenancy term.

Notes to the Financial Statements

30 June 2023

50 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2023 %	2022 %
Subsidiary companies				
^ Aroma Kiara Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Ascend Asap Sdn Bhd	Malaysia	Investment holding	100.00	100.00
BA Properties (Cayman) Limited	Cayman Islands	Investment holding	100.00	100.00
^ Berjaya Assets Alliance Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Berjaya Consulting Services Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Berjaya Assets Food (BAF) Sdn Bhd	Malaysia	Operation of food and beverage business, ceased operation	100.00	100.00
^ Berjaya Assets Pte Ltd	Singapore	Investment holding	100.00	100.00
Berjaya Bright Sdn Bhd	Malaysia	Provision of lottery consultancy and related services and investment holding	100.00	100.00
^ Berjaya Industrial Park Sdn Bhd	Malaysia	Property development, property management and leasing of properties	100.00	100.00
Berjaya Times Square Sdn Bhd	Malaysia	Property investment, property development and investment holding	100.00	100.00
BTS (Cayman) Limited	Cayman Islands	Investment holding	100.00	100.00

Notes to the Financial Statements

30 June 2023

50 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2023 %	2022 %
Subsidiary companies (contd.)				
^ Bumisuci Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Dayadil Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Fasa Budaya Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Ishandal Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Jernih Wiramas Sdn Bhd	Malaysia	Property investment and property development	100.00	100.00
* Natural Avenue Sdn Bhd	Malaysia	Number forecast lotteries in Sarawak	65.00	65.00
^ Rentas Padu Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Sapphire Transform Sdn Bhd	Malaysia	Property investment	100.00	100.00
# Sempurna Bahagia Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Sunrise Bonanza Sdn Bhd	Malaysia	Property investment and property development	70.00	70.00
Subsidiary of Aroma Kiara Sdn Bhd				
Berjaya Assembly Sdn Bhd	Malaysia	Vehicle assembly and the manufacturing and sales of engines and transmissions	100.00	100.00

Notes to the Financial Statements

30 June 2023

50 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2023 %	2022 %
Subsidiaries of Berjaya Times Square Sdn Bhd				
^ Berjaya TS Management Sdn Bhd	Malaysia	Dormant	100.00	100.00
Berjaya Times Square Theme Park Sdn Bhd	Malaysia	Operations of theme park and leasing of theatre	100.00	100.00
Berjaya Waterfront Sdn Bhd	Malaysia	Property and investment holdings, operation of a hotel, and management of ferry terminal	100.00	100.00
^ BTS Entertainment Sdn Bhd	Malaysia	Dormant	100.00	100.00
BTS Car Park Sdn Bhd	Malaysia	Car park operator	100.00	100.00
^ Danau Laris Sdn Bhd	Malaysia	Dormant	60.00	60.00
^ Shasta Supermarket Sdn Bhd	Malaysia	Dormant	100.00	100.00
^ TS Service Suites Sdn Bhd	Malaysia	Property investment	100.00	100.00
^ 10th Avenue Food Mall Sdn Bhd	Malaysia	Dormant	100.00	100.00

Notes to the Financial Statements

30 June 2023

50 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2023 %	2022 %
Subsidiary of BTS (Cayman) Limited				
^ Berjaya UK Investment & Development Limited	United Kingdom	Property investment	70.00	70.00
Subsidiary of Dayadil Sdn Bhd				
^ Imej Jasa Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Subsidiaries of Imej Jasa Sdn Bhd				
^ Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Muara Tebas Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Subsidiary of Natural Avenue Sdn Bhd				
Petekat Sdn Bhd	Malaysia	General trading and commission agent	100.00	100.00
^ Best Bloom Sdn Bhd	Malaysia	Provision of commission agent	100.00	-
Subsidiary of Rentas Padu Sdn Bhd				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Subsidiary of Berjaya Waterfront Sdn Bhd				
Jauhari Maksima Sdn Bhd	Malaysia	Property development	52.00	52.00

Notes to the Financial Statements

30 June 2023

50 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2023 %	2022 %
Associated Companies				
^ Jubli Mentari Sdn Bhd	Malaysia	Dormant	31.97	31.97
^ Mantra Design Sdn Bhd	Malaysia	Provision of interior design and consulting services for land & building development projects	49.00	49.00
Megaquest Sdn Bhd	Malaysia	Investment holding	50.00	50.00

* Effective interest

67% held by Bumisuci Sdn Bhd and 33% held by Ishandal Sdn Bhd.

^ Audited by a firm other than Deloitte PLT.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berjaya Assets Berhad, which comprise the statements of financial position as of 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 202.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as of 30 June 2023, and of their financial performance and their cash flows for the year 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 opinion.

(forward)

Independent Auditors' Report

To The Members of Berjaya Assets Berhad (Incorporated in Malaysia)

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 Ethics Standards Board for Accountants' *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 presented below are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the Group and of the Company for the current year. Those 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.

