**BERJAYA**

# BERJAYA LAND BERHAD

(Company No. 201765-A)

برجاي لاند برحد

成功置地有限公司

# ANNUAL REPORT 2017

BERJAYA

The corporate logo comprises the word BERJAYA in gold and a symbol made up of closely interwoven Bs in rich cobalt blue with gold lining around the circumference and a gold dot in the centre.

BERJAYA means "success" in Bahasa Malaysia and reflects the success and Malaysian character of Berjaya Corporation's core businesses. The intertwining Bs of the symbol represent our strong foundations and the constant synergy taking place within the Berjaya Corporation group of companies. Each B faces a different direction, depicting the varied strengths of the companies that make up the Berjaya Corporation group of companies.

# OUR MISSION AND VISION

To generate consistently profitable returns for our shareholders from investments in core business activities:

- By providing direction, financial resources and management support for each operating unit;
- Through establishing a major market presence for each activity; and
- Through dynamic and innovative management, teamwork and a commitment to excellence.

# CONTENTS

# CORPORATE PROFILE

Premier Chalets on Water at Berjaya Langkawi Resort – Malaysia.

**Berjaya Land Berhad ("B-Land") was incorporated in 1990 to implement the Restructuring Scheme undertaken by Sports Toto Malaysia Bhd ("Sports Toto") whereby the entire paid-up capital of Sports Toto was acquired by B-Land. Simultaneously, B-Land made major acquisitions of various property and leisure activities which were funded via a Rights and Special Issue.**

**Sports Toto was incorporated in 1969 by the Malaysian Government for the purpose of running Toto betting under Section 5 of the Pool Betting Act, 1967. It was privatized in 1985 when its Chief Executive Officer, Tan Sri Dato' Seri Vincent Tan Chee Yioun, through his private company acquired 70% of the paid-up capital. Sports Toto was listed on Bursa Malaysia Securities Berhad in July 1987.**

**Subsequently, in November 1987, RekaPacific Berhad (formerly known as Berjaya Industrial Berhad) ("RekaPacific") completed a general offer to Sports Toto which resulted in Sports Toto becoming a subsidiary of RekaPacific.**

On 11 October 1996, Berjaya Group Berhad ("BGroup") completed the purchase of Teras Mewah Sdn Bhd ("TMSB"), a wholly-owned subsidiary company of RekaPacific.

On 28 August 1996, TMSB completed the purchase of the entire shareholding in B-Land from RekaPacific comprising approximately 247.5 million ordinary shares, 49.8 million warrants and RM82.8 million Irredeemable Convertible Unsecured Loan Stocks for a total consideration of approximately RM931.1 million. As a result, B-Land became a direct subsidiary of BGroup, which in turn is a wholly-owned subsidiary of Berjaya Corporation Berhad ("BCorp").

Today, the Group's core activities are as follows:
- Gaming and Lottery Management;
- Hotels, Resorts, Recreation Development and Vacation Timeshare;
- Property Investment and Development; and
- Motor Retailing.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Chairman**
Tan Sri Datuk Seri Razman Md Hashim
Bin Che Din Md Hashim

**Chief Executive Officer**
Datuk Pee Kang Seng @ Lim Kang Seng

**Executive Directors**
Tan Thiam Chai
Nerine Tan Sheik Ping
Chryseis Tan Sheik Ling

**Non-Independent/Non-Executive Director**
Dato' Ng Sooi Lin

**Independent/Non-Executive Directors**
Datuk Robert Yong Kuen Loke
Datuk Kee Mustafa

### AUDIT COMMITTEE

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

**Independent/Non-Executive Directors**
Tan Sri Datuk Seri Razman Md Hashim
Bin Che Din Md Hashim
Datuk Kee Mustafa

### SECRETARIES

Tham Lai Heng, Michelle
(MAICSA No. 7013702)
Wong Siew Guek
(MAICSA No. 7042922)

### SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 06-03 Level 6 (East Wing)
Berjaya Times Square
No. 1 Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2145 0533
Fax : 03-2145 9702

### AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 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

### PRINCIPAL BANKERS

Affin Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

### STOCK SHORT NAME

BJLAND (4219)

### PLACE OF INCORPORATION AND DOMICILE

Malaysia

# PROFILE OF DIRECTORS

## TAN SRI DATUK SERI RAZMAN MD HASHIM BIN CHE DIN MD HASHIM

78 years of age, Malaysian, Male
Chairman (Independent/Non-Executive)

Tan Sri Datuk Seri Razman was appointed to the Board as Chairman on 3 September 2007. He completed his early secondary education in Australia and upon completion, pursued a study in Accounting and Banking where he became a member of the Australian Institute of Bankers.

Upon his return to Malaysia, he started his career with Standard Chartered Bank Malaysia Berhad ("SCB") as an Officer Trainee in 1964. Throughout his 34 years of banking experience in SCB, he served in various capacities including secondments to the bank's branches in London, Europe, Hong Kong and Singapore. In Malaysia, he held various senior positions and was appointed as the Executive Director of SCB in 1994 until his retirement in June 1999.

Upon his retirement in 1999, he was appointed as Chairman of MBF Finance Berhad by the Central Bank as its nominee until January 2002 when the finance company was sold to Arab Malaysian Group.

Currently, he holds directorships in several public listed companies namely, Silk Holdings Berhad, MAA Group Berhad, Sunway Berhad and Mycron Steel Berhad. He also holds directorships in several other private limited companies.

Tan Sri Datuk Seri Razman Md Hashim is the Chairman of the Nomination Committee and Remuneration Committee. He is also a member of the Audit Committee and Risk Management Committee of the Company.

## DATUK PEE KANG SENG @ LIM KANG SENG

66 years of age, Malaysian, Male
Chief Executive Officer (Non-Independent)

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

Upon graduation in 1976, he joined Public Works Department until 1980 when he was appointed as the Chief Engineer of Kuantan Port Authority. He left the Government Service in 1984 and joined Syarikat ISDA Sdn Bhd as a Project Director for 6 years.

From 1990 to 2000, he worked for Hong Leong Group holding various capacities including his appointment as the Group Managing Director of Hume Industries Berhad and C.I. Holdings Berhad. In 2001, he joined Amsteel Corporation Berhad as the Group Managing Director until his retirement in 2005.

Upon his retirement, he had worked in senior positions for various other companies and also in the property development and construction industry.

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

He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.
Datuk Pee Kang Seng @ Lim Kang Seng is a member of the Risk Management Committee of the Company.

## TAN THIAM CHAI

58 years of age, Malaysian, Male
(Non-Independent/Executive Director)

He was appointed to the Board on 18 April 2008 as an Executive Director.

He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tunku Abdul Rahman (now known as Tunku Abdul Rahman University College) and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong group of companies in Malaysia as well as in Hong Kong for about 8 years. He joined Berjaya group of companies in early 1991 as a Finance Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad.

Currently, he is the Chief Financial Officer of Berjaya Corporation Berhad. He is also a Director of Atlan Holdings Bhd, Berjaya Food Berhad, Cosway Corporation Berhad, Indah Corporation Berhad, Tioman Island Resort Berhad, Berjaya Vacation Club Berhad, Berjaya Starbucks Coffee Company Sdn Bhd and Cosway Corporation Limited (Hong Kong).

He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

Tan Thiam Chai is a member of the Risk Management Committee of the Company.

## NERINE TAN SHEIK PING

41 years of age, Malaysian, Female
(Non-Independent/Executive Director)

She was appointed to the Board on 11 January 2016 as an Executive Director. She graduated with a Bachelor of Science degree in Management (Second Class Honour) from the London School of Economics, United Kingdom, in 1998.

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

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

In February 2007, she was appointed as a General Manager (Sales & Marketing) of Sports Toto Malaysia Sdn Bhd ("STMSB") and was subsequently promoted as an Executive Director of STMSB in April 2010. Currently, she is overseeing the sales and marketing activities of STMSB including dealings with Government authorities.

Currently, she is also an Executive Director of Berjaya Sports Toto Berhad, Berjaya Corporation Berhad and Berjaya Group Berhad. She also holds directorships in several other private limited companies.

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

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

## CHRYSEIS TAN SHEIK LING

28 years of age, Malaysian, Female
(Non-Independent/Executive Director)

She was appointed to the Board on 1 April 2016 as an Executive Director. She graduated with a Bachelor of Arts in Liberal International Studies from Waseda University, Tokyo in 2012. She also did an exchange program in Accounting and Finance in London School of Economics, United Kingdom for a year in 2010.

Currently, she is the Chief Executive Officer of Berjaya Times Square Sdn Bhd, a wholly-owned subsidiary of Berjaya Assets Berhad ("BAssets"), mainly involved in the marketing and overall management of Berjaya Times Square mall. She is also a Director of Berjaya Assets Food (BAF) Sdn Bhd ("BAF"), another wholly-owned subsidiary of BAssets, and she oversees BAF's interest in the Food & Beverage industry. BAF has secured the right to manage the franchise of Greyhound Café from Bangkok, Thailand in Malaysia with the successful opening of its first outlet at Jalan Bukit Bintang, Kuala Lumpur.

She is also a Director and Chairman of Natural Avenue Sdn Bhd ("NASB"), a subsidiary of Berjaya Assets Berhad 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 also an Executive Director of Berjaya Assets Berhad and she is also the Head of Marketing for Four Seasons Hotel and Hotel Residences Kyoto, Japan, a hotel and residences development project undertaken by the Company's associated company namely, Berjaya Kyoto Development (S) Pte Ltd.

Her sister, Nerine Tan Sheik Ping is also a member of the Board while her father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

Chryseis Tan Sheik Ling is a member of the Risk Management Committee of the Company.

## DATO' NG SOOI LIN

61 years of age, Malaysian, Male
(Non-Independent/Non-Executive Director)

He was appointed to the Board on 28 March 2003. He holds a Bachelor in Engineering from the University of Liverpool and a Full Technology Certificate from the City & Guild's of London. He is also a member of the Institute of Electrical Engineers, U.K. (M.I.E.E.) Chartered Engineers.

He is an engineer by profession with extensive working experience in the field of property development and management. He started his career in the property consultancy in Kuala Lumpur before moving on to play key roles in various development companies in Malaysia, Singapore and Brunei.

He joined Berjaya Land Berhad in November 1994 as a Senior General Manager (Group Properties & Development) prior to his appointment as Executive Director and subsequently in 21 December 2006, he was appointed as the Chief Executive Officer of the Company until his recent retirement in December 2016. He is currently a Non-Independent Non-Executive Director of the Company.

He is also an Independent Non-Executive Director of WCT Holdings Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

Dato' Ng Sooi Lin is a member of the Remuneration Committee and Risk Management Committee of the Company.

## DATUK KEE MUSTAFA

67 years of age, Malaysian, Male
(Independent/Non-Executive Director)

He was appointed to the Board on 11 January 2016 as an Independent Non-Executive Director. He holds a Bachelor of Arts Degree in Anthropology and Sociology from University of Malaya.

Datuk Kee Mustafa was a Career Civil Service Officer, having served the State Government of Sabah for a period of 33 years from 1974 to 2007. During his tenure with the State Government of Sabah, he had served in various positions and Government Departments including holding several senior positions, namely, Permanent Secretary to the Ministry of Infrastructure (1996) and Director of Public Services Department, Sabah (2000). He was subsequently appointed as the State Secretary to the State Government of Sabah in April 2000 and had held the position until his retirement in 2007. While being the State Secretary, he was the Head of the State Public Service and Secretary to the State Cabinet. He was also appointed as a member of the Royal Commission of Inquiry on Immigrants in Sabah from 2012 to May 2014.

Currently, he is an Independent Non-Executive Director of Suria Capital Holdings Berhad and he also holds directorships in several other private limited companies.

Datuk Kee Mustafa is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

## DATUK ROBERT YONG KUEN LOKE

65 years of age, Malaysian, Male
(Independent/Non-Executive Director)

He was appointed to the Board on 24 January 1995. He is a Fellow member of The Institute of Chartered Accountants in England and Wales and a member of the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants. He is also a Council Member of the Malaysian Institute of Certified Public Accountants and presently serves as a member of its Executive Committee. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked there for more than five years with chartered accounting firms in London. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. From 1983 to 1986, he served as Group Finance Manager in UMW Holdings Berhad and Group Treasurer in Edaran Otomobil Nasional Bhd. He joined Berjaya Group of Companies in 1987 until his retirement as Executive Director on 30 November 2007 and is currently an Independent Non-Executive Director of the Company.

He is also a Director of Berjaya Corporation Berhad, Berjaya Sports Toto Berhad and Berjaya Assets Berhad.

Datuk Robert Yong Kuen Loke is the Chairman of Audit Committee and Risk Management Committee. He is also a member of the Nomination Committee of the Company.

Save as disclosed, none of the Directors have:-

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

## DATO' SRI ROBIN TAN YEONG CHING

43 years of age
Malaysian, Male
Chief Executive Officer
Berjaya Sports Toto Berhad

He was appointed to the Board of Berjaya Sports Toto Berhad on 21 February 1998 as an Executive Director and subsequently appointed as the Chief Executive Officer of the Company on 21 December 2006. He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chairman and Chief Executive Officer of Berjaya Corporation Berhad and an Executive Director of Sports Toto Malaysia Sdn Bhd. He is the Executive Chairman of Berjaya Food Berhad and the Chairman of Berjaya Media Berhad, Sun Media Corporation Sdn Bhd and Informatics Education Ltd, Singapore. He is also a Director of Atlan Holdings Bhd, Berjaya Sompo Insurance Berhad, Berjaya Golf Resort Berhad and KDE Recreation Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

Save as disclosed, his sisters, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, are members of the Board of the Company.

## HANLEY CHEW

52 years of age
Malaysian, Male
Chief Executive Officer
Hotels and Resorts Division,
Berjaya Land Berhad

He was appointed Chief Executive Officer of Berjaya Hotels & Resorts Division on 1 April 2016. He brings with him over 26 years of experience in the hospitality, travel and timeshare industries.

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

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

## KHOR POH WAA

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

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

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

Currently, he is Chairman of the Malaysian Golf & Recreational Owners Association for the period 2015 to 2017. He was the Chairman of the Malaysian Holiday Timeshare Developer's Federation from 1995 to 2015.

## SEOW SWEE PIN

60 years of age
Malaysian, Male
Non-Independent/
Executive Director
Berjaya Sports Toto Berhad

He worked with Messrs Ernst & Young from 1976 to 1984 and was appointed Audit Manager in 1982. Between 1984 and 1990, he held various senior management positions in several major public listed groups including Group Financial Controller of Island & Peninsular Berhad, Group Chief Accountant of Sime Darby Berhad and Group Chief Accountant of Lion Corporation Berhad.

He joined the Company as General Manager (Finance) in 1991. In 1994, he was appointed General Manager (Finance & Operations) of Sports Toto Malaysia Sdn Bhd and was subsequently promoted to Senior General Manager in 1996.

He was appointed to the Board of Berjaya Sports Toto Berhad on 17 December 2007 as an Executive Director.

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

He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and Certified Practising Accountants, Australia.

## TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

65 years of age
Malaysian, Male
Managing Director/
Chief Executive Officer
Sports Toto Malaysia
Sdn Bhd

He is an entrepreneur with diverse interests in property development and investment, gaming, stockbroking, manufacturing, retailing, trading, hospitality, internet-related businesses, environmental and utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies, namely, Berjaya Corporation group of companies, Berjaya Media Berhad, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad, Berjaya Retail Berhad, Cosway Corporation Limited, Informatics Education Ltd, Intan Utilities Berhad, U Mobile Sdn Bhd and MOL Ventures Pte Ltd.

Currently, he is the Executive Chairman of Berjaya Times Square Sdn Bhd and Chairman of U Mobile Sdn Bhd. He also holds directorships in several other private limited companies.

He is the father of Dato' Sri Robin Tan Yeong Ching, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling who are members of the Board of the Company.

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

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

## On behalf of the Board of Directors of Berjaya Land Berhad ("B-Land"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2017.

### FINANCIAL RESULTS

For the financial year ended 30 April 2017, the Group registered a revenue and pre-tax profit of RM6.37 billion and RM576.32 million respectively, compared to a revenue and pre-tax profit of RM6.28 billion and RM8.96 million respectively in the previous year.

The slight increase in revenue was primarily attributed to the higher revenue reported by the hotels and resorts segment, higher contract sales recorded by International Lottery & Totalizator Systems Inc. ("ILTS") and higher revenue from H.R. Owen Plc ("H.R. Owen") arising from higher sales volume of new cars and aftersale services hours rendered. These factors have mitigated the lower revenue reported by Sports Toto Malaysia Sdn Bhd ("Sports Toto") and the lower progress billings reported by the property development and investment business segment.

The much higher pre-tax profit was mainly due to the higher investment related income arising from the gain related to the settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities of RM184.64 million. Furthermore, in the previous financial year the Group had accounted for substantial impairment in goodwill and assets held for sale of RM373.27 million and RM131.61 million respectively.

During the year under review, the profit from operations was lower mainly due to the lower profit contribution from Sports Toto resulting from the Goods and Services Tax ("GST") adjustment, higher prize payout and higher operating expenses; higher operating expenses incurred by the property development and investment business segment; and higher finance costs. However, these have been partly mitigated by the correspondingly higher profit contribution reported by H.R. Owen, ILTS, the hotels and resorts business segment and the higher share of profit from its associated company, namely Berjaya Kyoto Development (S) Pte Ltd group arising from the sale of the prestigious Four Seasons Hotel Residences in Kyoto, Japan.

### DIVIDEND

The Board did not recommend any payment of dividend for the financial year ended 30 April 2017.

### SIGNIFICANT CORPORATE DEVELOPMENTS

Following the previous year's report, I wish to highlight the following significant corporate developments:

1. As announced on 18 December 2012 and pursuant to the Supplemental Agreement dated 13 August 2012


Entrance to Four Seasons Hotel and Hotel Residences, Kyoto, Japan.

entered into between Selangor Turf Club ("STC") and Selat Makmur Sdn Bhd (now known as Berjaya Tagar Sdn Bhd), STC granted extension of time to 18 January 2018 to fulfill the remaining conditions precedent pursuant to the proposed acquisition of the Sungai Besi Land.

2. On 16 December 2015, B-Land announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited ("BLCL") had entered into a Construction Project Transfer Agreement with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") for the disposal of the Berjaya (China) Great Mall Recreation Centre, which was under construction and located in Sanhe City, Hebei Province the People's Republic of China for a cash consideration of RMB2.08 billion (equivalent to about RM1.39 billion).

   The disposal was completed on 16 December 2016, upon the receipt of RMB1.065 billion cash by GMOC. The balance of cash consideration of RMB1.015 billion ("Final Instalment") will be received by November 2017. Subsequently, on 28 April 2017, B-Land announced that GMOC entered into a supplementary agreement with Beijing SkyOcean to adjust the total cash consideration from RMB2.08 billion to RMB2.039 billion, and accordingly revised the Final Instalment to RMB974 million as a result of part of the land being regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

3. On 22 September 2016, B-Land announced that its 100%-owned subsidiary, Alam Baiduri Sdn Bhd had entered into a sale and purchase agreement with BerjayaCity Sdn Bhd, a 100%-owned subsidiary of Berjaya Corporation Berhad, for the purchase of about 871.01 acres of freehold lands, all in Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan for a total cash consideration of RM155.00 million or at the price of RM177,954 per acre. The acquisition was completed on 31 March 2017.

4. On 9 December 2016, Berjaya Philippines Inc. ("BPI") announced that it had on 8 December 2016 executed a Share Sale Agreement to purchase from Bentley Motors Limited 6,589,934 shares of H.R. Owen, a subsidiary company of BPI, for a total consideration of £14.8 million (equivalent to about RM85.3 million), or £2.25 per share ("Share Purchase"). The Share Purchase was completed in the quarter ended 31 January 2017 and BPI's equity interest in H.R. Owen had increased from 72.03% to 98.38%.

5 On 15 February 2017, B-Land announced that BLCL had entered into a capital contribution transfer agreement for the proposed disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company ("BLong Beach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (equivalent to about RM65.32 million) and to waive all amounts owing by BLong Beach to BLCL. The proposed disposal is now pending completion.

## SUSTAINABILITY

With the latest development in sustainability reporting requirements by Bursa Malaysia Berhad, it is timely for the Company to take this important step to move towards providing a Sustainability Statement to address the increasing needs for sustainability information from the stakeholders.

Due to the diverse business nature of the Company, the scope of the inaugural Sustainability Statement covers material issues arising from its principal business activities in Malaysia namely property development, gaming, and hotels

H.R. Owen at the London Motor Show 2017.

A Toto draw in progress.


The annual Tioman Island Clean-Up Day by Berjaya Hotels & Resorts.

and resorts divisions. The statement offers an overview of the sustainability approach and initiatives made by these three business segments in how it creates economic value, protect the environment and pursue social development in their respective industry sectors.

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

Although the Company has experienced many business challenges due to the slower economic and business environment, the Company had strived to continue to fulfil its social responsibility. With this in mind, the Company aimed to strengthen its business operations and drive further cost efficiencies through various sustainable initiatives to remain competitive. Cost reduction through value engineering, water and energy consumption as well as effective waste management are some of the examples of sustainable initiatives implemented which can result in long-term cost savings while achieving further operational efficiency in its property development as well as the hotels and resorts business segments.

KM1 East Condominium, Bukit Jalil, Kuala Lumpur.

As the Company moves forward, it will aim to better understand how to achieve further sustainable operations while providing more focus on enhancing the current sustainability initiatives.

## FUTURE OUTLOOK

Despite the global uncertainties, the Malaysian economy registered a robust growth of 5.6% in the first quarter of 2017 compared to 4.5% in the fourth quarter of 2016 boosted by strong domestic demand and private expenditure. The higher cost of living arising from higher food prices and import costs is likely to continue to dampen consumer and investment sentiments.

Against this scenario, the Company expects the overall property market conditions to continue to be challenging with bank lending rules remaining tight and oversupply persisting in certain sub-sectors. However, the property development business segment anticipates that the demand for its affordable housing projects and other residential projects will remain strong especially developments at strategically located areas in Bukit Jalil, Kuala Lumpur with close proximity to urban public transportation systems.

Premier Suite at The Taaras Beach & Spa Resort, Redang, Malaysia.

The Group's complexes in the Golden Triangle are expected to remain resilient driven by its strategic locations despite the increased competition arising from the growing number of complexes at various locations within the Klang Valley.

The hotel industry is expected to remain challenging due to the increased competition from other hospitality service providers. Despite the foreseeable challenging environment, the hotels and resorts business segment will continue to enhance guests' experiences though greater levels of hospitality while strengthening its brand presence through the adoption of various innovative marketing strategies and diverse distribution channels to further expand its market reach.

The Number Forecast Operators ("NFO") business under Berjaya Sports Toto Berhad is expected to remain challenging with intense competition from the illegal gaming activities coupled with the rising cost of living which continues to dampen consumer sentiment. Nonetheless, it is expected that Sports Toto would maintain its market share in the NFO sector.

Moving forward, the Group will remain diligent and continue to adopt a cautious business strategy in the current uncertain market conditions. Given the current trajectory and modest growth outlook, the Directors are of the view that the Group's performance will continue to remain challenging in the financial year ending 30 April 2018.

## A NOTE OF APPRECIATION

On behalf of the Board, I would like to convey our sincere thanks to Dato' Ng Sooi Lin who has stepped down from his role as Chief Executive Officer effective 31 December 2016 and the retirement of Dato' Dickson Tan Yong Loong from the Board as Non-Independent/Non-Executive Director effective 13 October 2016 for their contributions during their tenure. Dato' Ng Sooi Lin remains as a member of the Board and has been re-designated as a Non-Independent/Non-Executive Director of the Company.

We take this opportunity to congratulate Datuk Pee Kang Seng @ Lim Kang Seng for his promotion to Chief Executive Officer of the Company effective 18 January 2017. He was appointed as Executive Director of the Company on 4 August 2016.

Our heartfelt thanks goes to all our valued customers, business associates, financiers and shareholders as well as the relevant government and regulatory bodies for their continue support. I also wish to express our sincere appreciation to the management team for their leadership as well as the employees and the agents for their steadfast commitment, hard work and resilience, particularly during this challenging period.

To my fellow Directors, thank you for your invaluable guidance and support and let's continue to work together as we navigate through another challenging journey ahead.

**Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim**
Chairman

9 August 2017

## OVERVIEW

Berjaya Land Berhad ("B-Land") and its subsidiaries ("Group") is one of Malaysia's leading companies with interest in gaming and lottery management, motor retailing, hotels and resorts, recreation development, vacation timeshare and property investment and development.

## PERFORMANCE REVIEW BY BUSINESS SEGMENTS

### GAMING

The toto betting and related activities business segment of B-Land Group is operated via Berjaya Sports Toto Berhad ("BToto"). BToto is principally engaged in the operations of Toto betting, leasing of online lottery equipment, and the manufacture and distribution of computerised lottery and voting systems. BToto's other business segments include the operation of a hotel in the Philippines and luxury motor retailing in the United Kingdom.

BToto has four main operating subsidiaries namely Sports Toto Malaysia Sdn Bhd ("Sports Toto"), Berjaya Philippines Inc., International Lottery & Totalizator Systems, Inc., USA ("ILTS") and H.R. Owen Plc ("H.R. Owen"), United Kingdom.

For the financial year under review, BToto reported an increase in revenue of 3.0% to RM5.731 billion mainly attributed to the higher revenue reported by its subsidiary H.R. Owen. Pre-tax profit dropped by 15.6% to RM376.1 million from RM445.7 million in the previous financial year, mainly due to the results of its principal subsidiary Sports Toto which was partly mitigated by the improved results reported by H.R. Owen and ILTS.

A Sports Toto outlet.

### MALAYSIA

Sports Toto, the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 7 games namely Toto 4D, Toto 4D Jackpot, Toto 5D, Toto 6D, Power Toto 6/55, Supreme Toto 6/58 and Grand Toto 6/63 which are drawn three days a week.

**Revenue**

For the financial year ended 30 April 2017, Sports Toto recorded revenue of RM3.12 billion compared to the previous year's revenue of RM3.18 billion, representing a decrease of 1.7%. The company's revenue for the financial year under review has been stated net of Gaming Tax as well as Goods and Services Tax ("GST") on gaming supply. Pursuant to a notification from the Royal Malaysian Customs Department ("RMCD") due to different interpretations on the value of gaming supply under the Goods and Services Tax Act ("GST Act"), Sports Toto made an additional GST adjustment of RM15.6 million in the financial year under review. Sports Toto had subsequently submitted a review application to RMCD's Director General for a review of RMCD's decision. Excluding the GST adjustment, the decrease in revenue would have been 1.2%. The decrease in revenue was also due to lower sales affected by weak consumer sentiment and intense competition from rampant illegal operators in the financial year under review.

Notwithstanding this, Sports Toto continued to remain as the market leader among all the Number Forecast Operators ("NFO") in the country in terms of total revenue for the financial year under review.

**Profit Before Tax**

Profit before tax decreased by 19.9% to RM332.5 million compared to RM415.1 million in the previous financial year. The lower profit before tax was mainly due to GST adjustment, higher prize payout and higher operating expenses incurred in the financial year under review. Consequently, this led to a lower profit before tax margin of 10.7% compared to 13.1% in the previous financial year.

**Profit After Tax**

Profit after tax decreased by 22.7% to RM230.6 million compared to RM298.5 million in the previous financial year, in line with the decrease in the profit before tax. This was due to GST adjustment, higher prize payout and higher operating expenses incurred in the financial year under review. Hence, profit after tax margin was lower at 7.4% compared to 9.4% in the previous financial year.

**Prospects**

With the intense competition from illegal gaming activities coupled with rising costs and weak consumer sentiment, the Directors envisage the NFO business to be challenging in the financial year ending 30 April 2018. However, the Board expects that Sports Toto will continue to maintain its market share in the NFO sector.

## THE PHILIPPINES

BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. ("BPI") which is listed on the Philippine Stock Exchange. BPI's major investments include wholly-owned subsidiary Philippine Gaming Management Corporation ("PGMC"), 98.38% equity interest in H.R. Owen and wholly-owned subsidiary, Perdana Hotel Philippines Inc. ("PHPI").

PGMC operates the business of leasing online lottery equipment and providing software support in the Luzon Region to the Philippine Charity Sweepstakes Office ("PCSO"), a Philippine government agency responsible for lotteries and sweepstakes; H.R. Owen, a luxury motor retailer, operates a number of vehicle dealerships in the prestige and specialist car market for both sales and aftersales, predominantly in London, UK. PHPI operates Berjaya Makati Hotel in Makati City, Metro Manila.

A lotto sales counter in Metro Manila, Philippines.

**Revenue**

BPI group recorded 7.5% increase in revenue to Peso28.5 billion from Peso26.5 billion in the previous financial year. The increase was primarily due to higher revenue contribution from H.R. Owen in the financial year under review.

PGMC recorded revenue of Peso1.6 billion, an increase of 1.3% from Peso1.58 billion in the previous financial year, mainly due to an increase in lease rental income in line with the increase in number forecast sales by PCSO.

BPI's other subsidiary, PHPI, which operates Berjaya Makati Hotel in Makati City, recorded revenue of Peso144.2 million compared to Peso146.5 million in the previous financial year. The decrease of 1.6% in revenue was mainly due to a decrease in room occupancy level compared to the previous financial year. Stiff competition from a newly-opened hotel in the vicinity and reduced room bookings from the corporate segment contributed to the decline in demand for hotel rooms in Makati City.

**Profit Before Tax**

BPI group recorded profit before tax of Peso984.2 million, an increase of 5.7% from the previous financial year, mainly due to higher revenue in the financial year under review.

PGMC's pre-tax profit decreased by 7.3% to Peso794.1 million compared to Peso856.5 million in the previous financial year, mainly due to higher operating costs resulting from the increase of hardware maintenance and advertising expenses as well as increase in contributions towards social causes during the financial year under review.

PHPI's pre-tax profit decreased by 91.2% to Peso0.3 million compared to Peso3.9 million in the previous financial year, mainly due to lower revenue from hotel rooms as well as higher operating expenses incurred in the financial year under review.

**Profit After Tax**

BPI group's profit after tax decreased marginally to Peso704.1 million compared to Peso706.3 million in the previous financial year. The effective tax rate for the financial year ended 30 April 2017 was higher at 28.5% compared to 24.2% in the previous financial year, mainly due to certain expenses not deductible for tax purposes in the financial year under review.

**Prospects**

The Philippines achieved strong economic growth of 6.9% in 2016 which is expected to moderate to between 6% and 6.5% in 2017.

PCSO is seeking to launch 2 new games and increase the betting draw frequency of its existing games. PCSO is also exploring the use of mobile devices in addition to the traditional lotto outlets to improve accessibility for the betting public to buy lotto tickets.

The increasing arrivals of international tourists and sustained domestic travel are positive indications that the tourism and hotel industry in the Philippines will continue to grow. Berjaya Makati Hotel has embarked on a new room type structure and will continue with its refurbishment programmes to drive sales especially in the Deluxe and Premier Room categories. Berjaya Makati Hotel will also continue to focus on customer service and delivery to create customer loyalty and retention in the food and beverage department to increase its profitability.

## THE UNITED STATES OF AMERICA

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

### Revenue/Profit Before Tax

For the financial year ended 30 April 2017, ILTS recorded a higher profit before tax of USD7.0 million compared to USD3.4 million in the previous financial year. This was mainly due to the increase in contract sales especially from Berjaya Gia Thinh Investment Technology Joint Stock Company which has an exclusive contract to invest in and operate a nationwide computerized lottery in Vietnam.

### Prospects

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

## UNITED KINGDOM

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

ILTS's point-of-sale terminals product line.


H.R. Owen's Bodytechnics bodyshop offers complete supercar repair service for its customers.

**Revenue**

For the financial year under review, H.R. Owen recorded revenue of £428.2 million compared to £355.6 million in the previous financial year, an increase of 20.4%, mainly due to an increase in the number of new models sold as well as aftersales service hours rendered.

H.R. Owen sold a total of 1,306 new prestige cars in the financial year under review compared to 982 prestige cars sold in the previous financial year, an increase of 33.0%. For pre-owned cars, the number of units sold increased to 1,849 units compared to 1,764 units sold in the previous financial year.

**Profit Before Tax**

H.R. Owen's pre-tax profit increased by 77.8% to £2.9 million compared to £1.6 million in the previous financial year, mainly due to higher revenue reported for the financial year under review.

**Capital Investment**

H.R. Owen made capital investments totalling £4.5 million, of which £2.2 million was related to a freehold property purchase while the rest was mainly incurred on new car dealerships, showrooms and aftersales facilities during the financial year under review.

**Prospects**

H.R. Owen expects to see modest improvement in the remainder of the financial year ending 30 April 2018, with improvements in the Bentley franchise and the used car operation in spite of slowing new car registrations in the UK.

## HOTELS AND RESORTS

The hotels and resorts business segment of B-Land Group is operated via the Berjaya Hotels and Resorts Division ("BHR"). BHR owns and operates 14 hotels and resorts locally and internationally.

For the financial year under review, BHR's total gross revenue increased to RM290.4 million from RM270.6 million registered in the previous financial year while profit before tax increased to RM24.6 million compared to RM15.3 million in the previous financial year.

The increase in total gross revenue was mainly due to the higher contributions from the Malaysian-based properties namely Berjaya Langkawi Resort and The Taaras Beach & Spa Resort driven by higher room business due to the growth in the leisure segment. Whilst room occupancy was flat at 62%, Average Room Rate ("ARR") increased by 7.7% which resulted in an 8.0% increase in Revenue per Available Room ("RevPAR") to RM199. The higher profit before tax was also due to the effective revenue management and cost control measures implemented during the financial year under review.

## MALAYSIA HOTELS & RESORTS

The major Malaysian-based hotels and resorts are Berjaya Langkawi Resort, Berjaya Times Square Hotel, Kuala Lumpur, Berjaya Tioman Resort and The Taaras Beach & Spa Resorts, Redang. These strategically located hotels and resorts have attracted tourist arrivals from various countries such as Singapore, Indonesia, Middle East, China, India, Europe, United Kingdom and Australia.

**Revenue**

The Malaysian-based hotels and resorts were affected by lower room night bookings from the Corporate FIT and Corporate Group market segments for the financial year ended 30 April 2017. As a result, the overall room occupancy level decreased by 1.0 percentage-point to 59.6% but ARR improved by 11.6%. The growth in the ARR mitigated the reduction in occupancy level which resulted in an increase in RevPAR by 9.7% to RM190. The total gross revenue increased by 7.4% to RM216.6 million compared to RM201.6 million in the previous financial year which was largely contributed by the room operation.