<i>Key audit matters</i>	<i>How the scope of our audit responded to the key audit matters</i>
<p>Valuation of Investment Properties and Properties Held for Sale</p> <p>As of 30 June 2023, the carrying values of the investment properties and properties held for sales amounted to RM2,090,979,000 and RM186,200,000 representing 66% and 6% respectively of the Group's total assets.</p> <p>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 year in which they arise. Properties held for sale are stated at the lower of cost and net realisable value.</p> <p>The Group has appointed an independent professional firm of valuers ("Valuers") to perform valuations on its investment properties and properties held for sales. As a result of the economic uncertainties, the Valuers had advised that the valuations of the investment properties and properties held for sale should be treated with high degree of caution and less degree of certainties than would normally be the case. The Valuers' selection of an appropriate valuation method to determine the market values of the investment properties and properties held for sale is a matter of significant judgement and the application of the method involved sensitive underlying estimates and assumptions.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Obtained understanding and evaluated design and implementation of control surrounding valuation of investment properties. • Assessed the objectivity, professional qualifications, independence, reputation and expertise of the Valuers; • Reviewed the valuation reports and noted that the Valuers' valuations are in accordance with Malaysian Valuation Standards; • Obtained an understanding of the methodology adopted by the Valuers in estimating the fair value of the investment properties and properties held for sale and assessed whether such methodology is consistent with those used in the industry; • Interviewed the Valuers, discussed and challenged the significant estimates and assumptions used in their valuation process; • Evaluated the appropriateness of the data and assumptions used by the Valuers as inputs in their valuations • Engaged our Deloitte's valuation specialist as part of the audit process.

Independent Auditors' Report

To The Members of Berjaya Assets Berhad
(Incorporated in Malaysia)

Key Audit Matters (contd.)

Key audit matters	How the scope of our audit responded to the key audit matters
<p>Valuation of Investment Properties and Properties Held for Sale (contd.)</p> <p>Refer to "Key Sources of Estimation Uncertainty" in Notes 4.2 (8) and (9) respectively to the financial statements.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Assessed the management's estimate on the costs of completion and the cost necessary to make the sale when determining the net realisable value; and • Performed retrospective review on the management's estimation of the fair value of investment properties; <p>We have also assessed the adequacy and appropriateness of the disclosures requirements in relation to valuation of investment properties and properties held for sales in the financial statements.</p>
<p>Additional Assessments Raised by the Inland Revenue Board of Malaysia ("IRB")</p> <p>As disclosed in Note 41 to the financial statements, the IRB had challenged Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly owned subsidiary of the Group in relation to the gains from disposal of investment properties. Management had regarded the gains as real property gains and had paid the real property gain taxes accordingly. IRB had regarded that the disposal of investment properties to be in the ordinary course of business of BTSSB as a property developer and the gains should be subjected to business income taxes which are substantially at a higher rate. IRB had initiated legal actions to recover additional tax assessments of RM250,334,000 which is inclusive tax penalties of RM94,410,000.</p> <p>Further, the IRB had disallowed the deduction of unabsorbed tax losses on the revised income tax submission of bond interest income that resulted in additional tax assessment of RM19,390,000 and tax penalties of RM7,340,000. Management had also lodged an objection to the court on these additional taxes.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Assessed the objectivity, professional qualifications, independence, reputation and expertise of the external tax lawyer; • Reviewed all available relevant tax documents furnished by the management and the external tax lawyer; • Discussed with management and external legal advisor on the potential tax exposure; and • Obtained external legal confirmations in relation to the tax issue. <p>We have also assessed the adequacy and appropriateness of the disclosures in the financial statements.</p>

Independent Auditors' Report

To The Members of Berjaya Assets Berhad
(Incorporated in Malaysia)

Key Audit Matters (contd.)

<i>Key audit matters</i>	<i>How the scope of our audit responded to the key audit matters</i>
<p>Additional Assessments Raised by the Inland Revenue Board of Malaysia ("IRB") (contd.)</p> <p>Based on the legal opinions of their tax lawyers, management had an arguable case to content that the IRB had no legal and factual bases to raise those additional taxes and penalties.</p> <p>Accordingly, management had accounted for the total additional tax assessment together with the penalties of RM 277,064,000 as contingent liabilities in the financial statements at year end. To-date the legal case is till on-going.</p> <p>Refer to "Critical Judgements Made in Applying Accounting Policies" in Note 4.1 (6) to the financial statements.</p>	

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

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 information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do 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 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, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To The Members of Berjaya Assets Berhad (Incorporated in Malaysia)

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 so as to 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 has no realistic alternative but to do so.

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 judgment 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.

Independent Auditors' Report

To The Members of Berjaya Assets Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (contd.)

- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the financial statements of the Group and of the Company. 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, actions taken to eliminate threats or safeguards applied.

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 year 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 50 to the financial statements.

Independent Auditors' Report

To The Members of Berjaya Assets Berhad
(Incorporated in Malaysia)

Other Matter

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.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