**Profit before Tax**

The Malaysian-based properties recorded an increase of 12.8% in profit before tax to RM18.5 million compared to RM16.4 million in the previous financial year, due to higher total gross revenue and effective cost control measures. This has offset a one-off provision of RM5.63 million for back-pay arising from a minimum wage dispute.

### Berjaya Langkawi Resort, Langkawi

The resort recorded an increase of 8.4% in total gross revenue to RM76.1 million from RM70.2 million in the previous financial year resulted from an increase in ARR for all market segments despite a relatively flat occupancy level which stood at 67.2%. The occupancy level was mainly supported by the room night bookings from the Transient FIT, Leisure FIT and Leisure Group segments of the Middle

Rainforest Studio at Berjaya Langkawi Resort, Malaysia.

Premier Room at Berjaya Times Square Hotel, Kuala Lumpur, Malaysia.

East, United Kingdom, China, India and Malaysia. The resort's food and beverage outlets also performed better, especially the banqueting operations. Overall, food and beverage revenue increased by 6.4% to RM20.0 million from RM18.8 million recorded in the previous financial year. However, profit before tax decreased to RM23.6 million from RM25.9 million in the previous financial year mainly due to a one-off provision of RM4.6 million for back-pay arising from a minimum wage dispute.

### Berjaya Times Square Hotel, Kuala Lumpur

The hotel experienced a decline from corporate markets and stiff competitive pressures resulting in a decrease in the room occupancy by 2.7 percentage-points to 63.3%. However, this was mitigated by a growth in ARR from the Leisure Group segment. The total gross revenue increased by 7.6% to RM73.2 million compared to RM68.0 million in the previous financial year while profit before tax increased to RM1.9 million compared to RM0.8 million in the previous financial year.

During the financial year under review, the hotel has completed the renovation work for 88 guest rooms and a new Executive Lounge. The newly renovated rooms and facilities are expected to bring positive impact to the hotel's operating performance for the financial year 2018.

### Berjaya Tioman Resort, Tioman

For the financial year under review, the resort recorded higher room night bookings from its leisure travel market but a decline in Corporate Group segment. As a result, the room occupancy of 41.0%, mainly contributed by the Transient FIT, Leisure FIT and vacation timeshare market segments of Malaysia, Singapore and China, remained in line with the previous financial year. Total gross revenue of RM18.8 million also remained in line with the previous financial year. The resort recorded a higher loss before tax of RM5.9 million compared to RM3.6 million in the previous financial year, due to an increase in property and maintenance expenses.

Berjaya Tioman Resort, Pahang, Malaysia.

The Taaras Beach & Spa Resort, Redang, Malaysia.

### The Taaras Beach & Spa Resort, Redang ("The Taaras")

The Taaras registered a 13.7% growth in total gross revenue to RM19.9 million compared to RM17.5 million in the previous financial year driven by an increase of 6.7 percentage-points in room occupancy level to 36.5% and improved ARR. The non-availability of scheduled commercial flight services to the island has made The Taaras less attractive to foreign guests. In view of this, the resort has entered into a partnership agreement with Prima Air in March 2017 to provide exclusive chartered flight services between Subang Airport and Redang Island for a seamless and quicker access to the resort for its guests.

### ANSA Kuala Lumpur

During the financial year under review, the hotel experienced stiff competition and pricing pressures from online private accommodation aggregators. As a result, the hotel's room occupancy decreased by 5.0 percentage-points to 66.4%, while ARR increased by 6.5%. The marginal increase in ARR was insufficient to mitigate the reduction in room occupancy, which led to a slight decrease in room revenue to RM9.5 million compared to RM9.7 million in the previous financial year. Nevertheless, the non-room department recorded a better performance which resulted in an increase of 10.2% in total gross revenue to RM12.9 million with profit before tax of RM0.8 million during the financial year under review.

Deluxe Room at ANSA Kuala Lumpur, Malaysia.

Berjaya Penang Hotel, Malaysia.

### Berjaya Penang Hotel (formerly known as Georgetown City Hotel)

During the financial year under review, the hotel's room night bookings were mainly contributed by the Transient FIT, individual business and leisure travellers from market segments of Malaysia and Indonesia as well as vacation timeshare market. Overall, the hotel's total gross revenue of RM13.5 million remained in line with the previous financial year with occupancy level stood at 67.2%. However, profit before tax decreased significantly by 68.3% mainly due to a one-off provision of RM1.03 million for back-pay resulted from a minimum wage dispute.

### OVERSEAS HOTELS & RESORTS

The major overseas hotels and resorts of B-Land Group are Berjaya Beau Vallon Bay Resort & Casino and Berjaya Praslin Resort in Seychelles, Berjaya Hotel Colombo, Sri Lanka, Berjaya Eden Park London Hotel and Castleton Hotel in London, United Kingdom.

The overseas hotels and resorts recorded an improvement in room occupancy level by 4.1 percentage-points to 70.7% compared to 66.6% in the previous financial year attributed to an increase in room night bookings from the Leisure FIT and Leisure Group market segments.

Overall, total gross revenue from BHR's overseas properties increased to RM73.8 million from RM69.0 million in the previous financial year mainly due to the improvement in operating results of Berjaya Beau Vallon Bay Resort & Casino and Berjaya Praslin Resort in Seychelles. In tandem, profit before tax increased to RM6.1 million compared to RM0.1 million in the previous financial year due to lower direct operating expenses and overhead costs.

**Berjaya Beau Vallon Bay Resort & Casino ("BBVB") and Berjaya Praslin Resort ("BPR"), Seychelles**

In Seychelles, aggressive marketing strategy had resulted in higher demand from the Transient FIT, Leisure FIT and Leisure Group segments which led to an increase in BBVB and BPR's occupancy levels by 7.0 percentage-points to 66.5% and 11.5 percentage-points to 58.5% respectively. As a result, the combined RevPAR increased by 9.8% compared to the previous financial year. For the financial year under review, BBVB and BPR recorded an increase in combined revenue of 18.4% to RM41.3 million from RM35.0 million in the previous financial year. In line with the higher combined revenue coupled with effective cost control measures, BBVB and BPR posted a combined profit before tax of RM3.7 million compared to a loss before tax of RM0.8 million in the previous financial year.

**Berjaya Hotel Colombo, Sri Lanka**

During the financial year under review, the hotel registered an occupancy level of 67.3% which was at par with the previous financial year. However, ARR increased by 5.6% which resulted in an increase of 5.3% in room revenue to RM4.2 million. However, the increase in room revenue was almost offset by a 3.1% decline in food and beverage revenue due to lower demand for banqueting and corporate meetings. As a result, the hotel's total gross revenue remained in line with the previous financial year at RM8.6 million while profit before tax stood at RM1.7 million.

**Berjaya Eden Park London Hotel, United Kingdom**

The hotel's occupancy level decreased by 3.0 percentage-points to 84% from 87% in the previous financial year due to the effect of BREXIT and continued threat of terrorism throughout Europe. As a result, the hotel's revenue decreased by 5.7% to RM14.4 million for the financial year under review. Moving forward, the hotel will enhance its rate management strategy to improve room yield for the next financial year.

**The Castleton Hotel, London, United Kingdom**

For the financial year under review, the hotel recorded an occupancy level of 86.8% with total gross revenue of RM6.7 million. The room night bookings were mainly contributed by the Transient FIT market segment.

**INTERESTS IN OTHER HOTELS**

B-Land Group also has interests in other hotels via its interests in an associated company which operates the Four Seasons Hotel and Hotel Residences in Kyoto, Japan and two joint ventures in Vietnam which operates Sheraton Hanoi Hotel and InterContinental Hanoi Westlake.

Berjaya Beau Vallon Bay Resort & Casino, Seychelles.

Berjaya Eden Park London Hotel, United Kingdom.

Shakusui-tei tea house at Four Seasons Hotel and Hotel Residences, Kyoto, Japan.

### Four Seasons Hotel and Hotel Residences, Kyoto, Japan

The hotel which was opened in October 2016 houses 123 guest rooms, 57 units of Four Seasons Hotel Residences, four dining venues, multi-purpose function rooms, an indoor pool and spa facilities. For the 7-month period ended 30 April 2017, the hotel recorded total gross revenue of RM83.6 million with room occupancy at 47.9% and ARR of RM4,600. After accounting for the one-off pre-opening expenses which amounted to RM17.1 million, the hotel incurred a loss before tax of RM12.4 million. Excluding the pre-opening expenses, the hotel would have reported a profit before tax of RM4.7 million. In addition, total gross revenue generated from the sales of the Four Seasons Hotel Residences amounted to RM317.4 million.

### Sheraton Hanoi Hotel, Vietnam

During the financial year under review, Sheraton Hanoi Hotel performed well due to an increase in domestic tourists and international arrivals. The hotel registered an increase in revenue by 11% to RM63.2 million supported by higher room occupancy level and higher ARR. Room occupancy level increased to 87.4% from 82.9% in the previous financial year while ARR increased by 9%. As a result, RevPAR rose by 15.1% to RM335 compared to RM291 in the previous financial year.

### InterContinental Hanoi Westlake, Vietnam

For the financial year under review, InterContinental Hanoi Westlake recorded a 7.5 percentage-points increase in occupancy level to 90.3% from 82.8% in the previous financial year while ARR increased by 4.4% driven by improved demand from the corporate and wholesaler market segments. As a result, revenue increased to RM73.8 million compared to RM67.1 million in the previous financial year.

### Future Prospects

The slower market conditions will continue to cause further uncertainties and apprehension amongst businesses, resulting in further pressure on the performance of the properties, especially within the Corporate segment. Against this backdrop, BHR will place greater emphasis and intensify its sales and marketing initiatives to increase business volume from the Leisure market from China and India. At the same time, BHR will step up its efforts to increase its revenue from the food and beverage business through various attractive food promotions and concepts as well as enhanced service quality. Alongside these efforts, BHR will remain diligent in its efforts to achieve better financial performance, greater operational efficiency and cost savings across the properties.

## CLUBS AND RECREATION

The Clubs and Recreation Division ("The Clubs") operates four golf clubs and one equestrian club located in the Klang Valley, Mantin (Negeri Sembilan) and Batu Pahat (Johor).

Sunset Bar at InterContinental Hanoi Westlake, Vietnam.

Bukit Jalil Golf & Country Resort, Kuala Lumpur.

Golf and equestrian are the core activities provided by The Clubs supported by other services such as sport facilities, dining outlets as well as banqueting facilities and event venue.

The Clubs have a total membership of 15,382 as at 30 April 2017 of which 8,056 are golf membership and 7,326 are non-golf membership.

During the financial year under review, Bukit Jalil Golf & Country Resort renovated its entire 18-hole golf course and was awarded the "Most Improved Golf Course in Malaysia" at the 2016 Malaysian Golf Awards while the Bukit Kiara Equestrian Country Resort refurbished and upgraded its swimming pool and other facilities within the resort.

**Revenue**

The revenue for the financial year ended 30 April 2017 increased to RM56.0 million compared with RM53.8 million in the previous financial year mainly due to the higher food and beverage business and revenue arising from the group membership termination exercise.

**Profit Before Tax**

For the financial year ended 30 April 2017, The Clubs recorded a higher pre-tax profit of RM11.1 million compared to RM4.9 million in the previous financial year mainly attributed to higher revenue generated from its newly renovated 18-hole golf course at Bukit Jalil Golf & Country Resort, Kuala Lumpur coupled with higher sales recorded from its food and beverage outlets.

**Future Prospects**

The financial year ending 2018 will remain competitive and challenging for the recreation club industry. The Clubs will continue to upgrade its facilities such as golf courses, food and beverage venues and amenities as part of its moving forward strategies. With a strong membership base and improved visitors' patronage, The Clubs' future prospects remain encouraging.

## VACATION TIMESHARE

Berjaya Vacation Club Berhad ("BVC") operates and manages a vacation timeshare membership scheme which provides and coordinates holiday accommodation packages at holiday resorts in Malaysia.

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

**Revenue**

For the financial year ended 30 April 2017, BVC reported a slight decrease in revenue to RM10.38 million from RM10.6 million registered in the previous financial year mainly due to lower annual resort maintenance fees received from its much lower BVC membership base coupled with a reduction in advance license fees recognised from the termination of BVC memberships.

**Operating Profit**

Operating profit decreased to RM743,000 from RM3.8 million in the previous financial year due to lower resort maintenance fees received, a reduction in recognition of advance license fees from the termination of delinquent memberships and higher operating expenses.

**Future Prospects**

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

## PROPERTY DEVELOPMENT

The property development business segment ("PD Division") of B-Land Group is primarily involved in the development of the Group's land bank locally and abroad.

The financial year under review has been another challenging year for the PD Division as the property market continued to slow down due to the lower domestic growth, tight financing conditions, as well as the weakening of the Malaysian Ringgit against the US Dollar. Against this challenging backdrop, the PD Division continued to focus its efforts on managing the on-going projects with prudent management of cost while ensuring deliverance of quality products to its purchasers.

During the financial year under review, the development projects at Bukit Jalil, Kuala Lumpur namely KM1 East and the The Link 2 Phase 1 continued to generate revenue for the PD Division. As at 30 April 2017, the The Link 2 Phase 1 and KM1 East have achieved a total gross sales value of RM458 million and RM231 million respectively. The The Link 2 Phase 1 comprising shop offices, street mall commercial lots and residences is scheduled to be delivered to purchasers in the fourth quarter of 2017.

The PD Division's first affordable homes project, Residensi Lanai at Bukit Jalil, Kuala Lumpur comprises 648 units of 3-bedroom units with built-up of 800 square feet and selling price of RM300,000 per unit. As at 30 April 2017, the project achieved a total gross sales value of RM87 million with 289 units sold.

Artist impression of the Residensi Lanai, Bukit Jalil, Kuala Lumpur.

Over at The Peak @ Taman TAR, the PD Division embarked on various marketing initiatives to re-introduce the remaining 16 unsold bungalow lots. These exclusive freehold gated and guarded bungalow lots with sizes ranging from 8,831 to 27,037 square feet are averagely priced at RM321 per square foot. The PD Division anticipates that more sales will be generated through these marketing efforts.

The final phase of the landed residential units at Taman Kinrara Section 4, Puchong was unveiled in the fourth quarter of 2016 featuring 29 units of 20 feet x 65 feet (IRIS) and 5 units of 24 feet x 97 feet superlink (JASMINE) double storey terrace homes with built-up ranging from 1,539 to 2,573 square feet. As at 30 April 2017, more than 80% of the total units have been sold with a total gross sales value of RM21.2 million.

Up north in Penang, the Phase 1 of Jesselton Villas, Kensington Garden featuring 69 units of bungalow lots with sizes ranging from 5,995 to 9,634 square feet are averagely priced at RM644 per square foot. As at 30 April 2017, 57% of the total units have been sold with a total gross sales value of RM170 million. Construction for the infrastructure of the project is anticipated to be completed by the end of 2017.

**Revenue**

For the financial year under review, the PD Division recorded revenue RM237.5 million compared to RM331.9 million reported in the previous financial year. The lower revenue was mainly due to the disposal of several parcels of land in the previous financial year.

**Loss Before Tax**

The PD Division recorded a lower loss before tax of RM6.1 million compared to a loss of RM125.2 million reported in the previous financial year, mainly due to lower expenses reported by the overseas projects, following the disposal of a major foreign development project. The substantial loss before tax in the previous financial year had included impairment of the aforesaid foreign development project amounting to RM131.6 million.

Locally, the PD Division reported a lower profit before tax of RM28.0 million compared to RM102.6 million in the previous financial year in line with a lower revenue. In addition, the profit before tax in the previous financial year had included a one-off capital gain of RM58.1 million arising from disposal of several parcels of land.

### Loss After Tax

The PD Division reported a lower loss after tax of RM27.2 million as compared to RM160.5 million registered in the previous financial year, due to the factors mentioned above.

### Future Projects

The PD Division is looking forward to launch two development projects located within Bukit Jalil, Kuala Lumpur. The first project, The Tropika features 13 units of shop offices, 15 retail outlets and 861 units of service apartments with sizes ranging from 731 square feet to 1,317 square feet. The total estimated gross development value ("GDV") for the project is RM700 million.

The second project within Bukit Jalil, Kuala Lumpur is The Botanika, comprising four towers of condominiums with sizes ranging from 850 square feet to 2,200 square feet. The total GDV for the project is estimated at RM1.0 billion.

Over at Berjaya Park, Shah Alam, the PD Division is planning another project, Timur Bayu, featuring 1,036 units of park villas and condominiums with an estimated GDV of RM650 million. Tapping on the housing needs from the growing population at Berjaya Park and its surrounding areas, the PD Division anticipates that the project will be well-received.

### Future Prospects

The local property market is anticipated to remain subdued and continued to be impacted by economic uncertainties both domestically and abroad. Against this scenario, the residential market is expected to be sustained by strong demand particularly in the affordable housing segment.

The PD Division is cautiously optimistic that the demand for its development projects at Bukit Jalil and around the Klang Valley which are competitively priced and strategically located with good accessibility and good development concept will remain strong.

Moving forward, the PD Division will continue to exercise prudent cost management measures to achieve further operational efficiency while providing greater focus on developing innovative products that meet the demands of homebuyers.

Berjaya Megamall, Kuantan, Pahang.

## PROPERTY INVESTMENT

The Property Investment Division ("PI Division") owns 3 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur and Berjaya Megamall in Kuantan, Pahang. Collectively, these properties achieved an average occupancy rate of 81% during the financial year under review compared to 89% in the previous financial year.

### Revenue

For the financial year ended 30 April 2017, the PI Division registered a marginal decline in revenue to RM29.1 million compared to RM30.9 million in the previous financial year primarily attributed to lower occupancy rate.

### Profit Before Tax and Profit After Tax

For the financial year under review, the PI Division reported a decline in profit before tax of 32.8% to RM17.2 million from RM25.6 million due to lower fair value gains of investment properties.

Consequently, profit after tax declined by 37.4% to RM13.4 million from RM21.4 million in the previous financial year.

### Future Prospects

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

# CORPORATE STRUCTURE

## of main subsidiaries, associated companies and joint ventures as at 9 August 2017

### BERJAYA LAND BERHAD

#### HOTELS, RESORTS, RECREATION DEVELOPMENT, VACATION TIMESHARE AND OTHERS

- **100%** Berjaya Vacation Club Berhad
  - Berjaya Penang Hotel - Malaysia *(formerly known as Georgetown City Hotel, Penang)*
- **100%** Berjaya Vacation Club (Cayman) Limited
  - Berjaya Eden Park London Hotel - United Kingdom
- **100%** BHR (Cayman) Limited
  - The Castleton Hotel, London - United Kingdom
- **100%** ANSA Hotel KL Sdn Bhd
  - ANSA Kuala Lumpur - Malaysia
- **100%** Berjaya Langkawi Beach Resort Sdn Bhd
  - Berjaya Langkawi Resort, Kedah - Malaysia
- **99.5%** The Taaras Beach & Spa Resort (Redang) Sdn Bhd
  - The Taaras Beach & Spa Resort, Redang Island, Terengganu - Malaysia
  - Redang Island Resort, Terengganu - Malaysia
- **86.25%** Tioman Island Resort Berhad
  - Berjaya Tioman Resort, Pahang - Malaysia
- **100%** BTS Hotel Sdn Bhd
  - Berjaya Times Square Hotel, Kuala Lumpur - Malaysia

- **100%** Berjaya Beau Vallon Bay Beach Resort Limited
  - Berjaya Beau Vallon Bay Resort & Casino - Seychelles
- **100%** Berjaya Praslin Limited
  - Berjaya Praslin Resort - Seychelles
- **100%** Perdana Hotel Philippines Inc.#
  - Berjaya Makati Hotel, Makati - Philippines#
- **92.6%** Berjaya Mount Royal Beach Hotel Limited
  - Berjaya Hotel Colombo - Sri Lanka
- **50%** Berjaya Hotay Joint Venture Company Limited
  - Sheraton Hanoi Hotel, Hanoi - Vietnam
- **75%** T.P.C. Nghi Tam Village Limited
  - InterContinental Hanoi Westlake, Hanoi - Vietnam
- **50%** Kyoto Higashiyama Hospitality Assets TMK*
  - Four Seasons Hotel and Hotel Residences, Kyoto - Japan

- **100%** Bukit Kiara Resort Berhad
  - Bukit Kiara Equestrian & Country Resort, Kuala Lumpur
- **100%** KDE Recreation Berhad
  - Kelab Darul Ehsan, Selangor
- **100%** Berjaya Golf Resort Berhad
  - Bukit Jalil Golf & Country Resort, Kuala Lumpur
  - Arena Green Apartments, Kuala Lumpur
  - Greenfields Apartments, Kuala Lumpur
  - Green Avenue Condominiums, Kuala Lumpur
  - Savanna Condominiums, Kuala Lumpur
  - Savanna 2, Kuala Lumpur
  - Covillea, Kuala Lumpur
  - Jalil Link @ Bukit Jalil, Kuala Lumpur
  - KM1 West Condominiums, Kuala Lumpur
  - KM1 East Condominiums, Kuala Lumpur
  - The Link 2 @ Bukit Jalil, Kuala Lumpur
  - Residensi Lanai @ Bukit Jalil, Kuala Lumpur
- **80%** Staffield Country Resort Berhad
  - Staffield Country Resort, Negeri Sembilan
- **100%** Indah Corporation Berhad
  - Bukit Banang Golf & Country Club, Johor
- **100%** Berjaya Air Sdn Bhd
- **51%** Asia Jet Partners Malaysia Sdn Bhd
- **98.38%** H.R. Owen Plc, United Kingdom#
- **27.09%** Informatics Education Ltd, Singapore

Listed Companies
\+ Combined Interest

*# subsidiary companies of Berjaya Philippines Inc.*
** subsidiary company of Berjaya Corporation Berhad*

## PROPERTY INVESTMENT & DEVELOPMENT

- 100% Taman TAR Development Sdn Bhd
  - The Peak @ Taman TAR, Ampang, Selangor
- 100% Berjaya Tagar Sdn Bhd
  - Seputeh Heights, Kuala Lumpur
  - Vasana 25, Kuala Lumpur
  - Subang Heights, Shah Alam, Selangor
- 80% Pakar Angsana Sdn Bhd
  - Berjaya Park, Shah Alam, Selangor
- 100% Sri Panglima Sdn Bhd
  - Taman Kinrara IV, Puchong, Kuala Lumpur
- 100% Berjaya Land Development Sdn Bhd
  - Kelang Lama New Business Center, Kuala Lumpur
  - Gemilang Indah Apartments, Kuala Lumpur
  - Medan Indah, Kota Tinggi, Johor
  - Taman UPC, Ayer Hitam, Johor
  - Bandar Banang Jaya, Batu Pahat, Johor
  - Robson Condominiums, Kuala Lumpur
  - Jesselton Villas, Penang
- 100% Securiservices Sdn Bhd
  - 1 Petaling Residences & Commerz @ Sg. Besi, Kuala Lumpur
  - Petaling Indah Condominiums, Kuala Lumpur
  - 3-Storey Shop Office @ Sg. Besi, Kuala Lumpur
- 80% Berjaya-Handico 12 Co. Ltd
  - Ha Noi Garden City, Hanoi - Vietnam
- 100% Berjaya Vietnam Financial Center Limited
  - Vietnam Financial Center, Ho Chi Minh City - Vietnam
- 75% Berjaya-D2D Company Limited
  - Bien Hoa City Square, Dong Nai Province - Vietnam
- 100% Berjaya VIUT Ltd
  - Vietnam International University Township, Ho Chi Minh City - Vietnam
- 72.6% Berjaya Jeju Resort Limited
  - Jeju Island - South Korea
- 100% Berjaya Okinawa Development Co. Ltd
- 100% Nural Enterprise Sdn Bhd
  - Plaza Berjaya, Kuala Lumpur
- 100% Kota Raya Development Sdn Bhd
  - Kota Raya Complex, Kuala Lumpur
- 100% Cempaka Properties Sdn Bhd
  - Berjaya Megamall, Kuantan, Pahang
  - Kuantan Perdana, Kuantan, Pahang

\+

- 12.78% Berjaya Assets Berhad
  - Berjaya Times Square, Kuala Lumpur
  - Natural Avenue Sdn Bhd
  - Berjaya Waterfront Hotel, Johor Bahru, Johor
  - Berjaya Waterfront Complex, Johor Bahru, Johor
  - Menara MSC Cyberport, Johor Bahru, Johor
  - Islington on the Green, London, United Kingdom
  - Oriental Assemblers Sdn Bhd

## GAMING & LOTTERY MANAGEMENT

\+

- 92% Berjaya International Casino Management (Seychelles) Limited

\+

- 40.23% Berjaya Sports Toto Berhad
- 100% Sports Toto Malaysia Sdn Bhd

\+

- 88.26% Berjaya Philippines Inc
- 100% Philippine Gaming Management Corporation
- 100% International Lottery & Totalizator Systems, Inc. USA
- 100% Unisyn Voting Solutions, Inc., USA

# GROUP FINANCIAL SUMMARY

| DESCRIPTION | 2017 US$'000 | 2017 RM'000 | 2016 RM'000 RESTATED | 2015 RM'000 RESTATED | 2014 RM'000 RESTATED | 2013 RM'000 RESTATED |
|---|---|---|---|---|---|---|
| Revenue | **1,464,177** | **6,371,366** | 6,283,997 | 5,910,163 | 5,021,299 | 4,246,613 |
| Profit Before Tax | **132,442** | **576,321** | 8,961 | 25,276 | 535,248 | 461,390 |
| Profit/(Loss) for the Year | **94,501** | **411,221** | (165,024) | (161,828) | 309,013 | 296,775 |
| Profit/(Loss) Attributable To Owners of the Parent | **67,733** | **294,738** | (270,637) | (382,960) | 104,620 | 33,033 |
| Share Capital | **574,553** | **2,500,168** | 2,500,168 | 2,500,168 | 2,500,168 | 2,500,168 |
| Reserves | **469,428** | **2,042,717** | 1,852,320 | 2,013,035 | 2,450,979 | 2,302,163 |
| **Equity Funds** | **1,043,981** | **4,542,885** | 4,352,488 | 4,513,203 | 4,951,147 | 4,802,331 |
| Treasury Shares | **(4,757)** | **(20,699)** | (20,699) | (20,699) | (45,466) | (45,466) |
| **Net Equity Funds** | **1,039,224** | **4,522,186** | 4,331,789 | 4,492,504 | 4,905,681 | 4,756,865 |
| Non-controlling Interests | **537,474** | **2,338,819** | 2,630,205 | 2,668,181 | 2,616,632 | 2,555,029 |
| **Total Equity** | **1,576,698** | **6,861,005** | 6,961,994 | 7,160,685 | 7,522,313 | 7,311,894 |
| Long Term Loans | **409,591** | **1,782,336** | 2,859,025 | 3,238,987 | 2,456,877 | 1,353,043 |
| Deferred Tax Liabilities | **243,829** | **1,061,021** | 1,218,603 | 1,185,069 | 1,231,648 | 1,195,242 |
| Other Non-Current Liabilities | **27,879** | **121,316** | 138,775 | 165,513 | 176,609 | 180,016 |
| Current Liabilities | **756,710** | **3,292,822** | 3,252,369 | 2,432,891 | 2,658,863 | 2,250,783 |
| **Total Equity and Liabilities** | **3,014,707** | **13,118,500** | 14,430,766 | 14,183,145 | 14,046,310 | 12,290,978 |
| Property, Plant And Equipment | **392,864** | **1,709,547** | 1,732,398 | 2,586,999 | 2,396,591 | 1,838,930 |
| Intangible Assets | **923,830** | **4,020,046** | 4,712,683 | 5,105,624 | 5,585,397 | 5,463,962 |
| Other Non-Current Assets | **874,489** | **3,805,340** | 3,402,592 | 2,634,335 | 2,680,652 | 2,716,861 |
| Current Assets | **813,662** | **3,540,651** | 3,603,311 | 3,798,178 | 3,370,139 | 2,242,921 |
| Assets Held for Sale | **9,862** | **42,916** | 979,782 | 58,009 | 13,531 | 28,304 |
| **Total Assets** | **3,014,707** | **13,118,500** | 14,430,766 | 14,183,145 | 14,046,310 | 12,290,978 |
| Net Assets Per Share (US$/RM)* | **0.21** | **0.91** | 0.87 | 0.90 | 0.98 | 0.95 |
| Net Earnings/(Loss) Per Share (US$/RM)* | **0.014** | **0.06** | (0.05) | (0.08) | 0.02 | 0.01 |
| Dividend (cents/sen)* | **–** | **–** | – | – | 1.00 | 1.00 |
| Dividend Amount (US$'000/RM'000) | **–** | **–** | – | – | 49,894 | 37,322 |

**Notes:**

Certain comparative amounts have been adjusted as a result of the change of accounting policy and prior year adjustments, as disclosed in Note 2.6 to the financial statements.

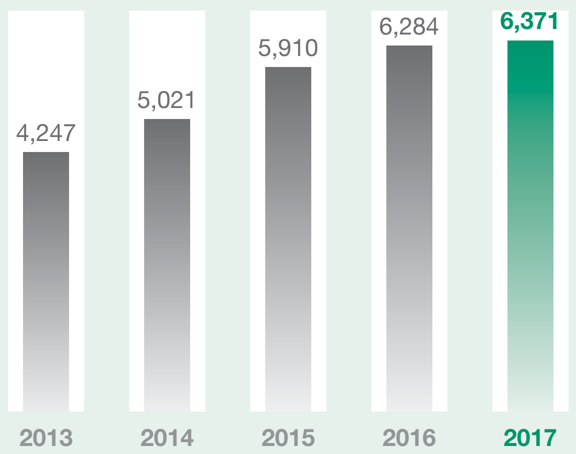
Net assets per share represents the net equity funds divided by the weighted average number of outstanding shares with voting rights in issue.

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

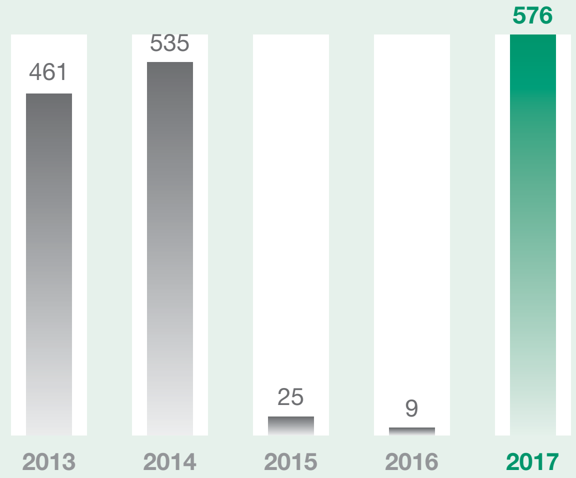
Exchange rate as at 30-4-2017: US$1.00=RM4.3515

# GROUP FINANCIAL HIGHLIGHTS

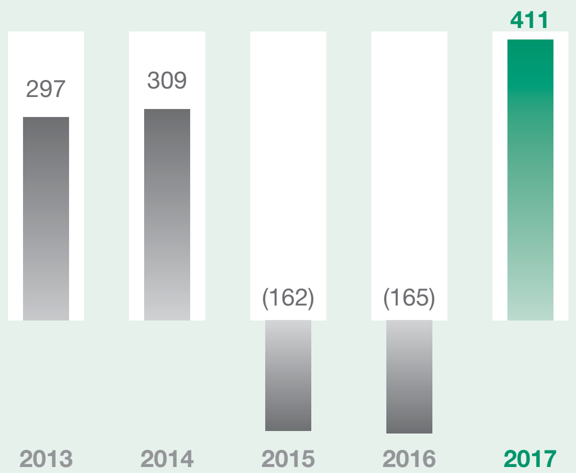
**REVENUE** (RM' MILLION)



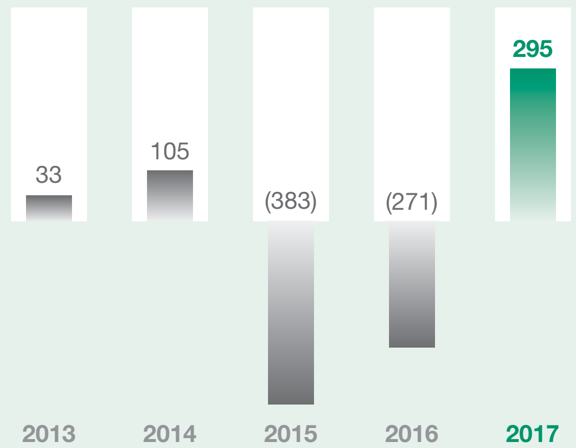

**PROFIT BEFORE TAX** (RM' MILLION)



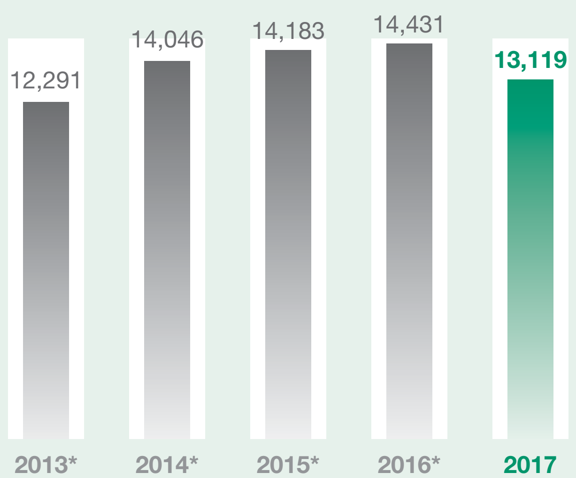

**PROFIT/(LOSS) FOR THE YEAR** (RM' MILLION)



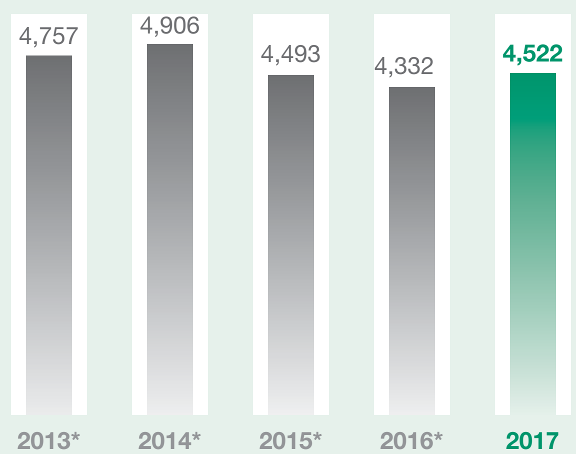

**PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT** (RM' MILLION)




**TOTAL ASSETS** (RM' MILLION)




**NET EQUITY FUNDS** (RM' MILLION)




* Restated

# SUSTAINABILITY STATEMENT

## 1. REPORTING PROFILE AND SCOPE

This is the first sustainability statement released by Berjaya Land Berhad ("B-Land") in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Sustainability Reporting Guide for the financial year ended 30 April 2017 which highlights the Company's commitment to undertaking business in a responsible and sustainable manner.