TEOH CHEAP CHEE
Partner - 03472/11/2025 J
Chartered Accountant

23 October 2023

LIST OF PROPERTIES

AS OF 30 JUNE 2023

Location	Tenure	Size	Description/ Existing Use	Estimated Age Of Building	Date Of Acquisition	Net Carrying Amount RM'000
No. Geran 56069, Lot 2001, Section 52, Town and District of Kuala Lumpur (Berjaya Times Square, Jalan Imbi, Kuala Lumpur)	Freehold	39,591 sq meter	Shopping-cum- leisure mall	>20 years	8.7.1994	2,023,976
No. Geran 56068, Lot 2000, Section 52, Town and District of Kuala Lumpur (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,901 sq meter	Vacant land	N/A	8.7.1994	
No. Geran 33664, Lot 165, Seksyen 94, Bandar Kuala Lumpur, Wilayah Persekutuan	Freehold	125 sq meter	Shop lot	> 51 years	10.1.2012	2,600
Lots PTB 10707, PTB 20006, PTB 20380, PTB 20438, PTD 146378 & PTD 148062, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor (Berjaya Waterfront, Johor Bahru)	Freehold with 99 years lease interest expiring on 30.10.2092	57,355 sq meter	5-level shopping complex	26 years	10.4.2012	175,163
			12-level 400 rooms hotel, a ferry terminal, a custom & immigration building	26 years	10.4.2012	98,022
Lots PTB 24317 & PTB 24318, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor (Berjaya Waterfront, Johor Bahru)	Freehold with 99 years lease interest expiring on 30.10.2092	19,825 sq meter	Vacant land	N/A	10.4.2012	36,000
No. Geran 102261, Lot 21393, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor (Menara Cyberport, Johor Bahru)	Freehold	25,867 sq meter	72 office units on a purpose built office tower	25 years	29.4.2015	83,630
Lots G-09, G-10, G-11 and G-12, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	Freehold	2,011 sq meter	Retail lots for rent	>20 years	28.6.2012	36,260
Lots 8189 & 8190, Town East, Jalan Pending, Kuching, Sarawak	Leasehold 60 years	245 sq meter	4-storey shop house/office building	35 years	13.7.1996	441

List of Properties

As of 30 June 2023

Location	Tenure	Size	Description/ Existing Use	Estimated Age Of Building	Date Of Acquisition	Net Carrying Amount RM'000
No. 273 & 274, Lots 2545 & 2546 Centraland Commercial Park, Off Jalan Rock, Kuching, Sarawak	Leasehold 60 years expiring on 5.5.2054	484.2 sq meter	4-storey shop house/office building used as office and draw hall	29 years	31.8.2002	2,220
The Collins Theatre 1 Essex Road, London N1 2SE	999 years	Approximately 13,272 sq feet	Vacant for development of theatre/restaurants/ retail lots	28 years	23.8.2012	26,482
1-17 Essex Road, London N1 2SE and 12A Islington Green, London N1 2XN London N12 SE	150 years	45,983 sq feet	70 fully furnished residential units	28 years	15.8.2014	253,051
Lot PTB 24119, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor	Leasehold 99 years expiring on 18.1.2114	25.034 hectares	Sea bed for reclamation	N/A	9.11.2014	105,000
99 & 99A-C, Jalan Tampoi, 81200 Johor Bahru, Johor	Leasehold 60 years expiring on 2031	217,183 sq feet	Multi-storey car park	27 years	01.11.1997	18,010
		424,658 sq feet	Assembly plant & administrative office	56 years	22.4.1968	

Note:

The Group does not adopt a policy of regular valuation of its properties except for investment properties which are stated at fair value.



OTHER INFORMATION

MATERIAL CONTRACTS

Other than as disclosed as in Notes 22, 23, 25, 26, 28, 34, 42, 43 and 49 of the financial statements for the financial year ended 30 June 2023 neither Berjaya Assets Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 June 2023 amounted to RM5,400.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its Subsidiary Companies	Nature of Transactions	Amount Transacted RM'000
<u>Berjaya Corporation Berhad ("BCorporation") and/or its unlisted subsidiary companies:-</u>			
BCorporation and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	520
Berjaya Registration Services Sdn Bhd	BAssets	Receipt of share registration services	60
	BTSSB	Rental income receivable for renting of office premises cum production room at Lots 09-20, 09-91 & 09-92, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	54
Berjaya Higher Education Sdn Bhd	BTSSB	Rental income receivable for renting of premises at Lot 14-01, 14 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	1,076
Berjaya College Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 10-12 & 10-12A, 10 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	569
Prime Credit Leasing Berhad	BAssets Group	Receipt of leasing and hire purchase facilities by BAssets Group	419
Cosway (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at LG-12 & LG-20, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	447
Berjaya Books Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at Lot LG-08A, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	10
Berjaya Enviro Holdings Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 08-65, 08-66 & 08-67, 8 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	149
Berjaya Krispy Kreme Doughnuts Sdn Bhd	BTSSB	Rental income receivable for renting of kiosk at Lot LG-19C, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	165
Berjaya EnviroParks Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 09-01, 09-02 & 09-03, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	334
Berjaya Eco Services Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at 09-24 & 09-25, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	69
Roasters Asia Pacific (M) Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lot 07-24, 7 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	145
BLoyalty Sdn Bhd	BAssets Group	Loyalty reward fees payable to Bloyalty Sdn Bhd for managing the loyalty card programme	1
E.V.A. Management Sdn Bhd	BAssets Group	Provision of human resources management services	8
Inter-Pacific Securities Sdn Bhd	BTSSB	Rental income receivable for renting a premise for broadcasting at TB-Roof-02(C), Berjaya Times Square, Jalan Imbi, Kuala Lumpur	7
JL Morison (Malaya) Sdn Bhd	BAssets Group	Purchase of consumer products	44
<u>Berjaya Land Berhad ("BLand") and/or its unlisted subsidiary companies:-</u>			
BLand and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	113
Marvel Fresh Sdn Bhd	BTSSB	Rental income receivable for renting of storage space at G-37, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	54