The information available in this section focuses primarily on the operations and management of economic, social and environmental sustainability of the Company for the financial year ended 30 April 2017.

Due to the diverse business nature of the Company, the scope of the inaugural sustainability statement covers material issues arising from its principal business activities in Malaysia namely, property development, gaming and hotels and resorts. It does not include the social and environmental sustainability aspects of the other business operations in the Philippines, Vietnam, United Kingdom and the United States of America at this juncture.

The statement offers an overview of the sustainability approach and initiatives made by these three business segments in how it creates economic value, protect the environment and pursue social development in their respective industry sectors. From the key sustainability initiatives to the community support and development programmes reaching out to various communities, the statement outlines the various practices that have been embedded into the Company's processes with the ultimate aim to bring more value to our businesses, society and stakeholders.

Given that this is the Company's first sustainability statement, the data collection remains limited to selected economic, environment and social indicators that contribute to the sustainable development of B-Land and its subsidiaries and are of interest to its internal and external stakeholders. The information and data disclosed in this statement were derived from internal reporting processes, systems and records.

The structure and content of this statement draws upon guidance from Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

## 2. OUR APPROACH TO SUSTAINABILITY

The scale and diversity of B-Land's businesses means the Company faces a wider range of issues in the course of its operations. In this aspect, the Company makes every effort to integrate sustainability into the core of its business operations. The Company strives to support economic growth that benefits every level of society, while minimising any adverse environmental and social impacts arising from its daily business operations guided by a long-term strategy comprising 3 main aspects:-

**ECONOMIC SUSTAINABILITY**

Creation of long-term value for shareholders and added value for all the Company's stakeholders

**SOCIAL SUSTAINABILITY**

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

**ENVIRONMENTAL SUSTAINABILITY**

Striving towards reducing our environmental footprint by improving on efficiency of resources and supporting conservation efforts.

For the year under review, the Company formalised its sustainability journey with the setting up of a Sustainability Working Committee comprising representatives from various business units and teams across the Company. Governed by the Board of Directors of B-Land, the Sustainability Working Committee oversees the overall planning and implementation of sustainability practices in a continuous and systematic manner.

To better understand the impacts and issues that are most relevant and of greatest concern to the Company, a series of meetings were conducted with the key executives and management from the three business segments contributing their expertise to the materiality identification process. The process enabled the effective identification and defined the scope of material issues within the economic, social and environment aspects across the Company. The findings were then submitted to the Sustainability Working Committee for evaluation and subsequently, the sustainability statement was presented to the Board for review and approval.

In developing the list of materiality issues and the reporting framework, a broad range of references were studied by the Committee members including the Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

## 3. STAKEHOLDER ENGAGEMENT

The Company believes that the approach of stakeholder engagement is integral to the development of its sustainability strategy, and is also a pre-requisite for long-term sustainable growth. To this end, the various operating companies and subsidiaries under B-Land continue to focus on building a good rapport and relationships with their respective stakeholders through various communication platforms to collect feedback on issues that are of importance to the businesses and the stakeholders.

As each of the stakeholders impact and influence the Company's businesses differently, the engagement activities are on an on-going basis, depending on the purpose and needs. The Company's key stakeholders and engagement platforms are as listed below:-

| Stakeholder Group | Engagement platforms |
|---|---|
| Government and Regulators | • On-going meetings and interactions with the regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters concerning the customers and the general public. |
| Customers | • Regular networking activities (property buyers).<br>• Formal and informal meetings to collect feedback, attend to grievances and disseminate information on property development projects (property buyers).<br>• Conducts customer survey once every 3 years to better understand customers' needs and expectations on the company's products and services (Gaming customers).<br>• Guest experience surveys (hotel customers).<br>• Online reservation (hotel customers). |
| Employees | • New staff orientation.<br>• Internal engagement channels i.e. Berjaya Intranet and quarterly newsletters.<br>• Training and development programmes. |
| Contractors/ consultants/ suppliers | • Tendering and procurement process.<br>• Regular meetings. |
| Media | • Regular engagement and updates with the mainstream media.<br>• Press conference and media releases relating to key business development as well as corporate social responsibility ("CSR") activities. |
| Communities, non-governmental organisations, peer companies, industry groups | • Focus groups and consultative meetings.<br>• Volunteering opportunities and charitable events. |
| Shareholders/ Investors | • Communications via announcements to Bursa Securities, General Meetings, the Company's website as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required. |

## 4. SUSTAINABILITY GOVERNANCE

Sustainability Governance is one of the core elements that ensure sustainable development of the Company's businesses. The Company strives to maintain a high standard of governance and firmly believes in accountability and transparency to maximise economic, environmental and social returns to all its stakeholders.

The core responsibilities of the governance structure rest on the Board comprising professionals from a wide range of business experience and expertise. Through its diverse membership, focused committees and commitment to adopting best practices, the Board is committed to maintain sound internal controls and effective risks management to enhance transparency, accountability, integrity and honesty to earn the trust of its stakeholders. The Board views the commitment to promote sustainability strategies in the economic, environment and social aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

Within the sustainability governance structure, each operating company is represented by a Material Entity Sustainability Officer who collated the various sustainability initiatives implemented and prepared the sustainability report. The sustainability report of each operating company is provided to the Sustainability Working Committee for review and facilitates the preparation of the sustainability statement for the Company.

Moving forward, the Company strives to improve its monitoring process on the implementation of its internal control measures and sustainability initiatives. The Board and management are committed to continually refining and improving these processes over time. The financial figures in this Sustainability Statement have been externally verified.

For more detailed information on the Company's Statement on Corporate Governance and Statement on Risk Management and Internal Control, please refer to pages 40 to 56 of B-Land Annual Report 2017.

**SUSTAINABILITY GOVERNANCE STRUCTURE**

| | |
|---|---|
| **Guide & support** | **CEO<br>Board of Directors** |
| **Harmonize & standardize** | **Head of Sustainability** |
| **Plan & strategize** | **Sustainability Working Committee ("SWC")** |
| **Manage & control** | **Material Entity Sustainability Officer ("MESO")** |
| **Implement ESE & monitor results** | **Operating Entities**<br>(Operations & Marketing/Human Resources/Finance/ Information Technology/Others) |

*Note: ESE denotes economic, social and environmental aspects.*

## 5. ECONOMIC SUSTAINABILITY

### i. FINANCIAL PERFORMANCE

**B-Land's financial performance highlights for FYE 2017**

**REVENUE**

RM6.37 billion
(FYE 2016 – RM6.28 billion)

**PROFIT/(LOSS) AFTER TAX**

RM411.22 million
(FYE 2016
– Loss of RM165.02 million)

**RETURN ON EQUITY**

6.7%
(FYE 2016 – (6.1%))

**NET ASSETS PER SHARE**

RM0.91
(FYE 2016 – RM0.87)

Despite the challenging economic and business environment, the Company continued to persevere and operate effectively through stringent and prudent management of cost and available resources. Against a backdrop of economic uncertainties and rising cost of living which are expected to continue to dampen consumer and investment sentiments, the Group will continue to strive towards further operational efficiency through various initiatives to drive revenue and manage costs.

For more information about the Group's financial performance, please refer to the Group Financial Summary and Highlights on pages 26 and 27 of B-Land Annual Report 2017.

### ii. PROCUREMENT

With its standard operating procedures for purchasing, the Company endeavour to create a positive impact by supporting procurement of products and services from locally established business entities in-line with the Government's effort to spur the economy through local spending.

At the Property Development Division ("PD Division"), procurement is conducted through a stringent process that involves tendering, evaluation of tenders in terms of pricing, credibility and financial position of tenderers and other related matters before the recommendation of award is prepared, usually by way of contract or letter of appointment. The PD Division has successfully achieved 100% local procurement for award of contractors and appointment of consultants for two of its on-going projects namely Phase 1 of the Link 2 at Bukit Jalil, Kuala Lumpur and Kensington Gardens @ Jesselton Villas, Penang.

The same procedures apply to Berjaya Hotels & Resorts ("BHR") giving priority to competitively priced locally produced items and responsibly-sourced products and services to support the local economy and reduce transportation-related emission.

Where local procurement is not always possible such as the specialized technical equipment for lottery operations, the relevant business unit will look for opportunities to procure products and services from other entities within the Group. These include the lottery terminals, central system and software procured from our subsidiary company, International Lottery & Totalizator Systems, Inc. ("ILTS"), which is a leading supplier of lottery system with more than three decades of operations and has provided lottery systems with installations for over 25 customers in more than 20 countries, having supplied more than 65,000 wagering terminals.

The Link 2, Bukit Jalil, Kuala Lumpur.

### iii. COST REDUCTION THROUGH VALUE ENGINEERING

The PD Division's project team closely monitor works in progress when a project is underway to ensure the works are carried out in accordance to a high standard of excellence in quality. The project team constantly evaluate building designs and explore alternative material usage that will bring about cost reduction through value engineering without compromising the quality of its deliverance. This process was implemented at Phase 1 of the Link 2 at Bukit Jalil, Kuala Lumpur where cost efficient alternative materials and equipment were selected for the swimming pool, floor finishes, children playground and play area without compromising on quality and reliability.

## 6. ENVIRONMENTAL SUSTAINABILITY

As the global communities rally to mitigate the harsh effects of climate change and preservation of natural resources for future generation, B-Land and its subsidiaries strives to manage and reduce the impact of its businesses on the environment by making continuous efforts to improve environmental performance as well as to inculcate the practice of environmental sustainability in its business operations.

### i. ENVIRONMENTAL MONITORING

The PD Division has taken steps to reduce the impact of its development on the environment through stringent environmental monitoring by experts, efficient energy management and conservation of natural environment and water.

The PD Division is committed to the preservation of its natural surroundings and minimising pollution of air, water and noise in its development projects. At the Jesselton Villas, Penang, environmental specialist services were engaged to carry out pre-development environment impact assessment ("EIA") and post EIA environment monitoring. The post EIA monitoring covers the scope of environmental monitoring segment encompassing river water quality, discharges from sediment ponds, air quality and noise levels at various locations of the project site on a monthly basis. A monthly report documenting the results and findings of the environmental monitoring works conducted as part of the environmental management programme outlined in the Environment Management Plan ("EMP") is submitted by the consultant to the PD Division for review and necessary actions.

### ii. EFFICIENT ENERGY MANAGEMENT

The PD Division incorporated green building features as outlined in the green building initiative by the Real Estate and Housing Developers' Association Malaysia ("REHDA Malaysia") as a basic provision in new development projects to promote environmental sustainability in the planning, design, construction and operation of building projects.

Some of the green building features and designs such as natural ventilation and daylighting for common areas at the lift lobbies, corridors, staircases, toilets and carparks, usage of sustainable


BHR's Loving Earth cards inviting guests to participate in its towel and linen reuse programme.

building materials that reduce heat and noise and usage of plumbing and sanitary wares with water saving features, lifts and escalators with energy efficient control mechanism, greenery provision and community connectivity have been adopted by its mixed development project at Phase 1 the Link 2, Bukit Jalil, Kuala Lumpur which has successfully gained the certification of “GreenRE Bronze” for both its residential and non-residential development. GreenRE is the green initiative arm of REHDA Malaysia established to encourage the property development industry to be more sustainable, emphasizing on passive design to promote greater adoption of green practices and technology amongst the Malaysian Real Estate corporations.

BHR manages its energy consumption and efficiency improvements through the installation of solar water heating systems and capacitor bank for efficient power system and upgrading of energy efficient lighting and replacement of incandescent and fluorescent light bulbs with low-energy LED lights, among others. To further reduce energy and water usage, guests are also offered linen and towel reuse options.

At the Group level, although electricity consumption during the financial year was not substantial, it had implemented energy saving initiatives by encouraging employees and operating companies to adopt various practices at the workplace and sustainable use of energy and water in their operations by minimizing energy consumption.

**iii. CONSERVATION OF NATURAL ENVIRONMENT & MARINE ECOSYSTEM**

In its effort to conserve the natural environment, the PD Division also advocates the preservation of natural habitats of flora and fauna on the land that it develops.

At the Jesselton Villas project in Penang, its natural environment has been preserved by adopting the policy of zero felling of grown matured trees in its development. For Kensington Gardens (Parcel 1) @ Jesselton Villas, a total of 122 out of 433 matured trees were successfully relocated and replanted within the development. Each of these trees were transplanted according to the prescribed methodology and monitored closely to ensure its successful sustainability in the new environment.

In line with the development authorities’ requirement, the Division has also set aside 10% of plot area for greenery and landscape as part of its effort to maintain the natural green lungs.

As part of its efforts towards marine conservation, BHR continued to spread awareness on marine ecosystem preservation through the annual Tioman World Ocean Day with activities such as a clean-up dive to remove sea debris and crown-of-thorns starfish from the sea beds. Berjaya Tioman Resort and The Taaras Beach & Spa Resort in Redang Island are developing a coral re-planting programme which will not only aid in rehabilitation of damaged reefs, but also allowed guests to participate and learn more about coral reefs conservation. The cultivation of the coral reefs is progressing well and had shown great results in enhancing its growth rate. In addition, BHR also regularly organises resort and beach cleaning activities as part of its efforts to manage waste and debris around the resorts. As most of the marine debris is brought in by high tides and rains, each cleaning session covers the entire resort – from beaches, walkways to the jungle and public areas.

BHR also supported the “We’re FINished with FINs” campaign with the implementation of a complete ban on the sale of shark fin dishes in its hotels and resorts.

**iv. WATER CONSERVATION**

The PD Division’s effort to conserve water starts from the on-set of project design and development. It has been emphasized to our consultants to implement water conservation features such as the drought-resistant plants for landscape to reduce irrigation water requirements and usage of self-closing taps and water saving flush systems for the toilets in its development.

Coral re-planting programme in Tioman Island, Pahang.

Contractors at Phase 1 of the Link 2, Bukit Jalil, Kuala Lumpur have been harnessing ground water for construction usage. The ground water is collected from a tube well and stored in a water tank for general site cleaning, washing and other construction activities. Rain water is also harnessed for general cleaning, sanitation and irrigation usage at the same development site, thus reducing consumption of treated water. This water conservation effort is monitored via daily recording in a log book by the contractors.

As part of its water conservation efforts, BHR introduced several measures including installation of water saving devices such as low-flow faucet and toilet fixtures in guestroom bathrooms and common area washrooms.  Water sub-meters and daily sub-meters were installed for evaluation and monitoring of water consumption as well as early detection of leaks. This will enable precise planning and implementation of improvements.

**v. WASTE MANAGEMENT AND RECYCLING**

Increased efforts are also being made to promote awareness of the 3R practices of Reduce, Reuse and Recycle within the business operations and manage waste responsibly.

BHR continued to improve on its waste management by implementing several initiatives which include identifying and partnering with organisations that collect used cooking oil and grease for biofuel production and food waste for animal feed production. To significantly reduce the usage of disposable plastic bottles, Berjaya Langkawi Resort and Berjaya Times Square Hotel are providing filtered drinking water in recyclable glass bottles to its in-house guests. This initiative will be introduced in stages to other properties owned and managed by BHR. In addition, a majority of the cleaning products used are eco-friendly, thereby reducing potential harm to the environment. Recycle bins are also placed strategically at all common areas and recycled waste are separated and classified accordingly.

The supply of thermal paper used for bet tickets is an important resource for the gaming business operated by Sports Toto Malaysia Sdn Bhd (“Sports Toto”). The distribution of thermal paper to Sports Toto outlets is closely monitored by the Logistics Department with a computerised ticket roll and inventory tracking system to minimize any wastage and also to optimise the length of each ticket printed to ensure efficient paper consumption. Promotional materials and forms are discarded responsibly and the disposal process of used paper and betting slips are done in an organised manner through selected disposal contractors.

Above all, measures to reduce paper consumption are integrated in the workplace by encouraging employees to make a difference by reusing envelopes for internal mailing, printing on both sides of the paper and printing on paper already printed on one side.

## 7. SOCIAL SUSTAINABILITY

The Company acknowledges the importance of social sustainability by putting in place various practices which encompasses matters relating to responsible marketing and communication practices, information security and privacy, public policy and social integration and community development, among others.

**i. RESPONSIBLE MARKETING AND COMMUNICATION PRACTICES**

The Company is ever mindful and takes measures to ensure accurate advertising and marketing of its products and services to the public at large. It is a standard practice to ensure that all information disseminated are accurate and fair and its products and services delivered are in accordance to the information disseminated and/or published in all its marketing materials.

To prevent misinformation or misrepresentation of its products and services, the PD Division ensures that its marketing materials which include details such as floor plans, technical specifications and finishes, facilities and amenities are properly presented with accurate information. Likewise, BHR also constantly reviews and updates its marketing materials and website to ensure that its services and offerings are accurately presented.

Sports Toto uses various marketing tools and platforms such as product posters and leaflets, Jackpot games level display boards, draw results advertisements through mainstream print media, website, social media and other online applications. At selected outlets, LED display units are installed to inform its customers of the products and services as well as corporate social responsibility (“CSR’) activities.  All the media messages and gaming operations are in compliance with applicable laws particularly the Pool Betting Act 1967 as well as

A Sports Toto poster.

government policies regulated by the Ministry of Finance ("MOF"). "Be A Responsible Player" reminder message is also available on Sports Toto's website www.sportstoto.com.my which clearly states that Toto players must be 21 years old and above; they should play within their financial means and that they should self-evaluate their financial status. Every Sports Toto outlet has in place a public notice to prohibit minors and Muslims from betting.

### ii. INFORMATION SECURITY AND PRIVACY

The Company acknowledges the pertinence of respecting the privacy of its customers and takes stringent measures to ensure that their personal data collated and stored are protected and treated with the strictest confidence 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. Methods and purposes of personal information collected are clearly explained in the privacy policy.

Additionally, Sports Toto also provides a designated area for walk-in customers to claim their winnings, offering a private and secure environment to the customers. In safeguarding the identity of its Jackpot winners, interviews with Jackpot winners are also conducted in the private setting of a meeting room with only designated staff.

### iii. IT INTEGRITY AND CYBER SECURITY

Information technology ("IT") integrity and cyber security are of vital importance to the Company.

To ensure consistently stable system availability and continuity, Sports Toto has incorporated preventive measures in its operating systems to minimize any exposure to cyber security risk. Sports Toto also constantly worked to identify potential vulnerabilities in its operating environment, and ensure timely response and recovery in the event of a cyber-breach.

As new or potential threats may cause malicious or deliberate damage in the cyber environment, Sports Toto have in place a system to continuously identify, evaluate, monitor, manage and respond to any IT integrity or cyber security issue. Sports Toto constantly carried out intensive system testing and review measures to prevent unauthorized physical access to the production computer systems, keeping track of the hardware support life cycle to ensure that the system operation is up to date to counter any new or potential threats, which may cause malicious or deliberate damage of data and information.

### iv. PUBLIC POLICY

As a responsible developer, the PD Division adheres to the law and regulations governing the development and sale of properties. The PD Division is in constant communication with the relevant government agencies and regulatory bodies to keep updated on the latest policy changes that affect the PD Division's business operations. This will enable it to plan ahead for sustainable growth.

Sports Toto works closely and maintain good relationships with the government authorities and agencies including Bank Negara Malaysia ("BNM"), MOF, local councils and district police departments and meet with their requirements to ensure public interests are safeguarded in carrying out its daily business and operations. The company ensures that it is always in compliance with relevant laws including anti-money laundering laws and pool betting laws. The successful annual renewal of gaming licences by MOF, zero negative feedback from BNM or Bursa

Malaysia and unqualified reports from the external auditors are some testimonies to its compliance and fulfilment of Sports Toto's responsibility as a leading licensed number forecast operator ("NFO").

**v. ANTI-COMPETITION PRACTICE**

Operating in a highly regulated environment, Sports Toto strives to work with its industry counterparts to achieve win-win propositions to ensure compliance with the requirements of the law and regulations including observing the social sensitivity aspects, age limit and responsible gaming practices. Key common interest matters are normally worked out in consultation among the NFO players before bringing up to the MOF as the key regulatory body for approval.

It is crucial to note that while the legal NFO players operate under the proper enforcement and supervision of the regulatory bodies and government agencies like MOF, police force and the local authorities, the proliferating illegal operators have affected the market share of the legal NFO players which have been contributing tax revenue to the country and also various social contributions to the community.

**vi. SOCIAL INTEGRATION AND COMMUNITY DEVELOPMENT**

At the PD Division, social integration and community development is an aspect which is given considerable importance from the start of its project development process. The PD Division's development takes into account the pertinent criteria of delivering properties which are constructed with emphasis on safety, good accessibility and connectivity, excellence standard of workmanship as well as adequate public amenities.

The mixed development projects embody the concept of "Live, Work and Play" with good connectivity to transportation hubs and network of roads which provides easy accessibility to surrounding communities. The PD Division also integrates disable-friendly and family oriented facilities in its development.

The PD Division also supports the government's efforts to meet the strong demand for affordable housing projects targeted at young buyers in the middle and lower income groups with the launch of its Residensi Lanai @ Bukit Jalil, Kuala Lumpur. The project is strategically located with easy accessibility to networks of highways and public transportation hubs, surrounded by established neighbourhoods and comprehensive amenities.

**vii. COMMUNITY SUPPORT AND INVOLVEMENT**

The Company recognizes the importance of being a responsible corporate citizen. In this regard, the Company has been providing financial and non-financial support to those in need, with a special focus on providing assistance to programmes targeted at the younger generation and the less privileged in the society.

**Community**

B-Land and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate groups by hosting various festive gatherings for more than 20,000 Malaysians across the country. The 29th Sports Toto Chinese New Year Ang Pow Donation Campaign was one of the biggest festive donation campaigns in the country reaching out to more than 18,000 needy senior citizens in 50 cities and towns. During the festive celebrations of Hari Raya, Deepavali and Christmas, B-Land and its subsidiaries also hosted various festive gatherings with sumptuous treats, gifts, token money as well as entertainment for the less privileged groups.

Sports Toto Ang Pow Donation Campaign 2017.

HELPING HANDS
sharing • giving • caring

Under the "Helping Hands" programme with its tagline - Sharing, Giving and Caring, Sports Toto continued to carry out its CSR initiatives diligently notwithstanding the challenging economic environment during the financial year under review.

One of the many social projects include raising awareness of the need to protect children against sexual abuse by supporting the Citizens Against


Sports Toto supports the Citizens Against Child Sexual Abuse Campaign held at Berjaya Times Square, Kuala Lumpur.

Child Sexual Abuse ("CACSA"), a joint effort from non-governmental organisations ("NGO") comprising Protect and Save the Children, Voice of the Children, NGOhub as well as concerned individuals who stepped in to advocate the cause. A petition campaign which garnered close to 40,000 petition signatures was launched to push for laws against child sexual abuse. An awareness event was also held on 5 March 2017 at Berjaya Times Square Kuala Lumpur where prominent NGO representatives spoke about the cause.

Apart from that, B-Land and its subsidiaries also participated in various other community-related social initiatives either through collaboration with Berjaya Cares Foundation or NGO partners.

**Sports**
Besides the substantial annual financial contributions to the National Sports Council, Sports Toto made significant contributions towards a number of community sports activities such as the Go For It! - FTKLAA Cross Country 2017, Penang Bridge International Marathon 2016, Seremban Half Marathon 2016, 204KM KL – Maran Big Walk 2016, Milo - FTKLAA Walk Circuit 2016, Federal Territory City Day Run 2017, Sungai Petani Half Marathon 2016, Roasters Chicken Run 2016, MKH Kajang International 12-Hour Walk, Sutera Harbour 7K Run, MBPJ Squash Open Championship 2016, Asean Basketball League 2016, among others.

In its continuous effort to support national sports development, Sports Toto collaborated with the Olympic Council of Malaysia ("OCM") in recognizing Malaysian athletes through the OCM - Sports Toto Outstanding Athletes of The Games Award 2016. The awards were presented to a total of 8 outstanding Malaysian medalists who made the country proud with their sterling performance at the 2016 Olympics in Rio de Janeiro, Brazil.

**Education**
In line with the objective of promoting literacy and education, B-Land and its subsidiaries supported the operation cost of five community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country. Approximately 1,400 students have benefited from the programme so far.

Sports Toto continued to support the "Reading My Companion" learning programme for the 5th consecutive year with storybooks and storytelling sessions for students in 21 micro-sized Chinese primary schools in Perak, Negeri Sembilan, Malacca and Pahang. The learning programme aims to inculcate reading as a pastime of choice among the rural students who are relatively lacking in terms of recreational choices. Since its inception in 2012, it has benefitted close to 8,000 students in 66 sub-urban micro-sized Chinese primary schools in Selangor, Perak, Negri Sembilan, Melaka and Pahang.

**Arts and Culture**
In the promotion of arts and culture, Sports Toto supported Padawan Festival, Yin Ngai Heart to Heart Charity Night 2016, Penang Chingay Parade 2016, Por Tor Festival, Pesta Tanglung Muar 2016, Muar Chinese New Year Street Show, Nine Emperor God Festival and Hungry Ghost Festival.

## 8. HUMAN CAPITAL

The Company recognises the importance of managing and developing human capital as the sustainability of its business is highly dependent on the performance of its employees. The Company is committed to provide a fair, safe and inclusive working environment to fulfil employees' career aspirations with an emphasis on lifelong learning. Understanding employees' needs at different stages in their careers has also allowed the Company to innovate beyond the traditional recruitment practices and benefit packages to attract and retain top talents.

**i. Employee Health and Safety**

Employees' health and safety is one of the top priorities. The Company is committed to making every effort to provide a safe and healthy work environment for its employees, customers and visitors in accordance with the relevant legislations and regulations.

***Occupational health and safety at the workplace***

The Company established an Occupational Health and Safety Policy and set up a Safety and Health Committee to ensure procedures and systems are put in place to prevent workplace accidents and risks to its employees' well-being. The Company is also committed to continuously providing information and building awareness to promote safe work practices and to ensure compliance with the Company's procedures by organising training and briefing sessions such as Fire Safety & Preparedness Awareness Talk, First Aid Training, Fire Drill and self-protection and safety measures.

***Health promotion and prevention***

Maintaining a healthy lifestyle, at home and at work is utmost important. To this end, various health talks and health screening programmes are organised regularly at the workplace. Employees are also encouraged to exercise regularly by taking advantage of the subsidized rates offered by the Group's full facility gym.

**ii. Workplace**

***Recruitment and selection***

The Company recognizes the importance of attracting and recruiting well-matched employees. By hiring the "right fit", our employees become more engaged in their work and feel a strong sense of pride, leading to higher productivity and greater retention.

***Diversity and inclusion***

The Company appreciates the diversity in the workforce and believes that the foundation of its strong human capital is a blend of backgrounds, competencies and dedication of its employees. The Company also recognizes the need and importance of investing in diversity and inclusion as part of its overall talent management practices to prepare the organisation for the fast-paced development and evolving challenges.

***Fair Employment***

As an established business conglomerate locally and internationally, the Company strives to hold a reputable employer image in line with the nature of its core businesses. The Company practises fair employment opportunities to all employees and job applicants. Equal opportunities apply to all the Company's activities, including, but not limited to, recruitment, hiring, compensation, assignment, training, promotion, discipline and discharge.

The Company has an established policy on grievance management which encourages employees to provide feedback and raise their concerns promptly. Reports on employee's grievance are attended to as quickly and fairly as possible.

***Non-discrimination and policy against sexual harassment***

The Company does not tolerate any form of discrimination and it is our core interest that all employees are able to work in harmony, close cooperation and treat each other with respect. The Company has always been committed to ensuring that the workplace is safe and free from any forms of harassment, humiliation and intimidation of a sexual nature and have established a policy on the prevention of sexual harassment at the workplace and our Code of Conduct emphasizes strict prohibition of any acts or conducts that may constitute as sexual harassment.

**iii. Employee Engagement and Feedback**

In the rapidly changing and competitive business environment, maintaining a high level of employee engagement is increasingly important for the Company in attracting and retaining talents. Beyond work-related activities that focused on driving high levels of employees' commitment and passion, various social and fun activities are regularly organised to increase interaction and bonding among employees.

***Culture of Volunteerism***

The Company strongly believes in giving back to society and fosters the spirit of volunteerism by encouraging its employees to participate in the

Company's many CSR projects such as visitations and festive celebrations with the less fortunate and various other programmes to create awareness on health-related, environmental protection and community issues.

***Culture of collaboration***

A culture of collaboration is fostered through building communication channels and outreach activities. Employees are encouraged to create a climate of partnership and cooperation into their daily work routines with the Company's other business units.

**iv. Education and Training**

Training and development is an essential and integral process in achieving the Company's objective in building highly competent and productive employees. The Company is committed, through its various comprehensive development programmes, to enabling our employees to be developed to meet business needs and to building a successful talent pipeline. The Company strives to promote continuous staff improvement by motivating people to maximize their full potential and integrate value-added initiatives in their day-to-day activities to increase productivity.

***Development programmes***

In line with the Company's continuous effort to upgrade and enhance knowledge, skills and abilities among its employees, other than external trainings, various in-house development programmes have also been organised for different levels of employees which include the Berjaya Advanced Leadership Programme (B.ALP), Berjaya Manager Development Programme (B.MDP) and Berjaya Executive Development Programme (B.EDP).

***Individual development plan***

As part of succession planning and continuous building of the talent pipeline, the Company implemented Individual Development Plans for employees who have completed in-house development programmes, to identify individual training and development needs and to plan for development programmes to further improve their skills and competencies.

**v. Employee Benefits and Welfare**

Employee benefits and welfare are constantly enhanced through periodic surveys on best market practices in the various industries.

The Group Human Capital Committee ("GHCC") was set up in 2011 for the purpose of reviewing the existing Group Human Resource policies and procedures, strategies and planning and to make proposals for improvement to support Berjaya Group's vision to be an Employer of Choice.

During the year under review, the Company further enhanced its employee benefits such as additional annual leave entitlement, professional body annual membership fees and revamped the clinical out-patient policy and Group Hospitalisation and Surgical Insurance coverage.

***Staff Welfare Fund ("SWF")***

The Company has established a Staff Welfare Fund to provide financial assistance to employees and/or employees' immediate family members to cope with high medical expenses and to assist in the event of crisis or loss of property resulting from natural disasters.


Graduates of the Berjaya Manager Development Programme 2016.

# STATEMENT ON CORPORATE GOVERNANCE

The new Malaysian Code on Corporate Governance ("new MCCG") came into force on 26 April 2017 and supersedes its earlier edition, Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). However, all companies will be required to report their application of the recommended practices of the new MCCG in their Annual Report with effect from the financial year ending 31 December 2017. Hence, the Group will only be required to report its application of the recommended practices of the new MCCG in the 2018 Annual Report. The Board will also ensure that good corporate governance, being a fundamental part of the Board's responsibilities, is practised throughout the Group as an assurance for the continuous and sustainable growth of the Group for the interests of all its stakeholders.

The Board is pleased to provide the following statement which outlined how the Group had applied the principles and recommendations of the MCCG 2012 throughout the financial year ended 30 April 2017.

## A. ROLES AND RESPONSIBILITIES

### Board composition and balance

The Board currently has eight (8) members, comprising three (3) Independent Non-Executive Directors (including the Chairman), the Chief Executive Officer, three (3) Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfils the requirements mandated by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher must be independent.

The Directors, with their different backgrounds and specializations, collectively bring with them a wide range of knowledge and expertise particularly in the fields of accountancy, business, banking and finance, sales and marketing, property investment and development and administration for the effective management of the Group's diversified businesses. The qualifications and experience of each of the Directors are set out in the Directors' profile on Page 3 to Page 6 of the Annual Report.

The current Board composition is also broadly balanced to reflect the interests of major shareholders, management and minority shareholders.

The Board recognises the importance and contribution of its Independent Directors. They represent the element of objectivity, impartiality and independent judgement of the Board. This ensures that there is adequate check and balance at the Board level. The presence of three (3) Independent Non-Executive Directors on the Board provides a pivotal role in corporate accountability as they provide unbiased and independent views, advice, opinions and judgement to safeguard the interest of minority shareholders.

The positions of Chairman and Chief Executive Officer are held by two different individuals. The distinct and separate role of the Chairman and Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Chairman is primarily responsible for the leadership of the Board and ensures Board effectiveness and standards of conduct and to facilitate constructive deliberation on matters in hand.

He 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 its sub-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 reportings.

The Chief Executive Officer has overall responsibility for the Group's business operations, organisational effectiveness and the implementation of Board policies and decisions.

## A. ROLES AND RESPONSIBILITIES (cont'd)

### Roles and Responsibilities of the Board

The Board has overall responsibility for the proper conduct of the Company's business and the strategic direction, development and control of the Group. The Board has formally adopted a Board Charter that clearly sets out the roles and responsibilities of the Board and the management to ensure accountability. The Board Charter is available on the Company's website at www.berjaya.com and will be subject to review annually by the Board to ensure that it remains consistent with the Board's objectives and responsibilities.

The Board has adopted, amongst others, the following major responsibilities to facilitate the Board in discharging its fiduciary duties:-

1. Reviewing and adopting strategic plans and policies for the Company and the Group;
2. Overseeing and monitoring the conduct of the businesses and financial performance and major capital commitments of the Company and the Group;
3. Identifying principal risks of the business and ensuring the implementation of appropriate risk management systems to manage these risks;
4. Establishing a succession plan for the Company and the Group including the remuneration and compensation policy thereof;
5. Overseeing the development and implementation of corporate communication policies with the shareholders and investors, other key stakeholders and the public including the whistle blowing policy;
6. Reviewing the adequacy and integrity of the internal control systems and management information of the Company and the Group;
7. Reviewing and adopting budgets and financial results of the Company and the Group, monitoring compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;
8. Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group;
9. Reviewing and approving any material acquisitions and disposals of undertakings and assets in the Group; and
10. Developing a corporate code of conduct to address, amongst others, any conflicts of interest relating to Directors, major shareholders and/or management.

The Board is also supported by the different Board Committees to provide independent oversights of management and to ensure that there are appropriate checks and balances. These Board Committees are:-

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

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

The Board may 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 and oversight still lies with the Board.

### Directors' Code of Conduct/Ethics

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

The Group has also put in place a Code of Conduct for all its employees and Directors to ensure a high standard of ethical and professional conduct is upheld by all its employees and Directors in the performance of their duties and responsibilities. All employees are required to declare that they have received, read and understood the provisions of the Code of Conduct.

## A. ROLES AND RESPONSIBILITIES (cont'd)

### 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 the welfare of its employees and the communities in which it operates. The Group's efforts to promote sustainability initiatives for the communities in which it operates, the environment and the employees is set out in the Statement on Sustainability in this Annual Report.

### Supply of Information

All Directors have unrestricted and timely access to all information concerning the Company and the Group's business and affairs necessary for the discharge of their responsibilities. The Board papers and reports which include the Group's performance and major operational, financial and corporate developments are distributed to the Directors in sufficient time prior to Board Meetings to enable Directors to obtain further clarifications and/or explanations, where necessary, in order to expedite the decision making process. As part of the Group's green initiatives to create a paperless meeting environment, the Directors are provided with electronic devices to enable them to access meeting papers electronically, instead of receiving the conventional hard copy meeting papers prior to a meeting.

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

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

### Board Meetings

The Board meets at least five (5) times a year with additional meetings to be held when necessary. During the financial year ended 30 April 2017, seven (7) Board meetings were held and the attendance of the Directors at the Board Meetings were as follows:

| Directors | No. of Meetings Attended |
|---|---|
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim ## | 7/7 |
| Datuk Pee Kang Seng @ Lim Kang Seng (Appointed on 4 August 2016) | 5/5* |
| Dato' Ng Sooi Lin @ | 7/7 |
| Tan Thiam Chai | 7/7 |
| Dato' Dickson Tan Yong Loong ^ | 2/3* |
| Datuk Robert Yong Kuen Loke ## | 7/7 |
| Datuk Kee Mustafa ## | 6/7 |
| Nerine Tan Sheik Ping | 7/7 |
| Chryseis Tan Sheik Ling | 6/7 |
| Phan Yoke Seng # | 2/2* |

## Denotes Independent Non-Executive Director.
@ During the financial year, Dato' Ng Sooi Lin retired as a Chief Executive Officer of the Company on 31 December 2016 and was re-designated as Non-Independent Non-Executive Director of the Company on 1 January 2017.
^ During the financial year, Dato' Dickson Tan Yong Loong retired as a Non-Independent Non-Executive Director of the Company at the conclusion of the Company's last Annual General Meeting held on 13 October 2016.
# During the financial year, Mr. Phan Yoke Seng has resigned as an Executive Director of the Company on 30 August 2016.
* Reflects the attendance and the number of meetings held during the financial year since the Director held office.

## A. ROLES AND RESPONSIBILITIES (cont'd)

### Board Meetings (cont'd)

In the intervals between Board meetings, special board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration. The Board members deliberate, and in the process, access 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 mitigating factors. All Board's approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

## B. COMPOSITION

### 1. Nomination Committee

The Nomination Committee of the Company comprises exclusively of Independent Non-Executive Directors. Its composition is as follows:-

| | | |
|---|---|---|
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim | - | Chairman/Independent/Non-Executive (Senior Independent Director) |
| Datuk Kee Mustafa | - | Independent/Non-Executive |
| Datuk Robert Yong Kuen Loke | - | Independent/Non-Executive |

The Nomination Committee meets as and when required, and at least once a year. The Nomination Committee met thrice during the financial year ended 30 April 2017.

The Chairman of the Nomination Committee, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns relating to the affairs of the Group may be conveyed.

Under its terms of reference, the Nomination Committee is tasked with the duties of, among others, the following:

- identifying, assessing and recommending the right candidates to the Board with the necessary skills, knowledge, experience and competency for new appointments;
- conducting an annual assessment on the effectiveness of the Board as a whole (inter-alia, the required mix of skills, size and composition, experience, core competencies and other qualities of the Board), the Board Committees and the contribution of every Director (including the assessment of independence of the Independent Directors);
- recommending retiring directors for re-election or re-appointment as directors;
- ensuring orderly succession at the Board level and boardroom diversity; and
- ensuring adequate training and orientation are provided for new members of the Board.

The terms of reference of the Nomination Committee is available at the Company's website at www.berjaya.com.

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

*Appointment to the Board*

The Board delegates to the Nomination Committee the responsibility of making recommendations on any potential candidate for the appointment as a new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and that appointments are made on merits.

## B. COMPOSITION (cont'd)

### 1. Nomination Committee (cont'd)

**Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)**

*Appointment to the Board (cont'd)*

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

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

The Nomination Committee had assessed and recommended to the Board the appointment of Datuk Pee Kang Seng @ Lim Kang Seng as an additional Director/Executive Director of the Company on 4 August 2016.

The Nomination Committee is of the opinion that Datuk Pee Kang Seng @ Lim Kang Seng's vast experience in the construction and property development through sound engineering practices and continuous improvement will enable him to complement the existing Board's mix of skills and contribute objectively in the management of the Group's local property projects.

Upon his appointment, he has been briefed on the relevant disclosure and compliance requirements by Bursa Malaysia Securities Berhad, the Securities Commission and the former Companies Act, 1965.

Prior to the financial year ended 30 April 2017, the Nomination Committee had recommended the appointment of Datuk Pee Kang Seng @ Lim Kang Seng as the Chief Executive Officer of the Company and the Board has on 18 January 2017 re-designated Datuk Pee Kang Seng @ Lim Kang Seng from Executive Director to the Chief Executive Officer of the Company following the retirement of Dato' Ng Sooi Lin as Chief Executive Officer of the Company on 31 December 2016.

*Re-elections of Directors*

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

The Company's Articles of Association provides that a Director appointed during the year is required to retire and seek election by shareholders at the following AGM immediately after their appointment. The Articles also requires that one-third of the Directors including the Managing Director, if any, to retire by rotation and seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years.

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

Following the enforcement of the Companies Act, 2016, which came into force on 31 January 2017 repealing the Companies Act, 1965, there is no more age limit for a Director. Therefore, a Director of a public company of or over the age of seventy (70) is no longer subject to retirement at the AGM.

The Directors who will retire by rotation and eligible for re-election pursuant to Article 101 of the Company's Articles of Association at the forthcoming Twenty-Seventh AGM are Dato' Ng Sooi Lin and Datuk Robert Yong Kuen Loke. The profiles of these Directors are set out on pages 5 and 6 of the Annual Report.

## B. COMPOSITION (cont'd)

### 1. Nomination Committee (cont'd)

**Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)**

*Re-elections of Directors (cont'd)*

At the Twenty-Sixth AGM held on 13 October 2016, the Senior Independent Non-Executive Director namely, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, a Director who is over seventy (70) years of age has been re-appointed as a Director of the Company pursuant to Section 129(6) of the former Companies Act, 1965 to hold office until the conclusion of the forthcoming Twenty-Seventh AGM.

Hence, his term of office will end at the conclusion of the forthcoming Twenty-Seventh AGM and he will be re-appointed as a Director of the Company at the forthcoming AGM without further requirement for him to seek re-appointment in future except that he will be subject to retirement by rotation. His profile is set out on page 3 of the Annual Report.

The Nomination Committee has assessed the performances of all the above Directors due for re-election/re-appointment and has made recommendations to the Board for their re-election/re-appointment to be tabled for shareholders' approval at the forthcoming AGM. To assist the shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings of the Directors standing for re-election/re-appointment have been disclosed in this Annual Report.

*Annual Assessment*

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

The Nomination Committee also carried the following activities during the meeting held on 22 June 2017:

- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director; the independence of the Independent Directors; the effectiveness of the Board and the Board Committees;
- recommending Directors who are retiring and being eligible for re-election and/or re-appointment; and
- reviewed the performance of the Audit Committee and its members.

*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 while promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. Thus, the Company does not set any specific target for boardroom diversity but will actively work towards achieving the appropriate boardroom diversity.

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

## B. COMPOSITION (cont'd)

### 1. Nomination Committee (cont'd)

**Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)**

*Boardroom Diversity (cont'd)*

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

Currently, the Board has two (2) female Directors namely, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling.

The Board has in place its Diversity Policy for the Company and a copy of the Board Diversity Policy is available on the Company's website at www.berjaya.com.

### 2. Remuneration Committee

The Company has a Remuneration Committee which comprises exclusively of Non-Executive Directors, with a majority of them being independent. Its composition is as follows:-

| | | |
|---|---|---|
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim | - | Chairman/Independent/Non-Executive |
| Datuk Kee Mustafa | - | Independent/Non-Executive |
| Dato' Ng Sooi Lin | - | Non-Independent/Non-Executive |

The Remuneration Committee is responsible for reviewing the policy and making recommendations to the Board on all elements of the remuneration package and other terms of employment of the Executive Directors. The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The Remuneration Committee is responsible to review the remuneration packages for the Non-Executive Directors of the Company and thereafter recommend to the Board of the Company for their consideration with the Directors concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board will then recommend the Directors' fees and other benefits payable to the Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act, 2016.

During the meeting held on 22 June 2017, the Remuneration Committee carried out the following activities:-

(a) Reviewed the Terms of Reference of Remuneration Committee;
(b) Reviewed and recommended the proposed revision of the meeting allowances payable to the Non-Executive Directors;
(c) Reviewed and recommended the payment of Directors' fees for the financial year ended 30 April 2017;
(d) Reviewed and recommended the payment of Directors' fees for the period from 1 May 2017 until the next AGM of the Company in 2018; and
(e) Reviewed and recommended the payment of Directors' remuneration (excluding Directors' fees) for the period from 31 January 2017 until the next AGM of the Company in 2018.

## B. COMPOSITION (cont'd)

### 2. Remuneration Committee (cont'd)

#### Details of the Directors' Remuneration

The aggregate Directors' remuneration paid or payable to the Directors in office as at the end of the financial year by the Company and the Group categorised into appropriate components for the financial year ended 30 April 2017 were are as follows:-

Company

| | RM'000 | | | | |
|---|---|---|---|---|---|
| | Fees | Benefits-in-kind | Salaries and other emoluments | Bonus | Total |
| Executive | – | 68 | 1,259 | 78 | 1,405 |
| Non-Executive | 160 | – | 16 | – | 176 |
| | 160 | 68 | 1,275 | 78 | 1,581 |

Group

| | RM'000 | | | | |
|---|---|---|---|---|---|
| | Fees | Benefits-in-kind | Salaries and other emoluments | Bonus | Total |
| Executive | – | 91 | 4,258 | 455 | 4,804 |
| Non-Executive | 205 | 26 | 666 | 13 | 910 |
| | 205 | 117 | 4,924 | 468 | 5,714 |

The number of Directors as at the end of the financial year and their total remuneration from the Group categorized in the various bands were as follows:-

| | Number of Directors | |
|---|---|---|
| Range of Remuneration | Executive | Non-Executive |
| RM1 – RM50,000 | – | 2[a] |
| RM100,001 – RM150,000 | – | 1[b] |
| RM250,001 – RM300,000 | 1 | 1 |
| RM400,001 – RM450,000 | – | 1 |
| RM500,001 – RM550,000 | 1 | – |
| RM550,001 – RM600,000 | 1[c] | – |
| RM1,000,001 – RM1,150,000 | 1 | – |
| RM1,150,001 – RM1,200,000 | 2[a] | – |
| | 6 | 5 |

[a] inclusive of the Chief Executive Officer who had retired and re-designated as Non-Independent Non-Executive Director.

[b] inclusive of a Non-Independent Non-Executive Director who had retired on 13 October 2016.

[c] inclusive of an Executive Director who had resigned on 30 August 2016.

In accordance with Article 83 of the Company's Articles of Association, the fees payable to the Non-Executive Directors will be recommended by the Board for approval by shareholders at the AGM. Notwithstanding the Articles of Association, the Company is seeking shareholders' approval for the payment of Directors' fees and benefits payable to our Non-Executive Directors in compliance with Section 230(1) of the Companies Act, 2016.

## B. COMPOSITION (cont'd)

### 2. Remuneration Committee (cont'd)

#### Details of the Directors' Remuneration (cont'd)

The Company will also be seeking the shareholders' approval for the Directors' fees payable to Non-Executive Directors for the period from 1 May 2017 until the next AGM in 2018 and also the Directors' benefits payable to the Non-Executive Directors for the period commencing 31 January 2017 until next AGM in 2018, for the purposes of facilitating payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company. Individual Directors do not participate in the discussions and determination of their own remuneration.

## C. INDEPENDENCE

### Assessment of Independent Directors

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 judgement to ensure the interests of the Group, shareholders, employees, customers and other communities in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, assesses the Independence of its Independent Non-Executive Directors on an annual basis based on the same criteria used in the definition of "Independent Directors" as prescribed in Chapter 1 of the Listing Requirements of Bursa Securities in its assessment of the Independent Directors.

The current three (3) Independent Non-Executive Directors of the Company namely, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Datuk Robert Yong Kuen Loke and Datuk Kee Mustafa have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Listing Requirements of Bursa Securities. The Board had assessed and concluded that the three (3) Independent Non-Executive Directors of the Company remain objective and independent.

### Tenure of Independent Directors

The Company does not have term limits for its Independent Directors. 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 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 Nomination Committee noted that pursuant to Recommendation 3.2 of the MCCG 2012, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to being re-designated as a Non-Independent Director.

The Nomination Committee also noted that pursuant to Recommendation 3.3 of the MCCG 2012, the Board may provide justifications and seek shareholders' approval in the event there is intention to retain a Director who has served a cumulative term of nine (9) years as an Independent Director.

The Independent Director of the Company, namely Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim who is also the Chairman of the Company, was appointed as an Independent Non-Executive Director of the Company on 3 September 2007. Hence, he would has served the Company for a cumulative term of more than nine (9) years at the date of the forthcoming AGM.

The Board has decided to retain him as an Independent Director notwithstanding his service tenure as Independent Director shall exceed nine (9) years by September 2017 after the assessment and recommendation by the Nomination Committee.

## C. INDEPENDENCE

### Assessment of Independent Directors (cont'd)

In line with Recommendation 3.3 of the MCCG 2012, the Board will seek approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director of the Company when his tenure has exceeded the nine (9) years based on the following justifications:-

i) he has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and being independent, he will be able to function as a check and balance, bring an element of objectivity to the Board.

ii) he has been with the Company for more than nine (9) years and is familiar with the Company's business operations which enable him to participate objectively in deliberations and decision making process of the Board and Board Committees.

iii) he has exercised due care during his tenure as an Independent Non-Executive Director as well as the Chairman of the Company and he has carried out his duties proficiently in the interest of the Company and the shareholders.

## D. COMMITMENT

Recommendation 4.1 of the MCCG 2012 recommends that the Board should set out the expectations on time commitment for its members and protocols for accepting new directorships. Hence, each Director is required to notify the Chairman of the Board prior to accepting directorships outside the Group. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships. The notification will also include an approximate indication of time that will be spent by the Directors on the new directorships.

### Directors' Training

All the Directors had attended the Mandatory Accreditation Programme as prescribed by Bursa Securities.

The Directors are mindful that they should continually attend seminars and courses to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements.

The Directors are also encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The Board is also updated by the Company Secretaries on the latest update/amendments on the Listing Requirements of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

During the financial year, the Directors had attended various training programmes and seminars, details of which were as follows:-

| Director | Title of Programmes/Seminars/Courses/Forums |
|---|---|
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim | - Cost of Capital and Discounts & Premiums<br>- The New Companies Bill 2015<br>- Directors' Induction Training & Crash Course on Takaful/Shariah Session<br>- 19th National Housing & Property Summit 2016<br>- Revitalising the Housing & Property Industry: What Next for the Housing & Property Sector |
| Datuk Pee Kang Seng @ Lim Kang Seng | - Mandatory Accreditation Programme for Directors of Public Listed Companies<br>- FIABCI Malaysia Morning Talk – Northern Region Property Market Update<br>- FTSE4GOOD Bursa Malaysia Index Briefing |

## D. COMMITMENT (cont'd)

### Directors' Training (cont'd)

| Director | Title of Programmes/Seminars/Courses/Forums |
|---|---|
| Tan Thiam Chai | - Managing Tax Matters in Taxing Times<br>- Focus Group to Solicit Feedback on Sustainability Reporting<br>- Corporate Governance Breakfast Series with Directors: "The Cybersecurity Threat and How Boards Should Mitigate The Risks"<br>- Accounting for Revenue under Malaysia Financial Reporting Standard 15<br>- Sustainability Forum for Directors/ Chief Executive Officers: "The Velocity of Global Change & Sustainability-The New Business Model"<br>- Modeling a Constitution under the new Companies Act, 2016<br>- The Malaysian Institute of Certified Public Accountants-Luncheon Talk with Yang Bahagia Tan Sri Dato' Seri Utama Nor Mohamed Yakcop (Khazanah)<br>- Companies Act, 2016-Year End Matters (Annual General Meeting, Financial Statements and Share Capital)<br>- A New Era of Auditor Reporting<br>- Companies Act, 2016 (Transactions by Directors, Loans To Directors, Financial Assistance and Solvency Test)<br>- FTSE4GOOD Bursa Malaysia Index Briefing<br>- Embracing the Accounting Disruptions |
| Nerine Tan Sheik Ping | - Corporate Governance Education Program/Empowering Women Series |
| Chryseis Tan Sheik Ling | - Mandatory Accreditation Programme for Directors of Public Listed Companies<br>- Corporate Governance Education Program/Empowering Women Series |
| Dato' Ng Sooi Lin | - Dato' Ng Sooi Lin kept himself abreast with the latest developments on the various economic and business issues both locally and globally through his networking and reading of various magazines and journals. As a member of the Institute of Electrical Engineers, U.K. (M.I.E.E.), Dato' Ng Sooi Lin has updated himself with the latest developments in the engineering, construction and property industries. |
| Datuk Robert Yong Kuen Loke | - Datuk Robert Yong kept himself abreast with the latest developments on the various accounting, finance and business issues both locally and globally through his extensive networking, reading of various magazines and journals and serving as a council member of the Malaysian Institute of Certified Public Accountants. |
| Datuk Kee Mustafa | - Sustainability Engagement Series for Directors/Chief Executive Officer<br>- MSWG - Institutional Investor Council Governance Week 2016 |

## E. INTEGRITY IN FINANCIAL REPORTING

### i. Financial Reporting

The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the Audit Committee for Board's approval are prepared in accordance with the provisions of the Companies Act, 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the state of affairs of the Group.

## E. INTEGRITY IN FINANCIAL REPORTING (cont'd)

### i. Financial Reporting (cont'd)

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

### ii. Statement of Directors' Responsibility in respect of the Financial Statements

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:-

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which will enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### iii. Assessment of external auditors

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

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

To support the Audit Committee's assessment of their independence, the External Auditors will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are required to declare their independence annually to the Audit Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors have provided the declaration in their annual audit plan presented to the Audit Committee of the Company.

The Audit Committee 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, the annual review of the Risk Management and Internal Control Statement. The non-recurring non-audit services are acting as reporting accountants for any corporate exercises.

## E. INTEGRITY IN FINANCIAL REPORTING (cont'd)

### iii. Assessment of external auditors (cont'd)

During the financial year, the amount of non-audit fees paid to the External Auditors and/or to affiliates by the Company and the Group respectively for the financial year ended 30 April 2017 were as follows:-

| | Company | | Group | |
|---|---|---|---|---|
| | FYE2017 RM'000 | FYE2016 RM'000 | FYE2017 RM'000 | FYE2016 RM'000 |
| Statutory audit fees paid/payable to:- | | | | |
| - Ernst & Young ("EY") Malaysia | 150 | 150 | 1,379 | 1,351 |
| - Affiliates of EY Malaysia | – | – | 180 | 256 |
| Total (a) | 150 | 150 | 1,559 | 1,607 |
| Non-audit fees paid/payable to *:- | | | | |
| - EY Malaysia | 366 | 341 | 438 | 430 |
| - Affiliates of EY Malaysia | 8 | 8 | 219 | 215 |
| Total (b) | 374 | 349 | 657 | 645 |
| % of non-audit fees (b/a) | 249% | 233% | 42% | 40% |

* *Non-audit fees comprised mainly fees for services rendered to review financial disclosures due to the application of new accounting standards and review of component auditors' work papers, and tax compliance.*

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

## F. RISK MANAGEMENT

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

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

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

A Statement of Risk Management and Internal Control of the Group which provides an overview of the state of internal controls within the Group is set out on Page 54 of the Annual Report.

## G. TIMELY DISCLOSURES

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

The Board continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board endeavour to keep its shareholders and investors informed of its progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operations.

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

## H. RELATIONSHIPS BETWEEN COMPANY AND SHAREHOLDERS

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

The Chairman as well as the Chief Executive Officer will respond to shareholders' questions at the AGM. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-one days before the AGM, which gives sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

### Poll Voting

In line with the MCCG 2012, all the resolutions passed by the shareholders at the previous AGM held on 13 October 2016 were voted by way of a poll. The shareholders were briefed on the voting procedures by the Share Registrar while the results of the poll were verified and announced by the independent scrutineer, Messrs LT Lim & Associates.

Pursuant to Paragraph 8.29A (1) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

### Dialogue between the Company and shareholders

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

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

## I. COMPLIANCE WITH THE MCCG 2012

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the MCCG 2012 that were in place during the financial year ended 30 April 2017.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## Responsibility

The Board of Directors of Berjaya Land Berhad ("BLand" or "the Group") recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all 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 and 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 recognizes that effective risk management framework is an integral part of 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 profitability at its Board meetings.

The Board has received assurance from the Chief Executive Officer and the Executive Director who is primarily responsible for the financial management of the Group and is of the view that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

## Risk Management

A Risk Management Committee ("RMC") has been established by the Company with the intention to further enhance the Group's system of internal control and be in line with the Malaysian Code of Corporate Governance. The management teams of business units maintain risk registers which outlines the risk policies including the procedures of risk identification, risk tolerance and the evaluation and managing process.

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

The members of the RMC during the financial year ended 30 April 2017 are Datuk Robert Yong Kuen Loke (Chairman), Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Datuk Pee Kang Seng @ Lim Kang Seng, Tan Thiam Chai, Nerine Tan Sheik Ping, Chryseis Tan Sheik Ling, Dato' Ng Sooi Lin and Datuk Kee Mustafa.

The RMC 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
- To act as a steering committee for the group wide risk management programme

For the financial year ended 30 April 2017, the RMC held meetings where it reviewed risk management reports of various unlisted operating subsidiary companies (i.e. ANSA Hotel KL Sdn Bhd, One Network Hotel Management Sdn Bhd - Redang Island Resort, Berjaya Langkawi Beach Resort Sdn Bhd, Georgetown City Hotel Sdn Bhd, Berjaya Land Development Sdn Bhd - Jesselton Villas Project, and Berjaya Golf Resort Berhad - The Link 2 - Phase 1 Project) and recommended certain measures to be adopted to mitigate their business risks.

## Management Style and Control Consciousness

The Group's operations are divided into three main divisions:
- Gaming and Lottery Management ("Gaming Division");
- Vacation Timeshare, Hotels, Resorts and Recreation Development ("Leisure Division"); and
- Property Investment and Development ("Property Division").

The Chief Executive Officer and Executive Directors are assigned to manage the businesses of the Group and act as the channel of communication between the Board and the management of various divisions.

The Executive Directors, together with their respective management team, attend various management and operations 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" policy practised by the Executive Directors and management. Any matters arising are promptly and efficiently dealt with by drawing on the experience and knowledge of employees throughout the Group.

Both the Leisure and Property Divisions have in place stringent processes to ensure that employees understand the importance of and adhere to the policies and procedures that are outlined in the respective divisions' system of internal control. Among such processes are the Daily Morning briefing meetings and customer feedback evaluation at the Leisure Division's hotels, and various Site and Project meetings with consultants, the Tender Committee's review and recommendation of contractors at the Property Division.

The Group's Gaming Division operates through its subsidiary company, BToto and an associated company, Berjaya Assets Berhad ("BAssets"). The Board has a process in place whereby representatives of the Group sit on the Boards of BToto and BAssets respectively, to serve the Group's interests.

At Sports Toto Malaysia Sdn Bhd, BToto's principal subsidiary company, operations are divided into key regions and areas due to dispersed locations of agents' outlets. Regional and area offices are staffed by experienced personnel to ensure that the operations of the outlets are well controlled and in line with the operating procedures. Similarly, the overseas operations are being managed by experienced personnel in their respective country offices. Regular reporting on performance of their businesses is provided to the respective executive directors of the BToto Group who are assigned to manage these overseas operations. In addition, the respective executive directors also made field visits to these overseas operations as well as to conduct periodic performance review meetings with the management personnel, thus ensuring the business plans and targets are met.

The Board does not regularly review the internal control system of its other associated companies, as the Board does not have any direct control over their operations. The Group's interests are served through board representations on the board of associated companies and the review of their management accounts, and enquiries thereon. As for its joint ventures, the Group has appointed representatives to the respective members' councils or to the respective board of these joint ventures which hold regular meetings to oversee and manage their respective operations. These representatives provide the Board with information and timely decision making on the continuity of the Board's investments based on the performance of the associated companies and joint ventures.

## Internal Control Processes

The key aspects of the internal control process are as follows:
- The 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 Committee for approval.
- The internal auditors perform the audit and present their audit reports to the Audit Committee, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

## 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 Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group's internal control. The Audit Committee receives assurance reports from both the internal and external auditors.

## Assurance Mechanism (cont'd)

The Internal Audit function furnishes the Audit Committee with reports from visits conducted at various operating units. These independent and objective reports on the state of internal controls of the operating units within the Group assist the Audit Committee in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the Audit Committee 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 Audit Committee. The internal audit function is principally carried out by the Group's Internal Audit Division.

The external auditors form an opinion on the financial statements of the Group based on their annual statutory audit. Any areas for improvement identified during the course of audit are highlighted to the attention of the Audit Committee through management letters, or are articulated at the Audit Committee meetings. The Audit Committee also hold private meetings with the external auditors to have exchange of views on any areas that require their attention. Apart from the statutory audit, 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 Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants, for the year ended 30 April 2017, 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 paragraph 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. RPG 5 does not require the auditors to consider whether the Board's 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 Board and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Securities 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.

The Board also reviews the minutes of meetings of the Audit Committee. The Report of the Audit Committee is set on pages 57 to 60 of the Annual Report.

## Key Features of the Internal Control System

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

- Clear organisation structure and delineated reporting lines
- Defined levels of authority
- Timely financial and operations reports
- Scheduled operations and management meetings
- Standard operating procedures for the Leisure Division
- Capable workforce with ongoing training efforts
- Formal employee appraisal system which enables appraisal of employees and rewarding employees based on performance
- Payment functions controlled at Head Office
- Physical security and systems access controls
- Centralised procurement function that ensures approval procedures are adhered to, as well as to leverage on the Group's purchasing power
- Surprise checks on agents to ensure compliance with the Group's policies and procedures
- Independent assurance on the system of internal control from regular internal audit visits
- Business Continuity Planning
- Succession planning to ensure that key positions in the Group are always held by capable employees who are well aware of the Group's risks, and operating policies and procedures

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 COMMITTEE REPORT

The Board of Directors of Berjaya Land Berhad ("BLand") is pleased to present the report of the Audit Committee for the financial year ended 30 April 2017.

## AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprises the following:-

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

**Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim**
*Independent/Non-Executive Director*

**Datuk Kee Mustafa**
*Independent/Non-Executive Director*

The Audit Committee held five (5) meetings during the financial year ended 30 April 2017. The details of attendance of the Audit Committee members are as follows:-

| Name | Attendance |
|---|---|
| Datuk Robert Yong Kuen Loke | 5/5 |
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim | 5/5 |
| Datuk Kee Mustafa | 5/5 |

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

The Chief Executive Officer, the Executive Director who is also heading the Group Accounts and Budgets Division and the General Manager of Group Internal Audit were also invited to attend the Audit Committee meetings. The External Auditors were also invited to attend three (3) of these meetings. The Audit Committee also met with the External Auditors without the presence of executive Board members and the Management. In addition, the senior management of the relevant operations were also invited to provide clarification on the follow-up audit review and the adequacy on internal controls of the issues arising from the audit reports.

## SUMMARY OF WORK OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee are set out in its terms of reference, a copy of which is available at www.berjaya.com.

In discharging its duties and responsibilities, the Audit Committee had undertaken the following activities and work during the year:-

**<u>Financial Reporting</u>**

(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 | Quarterly Financial Statements Reviewed |
|---|---|
| 27 June 2016 | Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 April 2016 |
| 22 September 2016 | First quarter results for financial year ended 30 April 2017 |
| 20 December 2016 | Second quarter results for financial year ended 30 April 2017 |
| 22 March 2017 | Third quarter results for financial year ended 30 April 2017 |

The above review is to ensure that BLand'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 Standards in Malaysia and International Accounting Standard 34 - Interim Financial Reporting as well as the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed the audited financial statements of the Company and the Group for the financial year ended 30 April 2016 together with the Management and the External Auditors at its meeting held on 4 August 2016 to ensure that it presented a true and fair view of the Group's and 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) Evaluated the performance of the External Auditors for the financial year ended 30 April 2016 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The Audit Committee, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year end of 30 April 2017 at its meeting held on 27 June 2016.

(b) Discussed and considered the significant accounting and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had a private discussion with EY on 4 August 2016 without the presence of Management during the review of the audited financial statements for the year ended 30 April 2016 to discuss any problems/issues arising from the final audit and the assistance given by the employees during the course of audit by EY.

(c) Reviewed with the External Auditors at the meeting held on 22 March 2017, their audit plan in respect of the financial year end of 30 April 2017, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override and also the new and revised auditors reporting standards.

**Internal Audit**

(a) Reviewed fourteen (14) Internal Audit reports on the various non-listed operating subsidiaries of the Group during the financial year under review. Areas covered by the Internal Audit included the following :-

- Management and internal controls
- Finance and cash handling management
- Human Resource related matters
- Project Management
- Club memberships
- Sales, Marketing and Tenancy Management
- Information Technology
- Building Maintenance and Safety & Security Controls Management
- Refurbishment/Renovation exercise
- Purchasing, inventories & maintenance
- Administrative and control issue

The Audit Committee then considered the findings and recommendations made including the Management's responses thereto. The Internal Audit monitored the implementation of management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses were being properly addressed.

(b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2018 to ensure that the scope and coverage of the internal audit on the operations of the BLand Group is adequate and comprehensive 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 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 Recurrent Related Party Transactions 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 Group;

(iii) Records of Recurrent Related Party Transactions will be retained and compiled by the Group's accountant for submission to the Audit Committee for review;

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

(v) The Audit Committee also reviewed the procedures and processes with regards to the Recurrent Related Party Transactions on a half yearly basis to ensure that the transactions are within the approved mandate;

(vi) Directors who have any interest in any Recurrent Related Party Transaction shall abstain from Board deliberations and voting and will ensure that they and any Person Connected with them will also abstain from voting on the resolution at the extraordinary general meeting or annual general meeting to be convened for the purpose; and

(vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of the Recurrent Related Party Transactions during the financial year, amongst others, based on the following information:-

- the type of the Recurrent Related Party Transactions made; and
- the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationships with the Group.

**Related Party Transactions**

(a) The Audit Committee also 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad).

During the financial year, the Audit Committee had reviewed among others, the following related party transactions, prior to their recommendations to the Board for approval and to make the relevant announcements thereof:-

(i) Proposed acquisition of approximately 871.01 acres of freehold lands located in Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan by Alam Baiduri Sdn Bhd, a wholly-owned subsidiary of the Company for a total cash consideration of RM155.0 million from BerjayaCity Sdn Bhd, a related corporation, for the purpose of providing an opportunity for the BLand Group to increase its land bank.

(ii) Proposed disposal of up to 20.0 million ordinary shares of RM0.10 each, representing 1.48% equity interest in Berjaya Sports Toto Berhad ("BToto") in the open market and/or via direct business transactions with non-related parties based on the then prevailing market prices ("Proposed Disposal"), which result in the decrease of BLand Group's equity interest in BToto by 1.48% from 41.10% to 39.62%, to enable for the BLand Group to utilize the cash proceeds from the Proposed Disposal to meet its working capital requirement and repayment of its bank borrowings.

(iii) Proposed acquisition of 140,000 ordinary shares, representing 70% equity interest in Hotel Integrations Sdn Bhd ("HISB") by Berjaya Vacation Club Berhad from Mr. Hanley Chew and Madam Teh Ewe Bai for a total cash consideration of RM910,000/- and the proposed subscription of 70,000 new ordinary shares in HISB at a subscription price of RM6.50 per HISB share for a total cash subscription of RM455,000/-, for the purposes of providing an opportunity for the BLand Group to acquire a controlling stake in a company involved in the provision of consultation and management services to hotels whilst the proposed subscription of new shares will provide working capital to HISB.

(iv) Proposed acquisition of up to a total of 16.65 million ordinary shares of RM0.10 each, representing up to about 1.50% equity interest, in 7-Eleven Malaysia Holdings Berhad ("SEM") from Berjaya Retail Berhad via direct business transactions and/or from open market for a total cash consideration of up to RM23.31 million, to enable the BLand Group to invest in the convenience store segment under the 7-Eleven brand, which is owned and operated by 7-Eleven Malaysia Sdn Bhd, a wholly-owned subsidiary of SEM.

**Other activities**

(a) Reviewed and recommended to the Board for approval, the Audit Committee Report, Statement on Corporate Governance and Statement of Risk Management and Internal Control for inclusion in the Annual Report.

(b) Reviewed and recommended to the Board for approval the revised terms of reference of the Audit Committee following the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad, which took effect from 3 May 2016 as follows:

(i) to make available the terms of reference of the Audit Committee on the Company's website; and

(ii) to strengthen the role of the Audit Committee when reviewing financial statements by requesting the Audit Committee to also focus on amongst others, significant matters highlighted in the financial statement and significant judgements made by management.

## SUMMARY OF THE WORK OF THE INTERNAL AUDIT FUNCTION

The Group has an established Internal Audit Division whose primary function is to assist the Audit Committee in discharging its duties and responsibilities. Their role is to undertake independent regular and systematic reviews of the systems of internal controls and procedures of operating units within the Group so as to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance to the Group's established policies and procedures.

The Internal Audit's activities are guided by the Group's Internal Audit Charter and the Internal Audit Division adopts a risk-based approach focusing on high risk areas. All high risk activities in each auditable area are audited annually.

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2017 included the following:

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

For the financial year under review, the Internal Audit Division conducted audit assignments on various operating units of the Group involved in hotels, resorts and golf club operations, property development, investment and management.