Recurrent Related Party Transactions of A Revenue or Trading Nature

For the financial year ended 30 June 2023

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its Subsidiary Companies	Nature of Transactions	Amount Transacted RM'000
Berjaya Guard Services Sdn Bhd	BAssets Group	Receipt of security guard services	28
Mantra Design Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 09-13A, 09-14 & 09-15, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	109
Sports Toto Berhad ("SPToto") and/or its unlisted subsidiary companies:-			
SPToto and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	351
International Lottery & Totalizator Systems, Inc	Natural Avenue Sdn Bhd	Procurement of computerised lottery system, hardware and related services	732
STM Lottery Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 08-29, 08-30, 08-32 & 08-33, 8 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	92
Sports Toto Computer Sdn Bhd	BTSSB	Rental income receivable by BTSSB for renting of office premises at Lot No 07-50, 7 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	56
Berjaya Food Berhad ("BFood") and/or its unlisted subsidiary companies:-			
BFood and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	133
Berjaya Roasters (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplot at Lot 03-85, renting of walkway area at Lot 03-85A, 3 rd Floor and office premises at Lots 09-07 to 09-13, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	523
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplots at Lots 1.29 to 1.30, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	22
Berjaya Food Trading Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lot 09-06, 9 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	12
Berjaya Kelava Sdn Bhd	BTSSB	Rental income receivable for renting of shoplot at Lot No LG-49A-2, LG Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	24
Berjaya Starbucks Coffee Company Sdn Bhd	BTSSB	Rental income receivable for renting of walkway area at Lot G-09C, G-09D, G-09E & G-09G, Ground Floor, call centre at Lot 10-01G, 10 th Floor, and storage space at 10-05, 10 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	206
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplots at Lot 1.31 to 1.33, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	100
7-Eleven Malaysia Holdings Berhad ("SEM") and/or its unlisted subsidiary company:-			
7-Eleven Malaysia Sdn Bhd (a)	BTSSB	Rental income receivable for renting of walkway at Lot G-13 & G-13A, Ground Floor, office at Lot 08-77A-2, 8 th Floor, storage at Lot G-37B, Ground Floor, and shoplot at Lots 01-16 & 01-22, 1 st Floor, and Lot 05-92, 5 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	1,085
	BTS Car Park Sdn Bhd	Parking charges receivable	142

Recurrent Related Party Transactions of A Revenue or Trading Nature

For the financial year ended 30 June 2023

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its Subsidiary Companies	Nature of Transactions	Amount Transacted RM'000
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplot at Lot 1.28, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	26
Caring Pharmacy Retail Management Sdn Bhd (a)	BTSSB	Rental income receivable for renting of shoplot at Lots LG-39 & LG-40, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	334
Other related parties:-			
Ascot Sports Sdn Bhd ("Ascot") (b)	BTSSB	Rental income receivable for renting of office premises at Lots 10-01 & 10-01A, 10 th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	7
Qinetics Services Sdn Bhd (c)	BAssets Group	Procurement of information technology consultancy and management services	134
Qinetics MSP Sdn Bhd (c)	BAssets Group	Procurement of information technology consultancy and management services	29
Wilayah Motor Sdn Bhd (d)	BTS Car Park Sdn Bhd	Parking charges receivable	9
UPC Management Services Sdn Bhd (d)			2
U Mobile Sdn Bhd ("UMSB") (e)	BTSSB	Rental income receivable for renting of kiosk at Lot G- 17A, Ground Floor, renting of shoplot at Lot 01-09A, 1 st Floor, office at Lots 08-06 to 08-13A, renting of shoplot at 08-75, 8 th Floor, renting of office premises at Lot 09-15A to 09-19, and renting of showroom and office at Lot 10-01C & 10-01D, 10 th Floor, broadcasting facility at TB Roof 04, 09-CP-01, and L-CPA, Lot No B1 to B5 at car park of Berjaya Times Square, Jalan Imbi, Kuala Lumpur	3,841
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplot at Lot L2G2, Level 2, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	34
	BTS Car Park Sdn Bhd	Parking charges receivable	708
REDtone Digital Berhad ("REDtone") and/ or its unlisted subsidiary company (f)	BTSSB	Rental receivable for renting of rooftop space at Lot No. TB-Roof-02B & TB-Roof-02D, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	73
Sun Media Corporation Sdn Bhd (g)	BAssets Group	Procurement of promotion, advertising and publishing services	68
Grand Total			13,124

Notes:

- BCorp and TSVT are major shareholders of SEM.
- A company in which TSVT has direct interests.
- Companies in which TSVT is a major shareholder.
- A company in which TSVT has deemed interests.
- TSVT is the Chairman of U Mobile Sdn Bhd ("UMSB") and a major shareholder of UMSB. DYMM Sultan Ibrahim Johor is a major shareholder of UMSB and the Company. YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail, a daughter of DYMM Sultan Ibrahim Johor is the Chairman of the Company.
- BCorp and DYMM Sultan Ibrahim Johor are major shareholders of REDtone. His Majesty is also the father of YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail who is the Chairman of REDtone.
- Subsidiary company of Berjaya Media Berhad, a company in which TSVT has substantial interests.