The cost incurred for the Internal Audit function of the Group in respect of the financial year ended 30 April 2017 was approximately RM 1,110,957.

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of Audit Committee which laid down its duties is accessible via the Company's website at www.berjaya.com.

# FINANCIAL STATEMENTS




# 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 April 2017.

## 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) Toto betting operation under Section 5 of the Pool Betting Act, 1967;
(ii) property development and investment;
(iii) development and operation of hotels and resorts, vacation time share, water theme park and operating of a casino;
(iv) leasing of online lottery equipment and provision of software support;
(v) manufacture and distribution of computerised lottery and voting systems;
(vi) motor retailing, repair and maintenance and provision of aftersales and insurance services; and
(vii) investment holding.

## RESULTS

| | GROUP RM'000 | COMPANY RM'000 |
|---|---|---|
| Profit/(Loss) for the year | 411,221 | (46,638) |
| Profit/(Loss) attributable to: | | |
| Owners of the Parent | 294,738 | (46,638) |
| Non-controlling interests | 116,483 | - |
| | 411,221 | (46,638) |

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

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 other than as disclosed in Notes 30 and 31 to the financial statements.

## DIVIDENDS

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

The Board does not recommend any final dividend for the current financial year ended 30 April 2017.

**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:

| | |
|---|---|
| Tan Sri Datuk Seri Razman Md Hashim bin Che Din Md Hashim | |
| Datuk Pee Kang Seng @ Lim Kang Seng | |
| Tan Thiam Chai | |
| Nerine Tan Sheik Ping | |
| Chryseis Tan Sheik Ling | |
| Datuk Robert Yong Kuen Loke | |
| Datuk Kee Mustafa | |
| Dato' Ng Sooi Lin | |
| Phan Yoke Seng | (Resigned on 30 August 2016) |
| Dato' Dickson Tan Yong Loong | (Retired on 13 October 2016) |

**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, other than the Employees' Share Scheme granted by a related corporation as disclosed under Directors' Interests.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 34 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 41 to the financial statements.

The Company maintained a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and for the Group. The total amount of insurance premium effected for any director and officer of the Company as at the financial year end was RM70,395. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

**DIRECTORS' INTERESTS**

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

**THE COMPANY**

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| **Berjaya Land Berhad** | **At 1.5.2016** | **Bought** | **Sold** | **At 30.4.2017** |
| Tan Thiam Chai | 40,000 | - | - | 40,000 |
| Nerine Tan Sheik Ping | 2,000,000 | - | - | 2,000,000 |
| Chryseis Tan Sheik Ling | 5,000,000 | - | - | 5,000,000 |
| Datuk Robert Yong Kuen Loke | 360,808 | - | - | 360,808 |
| Dato' Ng Sooi Lin | 224,000 | - | - | 224,000 |

**DIRECTORS' INTERESTS (CONT'D)**

**ULTIMATE HOLDING COMPANY**

| | Number of Ordinary Shares | | | | | | |
|---|---|---|---|---|---|---|---|
| **Berjaya Corporation Berhad ("BCorp")** | **At 1.5.2016** | | **Bought** | | **Sold** | **At 30.4.2017** | |
| Tan Thiam Chai | 123,294 | | 3,698 | # | - | 126,992 | |
| | 104,164 | ^ | 3,124 | # | - | 107,288 | ^ |
| Chryseis Tan Sheik Ling | 197,000 | | 5,910 | # | - | 202,910 | |
| Datuk Robert Yong Kuen Loke | 1,020,918 | | 30,627 | # | - | 1,051,545 | |
| Dato' Ng Sooi Lin | 132,700 | | 3,981 | # | - | 136,681 | |

| | Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 | | | | | |
|---|---|---|---|---|---|---|
| | **At 1.5.2016** | | **Bought** | **Converted** | **At 30.4.2017** | |
| Tan Thiam Chai | 20,600 | | - | - | 20,600 | |
| | 17,400 | ^ | - | - | 17,400 | ^ |
| Nerine Tan Sheik Ping | 132,000 | | - | - | 132,000 | |
| Chryseis Tan Sheik Ling | 275,000 | | - | - | 275,000 | |
| Datuk Robert Yong Kuen Loke | 2,516,508 | | - | - | 2,516,508 | |
| Dato' Ng Sooi Lin | 16,666 | | - | - | 16,666 | |

| | Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 | | | |
|---|---|---|---|---|
| | **At 1.5.2016** | **Bought** | **Converted** | **At 30.4.2017** |
| Tan Thiam Chai | - | 1,000 | - | 1,000 |
| Dato' Ng Sooi Lin | - | 1,000 | - | 1,000 |

| | Number of Warrants 2012/2022 | | | | | |
|---|---|---|---|---|---|---|
| | **At 1.5.2016** | | **Bought** | **Converted** | **At 30.4.2017** | |
| Tan Thiam Chai | 20,600 | | - | - | 20,600 | |
| | 17,400 | ^ | - | - | 17,400 | ^ |
| Datuk Robert Yong Kuen Loke | 170,108 | | - | - | 170,108 | |
| Dato' Ng Sooi Lin | 16,666 | | - | - | 16,666 | |

| | Number of Warrants 2016/2026 | | | |
|---|---|---|---|---|
| | **At 1.5.2016** | **Bought** | **Converted** | **At 30.4.2017** |
| Tan Thiam Chai | - | 1,000 | - | 1,000 |
| Dato' Ng Sooi Lin | - | 1,000 | - | 1,000 |

**DIRECTORS' INTERESTS (CONT'D)**

**RELATED COMPANIES**

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| **Berjaya Sports Toto Berhad** | **At 1.5.2016** | **Bought** | **Sold** | **At 30.4.2017** |
| Tan Thiam Chai | 172,284 | - | - | 172,284 |
| | 133,165 ^ | - | - | 133,165 ^ |
| Datuk Robert Yong Kuen Loke | 123,667 | - | - | 123,667 |

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| **Berjaya Food Berhad** | **At 1.5.2016** | **Bought** | **Sold** | **At 30.4.2017** |
| Tan Thiam Chai | 325,800 | - | - | 325,800 |

| | Number of Ordinary Shares under Employees' Share Scheme ("ESS") | | | |
|---|---|---|---|---|
| | **At 1.5.2016** | **Granted** | **Exercised/ Vested** | **At 30.4.2017** |
| <u>ESS Options</u> | | | | |
| Tan Thiam Chai | - | 320,000 | - | 320,000 |
| <u>ESS Shares</u> | | | | |
| Tan Thiam Chai | - | 80,000 | - | 80,000 |

| | Number of Warrants | | | |
|---|---|---|---|---|
| | **At 1.5.2016** | **Bought** | **Converted** | **At 30.4.2017** |
| Tan Thiam Chai | 120,000 | - | - | 120,000 |

<u>Notes</u>

^ Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.

# Share dividend distribution by BCorp on the basis of three (3) BCorp treasury shares for every one hundred (100) existing BCorp ordinary shares on 30 December 2016.

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

## SHARE CAPITAL AND TREASURY SHARES

During the financial year, the Company did not purchase or sell any treasury shares. The number of treasury shares brought forward and held in hand as at 30 April 2017 was as follows:

| | Average price per share (RM) | Number of shares '000 | Amount RM'000 |
|---|---|---|---|
| Balance as at 30 April 2017/2016 | 1.89 | 10,943 | 20,699 |

As at 30 April 2017, the number of ordinary shares in issue and fully paid with voting rights was 4,989,394,000 ordinary shares (30 April 2016 : 4,989,394,000 ordinary shares).

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 47 to the financial statements.

## SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Significant event subsequent to the financial year end is disclosed in Note 48 to the financial statements.

## OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, statements of profit or loss and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) 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

  (ii) to ensure that any current assets which were unlikely to realise their values 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:

  (i) 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

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**OTHER STATUTORY INFORMATION (CONT'D)**

(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.

**AUDITORS**

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

The remuneration of the auditors of the Group is disclosed in Note 33 to the financial statements.

**INDEMNIFICATION OF AUDITORS**

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young neither during the financial year nor since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 9 August 2017.

TAN SRI DATUK SERI RAZMAN MD HASHIM BIN CHE DIN MD HASHIM

DATUK PEE KANG SENG @ LIM KANG SENG

# STATEMENT BY DIRECTORS

**STATEMENT BY DIRECTORS**
**PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, TAN SRI DATUK SERI RAZMAN MD HASHIM BIN CHE DIN MD HASHIM and DATUK PEE KANG SENG @ LIM KANG SENG, being two of the Directors of BERJAYA LAND BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 70 to 219 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2017 and their financial performance and cash flows of the Group and of the Company for the year then ended.

The information set out in Note 50 on page 220 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 9 August 2017.

TAN SRI DATUK SERI RAZMAN MD HASHIM
BIN CHE DIN MD HASHIM

DATUK PEE KANG SENG @ LIM KANG SENG

## STATUTORY DECLARATION
## PURSUANT TO SECTION 251(1)(b) OF COMPANIES ACT 2016

I, TAN THIAM CHAI, being the Director primarily responsible for the financial management of BERJAYA LAND BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 70 to 220 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 TAN THIAM CHAI at
Kuala Lumpur in the Federal Territory
on 9 August 2017.

TAN THIAM CHAI

Before me,

YM TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W533)
Commissioner for Oaths
Kuala Lumpur

# STATEMENT OF FINANCIAL POSITION
## as at 30 April 2017

| | Note | 2017 RM'000 | GROUP 2016 RM'000 Restated | 1.5.2015 RM'000 Restated |
|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | |
| Property, plant and equipment | 3 | 1,709,547 | 1,732,398 | 2,586,999 |
| Investment properties | 4 | 740,057 | 621,903 | 607,758 |
| Land held for development | 5 | 1,566,756 | 1,499,753 | 849,888 |
| Prepaid land lease premium | | - | - | 1,018 |
| Associated companies | 7 | 593,567 | 484,462 | 378,015 |
| Joint ventures | 8 | 60,161 | 45,310 | 44,812 |
| Investments | 9 | 110,020 | 93,618 | 165,350 |
| Intangible assets | 10 | 4,020,046 | 4,712,683 | 5,105,624 |
| Receivables | 13 | 696,126 | 612,198 | 564,539 |
| Deferred tax assets | 24 | 38,653 | 45,348 | 22,955 |
| | | 9,534,933 | 9,847,673 | 10,326,958 |
| **CURRENT ASSETS** | | | | |
| Property development costs | 11 | 347,379 | 245,383 | 1,351,288 |
| Inventories | 12 | 494,513 | 585,356 | 479,542 |
| Receivables | 13 | 1,913,106 | 1,097,204 | 871,823 |
| Tax recoverable | | 32,029 | 12,348 | 10,364 |
| Short term investments | 14 | 9,006 | 9,302 | 3,087 |
| Deposits | 15 | 425,993 | 529,328 | 477,064 |
| Cash and bank balances | 16 | 318,625 | 1,124,390 | 605,010 |
| | | 3,540,651 | 3,603,311 | 3,798,178 |
| Assets of disposal group/ Assets classified as held for sale | 17 | 42,916 | 979,782 | 58,009 |
| | | 3,583,567 | 4,583,093 | 3,856,187 |
| **TOTAL ASSETS** | | 13,118,500 | 14,430,766 | 14,183,145 |

| | Note | GROUP<br>2017<br>RM'000 | 2016<br>RM'000<br>Restated | 1.5.2015<br>RM'000<br>Restated |
|---|---|---|---|---|
| **EQUITY** | | | | |
| Share capital | 18 | 2,500,168 | 2,500,168 | 2,500,168 |
| Reserves | 19 | 2,042,717 | 1,852,320 | 2,013,035 |
| Equity funds | | 4,542,885 | 4,352,488 | 4,513,203 |
| Treasury shares | 20 | (20,699) | (20,699) | (20,699) |
| Net equity funds | | 4,522,186 | 4,331,789 | 4,492,504 |
| Non-controlling interests | | 2,338,819 | 2,630,205 | 2,668,181 |
| Total Equity | | 6,861,005 | 6,961,994 | 7,160,685 |
| **NON-CURRENT LIABILITIES** | | | | |
| Long term borrowings | 21 | 1,782,336 | 2,859,025 | 3,238,987 |
| Long term liabilities | 22 | 111,282 | 129,100 | 156,002 |
| Retirement benefit obligations | 23 | 10,034 | 9,675 | 9,511 |
| Deferred tax liabilities | 24 | 1,061,021 | 1,218,603 | 1,185,069 |
| | | 2,964,673 | 4,216,403 | 4,589,569 |
| **CURRENT LIABILITIES** | | | | |
| Payables | 25 | 1,343,899 | 1,978,660 | 1,140,532 |
| Short term borrowings | 26 | 1,931,997 | 1,253,730 | 1,278,018 |
| Retirement benefit obligations | 23 | 126 | 15 | 12 |
| Provisions | 27 | 2,359 | 1,418 | 1,095 |
| Tax payable | | 11,666 | 18,546 | 13,234 |
| | | 3,290,047 | 3,252,369 | 2,432,891 |
| Liabilities directly associated to assets of disposal group classified as held for sale | 17 | 2,775 | - | - |
| | | 3,292,822 | 3,252,369 | 2,432,891 |
| Total Liabilities | | 6,257,495 | 7,468,772 | 7,022,460 |
| **TOTAL EQUITY AND LIABILITIES** | | 13,118,500 | 14,430,766 | 14,183,145 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION
as at 30 April 2017

| | Note | COMPANY 2017 RM'000 | COMPANY 2016 RM'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 3 | 1,743 | 2,558 |
| Subsidiary companies | 6 | 2,645,550 | 2,654,439 |
| Associated companies | 7 | 40,591 | 40,591 |
| Investments | 9 | 23,671 | 7,408 |
| Receivables | 13 | 1,017,819 | 1,252,370 |
| | | 3,729,374 | 3,957,366 |
| **CURRENT ASSETS** | | | |
| Receivables | 13 | 1,830,941 | 1,508,214 |
| Tax recoverable | | 1,609 | 1,845 |
| Deposits | 15 | 27,402 | 26,082 |
| Cash and bank balances | 16 | 5,206 | 7,509 |
| | | 1,865,158 | 1,543,650 |
| **TOTAL ASSETS** | | 5,594,532 | 5,501,016 |
| **EQUITY** | | | |
| Share capital | 18 | 2,500,168 | 2,500,168 |
| Reserves | 19 | 742,067 | 786,831 |
| Equity funds | | 3,242,235 | 3,286,999 |
| Treasury shares | 20 | (20,699) | (20,699) |
| Net equity funds | | 3,221,536 | 3,266,300 |
| **NON-CURRENT LIABILITIES** | | | |
| Long term borrowings | 21 | 596,232 | 1,022,970 |
| **CURRENT LIABILITIES** | | | |
| Payables | 25 | 1,024,082 | 995,609 |
| Short term borrowings | 26 | 752,682 | 216,137 |
| | | 1,776,764 | 1,211,746 |
| Total Liabilities | | 2,372,996 | 2,234,716 |
| **TOTAL EQUITY AND LIABILITIES** | | 5,594,532 | 5,501,016 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS
## for the year ended 30 April 2017

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | 2017 | 2016 | 2017 | 2016 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| **Revenue** | 28 | 6,371,366 | 6,283,997 | 70,392 | 140,757 |
| Cost of sales | | (4,844,073) | (4,653,954) | - | - |
| **Gross profit** | | 1,527,293 | 1,630,043 | 70,392 | 140,757 |
| Other income | 29 | 176,845 | 146,504 | 28,430 | 40,880 |
| Administrative expenses | | (922,962) | (895,272) | (52,662) | (51,947) |
| Selling and marketing expenses | | (292,230) | (329,315) | - | - |
| | | 488,946 | 551,960 | 46,160 | 129,690 |
| Investment related income | 30 | 268,196 | 265,285 | 98,170 | 294,501 |
| Investment related expenses | 31 | (51,042) | (569,601) | (83,958) | (125,357) |
| Finance costs | 32 | (211,369) | (204,437) | (106,798) | (102,751) |
| Share of results of associated companies | | 85,588 | (16,673) | - | - |
| Share of results of joint ventures | | (3,998) | (17,573) | - | - |
| **Profit/(Loss) before tax** | 33 | 576,321 | 8,961 | (46,426) | 196,083 |
| Taxation | 36 | (165,100) | (173,985) | (212) | (2,111) |
| **Profit/(Loss) for the year** | | 411,221 | (165,024) | (46,638) | 193,972 |
| **Attributable to:** | | | | | |
| Owners of the Parent | | 294,738 | (270,637) | (46,638) | 193,972 |
| Non-controlling interests | | 116,483 | 105,613 | - | - |
| | | 411,221 | (165,024) | (46,638) | 193,972 |
| **Earnings/(Loss) per share attributable to owners of the Parent (sen)** | 37 | | | | |
| Basic | | 5.91 | (5.42) | | |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME
## for the year ended 30 April 2017

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 Restated | 2017 RM'000 | 2016 RM'000 |
| **Profit/(Loss) for the year** | 411,221 | (165,024) | (46,638) | 193,972 |
| Other comprehensive income: | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Net change on available-for-sale ("AFS") reserve | | | | |
| - (Loss)/Gain on fair value changes | (803) | (16,998) | 1,874 | - |
| - Transfer to profit or loss upon disposal | (141) | 1,191 | - | - |
| Share of associated companies' changes in fair values of AFS investments | (782) | (439) | - | - |
| Impairment of gaming rights | (642,991) | (9,848) | - | - |
| Change in fair value reserve upon: | | | | |
| - recognition of deferred tax liability on gaming rights with finite life | - | (42,532) | - | - |
| - reversal of deferred tax liabilities on impairment of gaming rights | 154,318 | - | - | - |
| Currency translation differences | | | | |
| - Movement during the year | 152,174 | 126,762 | - | - |
| - Transfer to profit or loss upon disposal | - | 37,690 | - | - |
| Tax effect relating to components of other comprehensive income | - | - | - | - |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Actuarial (loss)/gain recognised in defined benefit pension scheme | (699) | 658 | - | - |
| Tax effect relating to components of other comprehensive income | 180 | (132) | - | - |
| **Total comprehensive income for the year** | 72,477 | (68,672) | (44,764) | 193,972 |
| **Attributable to:** | | | | |
| Owners of the Parent | 210,664 | (171,845) | (44,764) | 193,972 |
| Non-controlling interests | (138,187) | 103,173 | - | - |
| | 72,477 | (68,672) | (44,764) | 193,972 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the year ended 30 April 2017

| GROUP | Share capital RM'000 | Foreign currency translation reserve RM'000 | Available-for-sale reserve RM'000 | Fair value reserve RM'000 | Consolidation reserve RM'000 | Capital reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Net equity funds RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | <---- Attributable to owners of the Parent | | | | | | | | ----> | | |
| | | <---- Non-distributable | | | | ----> | Distributable | | | | |
| At 1 May 2016 | 2,500,168 | 122,525 | 4,891 | 1,385,254 | 102,109 | 10,804 | 226,737 | (20,699) | 4,331,789 | 2,630,205 | 6,961,994 |
| Profit for the year | - | - | - | - | - | - | 294,738 | - | 294,738 | 116,483 | 411,221 |
| Other comprehensive income | - | 111,494 | 324 | (195,714) | - | - | (178) | | (84,074) | (254,670) | (338,744) |
| Total comprehensive income | - | 111,494 | 324 | (195,714) | - | - | 294,560 | - | 210,664 | (138,187) | 72,477 |
| Effects of amortisation of gaming rights | - | - | - | (10,031) | - | - | 10,031 | - | - | - | - |
| Transactions with owners: | | | | | | | | | | | |
| Non-controlling interests arising from: | | | | | | | | | | | |
| - decrease of equity interest in a subsidiary company | - | - | - | - | 2,891 | - | - | - | 2,891 | 37,951 | 40,842 |
| - increase of equity interest in a subsidiary company | - | - | - | - | (23,158) | - | - | - | (23,158) | (62,110) | (85,268) |
| - acquisition of a new subsidiary company | - | - | - | - | - | - | - | - | - | 256 | 256 |
| Transferred from distributable earnings to capital reserve from a subsidiary company's bonus issue of shares | - | - | - | - | - | 105,724 | (105,724) | - | - | - | - |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (129,296) | (129,296) |
| | - | - | - | - | (20,267) | 105,724 | (105,724) | - | (20,267) | (153,199) | (173,466) |
| **At 30 April 2017** | 2,500,168 | 234,019 | 5,215 | 1,179,509 | 81,842 | 116,528 | 425,604 | (20,699) | 4,522,186 | 2,338,819 | 6,861,005 |

| GROUP Restated | Share capital RM'000 | Foreign currency translation reserve RM'000 | Available-for-sale reserve RM'000 | Fair value reserve RM'000 | Consolidation reserve RM'000 | Capital reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Net equity funds RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | <---- Attributable to owners of the Parent | | | | | | | | ----> | | |
| | <---- Non-distributable | | | | | ----> | Distributable | | | | |
| At 1 May 2015 - as previously reported | 2,500,168 | (3,354) | 13,114 | 1,935,385 | 21,220 | 10,804 | 467,982 | (20,699) | 4,924,620 | 3,292,065 | 8,216,685 |
| Prior year adjustment (Note 2.6) | - | - | - | (514,906) | 82,790 | - | - | - | (432,116) | (623,884) | (1,056,000) |
| At 1 May 2015 - as restated | 2,500,168 | (3,354) | 13,114 | 1,420,479 | 104,010 | 10,804 | 467,982 | (20,699) | 4,492,504 | 2,668,181 | 7,160,685 |
| Profit/(Loss) for the year | - | - | - | - | - | - | (270,637) | - | (270,637) | 105,613 | (165,024) |
| Other comprehensive income | - | 125,879 | (8,223) | (19,001) | - | - | 137 | - | 98,792 | (2,440) | 96,352 |
| Total comprehensive income | - | 125,879 | (8,223) | (19,001) | - | - | (270,500) | - | (171,845) | 103,173 | (68,672) |
| Share of an associated company's effect arising on acquisition of additional interest in its subsidiary company | - | - | - | - | - | - | 19,168 | - | 19,168 | - | 19,168 |
| Effects of amortisation and recognition of deferred tax and realignment adjustments on gaming rights | - | - | - | (16,224) | - | - | 10,087 | - | (6,137) | 6,152 | 15 |
| Transactions with owners: | | | | | | | | | | | |
| Non-controlling interests arising from accretion of equity interest in a subsidiary company | | | | | | | | | | | |
| - as previously reported | - | - | - | - | - | - | - | - | - | (18,253) | (18,253) |
| - prior year adjustment (Note 2.6) | - | - | - | - | (1,901) | - | - | - | (1,901) | 1,901 | - |
| - as restated | - | - | - | - | (1,901) | - | - | - | (1,901) | (16,352) | (18,253) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (130,949) | (130,949) |
| | - | - | - | - | (1,901) | - | - | - | (1,901) | (147,301) | (149,202) |
| **At 30 April 2016** | 2,500,168 | 122,525 | 4,891 | 1,385,254 | 102,109 | 10,804 | 226,737 | (20,699) | 4,331,789 | 2,630,205 | 6,961,994 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

| COMPANY | Share capital RM'000 | Available-for-sale reserve RM'000 | Distributable Retained earnings RM'000 | Treasury shares RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|
| At 1 May 2016 | 2,500,168 | - | 786,831 | (20,699) | 3,266,300 |
| Total comprehensive income | - | 1,874 | (46,638) | - | (44,764) |
| **At 30 April 2017** | 2,500,168 | 1,874 | 740,193 | (20,699) | 3,221,536 |
| | | | | | |
| At 1 May 2015 | 2,500,168 | - | 592,859 | (20,699) | 3,072,328 |
| Total comprehensive income | - | - | 193,972 | - | 193,972 |
| **At 30 April 2016** | 2,500,168 | - | 786,831 | (20,699) | 3,266,300 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS
## for the year ended 30 April 2017

| | Note | GROUP 2017 RM'000 | GROUP 2016 RM'000 Restated |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers/operating revenue | | 6,651,628 | 6,724,678 |
| Receipt of part of the sales consideration from the disposal of development project | | - | 680,899 |
| Payment to prize winners, suppliers and other operating expenses | | (5,399,241) | (5,307,855) |
| Payment for pool betting duties, gaming tax, goods and services tax and other government contributions | | (653,854) | (646,015) |
| Expenditure incurred on disposal of development project | | (244,016) | - |
| Payment of development expenditure | | (183,816) | (429,707) |
| Payment of taxes | | (183,700) | (199,421) |
| Refund of taxes | | 50 | 13,171 |
| Other receipts | | 15,392 | 11,853 |
| Net cash generated from operating activities | | 2,443 | 847,603 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Sale of property, plant and equipment and other non-current assets | | 29,804 | 404,554 |
| Sale of investments | | 13,204 | 44,592 |
| Partial disposal of equity interest in a subsidiary company | | 40,842 | - |
| Sale of short term investments | | 3,799 | 1,395 |
| Proceeds from settlement of surrendering certain assets and lease interests to relevant authorities | | 218,309 | - |
| Acquisition of property, plant and equipment | (a) | (129,587) | (151,816) |
| Acquisition of properties and other non-current assets | | (132,105) | (28,726) |
| Acquisition of treasury shares by subsidiary companies | | - | (18,253) |
| Acquisition of equity interest in a subsidiary company | | (22) | - |
| Acquisition of equity interest in a subsidiary company regarded as business combination | (b) | (1,365) | (13,714) |
| Acquisition of additional equity interest in a subsidiary company | | (85,268) | - |
| Net cash outflow from deemed disposal of a subsidiary company | (c) | - | (26,829) |
| Acquisition of equity interest in associated companies | | (30,377) | (20,281) |
| Subscription of shares in a joint venture | | (10,264) | (765) |
| Acquisition of investments | | (26,832) | (9,181) |
| Acquisition of computer software classified as intangible assets | | (161) | (674) |
| Interest received | | 23,320 | 24,644 |
| Dividends received | | 1,424 | 2,753 |
| Net repayment of advances from a former subsidiary company | | - | 63,618 |
| Net (repayment to)/advances from related companies | | (60,161) | 86,099 |
| Net repayment from joint ventures | | 16,317 | 10,962 |
| Deposit placements with fund managers | | (22,223) | (53,154) |
| Other (payments)/receipts arising from investments | | (22,130) | 6,302 |
| Net cash (used in)/generated from investing activities | | (173,476) | 321,526 |

| | Note | GROUP 2017 RM'000 | GROUP 2016 RM'000 Restated |
|---|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Issuance of medium term notes | | 80,000 | 305,000 |
| Drawdown of bank borrowings and other loans | | 511,248 | 757,865 |
| Repayment of bank borrowings and other loans | | (931,288) | (1,111,018) |
| Redemption of medium term notes | | (105,000) | (200,000) |
| Interest paid | | (187,329) | (195,056) |
| Payment of hire purchase/lease liabilities | | (8,047) | (7,687) |
| Dividends paid to non-controlling interests | | (129,296) | (131,011) |
| Withdrawals/(Placements) of securities pledged for borrowings from/(with) banks | | 722,878 | (542,200) |
| Net cash used in financing activities | | (46,834) | (1,124,107) |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | (217,867) | 45,022 |
| **EFFECTS OF EXCHANGE RATE CHANGES** | | 33,578 | (1,897) |
| **OPENING CASH AND CASH EQUIVALENTS** | | 838,133 | 795,008 |
| **CLOSING CASH AND CASH EQUIVALENTS** | (d) | 653,844 | 838,133 |

(a) The additions in property, plant and equipment were acquired by way of:

| | GROUP 2017 RM'000 | GROUP 2016 RM'000 |
|---|---|---|
| Cash | 129,587 | 151,816 |
| Hire purchase and leasing | 1,677 | 2,767 |
| | 131,264 | 154,583 |

(b) Analysis of the effects of the acquisition of equity interest in a subsidiary company on cash flows was as follows:

| **Group** | **2017 RM'000** |
|---|---|
| Property, plant and equipment | 37 |
| Net current assets acquired | 817 |
| Goodwill on consolidation (Note 10) | 767 |
| Non-controlling interests | (256) |
| Net assets acquired, representing cash flows on acquisition | 1,365 |

(b) Analysis of the effects of the acquisition of equity interest in a subsidiary company on cash flows was as follows:

| Group | 2016 RM'000 |
|---|---|
| Property, plant and equipment | 1,752 |
| Net other assets acquired | 5,785 |
| Goodwill on consolidation (Note 10) | 5,573 |
| Intangible assets on consolidation (Note 10) | 3,831 |
| Net assets acquired | 16,941 |
| Excluding: Cash and cash equivalents of a subsidiary company acquired | (3,227) |
| Cash flows on acquisition | 13,714 |

(c) Analysis of the effects of the deemed disposal of a subsidiary company which was retained as an associated company on cash flows in the previous financial year was as follows:

| Group | 2016 RM'000 |
|---|---|
| Property, plant and equipment | 405,533 |
| Net other liabilities disposed | (495,139) |
| Add: Gain on remeasurement (Note (i)) | 141,116 |
| Less: Reclassification to associated company at fair value | (96,313) |
| | (44,803) |
| Excluding: Cash and cash equivalents of a subsidiary company deemed disposed | (26,829) |
| Add: Gain on deemed disposal (Note (ii)) | 44,803 |
| Net cash outflow from deemed disposal of a subsidiary company | (26,829) |

| | | |
|---|---|---|
| (i) | Gain on remeasurement | 141,116 |
| | Foreign currency translation reserve transferred to profit or loss upon deemed disposal | (18,845) |
| | Net gain on remeasurement recognised in profit or loss (Note 30) | 122,271 |
| (ii) | Gain on deemed disposal | 44,803 |
| | Foreign currency translation reserve transferred to profit or loss upon deemed disposal | (18,845) |
| | Net gain on deemed disposal recognised in profit or loss (Note 30) | 25,958 |

(d) The closing cash and cash equivalents comprise the following:

| | GROUP | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Deposits (Note 15) | 425,993 | 529,328 |
| Cash and bank balances | 318,625 | 1,124,390 |
| Bank overdrafts (Note 26) | (7,816) | (9,586) |
| | 736,802 | 1,644,132 |
| Less: Cash and cash equivalents restricted in usage | | |
| - Deposits (Note 15) | (59,166) | (42,838) |
| - Cash and bank balances (Note 16) | (23,955) | (763,161) |
| | 653,681 | 838,133 |
| Including: Cash and cash equivalents classified as held for sale (Note 17) | 163 | - |
| | 653,844 | 838,133 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF CASH FLOWS
## for the year ended 30 April 2017

| | Note | COMPANY 2017 RM'000 | COMPANY 2016 RM'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Dividends received | | 172,432 | 159,252 |
| Payment for operating expenses | | (44,087) | (38,468) |
| Payment for taxes | | - | (510) |
| Refund of taxes | | 24 | 2,000 |
| Other receipts | | 850 | 817 |
| Net cash generated from operating activities | | 129,219 | 123,091 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Sale of property, plant and equipment | | 252 | 59 |
| Disposal of partial equity interest in a subsidiary company | | 35,142 | - |
| Net repayment of advances from a former subsidiary company | | - | 63,618 |
| Acquisition of property, plant and equipment | (a) | (294) | (499) |
| Subscription of additional shares in subsidiary companies | | (52,500) | - |
| Acquisition of investments | | (14,026) | - |
| Interest received | | 1,534 | 1,442 |
| Inter-company receipts | | 286,891 | 400,533 |
| Inter-company advances | | (360,202) | (411,458) |
| Other payments arising from investments | | (54,054) | (368) |
| Net cash (used in)/generated from investing activities | | (157,257) | 53,327 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Drawdown of bank borrowings and term loans | | 294,026 | 83,000 |
| Interest paid | | (71,728) | (69,354) |
| Payment of hire purchase liabilities | | (822) | (652) |
| Repayment of bank borrowings and other loans | | (195,871) | (192,684) |
| (Placements)/Withdrawal of securities pledged for borrowings (with)/from banks | | (1,940) | 11,605 |
| Net cash generated from/(used in) financing activities | | 23,665 | (168,085) |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | (4,373) | 8,333 |
| **OPENING CASH AND CASH EQUIVALENTS** | | 3,316 | (5,017) |
| **CLOSING CASH AND CASH EQUIVALENTS** | (b) | (1,057) | 3,316 |

(a) The additions in property, plant and equipment were acquired by way of:

| | COMPANY | |
|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 |
| Cash | 294 | 499 |
| Hire purchase | 134 | 585 |
| | 428 | 1,084 |

(b) The closing cash and cash equivalents comprise the following:

| | COMPANY | |
|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 |
| Deposits (Note 15) | 27,402 | 26,082 |
| Cash and bank balances | 5,206 | 7,509 |
| Bank overdrafts (Note 26) | (1,450) | - |
| | 31,158 | 33,591 |
| Less: Cash and cash equivalents restricted in usage | | |
| - Deposits (Note 15) | (27,402) | (26,082) |
| - Cash and bank balances (Note 16) | (4,813) | (4,193) |
| | (1,057) | 3,316 |

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## 1 CORPORATE INFORMATION

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) Toto betting operation under Section 5 of the Pool Betting Act, 1967;
(ii) property development and investment;
(iii) development and operation of hotels and resorts, vacation time share, water theme park and operating of a casino;
(iv) leasing of online lottery equipment and provision of software support;
(v) manufacture and distribution of computerised lottery and voting systems;
(vi) motor retailing, repair and maintenance and provision of aftersales and insurance services; and
(vii) investment holding.

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 Securities"). 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 ultimate holding company is Berjaya Corporation Berhad ("BCorp") which is incorporated in Malaysia and listed on the Main Market of Bursa Securities.

Related companies in these financial statements refer to member companies of the BCorp group of companies other than subsidiary companies of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 9 August 2017.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared on a historical cost basis unless otherwise indicated in the accounting policies below and comply with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 2016 in Malaysia.

On 15 September 2016, the Companies Act 2016 ("New Act") was enacted and it replaces the Companies Act 1965 in Malaysia with effect from 31 January 2017. The key changes are disclosed in Note 2.2 (28).

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

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (1) Basis of Consolidation

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (1) Basis of Consolidation (Cont'd)

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

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in FRS 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 and the fair value of the Group's previously held equity interest in the acquiree. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (1) Basis of Consolidation (Cont'd)

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 FRS 139 or FRS 137 as appropriate with the corresponding gain or loss being recognised in profit or loss.