STATISTICS ON SHARES

AS AT 2 OCTOBER 2023

ANALYSIS OF SHAREHOLDINGS IN ORDINARY SHARES

Total number of issued shares : 2,558,276,318
 Class of Shares : Ordinary Shares
 Voting rights : One (1) vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	476	13.73	10,846	0.00
100 – 1,000	739	21.32	201,943	0.01
1,001 – 10,000	1,099	31.71	6,494,566	0.25
10,001 – 100,000	872	25.16	28,783,456	1.13
100,001 – 127,913,815	278	8.02	2,069,990,507	80.91
127,913,816* and above	2	0.06	452,795,000	17.70
Total	3,466	100.00	2,558,276,318	100.00

Note:

* Denotes 5% of the total number of issued shares of the Company.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	DYMM Sultan Ibrahim Johor	315,900,000	12.35
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	136,895,000	5.35
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for B & B Enterprise Sdn Bhd	121,562,300	4.75
4.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	120,100,000	4.69
5.	Berjaya Sampo Insurance Berhad	110,585,000	4.32
6.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (EDG&CBD)	98,100,000	3.83
7.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pantai Cemerlang Sdn Bhd	81,986,100	3.20
8.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	77,500,000	3.03
9.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for B & B Enterprise Sdn Bhd (MY3764)	77,105,000	3.01
10.	Berjaya Land Berhad	76,500,000	2.99
11.	Abd Rahman Bin Soltan	60,038,000	2.35
12.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00820-000)	60,000,000	2.35

Statistics on Shares

As at 2 October 2023

No.	Name of Shareholders	No. of Shares	%
13.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00856-003)	60,000,000	2.35
14.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Third Party)	55,460,000	2.17
15.	APEX Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Margin)	53,600,000	2.10
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hotel Resort Enterprise Sdn Bhd	51,398,600	2.01
17.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fabulous Channel Sdn Bhd (AF0010)	50,722,400	1.98
18.	Portal Access Sdn Bhd	47,164,836	1.84
19.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	47,130,000	1.84
20.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hotel Resort Enterprise Sdn Bhd	41,015,200	1.60
21.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Portal Access Sdn Bhd	35,000,000	1.37
22.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Arsam Bin Damis (IPM)	32,147,000	1.26
23.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MY3309)	31,500,000	1.23
24.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Berjaya VTCY Sdn Bhd (01-00856-001)	31,164,492	1.22
25.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Arsam Bin Damis (AA0023)	29,553,000	1.16
26.	Inter-Pacific Equity Nominees (Asing) Sdn Bhd Berjaya Philippines Inc	29,350,000	1.15
27.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd IPM for Ong Kar Beau	28,500,000	1.11
28.	Ambilan Imej Sdn Bhd	27,073,054	1.06
29.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	26,045,000	1.02
30.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	25,600,000	1.00
		2,038,694,982	79.69

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 2 OCTOBER 2023

The Company

Name of Director	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	200,000	0.01	-	-

Subsidiary Company - Jauhari Maksima Sdn Bhd

Name of Director	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	380,000	38.00	-	-

Save as disclosed, none of the other Directors of the Company had any interests in the shares of the Company or its related corporations as at 2 October 2023.

SUBSTANTIAL SHAREHOLDERS

AS AT 2 OCTOBER 2023

Names of Substantial Shareholders	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	828,200,000	32.37	414,407,308 (a)	16.20
Berjaya Land Berhad	76,500,000	2.99	159,080,424 (b)	6.22
Berjaya Capital Berhad	24,950,000	0.98	144,658,054 (c)	5.65
Juara Sejati Sdn Bhd	-	-	425,138,478 (d)	16.62
Berjaya Group Berhad	-	-	425,138,478 (e)	16.62
Berjaya Corporation Berhad	-	-	425,138,478 (f)	16.62
DYMM Sultan Ibrahim Johor	315,900,000	12.35	-	-
B & B Enterprise Sdn Bhd	199,268,000	7.79	-	-

Notes:

- (a) Deemed interested by virtue of his interests in Hotel Resort Enterprise Sdn Bhd, B & B Enterprise Sdn Bhd, Berjaya VTCY Sdn Bhd, MOL.com Sdn Bhd (the ultimate holding Company of Lim Kim Hai Sales & Services Sdn Bhd), U Telemedia Sdn Bhd, Prime Realty Holdings Sdn Bhd and his deemed interests in Berjaya Infrastructure Sdn Bhd and Berjaya Retail Sdn Bhd.
- (b) Deemed interested by virtue of its 100% interests in Portal Access Sdn Bhd, Immediate Capital Sdn Bhd, BTS Hotel Sdn Bhd and Nada Embun Sdn Bhd as well as its interests in Sports Toto Berhad (the holding company of Magna Mahsuri Sdn Bhd and Berjaya Philippines Inc.) and KDE Recreation Berhad.
- (c) Deemed interested by virtue of its interests in Ambilan Imej Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Berjaya Sompoo Insurance Berhad.
- (d) Deemed interested by virtue of its interests in Berjaya Land Berhad and Berjaya Capital Berhad.
- (e) Deemed interested by virtue of its 100% interest in Juara Sejati Sdn Bhd.
- (f) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-Third Annual General Meeting of the Company will be conducted on a virtual basis through live streaming from the broadcast venue ("Broadcast Venue") at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 5 December 2023 at 10.00 a.m. for the following purposes:-

AGENDA

As ordinary business

1. To receive and adopt the audited financial statements for the financial year ended 30 June 2023 and the Directors' and Auditors' Reports thereon. *(Please refer to Note 1 of the Explanatory Notes)*
2. To approve the payment of Directors' fees amounting to RM295,890.41 to the Non-Executive Directors of the Company for the financial year ended 30 June 2023. Resolution 1
3. To approve the payment of benefits (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM630,000.00 for the period from 6 December 2023 until the next Annual General Meeting of the Company to be held in 2024. Resolution 2
4. To re-elect the following Directors who retire pursuant to Clause 117 of the Company's Constitution and who being eligible, offer themselves for re-election:-
 - a) Chryseis Tan Sheik Ling Resolution 3
 - b) Chan Kien Sing Resolution 4
5. To re-elect Dr Jayanthi Naidu G. Danasamy who retires pursuant to Clause 107 of the Company's Constitution and who being eligible, offer herself for re-election. Resolution 5
6. To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 6

As special business

7. 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.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 60 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Company to be offered new shares ranking pari passu in all respects with the existing ordinary shares arising from the issuance and allotment of the shares pursuant to Sections 75 and 76 of the Companies Act 2016."

Resolution 7

Notice of Annual General Meeting

(ii) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and/or Berjaya Corporation Berhad

"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 persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") and/or Berjaya Corporation Berhad ("BCorporation"), including companies in which such persons connected with TSVT and/or BCorporation is a/are major shareholder(s) as specified in Section 2.3 of the Circular to Shareholders dated 26 October 2023 ("Proposed Mandate I") 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 I 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 8

(iii) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Companies in which Berjaya Corporation Berhad and DYMM Sultan Ibrahim Johor are Major Shareholders

"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 companies in which Berjaya Corporation Berhad and DYMM Sultan Ibrahim Johor are major shareholders as specified in Section 2.3 of the Circular to Shareholders dated 26 October 2023 ("Proposed Mandate II") 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 II 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

Notice of Annual General Meeting

(iv) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with a Company in which Tan Sri Dato' Seri Vincent Tan Chee Yioun and DYMM Sultan Ibrahim Johor are Major Shareholders

"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 a company in which Tan Sri Dato' Seri Vincent Tan Chee Yioun and DYMM Sultan Ibrahim Johor are major shareholders as specified in Section 2.3 of the Circular to Shareholders dated 26 October 2023 ("Proposed Mandate III") 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 III 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 10

(v) 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 ("BAssets Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of 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:-

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

Notice of Annual General Meeting

- (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 BAssets Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BAssets Shares so purchased by the Company in the following manner:-

- (a) cancel all the BAssets Shares so purchased; or
- (b) retain all the BAssets 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 11

By Order of the Board

WONG SIEW GUEK
(MAICSA 7042922)
(SSM Practising Certificate No.: 202008001490)
Secretary

Kuala Lumpur
26 October 2023

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' Fees

The quantum of the Directors' fee for the Non-Executive Directors for the financial year ended 30 June 2023 is same as in the previous financial year ended 30 June 2022. The Director's fee for Datuk Robert Yong Kuen Loke was pro-rated from 1 July 2022 up to his date of resignation on 1 June 2023 while the Director's fee for Dr Jayanthi Naidu G. Danasamy was pro-rated from the date of her appointment on 27 June 2023 up to 30 June 2023.

3. Benefits (excluding Directors' Fees)

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. Accordingly, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of benefits (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 6 December 2023 until the next AGM of the Company to be held in 2024 under Resolution 2.

The current benefits (excluding Directors' fees) payable to the Non-Executive Directors for the Company comprises of meeting allowances and other emoluments.

Notice of Annual General Meeting

In determining the estimated amount of remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings.

In the event where the payment of benefits (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.

4. Re-election of Directors

Resolution 3 to Resolution 5 are to seek shareholders' approval at this AGM for the re-election of Directors who retire by rotation pursuant to Clause 117 and Clause 107 of the Company's Constitution.

Pursuant to Clause 117 of the Company's Constitution, one-third (1/3) of the Directors shall retire from office at least once in every three (3) years at each AGM of the Company and the retiring Directors can offer themselves for re-election. Clause 107 of the Company's Constitution also provides that a Director who is appointed during the year shall retire and subject to re-election at the next AGM to be held following his/her appointment.

For the purpose of determining the eligibility of Director to stand for re-election at this AGM of the Company, the Nomination Committee ("NC") had considered the performance, contribution as well as fitness and propriety of each of the retiring Directors and had also assessed the independence of the retiring Independent Director seeking for re-election.

Based on the recommendation of the NC, the Board, having been satisfied with the performance, contribution as well as fitness and propriety of all the retiring Directors, supports and recommended the re-election of the retiring Directors for approval by the shareholders at the forthcoming AGM.

The profiles of the Directors who are standing for re-election as per Agenda item No. 4 and 5 are set out in the Board of Directors' profile of the Annual Report 2023.

5. Re-appointment of Auditors

Resolution 6 is to seek shareholders' approval at the Sixty-Third AGM for the re-appointment of Messrs Deloitte PLT ("Deloitte") as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

The Audit and Risk Management Committee ("ARMC") has considered and recommended to the Board on the re-appointment of Deloitte as Auditors of the Company based on the results of the External Auditors Evaluation for the financial year ended 30 June 2023 wherein Deloitte has satisfactorily performed their audit and discharged their professional responsibilities in accordance with its rules on professional conduct and ethics and the By-Laws (on Professional Ethics, Conducts and Practice) issued by the Malaysian Institute of Accountants.

The Board has deliberated on the ARMC's recommendation and recommended the re-appointment of Deloitte as Auditors of the Company for the ensuing financial year for shareholders' approval at the forthcoming Sixty-Third AGM.