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

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

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

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

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

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

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 parent.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (1) Basis of Consolidation (Cont'd)

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 previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest;

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

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

### (2) 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, unless it is impracticable to do so. 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 investment in its associated companies. At each reporting date, the Group determines whether there is objective evidence that the investment in the associated companies is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value, then recognises the loss in 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (2) Associated Companies and Joint Ventures (Cont'd)

The Group's share of comprehensive income of associated companies or joint ventures acquired or disposed of during the financial year, is included in the consolidated profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

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

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company or joint venture, including any long term interest, that, in substance, form part of the Group’s net investment in the associated 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, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the retained investment and proceeds from the disposals is recognised in profit or loss.

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

### (3) Property, Plant and Equipment and Depreciation

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

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

Freehold land has an unlimited useful life and therefore is not depreciated but reviewed at each reporting date to determine whether there is an indication of impairment. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

| | |
|---|---|
| Leasehold land | Ranging from 50 to 99 years |
| Buildings | 1.25% - 3% |
| Plant and equipment | 10% - 33% |
| Computer equipment | 10% - 50% |
| Renovation | 10% - 33% |
| Furniture and fittings | 5% - 20% |
| Office equipment | 10% - 67% |
| Motor vehicles | 20% - 33% |

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (3) Property, Plant and Equipment and Depreciation (Cont'd)

| | |
|---|---|
| Aircraft | Ranging from 5 to 20 years or based on flying hours |
| Golf course development expenditure | 1% - 2% |
| Others | 10% - 25% |

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

The residual value, 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 loss on the derecognition of the asset is included as profit or loss in the year the asset is derecognised.

### (4) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by independent professional valuers.

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

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

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

When an item of 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 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 profit or loss.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (5) Land Held for Development and Property Development Costs

(i) Land Held for Development

Land held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is classified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised to the extent of property development costs incurred that is probable of being recovered, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs that are not recognised as expenses are recognised as assets, which are measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within payables.

### (6) 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, 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (6) Intangible Assets (Cont'd)

(ii) Gaming Rights

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

- a licence for Toto betting operations in Malaysia under Section 5 of the Pool Betting Act, 1967 ("Licence") which is renewable annually;
- an equipment lease agreement, maintenance and repair services agreements of online lottery equipment with Philippine Charity Sweepstakes Office, Luzon Island, Philippines ("ELA") expiring in August 2018; and
- trademarks, trade dress, gaming design and processes and agency network.

The Licence has been renewed annually since 1985 while the ELA has been entered into and renewed/extended since 1995.

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

(iii) Dealership Rights

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

(iv) Customer Relationships

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (6) Intangible Assets (Cont'd)

(v) 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 based on their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at each reporting date.

### (7) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, in the case of work-in-progress and finished goods, comprises raw materials, direct labour and an attributable proportion of production overheads. Cost is determined on the first-in first-out basis, by weighted average cost method, or by specific identification.

Net realisable value represents the estimated selling price less all estimated costs of completion and the estimated costs necessary to make the sale.

Property inventories are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

Vehicles used for demonstration purposes are valued at cost less appropriate charge for use. Vehicles on consignment are included in inventories when substantially all of the principal benefits and inherent risks rest with the Group. The corresponding consignment liability after deducting any deposits is classified as manufacturers' vehicle stocking loans.

### (8) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than investment properties, property development costs, inventories, deferred tax assets and non-current assets (or disposal group) held for sale 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.

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (8) Impairment of Non-Financial Assets (Cont'd)

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 profit or loss in the period in which it arises, except for an asset which 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, 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 other asset other than goodwill is recognised in profit or loss, unless the assets is carried at revalued amount, in which case, such reversal in treated as a revaluation increase.

### (9) Fair Value Measurement

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

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

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.

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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (9) Fair Value Measurement (Cont'd)

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 43.

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) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Financial assets designated as financial assets at fair value through profit or loss are a group of financial assets which consist of certain quoted securities that is managed and its performance is evaluated at a fair value basis, in accordance with a documented risk management or investment strategy, and information about this group of financial assets is provided internally on that basis to the Group's and the Company's key management personnel.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the expected settlement date.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (10) Financial Assets (Cont'd)

(ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-To-Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-For-Sale Financial Assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends from an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss previously recognised in other comprehensive income will be recognised in profit or loss.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (11) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group’s and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost had the impairment not been recognised at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted Equity Securities Carried at Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the financial asset and the Group's share of net assets. Such impairment losses are not reversed in subsequent periods.

(iii) Available-For-Sale Financial Assets

Significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (11) Impairment of Financial Assets (Cont'd)

(iii) Available-For-Sale Financial Assets (Cont'd)

If an available-for-sale financial asset is impaired, the difference between its cost (net of any principal payment and amortisation) and its current fair value less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value of equity instruments, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

### (12) Cash and Cash Equivalents

Cash and short term deposits in the statements of financial position comprise cash at banks and on hand and short term deposits with a maturity of 3 months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank amounts, if applicable, as they are considered an integral part of cash management.

### (13) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (13) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities of the Group and of the Company include trade payables, other payables, hire purchase and finance lease liabilities, and loans and borrowings including medium term notes.

Trade and other payables are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statements 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.

### (14) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

### (15) Borrowing Costs

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (16) Equity Instruments

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.

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

### (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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (18) Leases

(i) As Lessee

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (18) Leases (Cont'd)

(ii) As Lessor

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

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

### (19) Income Taxes

(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 profit or loss except to the extent that the tax relates to items recognised outside profit or loss which is recognised either in other comprehensive income or directly in equity.

(ii) Deferred Tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary companies, 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.

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (19) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

- 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.

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

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

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

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

### (20) Goods and Services Tax ("GST") or Value Added Tax ("VAT")

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (21) 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. 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 profit or loss as incurred. As required by law, companies in Malaysia make such contributions to contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes.

(iii) Defined Benefit Plans

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

a) Funded Defined Benefit Plan

Certain foreign subsidiary companies of the Group provides funded pension benefits to its eligible employees.

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

The Group's net obligations in respect of defined benefit plans for certain foreign subsidiary companies are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The liability recognised in the consolidated statement of financial position for defined benefit plan is the discounted present value of the defined benefit obligation using prudent and appropriate discount factor at the reporting date less the fair value of plan assets. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The calculation is performed by independent actuaries using the projected unit credit method.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (21) Employee Benefits (Cont'd)

(iii) Defined Benefit Plans (Cont'd)

a) Funded Defined Benefit Plan (Cont'd)

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

Past service costs are recognised in profit or loss on the earlier of:
i) the date of the plan amendment or curtailment; and
ii) the date that the Group recognises restructuring-related costs.

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

b) Unfunded Defined Benefit Plan

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

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

Past service costs are recognised in profit or loss on the earlier of:
i) the date of the plan amendment or curtailment; and
ii) the date that the Group recognises restructuring-related costs.

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (22) Foreign Currencies

(i) Functional and Presentation Currencies

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 rates prevailing on the reporting date. Non-monetary items are measured at historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair values were determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign 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 profit or loss.

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

(iii) Foreign Operations

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(22) Foreign Currencies (Cont'd)**

(iii) Foreign Operations (Cont'd)

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

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

**(23) Contingencies**

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

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

**(24) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the revenue can be reliably measured.

(i) Investment Income

Dividend income is recognised when the shareholders' rights to receive the dividend payment are established.

Interest income from short term deposits and advances are recognised on the effective interest method.

(ii) Development Properties

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold.

(iii) Enrolment Fees

Entrance fees for members joining the golf and recreational club are recognised as revenue upon the admission of the applicants to the membership register. Advance licence fees which are deferred are recognised as income over the membership period.

Membership fees for members joining the fitness centre are recognised on an accrual basis over the membership period. Membership fees received in advance are only recognised when they are due.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(24) Revenue Recognition (Cont'd)**

(iv) Rental Income

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

(v) Revenue from Water Theme Park Operations

Entrance fee to the water theme park is recognised when tickets are sold and services are rendered. Revenue from the sale of food and beverage is recognised based on invoiced value of goods sold.

(vi) Revenue from Casino Operations

Revenue from casino operations is recognised on a receipt basis and is stated net of gaming tax.

(vii) Sale of Goods, Property Inventories and Services

Revenue is recognised when significant risks and rewards of ownership of the goods and property inventories have been passed to the buyer. Revenue from services is recognised when rendered. Both revenues are recognised net of GST, and discount where applicable.

(viii) Management Fee Income

Management fee income is recognised on an accrual basis.

(ix) Toto Betting

Revenue from toto betting is recognised based on ticket sales, net of gaming tax and GST relating to draw days within the financial year.

(x) Lease of Lottery Equipment

Revenue from the lease of lottery equipment is recognised based on certain percentage of gross receipts from lottery ticket sales, excluding foreign VAT and trade discount.

(xi) Lottery and Voting Product Sales, Services and Licensing Income

Revenue from lottery and voting product sales, services and licensing income are recognised on the basis of shipment of products, performance of services and percentage of completion method for long term contracts. The percentage of completion is estimated by comparing the cost incurred to date against the estimated cost to completion. Revenue relating to the sale of certain assets, when the ultimate total collection is not reasonably assured, are being recorded under the cost recovery method.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (24) Revenue Recognition (Cont'd)

(xii) Sales of Vehicles, Parts and Accessories

Revenue on sales of vehicles are recognised when substantially all the risks and rewards of ownership have been transferred to the customer, generally deemed at the time of delivery to the customer. Revenue on sales of parts and accessories are recognised on delivery to the customer. Revenue in relation to commission on vehicle sales as an agent is recognised on the completion of the related transaction. Revenue is recognised net of foreign VAT and discounts, where applicable.

(xiii) Servicing, Repair, Bodyshop Sales and Insurance Income

Revenue is recognised on completion of the agreed work, net of foreign VAT and discounts, where applicable. Revenue in relation to commission on insurance sales as insurance agent and broker are recognised on the completion of the related transactions.

(xiv) Other Income

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

### (25) Non-Current Assets Held For Sale

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

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Thereafter on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefit assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

### (26) Segmental 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 management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities. Revenue are attributed to geographical segments based on location where sale is transacted.

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets.

Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (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.

### (28) Significant changes in regulatory requirements

Companies Act 2016

Amongst the key changes introduced in the New Act which have affected the financial statements of the Group and the Company upon the commencement of the New Act on 31 January 2017 are:
- the removal of authorised share capital;
- the ordinary shares of the Company will cease to have par or nominal value; and
- the Company's share premium will become part of the share capital.

The adoption of the New Act has no financial impact on the Group and on the Company for the current financial year ended 30 April 2017. The effect of adoption is mainly on the disclosures to the financial statements of the Group and of the Company.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 CHANGES IN ACCOUNTING POLICIES

On 1 May 2016, the Group and the Company adopted the following Amendments to FRS and Annual Improvements to FRSs which are effective for annual periods beginning on or after 1 January 2016:

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities – Applying the Consolidation Exception
Amendments to FRS 11: Joint Arrangement – Accounting for Acquisitions of Interests in Joint Operations
FRS 14: Regulatory Deferral Accounts
Amendment to FRS 101: Disclosure Initiative
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation And Amortisation
Amendments to FRS 127: Separate Financial Statements – Equity Method in Separate Financial Statements
Annual Improvements to FRSs 2012-2014 Cycle

Adoption of the above Amendments to FRS and Annual Improvements to FRSs did not have any effect on the financial performance or position of the Group and the Company.

### 2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

**Effective for financial periods beginning on or after 1 January 2017**
Amendments to FRS 107: Statement of Cash Flows – Disclosure Initiative
Amendments to FRS 112: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to FRSs 2014-2016 Cycle : Amendments to FRS 12 - Disclosure of Interests in Other Entities

**Effective for financial periods beginning on or after 1 January 2018**
FRS 9: Financial Instruments (2014)

**Effective date yet to be determined**
Amendments to FRS 10 and FRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

FRS 9: Financial Instruments (2014)

In November 2014, MASB issued the final version of FRS 9 which reflects all phases of the financial instruments project and replaces FRS 139: Financial Instruments – Recognition and Measurement and all previous version of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

**Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: Agriculture and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 April 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning on 1 May 2018.

At the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the Group. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 30 April 2017 could be different if prepared under the MFRS Framework.

The new and amended standards (which are applicable upon adoption of MFRS Framework) that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below.

**Effective for financial periods beginning on or after 1 January 2018**
MFRS 15: Revenue from Contracts with Customers
MFRS 15: Clarifications to MFRS 15
Amendments to MFRS 2: Share-based Payment - Classification and Measurement of Share-based Payment Transactions

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

**Malaysian Financial Reporting Standards (Cont'd)**

**Effective for financial periods beginning on or after 1 January 2018 (cont'd)**
Amendments to MFRS 4: Insurance Contracts - Applying MFRS 9: Financial Instruments with MFRS 4: Insurance Contracts
Amendments to MFRS 140: Investment Property - Transfers of Investment Property
Annual Improvements to MFRSs 2014-2016 Cycle: Amendments to MFRS 1 - First-time Adoption of of Malaysian Financial Reporting Standards
Annual Improvements to MFRSs 2014-2016 Cycle: Amendments to MFRS 128: Investments in Associates and Joint Ventures
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

**Effective for financial periods beginning on or after 1 January 2019**
MFRS 16: Leases

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict 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.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

MFRS 16: Leases

MFRS 16 will replace MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Leases - Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 17. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### (a) 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 effects on the amounts recognised in the financial statements.

(i) De facto Control over Berjaya Sports Toto Berhad ("BToto")

At the reporting date, the Group held 40.05% equity interest in BToto. The Group has obtained written undertakings from two other shareholders of BToto namely, BCorp Group and Tan Sri Dato' Seri Vincent Tan Chee Yioun that they will vote as directed by the Group on all shareholders' resolutions of BToto. The Group together with the abovementioned parties held 49.38% of the voting rights of BToto at the reporting date. Hence, in accordance with the requirements of FRS 10, the Group is able to exercise de facto control and continues to regard BToto as a subsidiary company.

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

The Group has developed certain criteria based on FRS 140 in making judgement on 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 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 only if an insignificant portion is held in use for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(iii) Leases - as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(iv) Useful lives of Gaming Rights, Dealerships and Customer Relationships

The Gaming Rights consist of Licence for the Toto betting operations in Malaysia and ELA for the Philippines.

The Group considers that the Licence and Dealerships have indefinite useful lives because they are expected to contribute to the Group's net cash inflows indefinitely. The Group intends to continue the annual renewal of the Licence and to maintain the Dealerships indefinitely. Historically, there has been no compelling challenge to the Licence and Dealership renewals. The technology used in the gaming activities is supplied and support is provided by a subsidiary company of the Group and is not expected to be replaced by another technology at any time in the foreseeable future.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### (a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

(iv) Useful lives of Gaming Rights, Dealerships and Customer Relationships (cont'd)

The Group previously recognised Gaming Rights - ELA as an intangible asset with indefinite life as there was no compelling challenge to the ELA extension since 1995. Each extension then was for a tenure of at least 5 years. On 13 August 2015, the ELA was transitionally extended for a period of 3 years to August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings which is disclosed in Note 40. The Group is confident that the outcome of the arbitration proceedings will result in at least a two-year extension beyond August 2018 and hence assessed the useful life of the Gaming Rights - ELA to be 5 years.

The Customer Relationships are recognised separably from goodwill on acquisition of a subsidiary company. The useful lives of the Customer Relationships are estimated to be 10 years, determined based on customer attrition from the acquired relationships. The estimated useful lives of customer relationships are reviewed periodically.

(v) Joint ventures

The Group has interest in several investments which it regards as joint ventures although the Group owns more than half of the equity interest in these entities. These entities have not been regarded as subsidiaries of the Group as management have assessed that the contractual arrangements with the respective joint venture parties have given rise to joint-control over these entities in accordance with FRS 128 : Investment in Associates and Joint Ventures.

(vi) Classification of fair value through profit or loss investments

The Group designated warrants issued by an associated company, unit trust funds and certain equity investments as fair value through profit or loss investments. The Group manages these investments in accordance to an investment strategy to maximise its total returns in fair value changes. The fair values of the equity investments and unit trust funds at 30 April 2017 were RM8,574,000 and RM9,006,000 (2016 : RM6,859,000 and RM9,302,000) respectively, as disclosed in Note 44(a). Further details of the fair value changes are disclosed in Notes 30 and 31.

(vii) Impairment of available-for-sale investments

The Group reviews its equity instruments classified as available-for-sale investments at each reporting date to assess whether they are impaired. These investments are considered impaired when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. During the current financial year, the Group impaired quoted and unquoted equity instruments with “significant” decline in fair value greater than 20%, and “prolonged” period of greater than 12 months.

For the financial year ended 30 April 2017, the amount of total impairment loss recognised for quoted and unquoted available-for-sale investments was RM895,000 (2016 : RM8,061,000) as disclosed in Note 31.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### (a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

(viii) Recoverability of Berjaya Jeju Resort Limited ("BJR") project costs

BJR, a subsidiary company of the Group had previously commenced development activities on Jeju Island, South Korea (“Jeju Project”) over certain parcels of land purchased from the Jeju Free International City Development Center (“JDC”) in 2009. These lands were expropriated by JDC from various landowners. On 20 March 2015, the Korean Supreme Court ruled that the expropriation of the lands by JDC from these landowners was invalid. As explained in Note 40, BJR has suspended the development of the Jeju Project due to the breach of the terms and conditions of the land sale and purchase agreement (“Land SPA”) by JDC when it failed to deliver unencumbered titles of the said lands to BJR. BJR has commenced legal proceedings against JDC seeking compensation for damages incurred which include the costs incurred by BJR in developing the Jeju Project. The outcome of the legal proceedings will determine whether BJR is able to recover the costs of RM604,255,000 (2016 : RM541,965,000) incurred to-date on this development.

Based on the legal opinion obtained from its lawyers, BJR has determined that it has the legal right to claim for damages under the Land SPA, Korean Civil Code and case precedents established in the Korean Courts. BJR’s lawyers have also opined that it is probable that BJR will prevail in the lawsuit against JDC on the claim for costs incurred. Based on this premise, BJR has determined that it is appropriate to continue to recognise the Jeju Project development cost as an asset in the consolidated statement of financial position. However, due to inherent uncertainty over the timing of the resolution of the lawsuit, BJR has classified the entire Jeju Project development cost as a non-current asset.

(ix) Significant influence over Berjaya Assets Berhad ("BAssets")

Although the Group holds less than 20% of the voting shares in BAssets, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of BAssets through representation on the board of directors of BAssets. Therefore, the Group continues to regard BAssets as an associated company.

(x) Significant influence over Berjaya Kyoto Development (S) Pte Ltd ("BKDS")

The Company and BCorp are the 2 shareholders of BKDS, each holding 50% equity interest in BKDS respectively. However, based on the subscription agreement between the Company, BCorp and BKDS on 21 July 2015, BCorp has the right to nominate and appoint the majority number of directors onto the board of directors of BKDS and to direct the relevant activities that affect the returns of BKDS. As such, in accordance to FRS 128, the Company only exercises significant influence and regards BKDS as its associated company.

(xi) Recoverability of prepayments for the relocation of turf club project

A subsidiary company, Berjaya Tagar Sdn Bhd ("BTSB") had in 2004, entered into a sale and purchase agreement ("SPA") to acquire several parcels of land from a related company, BerjayaCity Sdn Bhd ("BCity") for the relocation of turf club project as disclosed in Note 47(g). The transaction relating to the relocation of the turf club is still not completed, pending the fulfillment of several of the conditions precedent which are detailed in the same note, of which several of the conditions precedent affect the SPA with BCity.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### (a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

(xi) Recoverability of prepayments for the relocation of turf club project (cont'd)

At the reporting date, BTSB had made prepayments totalling RM230,724,000 (2016 : RM230,724,000) in respect of this project. In the event the SPA with BCity is not completed due to non-performance by BCity, BTSB has legal recourse under the SPA to seek relief and/or recover the payments made.

(xii) Recoverability of balance cash consideration for the disposal of project by Berjaya (China) Great Mall Co Ltd

At reporting date, pursuant to the completion of disposal of this project, the balance consideration receivable from Beijing SkyOcean, amounting to RM598,884,000 was accounted for as receivable. This receivable is secured by a guarantee granted by SkyOcean Holdings Group Limited, the holding company of Beijing SkyOcean and its major shareholder, Mr. Zhou Zheng ("Guarantees").

The Group has assessed and determined that the amount is recoverable as it has legal recourse under the Guarantees, in the event of non-performance by Beijing SkyOcean.

(xiii) Recoverability of amounts owing by joint ventures and associated companies

The Group did not recognise any impairment loss on the amounts owing by the joint ventures and associated companies in the current financial year, as the Directors have assessed the repayment ability of these investees and determined that these amounts are recoverable as there are no objective evidences that an impairment loss has been incurred on these balances.

The amounts owing by the joint ventures and associated companies as at 30 April 2017 are RM696,126,000 (2016 : RM612,198,000) and RM443,385,000 (2016 : RM288,101,000) respectively.

(xiv) Financial guarantee contracts

The Company determines the fair value of the guarantees at initial recognition based on the likelihood of the guaranteed party defaulting within the guaranteed period and estimates the loss exposure after considering the value of physical assets pledged for the loans/borrowings obtained from external financiers.

The Company has assessed the existing financial guarantee contracts and determined that the guarantees are more likely not to be called upon by the financiers. The financial impact of such guarantees is not material.

### (b) Key Sources of Estimation Uncertainty

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### (b) Key Sources of Estimation Uncertainty (Cont'd)

(i) Impairment of property, plant and equipment

During the current financial year, the Group has recognised an impairment loss in respect of a subsidiary company's property, plant and equipment. The Group carried out the impairment test based on the assessment of the fair value of the respective assets' or cash generating units' ("CGU") fair value less costs to sell or based on the estimated value-in-use ("VIU") of the CGU to which the property, plant and equipment are allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment loss recognised are disclosed in Note 3(a).

The carrying amount of property, plant and equipment of the Group as at 30 April 2017 is disclosed in Note 3.

(ii) Depreciation of property, plant and equipment

The costs of hotel properties are depreciated on a straight-line basis over their remaining useful lives. Management estimates that these hotel properties have a useful life of 50 years from the date of completion or from the date of acquisition, based on normal life expectancies applied in the hotel industry. The remaining useful lives of the Group's hotel properties range between 16 and 48 years. The residual values of the hotel properties are estimated by the Group based on their age and their condition at the end of their useful lives.

The useful lives and residual values of other components of property, plant and equipment are also estimated based on the normal life expectancies and commercial factors applied in the various respective industries.

The estimated useful lives of property, plant and equipment are reviewed periodically and changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

(iii) Amortisation of Gaming Rights - ELA and Customer Relationships

Intangible asset with a finite useful life is amortised by allocating its depreciable amount on a systematic basis over its useful life. Useful life is the period over which the intangible asset is expected to generate economic benefits. Depreciable amount is the carrying amount of the intangible asset less its residual value.

The useful life of Gaming Rights - ELA is estimated to be 5 years whilst its residual value is assumed to be zero in the absence of an active market. The carrying amount of Gaming Rights - ELA is amortised on a straight line basis over its useful life of 5 years.

The Group estimates the useful lives of customer relationships up to 10 years which determined based on customer attrition from the acquired relationships. The estimated useful lives of customer relationships are reviewed periodically.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### (b) Key Sources of Estimation Uncertainty (Cont'd)

(iv) 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 CGU or based on the estimated VIU of the CGU of the investees. Estimating the VIU requires 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. An impairment loss will be recognised if the carrying values of these CGU are assessed to be in excess of their VIU.

The annual impairment review resulted in the following:
a) the Company recognising an impairment loss in respect of its investments in subsidiary companies. Details of the net impairment loss recognised are disclosed in Note 6; and
b) the Group recognising impairment loss in respect of its investment in an associated company which is quoted outside Malaysia. Details of the impairment loss recognised are disclosed in Note 7.

The carrying amounts of investments in associated companies and joint ventures of the Group are disclosed in Notes 7 and 8 respectively whilst the carrying amounts of investments in subsidiary companies of the Company are disclosed in Note 6.

(v) Impairment of Gaming Rights, Dealerships, Customer Relationships and goodwill

The Group performs an impairment test on its Gaming Rights, Dealerships, Customer Relationships and goodwill at least on an annual basis or when there is evidence of impairment. This requires an estimation of the VIU of the CGU to which the Gaming Rights, Dealerships, Customer Relationships and goodwill are allocated. Estimating a VIU amount requires the management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

During the current financial year, the Group recognised certain impairment loss in respect of:
a) Gaming Rights - Licence and goodwill allocated to the Malaysian toto betting operations; and
b) goodwill allocated to the Philippines leasing of online lottery equipment operations;
as the carrying values of these CGUs were assessed to be in excess of their respective VIU.

With regards to the impairment review of the CGU for the Dealerships and Customer Relationships, the Group has assessed the VIU amounts that could sufficiently address the carrying amount of these CGUs.

The carrying amounts of Gaming Rights, Dealerships, Customer Relationships and goodwill of the Group as at 30 April 2017 are disclosed in Note 10.

(vi) Property development

The Group recognises property development revenue and expenses in the income statement by applying the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

### (b) Key Sources of Estimation Uncertainty (Cont'd)

(vi) Property development (cont'd)

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Details of property development costs are disclosed in Note 11.

(vii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Details of impairment of loans and receivables are disclosed in Note 13.

(viii) 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 36.

(ix) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and investment tax 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. Details of deferred tax assets are disclosed in Note 24.

(x) Inventory valuations

The Group holds significant inventories of used cars in the United Kingdom. Trade guides and other publications are used to assist in the assessment of the carrying values of these cars at the reporting date and write-downs taken as necessary.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

**(b) Key Sources of Estimation Uncertainty (Cont'd)**

(xi) Land value appreciation taxes and other related taxes

During the current financial year, the Group has completed the disposal of Great Mall Project, as disclosed in Note 47(d). Consequently, the Group has estimated that the land value appreciation tax and other related tax liabilities in relation to the disposal of the project to be RMB72.74 million (about RM45.84 million) ("LVAT Estimate"). As of the reporting date, the LVAT Estimate has yet to be agreed with the relevant tax authorities. Where the final outcome of LVAT Estimate is different from the amount initially recognised, such difference will impact profit or loss in the period in which such determination is made.

### 2.6 CHANGE OF ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS

**(a) Clarifications from IFRS Interpretation Committee on FRS 112 : Income Taxes - Expected Recovery of Intangible Assets with Indefinite Useful Lives**

At the point of gaining control of the toto betting operations in Malaysia and the motor dealership business in the United Kingdom in prior years via separate business combinations, the Group had recognised intangible assets namely the Gaming Rights – Licence amounting to RM4.40 billion in respect of the toto betting operations, and Dealerships of RM52.53 million in relation to the motor dealership business. These intangible assets were assessed to have indefinite useful lives which are not amortised but tested for impairment annually or when indication of impairment arises. Deferred tax had not been provided for the Gaming Rights - Licence and Dealerships as the Group has previously taken the view commonly applied that the carrying amount of an indefinite useful life intangible asset will be recovered through sale.

In November 2016, the IFRS Interpretation Committee ("IFRS IC") clarified that an indefinite useful life intangible asset is not a non-depreciable asset as it does not have infinite life, but rather it is not amortised because there is no foreseeable limit on the period during which an entity expects to consume future economic benefits embodied in that asset. Hence an entity cannot automatically avail itself to the requirements of paragraph 51B of the FRS 112: Income Taxes, i.e. to assume recovery through sale as in the case of a non-depreciable asset measured using the revaluation model in FRS 116: Property, Plant and Equipment.

Following the above clarification from IFRS IC, the Group changed its accounting policy on the expected method of recovering its carrying amounts of Gaming Rights - Licence and Dealerships to recovery through use instead of recovery through sale. As such, deferred tax would now be measured and provided on these intangible assets with indefinite useful lives. The change in accounting policy is applied retrospectively.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 CHANGE OF ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS (CONT'D)

**(a) Clarifications from IFRS Interpretation Committee on FRS 112 : Income Taxes - Expected Recovery of Intangible Assets with Indefinite Useful Lives (Cont'd)**

As a result of the above, certain comparative amounts as at 30 April 2016 and 1 May 2015 have been adjusted and disclosed below:

| Group<br>Statement of Financial Position<br>As at 30 April 2016 | As previously reported<br>RM'000 | Prior year adjustment<br>RM'000 | As restated<br>RM'000 |
|---|---|---|---|
| Intangible assets: Goodwill | 4,700,949 | 11,734 | 4,712,683 |
| Reserves: Fair value reserve | 1,900,160 | (514,906) | 1,385,254 |
| Reserves: Consolidation reserve | 21,220 | 80,889 | 102,109 |
| Non-controlling interests | 3,252,188 | (621,983) | 2,630,205 |
| Deferred tax liabilities | 150,869 | 1,067,734 | 1,218,603 |
| **As at 1 May 2015** | | | |
| Intangible assets: Goodwill | 5,093,609 | 12,015 | 5,105,624 |
| Reserves: Fair value reserve | 1,935,385 | (514,906) | 1,420,479 |
| Reserves: Consolidation reserve | 21,220 | 82,790 | 104,010 |
| Non-controlling interests | 3,292,065 | (623,884) | 2,668,181 |
| Deferred tax liabilities | 117,054 | 1,068,015 | 1,185,069 |

The change in accounting policy does not have any impact to the Group's statement of profit or loss and statement of cash flows and the Company's financial statements.

**(b) Prior Year Adjustments**

In addition, the Group has also:

(i) reclassified certain payables due to vehicle manufacturers into short term borrowings as the terms and facilities provided by the vehicle manufacturers have the characteristics of borrowings; and

(ii) adjusted the amount in relation to the change in fair value reserve upon recognition of deferred tax liabilities on gaming rights with finite life to reflect the gross amount in the consolidated statement of comprehensive income and appropriately account for the non-controlling interest portion in the statement of changes in equity.

As a result of these reclassifications, certain comparative amounts as at 30 April 2016 and 1 May 2015 have been adjusted and disclosed below:

| Group<br>As at 30 April 2016<br>Statement of Financial Position | As previously reported<br>RM'000 | Prior year adjustment<br>RM'000 | As restated<br>RM'000 |
|---|---|---|---|
| Payables | 2,299,005 | (320,345) | 1,978,660 |
| Short term borrowings | 933,385 | 320,345 | 1,253,730 |

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 CHANGE OF ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENTS (CONT'D)

### (b) Prior Year Adjustments (Cont'd)

As a result of these reclassifications, certain comparative amounts as at 30 April 2016 and 1 May 2015 have been adjusted and disclosed below (Cont'd):

| **Group**<br>**As at 30 April 2016**<br>**Consolidated Statement of Cash Flows** | **As previously reported**<br>**RM'000** | **Prior year adjustment**<br>**RM'000** | **As restated**<br>**RM'000** |
|---|---|---|---|
| Net cash generated from operating activities | 914,977 | (67,374) | 847,603 |
| Net cash used in financing activities | (1,191,481) | 67,374 | (1,124,107) |
| **Statement of Comprehensive Income** | | | |
| Change in fair value reserve upon recognition of deferred tax liability on gaming rights with finite life | (15,429) | 27,103 | (42,532) |
| Total comprehensive income attributable to non-controlling interests | 130,276 | (27,103) | 103,173 |

| **Group**<br>**As at 1 May 2015**<br>**Statement of Financial Position** | **As previously reported**<br>**RM'000** | **Prior year adjustment**<br>**RM'000** | **As restated**<br>**RM'000** |
|---|---|---|---|
| Payables | 1,384,318 | (243,786) | 1,140,532 |
| Short term borrowings | 1,034,232 | 243,786 | 1,278,018 |

Item (ii) has no impact on the Group's statement of financial position as at 1 May 2015.

The reclassifications have no impact on the Group's statement of profit or loss and the Company's financial statements.