6. Authority to issue and allot shares pursuant to Sections 75 and 76 of the CA 2016

Resolution 7 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.

Resolution 7, if passed, will exclude shareholder's pre-emptive right to be offered such new shares and/or convertible securities to be issued by the Company pursuant to the resolution.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Sixty-Second AGM held on 6 December 2022 and which will lapse at the conclusion of the Sixty-Third AGM.

Notice of Annual General Meeting

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 current and/or future investment/project(s), working capital and/or acquisitions or issuance of shares for such other application(s) as the Directors may deem fit and in the best interest of the Company.

7. Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

- (a) Resolution 8, if passed, will allow the Company and its subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") and/or Berjaya Corporation Berhad ("BCorporation") including companies in which such persons connected with TSVT and/or BCorporation is a/are major shareholder(s) in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Mandate I");
- (b) Resolution 9, if passed, will allow the Company and its subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with companies in which BCorporation and DYMM Sultan Ibrahim Johor are major shareholders in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Mandate II"); and
- (c) Resolution 10, if passed, will allow the Company and its subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with a company in which TSVT and DYMM Sultan Ibrahim Johor are major shareholders in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Mandate III").

Detailed information on the Proposed Mandate I, Proposed Mandate II and Proposed Mandate III are set out under Part A of the Circular/Statement to Shareholders dated 26 October 2023 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-assets/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

8. Proposed Renewal of Authority for the Company to Purchase its Own Shares

Resolution 11, 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 26 October 2023 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-assets/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

9. Proxy and Entitlement of Attendance

- (a) The Sixty-Third AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services e-Portal at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via the RPV Facilities.
- (b) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.
- (c) Shareholders/proxy(ies)/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.
- (d) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV Facilities 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.
- (e) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- (f) 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.

Notice of Annual General Meeting

- (g) An exempt authorised nominee, as defined under 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.
- (h) 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.
- (i) The Form of Proxy shall be executed and 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 OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at <https://sshb.net.my/> not less than forty-eight (48) hours before the time appointed for holding the AGM of the Company.
- (j) Only members whose names appear in the Record of Depositors as at 28 November 2023 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV Facilities.

10. 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

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 ASSETS BERHAD hereby appoint:

_____ I.C. No. _____
(Name in full) (New and Old I.C. Nos.)

of _____
(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 Sixty-Third Annual General Meeting of the Company to be conducted on a virtual basis through live streaming from the broadcast venue ("Broadcast Venue") at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 5 December 2023 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 payment of Directors' Fees for Non-Executive Directors.		
RESOLUTION 2 - To approve payment of benefits (excluding Directors' Fees) for the period from 6 December 2023 until the next Annual General Meeting of the Company.		
RESOLUTION 3 - To re-elect Chryseis Tan Sheik Ling as Director.		
RESOLUTION 4 - To re-elect Chan Kien Sing as Director.		
RESOLUTION 5 - To re-elect Dr Jayanthi Naidu G. Danasamy as Director.		
RESOLUTION 6 - To re-appoint Messrs Deloitte PLT as Auditors.		
RESOLUTION 7 - To approve authority to issue and allot shares.		
RESOLUTION 8 - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and/or Berjaya Corporation Berhad.		
RESOLUTION 9 - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions with companies in which Berjaya Corporation Berhad and DYMM Sultan Ibrahim Johor are major shareholders.		
RESOLUTION 10 - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions with a company in which Tan Sri Dato' Seri Vincent Tan Chee Yioun and DYMM Sultan Ibrahim Johor are major shareholders.		
RESOLUTION 11 - To renew authority for the Company to purchase its own shares.		

No. of shares held

Signature(s)/Common Seal of Member(s)

Dated this _____ day of _____, 2023.

NOTES:

- The Sixty-Third Annual General Meeting ("AGM") of the Company will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services e-Portal at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via the RPV Facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.
- Shareholders/proxy(ies)/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.
- A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV Facilities 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.
- A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- 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.
- An exempt authorised nominee, as defined under 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.
- 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.
- The Form of Proxy shall be executed and 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 OR alternatively, the Form of Proxy may be submitted electronically via Securities Services e-Portal at <https://sshsb.net.my/> not less than forty-eight (48) hours before the time appointed for holding the AGM of the Company.
- Only members whose names appear in the Record of Depositors as at 28 November 2023 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV Facilities.

Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
BERJAYA ASSETS BERHAD
[Registration No. 196001000237 (3907-W)]
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1 JALAN IMBI
55100 KUALA LUMPUR

2nd fold here

1st fold here



GROUP ADDRESSES

BERJAYA TIMES SQUARE SDN BHD

Corporate Office:

Lot 08-16, P.O Box. 08-23
Level 8, Berjaya Times Square
No. 1 Jalan Imbi 55100 Kuala Lumpur
Tel : 03-2144 9821
Fax : 03-2143 3055
berjayatimesquarekl.com

BERJAYA TIMES SQUARE THEME PARK SDN BHD

No. 09-103 (Lot No. 09-98)
Level 9, Berjaya Times Square
No. 1 Jalan Imbi 55100 Kuala Lumpur
Tel : 03-2117 3118
Fax : 03-2143 2380
www.berjayatimesquarethemeparkkl.com

BERJAYA WATERFRONT SDN BHD

88, Jalan Ibrahim Sultan
Stulang Laut
80300 Johor Bahru
Johor Darul Takzim
Tel : 07-221 8000
Fax : 07-221 9000
www.berjayawaterfront.com.my

BERJAYA ASSEMBLY SDN BHD

99 & 99A-C, Jalan Tampoi
81200 Johor Bahru
Johor Darul Takzim
Tel : 07-236 1400
Fax : 07-237 2166

NATURAL AVENUE SDN BHD

Head Office:

Lot 8189 & 8190
Town East, Jalan Pending
93450 Kuching
Sarawak
Tel : 082-333 666
Fax : 082-552 294

Regional Office:

Kuching Regional Office

No. 273-274, Lot 2545-2546
Centraland Commercial Park
Off Jalan Rock
93200 Kuching
Sarawak
Tel : 082-233 466
Fax : 082-523 399

Sibu Regional Office

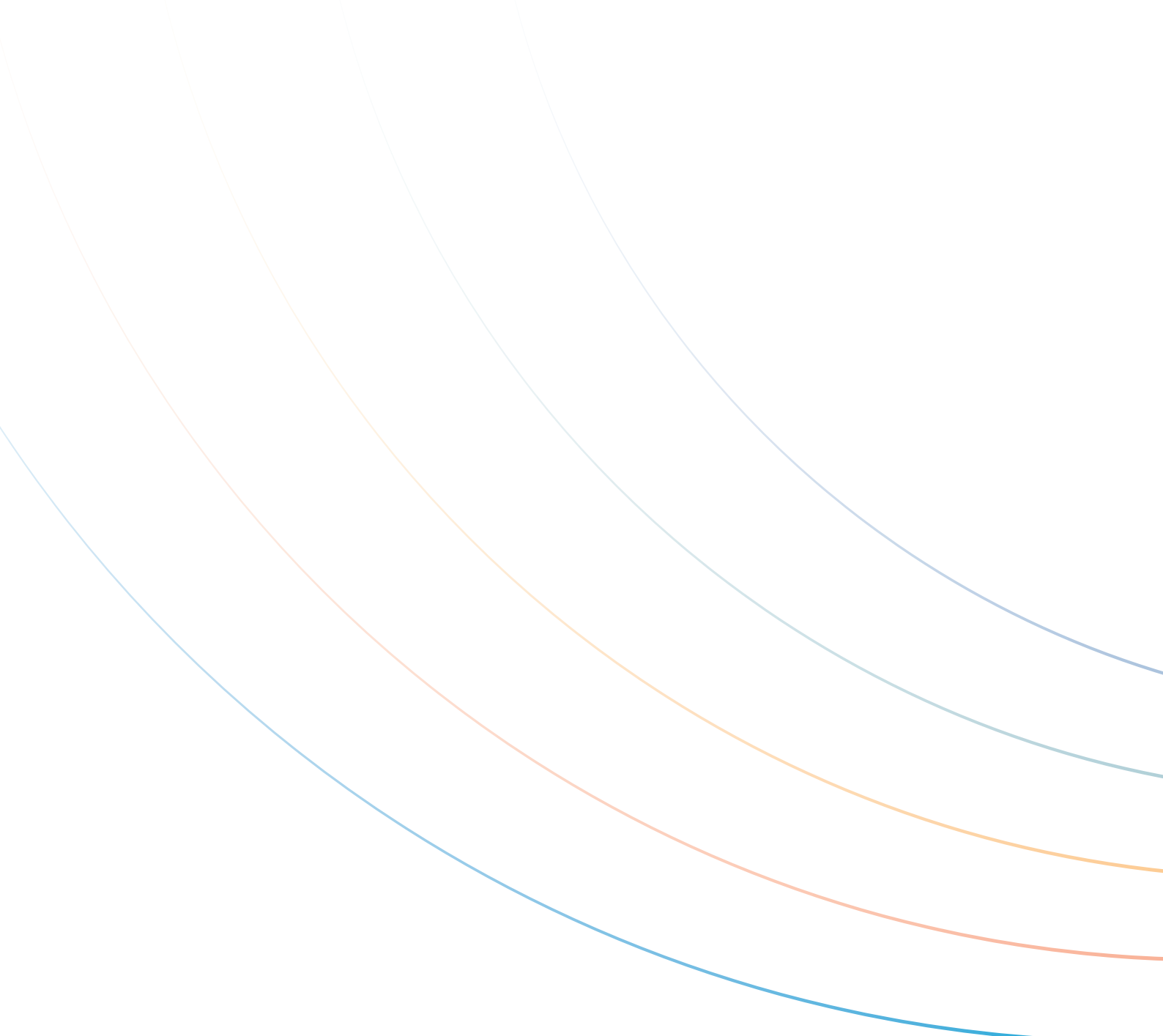
No. 7, 1st Floor,
Lorong Wong King Huo 1D
96000 Sibu
Sarawak
Tel : 084-320 202
Fax : 084-231 514

Miri Regional Office

No 627, 1st Floor
Jalan Sim Chieng Kay
Off North Yu Seng Road
98000 Miri
Sarawak
Tel : 085-415 331
Fax : 085-326 064

BERJAYA UK INVESTMENT & DEVELOPMENT LIMITED

12A Islington on the Green Angel
London N1 2XN



berjayatimesquarekl.com
www.cashsweep.com.my