## 3 PROPERTY, PLANT AND EQUIPMENT

### GROUP

| At 30 April 2017 | Net carrying amount at 1.5.2016 RM'000 | Reclassi-fication RM'000 | Transfers/ Adjustments RM'000 | Additions RM'000 | Acquisition of subsidiary company RM'000 | Disposal of subsidiary company RM'000 | Impairment losses net of reversals RM'000 | Write-off/ Disposals RM'000 | Depreciation and amortisation RM'000 | Exchange differences RM'000 | Net carrying amount at 30.4.2017 RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Freehold land | 107,157 | - | - | - | - | - | - | - | - | 126 | 107,283 |
| Long leasehold land | 52,587 | - | - | - | - | - | - | - | (468) | - | 52,119 |
| Short leasehold land | 47,258 | - | - | - | - | - | - | - | (1,259) | - | 45,999 |
| Buildings | 1,114,220 | 6,792 | (39,484) | 81,784 | - | - | - | (17,364) | (34,879) | 11,753 | 1,122,822 |
| Plant and equipment | 38,063 | 3,635 | (505) | 11,929 | - | - | - | (188) | (13,142) | (372) | 39,420 |
| Computer equipment | 19,062 | 157 | (159) | 8,995 | 3 | - | - | (46) | (6,517) | 73 | 21,568 |
| Renovation | 75,583 | (964) | (129) | 6,415 | - | - | - | (5,798) | (12,537) | (532) | 62,038 |
| Furniture and fittings | 28,627 | 1,429 | (1,009) | 3,695 | - | - | - | (145) | (7,242) | 1,091 | 26,446 |
| Office equipment | 8,316 | 241 | - | 2,389 | - | - | - | (173) | (2,232) | 33 | 8,574 |
| Motor vehicles | 28,317 | - | - | 6,776 | 34 | - | - | (1,846) | (6,709) | 130 | 26,702 |
| Aircraft | 128,918 | (125) | - | - | - | - | (7,070) | - | (8,239) | 2,126 | 115,610 |
| Golf course development expenditure | 71,913 | - | - | - | - | - | - | - | (1,154) | - | 70,759 |
| Capital work-in-progress | 10,804 | (11,290) | (16) | 6,475 | - | - | - | - | - | 520 | 6,493 |
| Others | 1,573 | 125 | (334) | 2,806 | - | - | - | - | (468) | 12 | 3,714 |
| | 1,732,398 | - | (41,636) | 131,264 | 37 | - | (7,070) | (25,560) | (94,846) | 14,960 | 1,709,547 |

| At 30 April 2016 | Net carrying amount at 1.5.2015 RM'000 | Reclassi-fication RM'000 | Transfers/ Adjustments RM'000 | Additions RM'000 | Acquisition of subsidiary company RM'000 | Disposal of subsidiary company RM'000 | Impairment losses net of reversals RM'000 | Write-off/ Disposals RM'000 | Depreciation and amortisation RM'000 | Exchange differences RM'000 | Net carrying amount at 30.4.2016 RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Freehold land | 106,604 | - | - | - | - | - | - | - | - | 553 | 107,157 |
| Long leasehold land | 53,456 | - | - | - | - | - | - | - | (869) | - | 52,587 |
| Short leasehold land | 48,494 | - | - | - | - | - | - | - | (1,236) | - | 47,258 |
| Buildings | 1,082,854 | 5,834 | - | 23,101 | - | - | 23,057 | - | (36,219) | 15,593 | 1,114,220 |
| Plant and equipment | 24,176 | 365 | - | 16,143 | 895 | - | 8,000 | (33) | (12,624) | 1,141 | 38,063 |
| Computer equipment | 25,523 | - | - | 1,769 | - | - | - | (174) | (8,291) | 235 | 19,062 |
| Renovation | 52,966 | - | - | 31,862 | 857 | - | - | (208) | (12,183) | 2,289 | 75,583 |
| Furniture and fittings | 32,426 | - | - | 2,858 | - | (53) | - | (36) | (8,377) | 1,809 | 28,627 |
| Office equipment | 7,587 | - | - | 2,910 | - | - | - | (32) | (2,205) | 56 | 8,316 |
| Motor vehicles | 27,616 | - | - | 9,487 | - | - | - | (1,368) | (7,559) | 141 | 28,317 |
| Aircraft | 155,646 | - | - | 41 | - | - | (16,266) | (3,614) | (9,455) | 2,566 | 128,918 |
| Golf course development expenditure | 73,062 | - | - | - | - | - | - | - | (1,149) | - | 71,913 |
| Capital work-in-progress | 895,132 | (5,834) | (578,106) | 65,570 | - | (405,480) | - | (69) | - | 39,591 | 10,804 |
| Others | 1,457 | (365) | - | 842 | - | - | - | (11) | (390) | 40 | 1,573 |
| | 2,586,999 | - | (578,106) | 154,583 | 1,752 | (405,533) | 14,791 | (5,545) | (100,557) | 64,014 | 1,732,398 |

## 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

**GROUP**

| At 30 April 2017 | Cost RM'000 | Accumulated depreciation RM'000 | Accumulated impairment losses RM'000 | Net carrying amount RM'000 |
|---|---|---|---|---|
| Freehold land | 110,395 | - | 3,112 | 107,283 |
| Long leasehold land | 64,373 | 12,254 | - | 52,119 |
| Short leasehold land | 65,213 | 19,214 | - | 45,999 |
| Buildings | 1,525,987 | 397,139 | 6,026 | 1,122,822 |
| Plant and equipment | 189,152 | 149,716 | 16 | 39,420 |
| Computer equipment | 148,704 | 127,136 | - | 21,568 |
| Renovation | 166,338 | 104,300 | - | 62,038 |
| Furniture and fittings | 127,568 | 101,122 | - | 26,446 |
| Office equipment | 45,636 | 37,062 | - | 8,574 |
| Motor vehicles | 94,296 | 67,594 | - | 26,702 |
| Aircraft | 306,260 | 123,763 | 66,887 | 115,610 |
| Golf course development expenditure | 105,631 | 21,035 | 13,837 | 70,759 |
| Capital work-in-progress | 10,495 | - | 4,002 | 6,493 |
| Others | 19,581 | 13,019 | 2,848 | 3,714 |
| | 2,979,629 | 1,173,354 | 96,728 | 1,709,547 |

| At 30 April 2016 | Cost RM'000 | Accumulated depreciation RM'000 | Accumulated impairment losses RM'000 | Net carrying amount RM'000 |
|---|---|---|---|---|
| Freehold land | 110,269 | - | 3,112 | 107,157 |
| Long leasehold land | 64,373 | 11,786 | - | 52,587 |
| Short leasehold land | 65,213 | 17,955 | - | 47,258 |
| Buildings | 1,504,759 | 374,119 | 16,420 | 1,114,220 |
| Plant and equipment | 209,376 | 162,022 | 9,291 | 38,063 |
| Computer equipment | 147,627 | 128,565 | - | 19,062 |
| Renovation | 175,867 | 100,284 | - | 75,583 |
| Furniture and fittings | 143,187 | 114,560 | - | 28,627 |
| Office equipment | 44,205 | 35,889 | - | 8,316 |
| Motor vehicles | 96,118 | 67,801 | - | 28,317 |
| Aircraft | 305,070 | 117,378 | 58,774 | 128,918 |
| Golf course development expenditure | 105,631 | 19,881 | 13,837 | 71,913 |
| Capital work-in-progress | 14,806 | - | 4,002 | 10,804 |
| Others | 13,743 | 9,322 | 2,848 | 1,573 |
| | 3,000,244 | 1,159,562 | 108,284 | 1,732,398 |

## 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) During the current financial year, the Group conducted a review of the recoverable amount of certain subsidiary companies' assets. The review has led to the recognition of an impairment loss of RM7,070,000 (2016 : a net reversal of impairment loss of RM14,791,000) of certain asset as disclosed in Notes 30 and 31.

The impairment loss of RM7,070,000 (2016 : RM16,266,000) recognised in profit or loss, represented the write-down in value of aircraft, as a result of a decline in their market values. The recoverable amounts of these aircraft were RM12,990,000 (2016 : RM103,542,000) based on the estimated selling price less costs to sell.

In the previous financial year, the impairment loss of aircraft was mitigated by the reversal of impairment loss of:

(i) RM22,883,000 in value of certain buildings and related plant and equipment based on recoverable amount of RM28,886,000 as the subsidiary company had then commenced negotiations with the relevant authorities prior to reporting date and subsequently entered into a settlement agreement with the relevant authorities on surrendering of these assets. As a consequence, certain premiums incurred on the land classified under land held for development, prepaid land lease premium and property development costs amounting to RM8,802,000, RM1,018,000 and RM7,119,000 respectively would also be recoverable and were transferred to receivables. The total recoverable amount of these premiums was RM17,319,000; and

(ii) RM8,174,000 in value of certain properties as the fair values of these assets were higher than their carrying amounts. The recoverable amounts of these assets totalling RM256,500,000 were based on the valuations by an independent qualified valuer. Recoverable amounts were based on primarily the comparison and the depreciable replacement cost method.

(b) The transfers/adjustments of property, plant and equipment of the current financial year comprise the transfer of hotel properties of a foreign subsidiary company to disposal group classified as held for sale as the Group has entered into an agreement to dispose of its entire stake in this subsidiary company.

The transfers/adjustments of property, plant and equipment of the previous financial year comprise mainly of a reclassification of capital work-in-progress to assets classified as held for sale by a foreign subsidiary company after it entered into an agreement to dispose of its development project.

(c) Properties and aircraft of the Group with carrying amounts totalling RM771,304,000 (2016 : RM900,137,000) are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

(d) Carrying amounts of property, plant and equipment of the Group held under finance lease and hire purchase arrangements are as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Motor vehicles | 5,562 | 5,871 |
| Aircraft | 80,879 | 85,536 |
| | 86,441 | 91,407 |

## 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| COMPANY<br>At 30 April 2017 | Net carrying amount at 1.5.2016 RM'000 | Additions RM'000 | Disposals RM'000 | Depreciation RM'000 | Net carrying amount at 30.4.2017 RM'000 |
|---|---|---|---|---|---|
| Furniture and fittings | 32 | 62 | - | (12) | 82 |
| Office equipment | 505 | 191 | (2) | (182) | 512 |
| Renovation | 454 | 23 | - | (118) | 359 |
| Motor vehicles | 1,567 | 152 | (188) | (741) | 790 |
| | 2,558 | 428 | (190) | (1,053) | 1,743 |

| At 30 April 2016 | Net carrying amount at 1.5.2015 RM'000 | Additions RM'000 | Disposals RM'000 | Depreciation RM'000 | Net carrying amount at 30.4.2016 RM'000 |
|---|---|---|---|---|---|
| Furniture and fittings | 90 | 19 | - | (77) | 32 |
| Office equipment | 514 | 214 | - | (223) | 505 |
| Renovation | 510 | 185 | - | (241) | 454 |
| Motor vehicles | 1,877 | 666 | - | (976) | 1,567 |
| | 2,991 | 1,084 | - | (1,517) | 2,558 |

| At 30 April 2017 | Cost RM'000 | Accumulated depreciation RM'000 | Net carrying amount RM'000 |
|---|---|---|---|
| Furniture and fittings | 2,105 | 2,023 | 82 |
| Office equipment | 7,196 | 6,684 | 512 |
| Renovation | 3,212 | 2,853 | 359 |
| Motor vehicles | 6,498 | 5,708 | 790 |
| | 19,011 | 17,268 | 1,743 |

| At 30 April 2016 | Cost RM'000 | Accumulated depreciation RM'000 | Net carrying amount RM'000 |
|---|---|---|---|
| Furniture and fittings | 2,043 | 2,011 | 32 |
| Office equipment | 7,007 | 6,502 | 505 |
| Renovation | 3,190 | 2,736 | 454 |
| Motor vehicles | 6,862 | 5,295 | 1,567 |
| | 19,102 | 16,544 | 2,558 |

Motor vehicles of the Company with carrying amounts totalling RM723,000 (2016 : RM1,434,000) are held under hire purchase arrangements.

## 4 INVESTMENT PROPERTIES

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 621,903 | 607,758 |
| Additions during the year | 102,301 | 2,800 |
| Net fair value adjustments (Note 30) | 15,853 | 11,345 |
| At 30 April 2017/2016 | 740,057 | 621,903 |

Investment properties comprise a number of commercial and other properties leased under operating leases to third and related parties.

Investment properties with carrying amounts totalling RM38,410,000 (2016 : RM36,710,000) are held under lease terms.

Applications for the sub-division and strata titles of the certain leasehold land and buildings (where applicable) of certain subsidiary companies have been submitted to the relevant authorities for processing.

The carrying amounts of the investment properties were derived based on valuations by an independent qualified valuer, who holds recognised qualifications and has relevant experience in valuing these type of properties. Fair value is determined primarily based on the comparison method.

Fair value hierarchy disclosures for investment properties have been provided in Note 43.

Investment properties with carrying amounts totalling RM494,263,000 (2016 : RM454,240,000) are pledged to financial institutions for credit facilities granted to the Company and certain subsidiary companies.

## 5 LAND HELD FOR DEVELOPMENT

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At cost: | | |
| At 1 May 2016/2015: | | |
| - freehold land | 664,783 | 360,931 |
| - long leasehold land | 25,042 | 33,844 |
| - land use rights/land lease premium | 177,623 | 174,175 |
| - development costs | 639,832 | 297,267 |
| | 1,507,280 | 866,217 |
| Additions: | | |
| - freehold land | 18,924 | 33,715 |
| - development costs | 11,925 | 4,303 |
| | 30,849 | 38,018 |

**5 LAND HELD FOR DEVELOPMENT (CONT'D)**

| | Group | |
|---|---|---|
| | **2017** | **2016** |
| | **RM'000** | **RM'000** |
| Transfers/Adjustments during the year: | | |
| - freehold land | (27,766) | 475,133 |
| - long leasehold land | - | (8,802) |
| - land use rights/land lease premium | (19,774) | (7,742) |
| - development costs | (3,569) | 471,261 |
| | (51,109) | 929,850 |
| Write off/Disposal: | | |
| - freehold land | - | (222,431) |
| - development costs | (7,181) | (145,755) |
| | (7,181) | (368,186) |
| Exchange differences: | | |
| - freehold land | 11,422 | 17,435 |
| - land use rights/land lease premium | 14,759 | 11,190 |
| - development costs | 61,082 | 12,756 |
| | 87,263 | 41,381 |
| Total costs at 30 April 2017/2016 | 1,567,102 | 1,507,280 |
| Accumulated impairment losses: | | |
| At 1 May 2016/2015 | (7,527) | (16,329) |
| Write off/Reversal of impairment loss | 7,181 | 8,802 |
| Accumulated impairment loss at 30 April 2017/2016 | (346) | (7,527) |
| Carrying amount at 30 April 2017/2016 | 1,566,756 | 1,499,753 |

Included in land held for development is the Jeju Project referred to in Notes 2.5(a)(viii) and 40 amounting to RM604,255,000 (2016 : RM541,965,000). The recovery of the carrying amount of the Jeju Project is subject to the outcome of the lawsuit as disclosed in Note 2.5(a)(viii). The Jeju Project has been placed under lien by the main contractor. The amount outstanding due to the main contractor as at the reporting date amounted to RM70,553,000 (2016 : RM63,165,000) as disclosed in Note 25(a). The main contractor has also placed a lien on the potential compensation receivable pending a positive judgement over the litigation mentioned in Note 40.

In the previous financial year, a subsidiary company recognised a reversal of impairment loss totalling RM8,802,000, as referred to in Note 3(a)(i).

Land held for development with carrying amounts totalling RM534,004,000 (2016: RM536,241,000) are pledged to a licensed bank for credit facility granted to the Company and a subsidiary company.

## 6 SUBSIDIARY COMPANIES

| | Company | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Quoted shares, at cost | 236,559 | 252,366 |
| Unquoted shares, at cost | 2,690,800 | 2,640,300 |
| | 2,927,359 | 2,892,666 |
| Less: Accumulated impairment losses of unquoted shares | (281,809) | (238,227) |
| | 2,645,550 | 2,654,439 |
| Market value of quoted shares | 511,208 | 592,114 |

Details of the subsidiary companies are set out in Note 49.

At the reporting date, the Company conducted an impairment review of its investments in certain subsidiary companies, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

The review gave rise to the recognition of a impairment loss of investments in subsidiary companies of RM43,582,000 (2016 : a net impairment loss of RM10,884,000) as disclosed in Notes 30 and 31 based on recoverable amounts of RM4,418,000 (2016 : RM206,994,000). In addition, the Company also wrote off of investment cost amounting to RM2,000,000 (2016 : writeback of RM3,800,000) as disclosed in Notes 30 and 31 due to the cessation of business of a subsidiary company.

Included in the writeback of investment costs of the previous financial year, was an amount of RM2,000,000 relating to a subsidiary company which had operated a recreational facility (water theme park). The writeback was a result of a settlement agreement entered into during the financial year with the relevant authorities on surrendering of assets, for which negotiations had commenced before the previous year's reporting date. This had also resulted in a reversal of impairment loss and writeback of amounts owing by this subsidiary company of RM199,700,000 in the previous financial year as included in Notes 13 and 30.

Certain quoted shares in subsidiary companies of the Group and of the Company with carrying amounts totalling RM1,203,859,000 and RM230,191,000 (2016 : RM1,234,287,000 and RM246,782,000) respectively are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

### a) Acquisition of subsidiary companies

During the current financial year, the Group completed the acquisition of 70% equity interest in Hotel Integrations Sdn Bhd for a total cash consideration of RM1.36 million by Berjaya Vacation Club Berhad ("BVC"), a wholly-owned subsidiary company of the Company.

The fair values of the identifiable assets and liabilities of the acquisition which qualified as a business combination are as follows:

| Group | 2017 RM'000 |
|---|---|
| Non-current assets | 37 |
| Current assets | 890 |
| | 927 |

## 6 SUBSIDIARY COMPANIES (CONT'D)

### a) Acquisition of subsidiary companies (cont'd)

The fair values of the identifiable assets and liabilities of the acquisition which qualified as a business combination are as follows (cont'd):

| Group | 2017 RM'000 |
|---|---|
| Current liabilities | 73 |
| Total net assets acquired | 854 |
| Less: Non-controlling interests | (256) |
| Net assets acquired | 598 |
| Goodwill on acquisition (Note 10) | 767 |
| Total cost of acquisition, representing net cash outflow on date of acquisition | 1,365 |

The acquired subsidiary company contributed the following results to the Group:

| | 2017 RM'000 |
|---|---|
| Revenue | 35 |
| Profit for the year | 2 |

During the current financial year, the Group also completed the following:

(i) the acquisition of additional 6,589,934 shares in H.R. Owen Plc ("HR Owen") by Berjaya Philippines Inc. ("BPI") for a total consideration of GBP14.8 million (equivalent to approximately RM85.3 million), thereby increasing the equity interest of BPI in HR Owen from the existing 72.03% to 98.38%. The change in the Group's ownership in HR Owen is accounted for as an equity transaction;

(ii) the acquisition of 60% equity interest in H.R. Owen Insurance Services Limited by HR Owen for a total consideration of GBP60 (equivalent to RM330);

(iii) the acquisition of 100% equity interest in Berjaya Okinawa Hospitality Asset TMK ("BOHA") by Berjaya Okinawa Investment (S) Pte Ltd (formerly known as Berjaya Health Investment Pte Ltd) ("BOI") for a total cash consideration of JPY100,000 (equivalent to approximately RM3,920);

(iv) the incorporation of Berjaya Okinawa Investment Godo Kaisha ("BOIGK"), a wholly-owned subsidiary company of BOI;

(v) the incorporation of BHR Okinawa Management Godo Kaisha ("BHROM"), a wholly-owned subsidiary company of Berjaya Hotels & Resorts (Singapore) Pte Ltd;

(vi) the incorporation of Berjaya Enviro Philippines Inc., a wholly-owned subsidiary of BPI; and

(vii) the incorporation of Upbrook Mews Limited, a wholly-owned subsidiary of HR Owen.

Items (ii) to (vii) above do not have any material impact to the Group.

## 6 SUBSIDIARY COMPANIES (CONT'D)

### a) Acquisition of subsidiary companies (cont'd)

During the previous financial year, HR Owen, a subsidiary company of BToto Group completed the acquisition of 50,000 ordinary shares of GBP1.00 each representing 100% equity interest in Bodytechnics Limited, for a total cash consideration of GBP2,609,000 (equivalent to approximately RM16.9 million).

The fair values of the identifiable assets and liabilities of the acquisitions as at the date of acquisition were as follows:

| Group | 2016 RM'000 |
|---|---|
| Non-current assets | 1,752 |
| Current assets | 10,294 |
| | 12,046 |
| Non-current liabilities | 35 |
| Current liabilities | 4,474 |
| | 4,509 |
| Net assets acquired | 7,537 |
| Goodwill on acquisition (Note 10) | 5,573 |
| Customer relationships on acquisition (Note 10) | 3,831 |
| Total cost of acquisition | 16,941 |

The net cash flows on acquisition during the previous financial year were as follows:

| Group | 2016 RM'000 |
|---|---|
| Purchase consideration satisfied by cash | 16,941 |
| Cash and cash equivalents of subsidiary company acquired | (3,227) |
| Net cash outflow on acquisition of a subsidiary company at date of acquisition | 13,714 |

### b) Acquisition of subsidiary company subsequent to the financial year

No subsidiary company was acquired subsequent to the financial year.

### c) Disposal of subsidiary companies

No subsidiary company was disposed of during the financial year.

During the previous financial year, the Group completed the following:

(i) the deemed disposal of 50% of the Group's equity interest in Berjaya Kyoto Development (S) Pte Ltd ("BKDS") after BCorp subscribed for 1 ordinary share in BKDS for cash consideration of SGD34,660,000 (equivalent to approximately RM96,313,000). As disclosed in Note 2.5(a)(x), the Group has assessed that it ceased to have control over BKDS pursuant to the requirements of FRS 10;

(ii) the disposal of 100% equity interest in Mantra Design Sdn Bhd ("MDSB") by the Company for RM2.00 and the full settlement of amount owing by MDSB to the Company of RM12,432;

## 6 SUBSIDIARY COMPANIES (CONT'D)

### c) Disposal of subsidiary companies (cont'd)

(iii) the dilution of the Group's interest in Asia Jet Partners Malaysia Sdn Bhd ("AJM") from 100% to 51%, after Asia Jet Partners Holdings Limited subscribed for 735,000 shares in AJM's enlarged share capital of 1,500,000 ordinary shares of RM1.00 each, for a cash consideration of RM735,000. Consequently, AJM is now regarded as a joint venture of the Group;

(iv) the winding up of Sports Toto Malaysia Trust ("STM Trust") by BToto Group, upon the completion of the termination of trust deed between Sports Toto Malaysia Management Pte Ltd ("STMM") as the trustee-manager for STM Trust and Berjaya Sports Toto (Cayman) Limited, a wholly-owned subsidiary of BToto, as the sole holder of units in STM Trust; and

(v) the striking off of STMM from the Register of the Accounting and Corporate Authority ("ACRA") of Singapore.

The analysis of the effects of the deemed disposal of BKDS retained as an associated company on cash flows in the previous financial year were as follows:

| Group | 2016 RM'000 |
|---|---|
| Property, plant and equipment | 405,533 |
| Net other liabilities disposed | (495,139) |
| Add: Gain on remeasurement (Note (a)) | 141,116 |
| Less: Reclassification to associated company at fair value | (96,313) |
| | (44,803) |
| Excluding: Cash and cash equivalents of a subsidiary company deemed disposed | (26,829) |
| Add: Gain on deemed disposal (Note (b)) | 44,803 |
| Net cash outflow from deemed disposal of a subsidiary company | (26,829) |

| | | |
|---|---|---|
| (a) | Gain on remeasurement | 141,116 |
| | Foreign currency translation reserve transferred to profit or loss upon deemed disposal | (18,845) |
| | Net gain on remeasurement recognised in profit or loss (Note 30) | 122,271 |
| (b) | Gain on deemed disposal | 44,803 |
| | Foreign currency translation reserve transferred to profit or loss upon deemed disposal | (18,845) |
| | Net gain on deemed disposal recognised in profit or loss (Note 30) | 25,958 |

Items (ii) to (v) above did not have any material impact to the Group.

### d) Disposal of subsidiary company subsequent to the financial year

No subsidiary company was disposed of subsequent to the financial year.

## 6 SUBSIDIARY COMPANIES (CONT'D)

### e) 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. The equity interests held by non-controlling interests are as follows:

| Name | Equity interest held by non-controlling interests 2017 % | 2016 % |
|---|---|---|
| BToto (on a consolidated basis) | 59.95 | 58.90 |
| Berjaya (China) Great Mall Co Ltd ("GMOC") | 49.00 | 49.00 |
| Berjaya Jeju Resort Limited ("BJeju") | 27.40 | 27.40 |

Summarised financial information in respect of material subsidiary companies of the Group is set out below. These financial information are the amounts before inter-company elimination and after fair value adjustments arising from business combination, where applicable.

| Group<br>At 30 April 2017 | BToto<br>RM'000 | GMOC<br>RM'000 | BJeju<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|
| Non-current assets | 4,552,163 | 239 | 607,076 | 5,159,478 |
| Current assets | 1,288,592 | 614,354 | 4,409 | 1,907,355 |
| Non-current liabilities | (1,499,529) | - | - | (1,499,529) |
| Current liabilities | (1,219,753) | (116,339) | (90,170) | (1,426,262) |
| Net assets | 3,121,473 | 498,254 | 521,315 | 4,141,042 |
| Equity attributable to: | | | | |
| - owners of the Parent | 1,229,579 | 250,120 | 378,475 | 1,858,174 |
| - non-controlling interests | 1,891,894 | 248,134 | 142,840 | 2,282,868 |
| Total equity | 3,121,473 | 498,254 | 521,315 | 4,141,042 |
| **At 30 April 2016** | | | | |
| Non-current assets | 5,185,586 | 1,000 | 545,252 | 5,731,838 |
| Current assets | 1,375,662 | 1,596,879 | 9,821 | 2,982,362 |
| Non-current liabilities | (1,806,335) | (211,243) | - | (2,017,578) |
| Current liabilities | (1,098,944) | (887,497) | (80,609) | (2,067,050) |
| Net assets | 3,655,969 | 499,139 | 474,464 | 4,629,572 |
| Equity attributable to: | | | | |
| - owners of the parent | 1,468,594 | 254,561 | 344,461 | 2,067,616 |
| - non-controlling interests | 2,187,375 | 244,578 | 130,003 | 2,561,956 |
| Total equity | 3,655,969 | 499,139 | 474,464 | 4,629,572 |

## 6 SUBSIDIARY COMPANIES (CONT'D)

### e) Subsidiary companies with material non-controlling interests (Cont'd)

| Group<br>Year ended 30 April 2017 | BToto<br>RM'000 | GMOC<br>RM'000 | BJeju<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|
| Revenue | 5,731,396 | - | - | 5,731,396 |
| Profit/(Loss) for the year | 226,580 | (22,917) | (7,036) | 196,627 |
| Other comprehensive income | (460,163) | (51) | (188) | (460,402) |
| Total comprehensive income | (233,583) | (22,968) | (7,224) | (263,775) |
| Profit/(Loss) for the year attributable to: | | | | |
| - owners of the Parent | 87,975 | (11,688) | (5,108) | 71,179 |
| - non-controlling interests | 138,605 | (11,229) | (1,928) | 125,448 |
| | 226,580 | (22,917) | (7,036) | 196,627 |
| Total comprehensive income attributable to: | | | | |
| - owners of the Parent | (91,557) | (11,714) | (5,245) | (108,516) |
| - non-controlling interests | (142,026) | (11,254) | (1,979) | (155,259) |
| | (233,583) | (22,968) | (7,224) | (263,775) |
| Net cash generated from/(used in): | | | | |
| - operating activities | 283,771 | (250,517) | (4,589) | 28,665 |
| - investing activities | (162,369) | 639,780 | (820) | 476,591 |
| - financing activities | (276,223) | (380,489) | 139 | (656,573) |
| Net change in cash and cash equivalents | (154,821) | 8,774 | (5,270) | (151,317) |
| Dividends paid to non-controlling interests | 129,296 | - | - | 129,296 |
| **Year ended 30 April 2016** | | | | |
| Revenue | 5,563,227 | - | - | 5,563,227 |
| Profit/(Loss) for the year | 298,556 | (186,142) | (16,093) | 96,321 |
| Other comprehensive income | (39,177) | 10,422 | 337 | (28,418) |
| Total comprehensive income | 259,379 | (175,720) | (15,756) | 67,903 |
| Profit/(Loss) for the year attributable to: | | | | |
| - owners of the Parent | 119,619 | (94,932) | (11,684) | 13,003 |
| - non-controlling interests | 178,937 | (91,210) | (4,409) | 83,318 |
| | 298,556 | (186,142) | (16,093) | 96,321 |

## 6 SUBSIDIARY COMPANIES (CONT'D)

### e) Subsidiary companies with material non-controlling interests (Cont'd)

| Group<br>Year ended 30 April 2016 | BToto<br>RM'000 | GMOC<br>RM'000 | BJeju<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|
| Total comprehensive income attributable to: | | | | |
| - owners of the parent | 108,744 | (89,617) | (11,439) | 7,688 |
| - non-controlling interests | 150,635 | (86,103) | (4,317) | 60,215 |
| | 259,379 | (175,720) | (15,756) | 67,903 |
| Net cash generated from/(used in): | | | | |
| - operating activities | 330,380 | 518,608 | (73,195) | 775,793 |
| - investing activities | (141,811) | (648,845) | 366,338 | (424,318) |
| - financing activities | (85,451) | 118,647 | (348,957) | (315,761) |
| Net change in cash and cash equivalents | 103,118 | (11,590) | (55,814) | 35,714 |
| Dividends paid to non-controlling interests | 131,011 | - | - | 131,011 |

## 7 ASSOCIATED COMPANIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 | 2017<br>RM'000 | 2016<br>RM'000 |
| Quoted shares in Malaysia, at cost | 168,990 | 162,044 | 40,591 | 40,591 |
| Quoted shares outside Malaysia, at cost | 101,490 | 101,490 | - | - |
| Unquoted shares, at cost | 210,847 | 196,675 | 1,000 | 1,800 |
| Exchange differences | 15,614 | 8,312 | - | - |
| | 496,941 | 468,521 | 41,591 | 42,391 |
| Share of post acquisition reserves | 188,236 | 102,934 | - | - |
| | 685,177 | 571,455 | 41,591 | 42,391 |
| Less: Accumulated impairment losses | | | | |
| - quoted shares outside Malaysia | (49,570) | (44,949) | - | - |
| - unquoted shares | (42,040) | (42,044) | (1,000) | (1,800) |
| | (91,610) | (86,993) | (1,000) | (1,800) |
| Total investments in associated companies | 593,567 | 484,462 | 40,591 | 40,591 |
| Represented by: | | | | |
| Carrying amount of: | | | | |
| - quoted shares in Malaysia | 316,258 | 316,217 | 40,591 | 40,591 |
| - quoted shares outside Malaysia | 8,509 | 16,977 | - | - |
| - unquoted shares | 268,800 | 151,268 | - | - |
| | 593,567 | 484,462 | 40,591 | 40,591 |
| Fair value of quoted shares: | | | | |
| - in Malaysia | 165,518 | 123,935 | 33,597 | 26,279 |
| - outside Malaysia | 8,536 | 16,977 | - | - |

## 7 ASSOCIATED COMPANIES (CONT'D)

Details of the associated companies are set out in Note 49.

During the current financial year, the Group recognised total impairment loss amounting to RM4,621,000 (2016 : RM28,650,000) as disclosed in Note 31, in respect of one of its quoted associated companies with recoverable amount of RM8,509,000 (2016 : RM16,977,000).

The Group and the Company did not recognise any impairment in value of an associated company, BAssets of which its shares are quoted in Malaysia, as the Directors have determined its recoverable amount to approximates its carrying value. The recoverable amount of BAssets is based on the Group's share of its net assets after accounting for the fair values less costs to sell of BAssets' investment properties, which are its principal assets.

The Group regards BKDS, BAssets, Bermaz Auto Philippines Inc. (formerly known as Berjaya Auto Philippines Inc.) ("BAuto") and Informatics Education Limited ("Informatics") as its material associated companies.

Summarised financial information in respect of material associated companies of the Group is set out below. These financial information represent the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

| **Group**<br>**At 30 April 2017** | **BKDS**<br>**RM'000** | **BAssets**<br>**RM'000** | **BAuto**<br>**RM'000** | **Informatics**<br>**RM'000** | **Total**<br>**RM'000** |
|---|---|---|---|---|---|
| Non-current assets | 989,388 | 3,105,227 | 17,613 | 1,698 | 4,113,926 |
| Current assets | 511,684 | 304,493 | 196,038 | 35,788 | 1,048,003 |
| Non-current liabilities | (720,314) | (1,008,397) | (11,908) | - | (1,740,619) |
| Current liabilities | (617,645) | (210,529) | (74,967) | (13,755) | (916,896) |
| Net assets | 163,113 | 2,190,794 | 126,776 | 23,731 | 2,504,414 |
| Equity attributable to: | | | | | |
| Owners of the associated company | 163,113 | 2,181,443 | 126,776 | 23,731 | 2,495,063 |
| Non-controlling interests of the associated company | - | 9,351 | - | - | 9,351 |
| | 163,113 | 2,190,794 | 126,776 | 23,731 | 2,504,414 |
| **At 30 April 2016** | | | | | |
| Non-current assets | 1,083,672 | 3,190,116 | 14,167 | 877 | 4,288,832 |
| Current assets | 227,316 | 294,046 | 175,627 | 52,189 | 749,178 |
| Non-current liabilities | (789,989) | (788,664) | (18,476) | - | (1,597,129) |
| Current liabilities | (524,673) | (425,531) | (89,595) | (15,272) | (1,055,071) |
| Net assets | (3,674) | 2,269,967 | 81,723 | 37,794 | 2,385,810 |
| Equity attributable to: | | | | | |
| Owners of the associated company | (3,674) | 2,260,437 | 81,723 | 37,794 | 2,376,280 |
| Non-controlling interests of the associated company | - | 9,530 | - | - | 9,530 |
| | (3,674) | 2,269,967 | 81,723 | 37,794 | 2,385,810 |

## 7 ASSOCIATED COMPANIES (CONT'D)

| Group<br>Year ended 30 April 2017 | BKDS<br>RM'000 | BAssets<br>RM'000 | BAuto<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|---|
| Revenue | 407,609 | 368,860 | 391,565 | 33,656 | 1,201,690 |
| Profit/(Loss) for the year | 168,579 | (76,834) | 48,963 | (17,158) | 123,550 |
| Other comprehensive income | (1,692) | (1,919) | (14,693) | 175 | (18,129) |
| Total comprehensive income | 166,887 | (78,753) | 34,270 | (16,983) | 105,421 |
| Profit/(Loss) for the year attributable to: | | | | | |
| - owners of the associated company | 168,579 | (77,838) | 48,963 | (17,158) | 122,546 |
| - non-controlling interests of the associated company | - | 1,004 | - | - | 1,004 |
| | 168,579 | (76,834) | 48,963 | (17,158) | 123,550 |
| Total comprehensive income attributable to: | | | | | |
| - owners of the associated company | 166,887 | (78,994) | 34,270 | (16,983) | 105,180 |
| - non-controlling interests of the associated company | - | 241 | - | - | 241 |
| | 166,887 | (78,753) | 34,270 | (16,983) | 105,421 |
| Dividends received during the year | - | - | - | - | - |
| **Year ended 30 April 2016** | | | | | |
| Revenue | - | 391,993 | 423,257 | 38,251 | 853,501 |
| (Loss)/Profit for the year | (31,977) | 24,200 | 46,064 | (14,762) | 23,525 |
| Other comprehensive income | 21,332 | 832 | (13,923) | 1,180 | 9,421 |
| Total comprehensive income | (10,645) | 25,032 | 32,141 | (13,582) | 32,946 |
| (Loss)/Profit for the year attributable to: | | | | | |
| - owners of the associated company | (31,977) | 17,192 | 46,064 | (14,762) | 16,517 |
| - non-controlling interests of the associated company | - | 7,008 | - | - | 7,008 |
| | (31,977) | 24,200 | 46,064 | (14,762) | 23,525 |

## 7 ASSOCIATED COMPANIES (CONT'D)

| Group<br>Year ended 30 April 2016 | BKDS<br>RM'000 | BAssets<br>RM'000 | BAuto<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|---|
| Total comprehensive income attributable to: | | | | | |
| - owners of the associated company | (10,645) | 17,343 | 32,141 | (13,582) | 25,257 |
| - non-controlling interests of the associated company | - | 7,689 | - | - | 7,689 |
| | (10,645) | 25,032 | 32,141 | (13,582) | 32,946 |
| Dividends received during the year | - | 1,570 | - | - | 1,570 |

Reconciliation of the summarised financial information presented above to the carrying value of the the Group's interest in associated companies

| Group<br>2017 | BKDS<br>RM'000 | BAssets<br>RM'000 | BAuto<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|---|
| Attributable to owners of the associated company: | | | | | |
| Net assets at 1 May 2016 | (3,674) | 2,260,437 | 79,308 | 37,794 | 2,373,865 |
| Increase in paid-up capital | - | - | 6,799 | - | 6,799 |
| Profit/(Loss) for the year | 168,579 | (77,838) | 48,963 | (17,158) | 122,546 |
| Other comprehensive income | (1,692) | (1,156) | (14,693) | 175 | (17,366) |
| Exchange differences | (100) | - | 3,589 | 2,920 | 6,409 |
| | 163,113 | 2,181,443 | 123,966 | 23,731 | 2,492,253 |
| Equity contribution | - | - | 2,810 | - | 2,810 |
| Net assets at 30 April 2017 | 163,113 | 2,181,443 | 126,776 | 23,731 | 2,495,063 |
| Group's equity interest | 50% | 14.61% | 25.48% | 27.09% | |
| Interest in net assets of the associated company | 81,557 | 318,709 | 31,587 | 6,429 | 438,282 |
| Less: Intragroup adjustments | 4,388 | (2,451) | - | (563) | 1,374 |
| Fair value remeasurement | 96,313 | - | - | - | 96,313 |
| Goodwill (net of impairment) | - | - | 4,301 | 2,643 | 6,944 |
| Carrying amount of Group's interest in the associated company | 182,258 | 316,258 | 35,888 | 8,509 | 542,913 |

## 7 ASSOCIATED COMPANIES (CONT'D)

Reconciliation of the summarised financial information presented above to the carrying value of the the Group's interest in associated companies (Cont'd)

| Group<br>2016 | BKDS<br>RM'000 | BAssets<br>RM'000 | BAuto<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|---|
| Attributable to owners of the associated company: | | | | | |
| Net assets at 1 May 2015 | - | 2,118,182 | 46,960 | 47,700 | 2,212,842 |
| Net assets at date of deemed acquisition | 6,708 | - | - | - | 6,708 |
| (Loss)/Profit for the period/year | (31,977) | 17,192 | 46,064 | (14,762) | 16,517 |
| Dividend paid | - | (11,130) | - | - | (11,130) |
| Other comprehensive income | 21,332 | 151 | (13,923) | 1,180 | 8,740 |
| Partial acquisition of a subsidiary company | - | 136,042 | - | - | 136,042 |
| Exchange differences | 263 | - | 207 | 3,676 | 4,146 |
| | (3,674) | 2,260,437 | 79,308 | 37,794 | 2,373,865 |
| Equity contribution | - | - | 2,415 | - | 2,415 |
| Net assets at 30 April 2016 | (3,674) | 2,260,437 | 81,723 | 37,794 | 2,376,280 |
| Group's equity interest | 50% | 14.09% | 35.00% | 27.09% | |
| Interest in net assets of the associated company | (1,837) | 318,496 | 27,758 | 10,238 | 354,655 |
| Less: Intragroup adjustments | 465 | (2,279) | - | (525) | (2,339) |
| Fair value remeasurement | 96,313 | - | | - | 96,313 |
| Goodwill | - | - | 5,634 | 7,264 | 12,898 |
| Carrying amount of Group's interest in the associated company | 94,941 | 316,217 | 33,392 | 16,977 | 461,527 |

Aggregate information of associated companies that are not individually material

| Group | 2017<br>RM'000 | 2016<br>RM'000 |
|---|---|---|
| The Group's share of profit/(loss) for the year, representing total comprehensive income | 2,754 | (8,750) |
| Aggregate carrying amount of the Group's interests in these associated companies | 50,654 | 22,935 |

The Group has discontinued recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interests in these associated companies. As such, during the current financial year, the Group did not recognise its share of the current year losses of these associated companies amounting to RM1,316,000 (2016 : RM30,000) and the Group's cumulative share of unrecognised losses of these associated companies amounted to RM26,338,000 (2016 : RM25,022,000).

## 7 ASSOCIATED COMPANIES (CONT'D)

Certain key associated companies of the Group, namely Berjaya Assets Berhad and Informatics Education Limited, both of which are listed entities, have financial year end of 30 June and 31 March respectively, which are not coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting for these associates, with financial year ends of 30 June and 31 March, the last audited financial statements available and the latest quarterly financial statements announced in the respective stock exchange, made up to a period of no more than 1 month difference from the Group's financial year end have been used. Management has assessed that this would be the most practical method of applying the equity method of accounting for these entities.

Certain quoted shares of the Group and of the Company with carrying amounts of RM91,815,000 and RM38,639,000 (2016 : RM149,433,000 and RM40,591,000) respectively are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

## 8 JOINT VENTURES

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Contributed legal capital/cost of investment | 278,555 | 263,291 |
| Share of post-acquisition reserves | (197,858) | (193,860) |
| Exchange differences | 8,108 | 4,523 |
| | 88,805 | 73,954 |
| Less: Accumulated impairment losses | (28,644) | (28,644) |
| | 60,161 | 45,310 |

Details of the joint ventures are as follows:

| Name of Joint Ventures | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|
| Berjaya-Handico12 Co Ltd | Socialist Republic of Vietnam | Property investment and development | 80 | 80 |
| Berjaya Hotay Joint Venture Company Limited | Socialist Republic of Vietnam | Developer and operator of an international standard five star hotel and provision of related services | 50 | 50 |
| T.P.C. Nghi Tam Village Ltd | Socialist Republic of Vietnam | Developer and operator of an international standard five star hotel | 75 | 75 |
| RC Hotel and Resort JV Holdings (BVI) Company Limited | British Virgin Islands | Investment holding | 56.67 | 56.67 |
| Asia Jet Partners Malaysia Sdn Bhd | Malaysia | Aircraft charter services and related business | 51 | 51 |

## 8 JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows (Cont'd):

| Name of Joint Ventures | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|
| Pasdec Cempaka Sdn Bhd | Malaysia | Property development and investment | 51 | 40 |

The Group has discontinued recognition of its share of losses of certain joint ventures because the share of losses of these joint ventures have exceeded the Group's interest in these joint ventures. As such, during the current financial year, the Group did not recognise its share of the current year losses of these joint ventures amounting to RM23,021,000 and the Group's cumulative share of unrecognised losses of these joint ventures amounted to RM37,620,000 (2016 : RM14,599,000).

In the current financial year, the Group's equity interest in Pasdec Cempaka Sdn Bhd ("PCSB") increased to 51% from 40%, after the acquisition of additional 11% equity interest in PCSB. The remaining 49% equity interest is held by 2 other shareholders.

Summarised financial information in respect of Berjaya Hotay Joint Venture Company Limited, a material joint venture of the Group is set out below. These financial information represents the amounts in the financial statements of the joint venture after fair value adjustments arising from business combination and not the Group's share of those amounts.

| Group | BHotay 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| Non-current assets | 251,568 | 247,650 |
| Current assets | 11,512 | 11,271 |
| Non-current liabilities | (160,756) | (150,608) |
| Current liabilities | (11,646) | (18,485) |
| Net assets | 90,678 | 89,828 |
| The above amounts of assets and liabilities include the following: | | |
| Cash and cash equivalents | 7,090 | 8,638 |
| Current financial liabilities (excluding trade and other payables and provision) | 3,627 | 11,264 |
| Non-current financial liabilities (excluding trade and other payables and provision) | 151,022 | 142,183 |
| Revenue | 66,506 | 61,277 |
| Loss for the year, representing total comprehensive income for the year | (6,757) | (9,868) |
| The above loss for the year include the following: | | |
| Depreciation and amortisation | 16,687 | 16,276 |
| Finance costs | 8,283 | 9,341 |
| Dividends received from the joint venture during the year | - | - |

## 8 JOINT VENTURES (CONT'D)

Reconciliation of the summarised financial information presented above to the carrying value of the Group's interest in the joint venture

| Group | BHotay | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Net assets at 1 April 2016/2015 | 89,828 | 93,209 |
| Loss for the year, representing total comprehensive income for the year | (6,757) | (9,868) |
| Exchange differences | 7,607 | 6,487 |
| Net assets at 30 April 2017/2016 | 90,678 | 89,828 |
| Group's equity interest | 50% | 50% |
| Carrying amount of Group's interest in the joint venture | 45,339 | 44,914 |

Aggregate information of joint ventures that are not individually material

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| The Group's share of (loss)/ profit for the year, representing total comprehensive income for the year | (620) | 7,400 |
| Aggregate carrying amount of the Group's interests in these joint ventures | 14,822 | 396 |

## 9 INVESTMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Quoted shares at fair value: | | | | |
| - in Malaysia | 65,269 | 58,760 | 15,900 | - |
| - outside Malaysia | 3,861 | 3,855 | - | - |
| | 69,130 | 62,615 | 15,900 | - |
| Quoted warrants in Malaysia at fair value | 9,826 | 8,192 | 1,813 | 1,450 |
| Quoted loan stocks in Malaysia at fair value | 7,425 | 8,046 | - | - |
| Malaysian Government Securities at fair value | 3,026 | 3,066 | - | - |
| Total quoted equity investments carried forward | 89,407 | 81,919 | 17,713 | 1,450 |

## 9 INVESTMENTS (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Total quoted equity investments brought forward | 89,407 | 81,919 | 17,713 | 1,450 |
| Unquoted shares at cost: | | | | |
| - in Malaysia | 15,288 | 15,288 | 13,887 | 13,887 |
| - outside Malaysia | 28,842 | 19,872 | - | - |
| | 44,130 | 35,160 | 13,887 | 13,887 |
| Less: Accumulated impairment losses | | | | |
| - unquoted shares in Malaysia | (9,329) | (9,329) | (7,929) | (7,929) |
| - unquoted shares outside Malaysia | (14,782) | (14,726) | - | - |
| | (24,111) | (24,055) | (7,929) | (7,929) |
| Total unquoted equity investments | 20,019 | 11,105 | 5,958 | 5,958 |
| Club memberships | 594 | 594 | - | - |
| Total investments | 110,020 | 93,618 | 23,671 | 7,408 |

The investment in Malaysian Government Securities is deposited with the Malaysian Government in accordance with the Pool Betting Act, 1967 in connection with the issue of the pool betting licence and yields interest at 4.24% (2016 : 4.24%) per annum.

During the financial year, the Group recognised an impairment loss amounting to RM895,000 (2016 : RM564,000) of certain quoted investments designated as available-for-sale financial assets (as disclosed in Note 31) due to significant decline of more than 20% in the fair values of these investments.

In the previous financial year, the Group recognised a net impairment loss of RM4,974,000 of certain other unquoted shares in Malaysia as disclosed in Notes 30 and 31.

Further details on fair value hierarchy and classification of equity investments are disclosed in Notes 43 and 44 respectively.

## 10 INTANGIBLE ASSETS

| Group | Gaming rights RM'000 | Dealerships RM'000 | Goodwill RM'000 | Customer relationships RM'000 | Computer software RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|
| Cost: | | | | | | |
| At 1 May 2016 | 4,680,238 | 58,672 | 977,335 | 3,346 | 6,009 | 5,725,600 |
| Addition during the year | - | - | - | - | 161 | 161 |
| Deferred tax liability recognised | - | - | (283) | - | - | (283) |
| Arising from acquisition of a subsidiary company (Note 6) | - | - | 767 | - | - | 767 |
| Exchange differences | 5,546 | (1,185) | 610 | (74) | 35 | 4,932 |
| At 30 April 2017 | 4,685,784 | 57,487 | 978,429 | 3,272 | 6,205 | 5,731,177 |
| Accumulated amortisation/impairment: | | | | | | |
| At 1 May 2016 | (171,430) | - | (837,348) | - | (4,139) | (1,012,917) |
| Impairment for the year | (642,991) | - | (25,414) | - | - | (668,405) |
| Amortisation for the year | (28,753) | - | - | (459) | (597) | (29,809) |
| At 30 April 2017 | (843,174) | - | (862,762) | (459) | (4,736) | (1,711,131) |
| Carrying amount at 30 April 2017 | 3,842,610 | 57,487 | 115,667 | 2,813 | 1,469 | 4,020,046 |
| **Restated** | | | | | | |
| Cost: | | | | | | |
| At 1 May 2015 | 4,675,000 | 56,542 | 969,188 | - | 5,542 | 5,706,272 |
| Addition during the year | - | - | - | - | 674 | 674 |
| Deferred tax liability recognised | - | - | (281) | - | - | (281) |
| Adjustments | - | - | - | - | (221) | (221) |
| Arising from acquisition of a subsidiary company (Note 6) | - | - | 5,573 | 3,831 | - | 9,404 |
| Exchange differences | 5,238 | 2,130 | 2,855 | (485) | 14 | 9,752 |
| At 30 April 2016 | 4,680,238 | 58,672 | 977,335 | 3,346 | 6,009 | 5,725,600 |
| Accumulated amortisation/impairment: | | | | | | |
| At 1 May 2015 | (133,228) | - | (464,083) | - | (3,337) | (600,648) |
| Impairment for the year | (9,848) | - | (373,265) | - | - | (383,113) |
| Amortisation for the year | (28,354) | - | - | - | (802) | (29,156) |
| At 30 April 2016 | (171,430) | - | (837,348) | - | (4,139) | (1,012,917) |
| Carrying amount at 30 April 2016 | 4,508,808 | 58,672 | 139,987 | 3,346 | 1,870 | 4,712,683 |
| **Restated** | | | | | | |
| Cost: | | | | | | |
| At 1 May 2014 | 4,652,000 | 56,752 | 958,274 | - | 4,556 | 5,671,582 |
| Addition during the year | - | - | - | - | 977 | 977 |
| Deferred tax liability recognised | - | - | (755) | - | - | (755) |
| Arising from acquisition of a subsidiary company | - | - | 9,129 | - | - | 9,129 |
| Exchange differences | 23,000 | (210) | 2,540 | - | 9 | 25,339 |
| At 30 April 2015 | 4,675,000 | 56,542 | 969,188 | - | 5,542 | 5,706,272 |
| Accumulated amortisation/impairment: | | | | | | |
| At 1 May 2014 | - | - | (83,349) | - | (2,836) | (86,185) |
| Impairment for the year | (133,228) | - | (380,734) | - | - | (513,962) |
| Amortisation for the year | - | - | - | - | (501) | (501) |
| At 30 April 2015 | (133,228) | - | (464,083) | - | (3,337) | (600,648) |
| Carrying amount at 30 April 2015 | 4,541,772 | 56,542 | 505,105 | - | 2,205 | 5,105,624 |

## 10 INTANGIBLE ASSETS (CONT'D)

Impairment test on Gaming Rights, Dealerships, Customer Relationships and Goodwill

Allocation of Gaming Rights

Gaming Rights are allocated solely to the Group's toto betting business segment in Malaysia and the leasing of online lottery equipment business segment in the Philippines.

Allocation of Dealerships and Customer Relationships

Dealerships and Customer Relationships are allocated solely to the Group's motor vehicle dealerships business segment.

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

| | Group | |
|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 |
| Toto betting operations and related activities in Malaysia | - | 21,782 |
| Motor vehicle dealerships | 80,482 | 82,886 |
| Property development and property investment | 14,679 | 15,576 |
| Hotels and resorts | 20,506 | 19,743 |
| | 115,667 | 139,987 |

During the current financial year, the Group has assessed that certain CGUs were carried in excess of their recoverable amounts and recognised impairment loss of:

(i) RM642,991,000 (2016 : RMNil) and RM21,782,000 (2016 : RM373,265,000) in respect of gaming rights and goodwill allocated to the Malaysian toto betting business segment. The recoverable amount of this intangible asset is the Group's share of VIU which amounted to RM1,424,776,000 (2016 : RM1,739,636,000);

(ii) RMNil (2016 : RM9,848,000) and RM2,735,000 (2016 : RMNil) in respect of gaming rights and goodwill allocated to the Philippines leasing of online lottery equipment business segment respectively. The recoverable amount of these intangible assets are the Group's share of VIU which amounted to RM30,258,000 (2016 : RM42,549,000); and

(iii) RM897,000 in respect of goodwill allocated to a foreign subsidiary company in the property development and property investment business segment following the sale of foreign development project.

The total impairment loss of RM25,414,000 (2016 : RM373,265,000) in respect of goodwill has been accounted for in profit or loss as disclosed in Note 31. The Group's share of impairment loss of RM642,991,000 (2016 : RM9,848,000) in respect of gaming rights is accounted for as a reduction of the fair value reserve as disclosed in Note 19(b).

With regard to the impairment review of the CGUs for Dealerships and Customer Relationships, the Group has assessed their VIU amounts that could sufficiently address the carrying amounts of these CGUs.

## 10 INTANGIBLE ASSETS (CONT'D)

Impairment test on Gaming Rights, Dealerships, Customer Relationships and Goodwill (Cont'd)

Key assumptions used in VIU calculations and fair values less costs to sell of CGUs

The recoverable amount of a CGU is determined based on the higher of VIU or fair value less costs to sell of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a four-and-half-year to a five-year period. Fair value less costs to sell is estimated based on the best information available in an active market to reflect the amount obtainable in an arm's length transaction, less costs of disposal.

The following describes each key assumption on which management has based its cash flow projections for VIU calculations or fair value less costs to sell of the CGUs:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year before the budgeted year, adjusted for market and economic conditions, internal resource efficiency and the expected stages of completion of property development projects, where applicable.

(ii) Growth rates

The weighted average growth rates used ranges between 1.0% and 5.0% (2016 : 1.0% and 5.0%) are consistent with the long-term average growth rates for the relevant industries, including the gaming business segment.

(iii) Discount rates

The discount rates used for identified CGUs are on a basis that reflect specific risks relating to the relevant business segments. The significant post-tax discount rates, applied to post-tax cash flows, used for identified CGUs are in the range of 6.0% to 11.8% (2016 : 6.0% to 11.8%), of which 9.0% to 11.5% (2016 : 9.5% to 11.5%) have been applied to the gaming business segment.

(iv) Terminal growth rates

The terminal growth rates used for identified CGUs are estimated with reference to published research and do not exceed the long term growth rate for the countries relevant to the CGUs. The applicable terminal growth rate is in the range of 1.0% to 1.5% (2016 : 1.0% to 2.5%), of which 1.5% (2016 : 2.5%) has been applied to the gaming business segment.

(v) Fair value less costs to sell

The fair value is estimated based on observable market prices of similar CGUs/assets within the same industry and similar locations. This is applicable principally for the property development and investment, and hotels and resorts business segments.

Sensitivity to changes in assumptions

For the Malaysian toto betting business segment, which goodwill has been fully impaired in the current year, the recoverable amount of Gaming Rights - Licence based on VIU computation, remains sensitive towards possible negative changes in terminal and revenue growth rates due to the unanticipated regulatory and economic changes.

## 10 INTANGIBLE ASSETS (CONT'D)

Impairment test on Gaming Rights, Dealerships, Customer Relationships and Goodwill (Cont'd)

Sensitivity to changes in assumptions (cont'd)

Should the terminal growth rate decrease by 0.5% with all other variables held constant, the carrying amount of the gaming rights of the Malaysian toto betting business segment is expected to be further impaired by RM166,234,000. Similarly, if no growth in revenue is anticipated in 2018, with all other variables remaining constant, the carrying amount of the gaming rights of the Malaysian toto betting business segment is expected to be further impaired by RM195,483,000.

As for the Philippines leasing of online lottery equipment operations, the achievability of the VIU is principally dependent on the successful renewal of the ELA. The ELA was granted a transitional extension of three years to August 2018, pending the outcome of the on-going arbitration proceedings. Details of the transitional extension and the arbitration proceedings are disclosed in Note 40. In the event of a negative outcome of the arbitration proceedings, the remaining amount of Gaming Rights - ELA may need to be impaired immediately. The carrying amount of the Gaming Rights - ELA as of the reporting date amounted to RM85,601,000 (2016 : RM108,808,000).

The management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying amounts of the CGUs allocated to Dealerships and Customer Relationships to materially exceed their recoverable amounts.

## 11 PROPERTY DEVELOPMENT COSTS

| | Group | |
|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 |
| At 1 May 2016/2015 | | |
| - freehold land | 208,615 | 615,669 |
| - long leasehold land | 72 | 7,191 |
| - land use rights | 1 | 8,474 |
| - development costs | 138,436 | 885,909 |
| | 347,124 | 1,517,243 |
| Costs incurred during the year: | | |
| - freehold land | 53,356 | 69,857 |
| - development costs | 138,199 | 373,121 |
| | 191,555 | 442,978 |
| Costs recognised in profit or loss: | | |
| - at 1 May 2016/2015 | (95,914) | (153,009) |
| - recognised during the year | (140,163) | (132,286) |
| - eliminated during the year due to completion of project | - | 189,381 |
| - at 30 April 2017/2016 | (236,077) | (95,914) |
| Transferred during the year: | | |
| - from/(to) land held for development | 51,109 | (947,450) |
| - to assets held for sale | - | (490,224) |
| - to inventories | - | (10,588) |
| - to receivables | - | (7,119) |
| | 51,109 | (1,455,381) |

## 11 PROPERTY DEVELOPMENT COSTS (CONT'D)

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Costs eliminated during the year due to completion of project: | | |
| - freehold land | - | (3,101) |
| - development costs | - | (186,280) |
| | - | (189,381) |
| Disposed during the year: | | |
| - long leasehold land | (1) | - |
| - land use rights | (1) | - |
| - development costs | (6,138) | - |
| | (6,140) | - |
| Accumulated impairment losses: | | |
| At 1 May 2016/2015 | (5,827) | (12,946) |
| Write-off/Reversal of impairment loss | 5,827 | 7,119 |
| and 30 April 2017/2016 | - | (5,827) |
| Exchange differences | (192) | 31,665 |
| Carrying amount at 30 April 2017/2016 | 347,379 | 245,383 |

Included in the property development costs is interest capitalised for the year of RM3,284,000 (2016 : RM2,363,000).

During the previous financial year, a subsidiary company recognised a reversal of impairment loss totalling RM7,119,000, as referred to in Note 3(a)(i).

Property development costs with carrying amounts of RM223,077,000 (2016 : RM200,568,000) are pledged to financial institutions for credit facilities granted to certain of the subsidiary companies.

## 12 INVENTORIES

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At cost: | | |
| Vehicles | 254,427 | 407,544 |
| Property inventories | 103,892 | 111,146 |
| Stores and consumables | 20,447 | 18,873 |
| Gaming equipment components and parts | 959 | 1,823 |
| Ticket inventories | 4,741 | 3,558 |
| Work-in-progress | 4,212 | 14,103 |
| Raw materials | 13,729 | 9,624 |
| Finished goods and inventories for resale | 5,622 | 6,412 |
| | 408,029 | 573,083 |
| At net realisable value: | | |
| Vehicles | 83,731 | 8,761 |
| Property inventories | 960 | 960 |
| Stores and consumables | 1,793 | 2,552 |
| | 494,513 | 585,356 |

## 12 INVENTORIES (CONT'D)

The cost of inventories recognised as an expense during the current financial year amounted to RM2,145,793,000 (2016 : RM2,017,105,000). Property inventories with an aggregate carrying amount of RM66,307,000 (2016 : RM66,307,000) are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

Certain vehicle inventories are pledged for manufacturers and other third party vehicle stocking loans as disclosed in Note 26.

## 13 RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| **CURRENT** | | | | |
| **Trade receivables** | | | | |
| Third parties | 254,606 | 148,684 | - | - |
| Less: Allowance for impairment | (12,212) | (12,938) | - | - |
| | 242,394 | 135,746 | - | - |
| **Other receivables** | | | | |
| Sundry receivables | 221,073 | 283,087 | 300 | 330 |
| Amount receivable from disposal of Great Mall Project (Note 47(d)) | 598,884 | - | - | - |
| Refundable deposits | 14,233 | 22,221 | 837 | 867 |
| Amounts owing by : | | | | |
| - subsidiary companies | - | - | 1,536,181 | 1,182,958 |
| - related companies | 10,447 | 6,496 | 299 | 2,657 |
| - associated companies | 443,385 | 288,101 | 283,319 | 208,652 |
| | 1,288,022 | 599,905 | 1,820,936 | 1,395,464 |
| Less: Allowance for impairment: | | | | |
| - Sundry receivables | (6,231) | (7,644) | (166) | (166) |
| - Amounts owing by associated companies | (444) | (440) | (9) | (9) |
| | 1,281,347 | 591,821 | 1,820,761 | 1,395,289 |
| **Other current assets** | | | | |
| Sundry receivables | 39,368 | 35,367 | 286 | 295 |
| Prepayments | 299,942 | 290,547 | 5,024 | 5,009 |
| Deposits for acquisition of assets | 6,552 | 6,288 | - | - |
| Dividend receivable | 470 | - | 4,870 | 107,621 |
| Accrued billings in respect of property development costs/property sales | 43,033 | 37,435 | - | - |
| | 389,365 | 369,637 | 10,180 | 112,925 |
| Total current receivables | 1,913,106 | 1,097,204 | 1,830,941 | 1,508,214 |

## 13 RECEIVABLES (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| **NON-CURRENT** | | | | |
| **Other receivables** | | | | |
| Amounts owing by: | | | | |
| - joint ventures | 696,126 | 612,198 | - | - |
| - subsidiary companies | - | - | 1,083,961 | 1,339,183 |
| | 696,126 | 612,198 | 1,083,961 | 1,339,183 |
| Less: Allowance for impairment: | | | | |
| - Amounts owing by subsidiary companies | - | - | (66,142) | (86,813) |
| Total non-current receivables | 696,126 | 612,198 | 1,017,819 | 1,252,370 |
| **Total receivables** | 2,609,232 | 1,709,402 | 2,848,760 | 2,760,584 |

As at 30 April 2017, the Group has no significant concentration of credit risk that may arise from exposure to a single trade receivable or to groups of trade receivables, except as disclosed in Note (a) below.

(a) Trade receivables

The Group's trade receivables are non-interest bearing with credit term ranging from 1 to 60 (2016 : 1 to 60) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in the trade receivables of the Group is an amount due from a related company to a foreign subsidiary of the Group amounting to RM72,897,000 (2016 : RMNil).

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Neither past due nor impaired | 108,926 | 90,310 |
| 1 to 30 days past due not impaired | 108,264 | 22,062 |
| 31 to 60 days past due not impaired | 10,876 | 5,354 |
| 61 to 90 days past due not impaired | 2,027 | 3,127 |
| 91 to 365 days past due not impaired | 5,366 | 6,118 |
| More than 365 days past due not impaired | 6,192 | 8,458 |
| | 132,725 | 45,119 |
| Impaired | 12,955 | 13,255 |
| | 254,606 | 148,684 |

## 13 RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment track records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM132,725,000 (2016 : RM45,119,000) that are past due at the reporting date but not impaired as there is no concern on the credit-worthiness of the counterparties and the recoverability of these debts.

Receivables that are impaired

The Group's trade receivables that are individually assessed and impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Trade receivables - nominal amounts | 12,955 | 13,255 |
| Less: Allowance for impairment | (12,212) | (12,938) |
| | 743 | 317 |

Movement in allowance accounts

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 12,938 | 12,950 |
| Charge for the year (Note 33) | 996 | 1,663 |
| Reversal of impairment loss (Note 29) | (670) | (426) |
| Written off | (1,050) | (1,269) |
| Exchange differences | (2) | 20 |
| At 30 April 2017/2016 | 12,212 | 12,938 |

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its trade receivable balances on account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management are of the opinion that there are no further factors that warrants the consideration of additional impairment losses on a collective basis.

## 13 RECEIVABLES (CONT'D)

(b) Other receivables: current and non-current

Movement in allowance accounts

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 8,084 | 26,939 | 86,988 | 24,683 |
| Charge for the year (Notes 31, 33) | 165 | 4,876 | 19,973 | 70,668 |
| Reversal of impairment loss (Notes 29, 30) | (134) | (2,015) | (40,644) | (8,363) |
| Written off | (1,388) | (21,716) | - | - |
| Exchange differences | (52) | - | - | - |
| At 30 April 2017/2016 | 6,675 | 8,084 | 66,317 | 86,988 |

Included in sundry receivables of the Group of the previous financial year was an advance made by a foreign subsidiary company to a foreign property investments venture company amounted to RM62,553,000. During the current financial year, this foreign property investments venture company became an associated company of the Group. The advance which is repayable on demand and interest-bearing is now included in amounts owing by associated companies.

The Group has no significant concentration of credit risk that may arise for exposures to a single debtor or a group of debtors except for the amount receivable from the disposal of the Great Mall Project (Note 47(d)) amounting to RM598,884,000 and the amounts owing by joint ventures and associated companies. The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of receivables except for the amounts owing by subsidiary companies.

The amounts owing by subsidiary companies, associated companies and related companies of the Company are unsecured, repayable on demand and interest bearing except for a gross amount totalling RM1,816,433,000 (2016 : RM1,614,605,000) which are non interest bearing.

The amounts owing by certain subsidiary companies have been classified as non-current assets as the Company has reassessed that it does not intend to call for the payments of these amounts within the next 12 months.

The amounts owing by associated companies of the Group are unsecured, repayable on demand and non-interest bearing except for a gross amount totalling RM77,513,000 (2016 : RM8,297,000) which are interest bearing.

Amounts owing by joint ventures are unsecured, interest-bearing with schedule of repayments ranging from 2 to 20 (2016 : 2 to 20) years.

(c) Other current assets

Included in sundry receivables of the Group are advance payments of RM39,029,000 (2016 : RM34,472,000) made in respect of property development project of the Group's foreign venture.

Included in prepayments of the Group is an amount of RM230,724,000 (2016 : RM230,724,000) which relates to a proposed project for the relocation of a turf club. The amount was prepaid to a related company as disclosed in Note 47(g).

## 13 RECEIVABLES (CONT'D)

(c) Other current assets (cont'd)

Deposits for acquisition of assets of the Group comprise:
- an amount of RM3,516,000 (2016 : RM3,142,000) paid in respect of acquisition of aircraft by a subsidiary company; and
- an amount of RM3,036,000 (2016 : RM3,146,000) paid in respect of acquisition of properties by foreign subsidiary companies.

## 14 SHORT TERM INVESTMENTS

| | Group | |
|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 |
| Unit trust funds in Malaysia, at fair value | 9,006 | 9,302 |

## 15 DEPOSITS

| | Group | | Company | |
|---|---|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 | 2017<br>RM'000 | 2016<br>RM'000 |
| Deposits with: | | | | |
| - Licensed banks | 410,800 | 497,655 | 27,402 | 26,082 |
| - Other financial institutions | 15,193 | 31,673 | - | - |
| | 425,993 | 529,328 | 27,402 | 26,082 |

Included in deposits are:

(a) amounts which are restricted in usage:
(i) RM47,707,000 (2016 : RM36,228,000) and RM27,402,000 (2016 : RM26,082,000) held in debt service reserve accounts for the Group and the Company respectively;
(ii) RM7,296,000 (2016 : RM6,610,000) pledged for credit facilities granted to certain subsidiary companies of the Group; and
(iii) RM4,163,000 (2016 : RMNil) being deposits with maturity more than 3 months.

(b) RM26,488,000 (2016 : RM28,820,000) held in sinking funds and trust accounts for the operations of recreational clubs and time share operations.

The weighted average effective interest rates of deposits as at reporting date are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017<br>% | 2016<br>% | 2017<br>% | 2016<br>% |
| Licensed banks | 3.11 | 3.29 | 2.62 | 3.18 |
| Other financial institutions | 1.03 | 1.48 | - | - |

## 15 DEPOSITS (CONT'D)

The weighted average maturities of deposits as at the end of financial year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 Days | 2016 Days | 2017 Days | 2016 Days |
| Licensed banks | 13 | 17 | 16 | 15 |
| Other financial institutions | 74 | 67 | - | - |

## 16 CASH AND BANK BALANCES

Included in cash and bank balances are:

(a) amounts which are restricted in usage:
   (i) RM7,736,000 (2016 : RM24,949,000) and RM4,813,000 (2016 : RM4,193,000) held in debt service reserve accounts for the Group and the Company respectively;
   (ii) RM1,594,000 (2016 : RM125,364,000) pledged for credit facilities granted to foreign subsidiary companies of the Group; and
   (iii) RM14,625,000 (2016 : RMNil) held in an escrow account for credit facility granted to a subsidiary company.

(b) amounts totalling RM57,568,000 (2016 : RM128,022,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966.

(c) monies held for the operations of recreational clubs and time share operations amounting to RM695,000 (2016 : RM390,000).

Included in cash and bank balances of the Group in the previous financial year was an amount of RM612,848,000 being the receipt of part of the sales consideration for the disposal of a foreign development project as disclosed in Note 47(d) which was held in escrow.

## 17 ASSETS OF DISPOSAL GROUP/ASSETS CLASSIFIED AS HELD FOR SALE

The disposal group classified as held for sale in the current financial year comprised assets and liabilities of a subsidiary company, Berjaya Long Beach Resort Limited Liability Company ("BLong Beach"). Details of the proposed disposal of the Group's entire 70% equity interest in BLong Beach are disclosed in Note 47(f).

Details of disposal group are as follows:

| | 2017 RM'000 |
|---|---|
| Assets | |
| Property, plant and equipment (Note 3) | 41,636 |
| Inventories | 109 |
| Receivables | 1,008 |
| Cash and bank balances | 163 |
| Assets of disposal group classified as held for sale | 42,916 |
| | |
| Liabilities | |
| Payables, representing liabilities directly associated with disposal group classified as held for sale | 2,775 |

## 17 ASSETS OF DISPOSAL GROUP/ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

Assets classified as held for sale in the previous financial year comprised the following:

(i) the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project") with a carrying amount of RM976,203,000. Further details are provided in Note 47(d);

(ii) the entire 18.56% equity interest, comprising 2,188,750 shares of Rs10 each in Navodaya Mass Entertainment Limited with carrying amount of RM2,523,000; and

(iii) a parcel of 12,884 square metres of vacant land with carrying amount of RM1,056,000.

Disposals of these assets were completed during the current financial year.

## 18 SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | No. of ordinary shares | | Amount | |
| | 2017 '000 | 2016 '000 | 2017 RM'000 | 2016 RM'000 |
| **Authorised:** | | | | |
| At beginning of the year and at end of the year * | - | 10,000,000 | - | 5,000,000 |
| **Issued and paid-up:** | | | | |
| At beginning of the year and at end of the year | 5,000,337 | 5,000,337 | 2,500,168 | 2,500,168 |

| | Group and Company | |
|---|---|---|
| | 2017 No. of shares '000 | 2016 No. of shares '000 |
| Issued and paid-up ordinary shares with voting rights: | | |
| Total number of issued and paid-up ordinary shares | 5,000,337 | 5,000,337 |
| Less: Number of ordinary shares held as treasury shares (Note 20) | (10,943) | (10,943) |
| | 4,989,394 | 4,989,394 |

* *The Companies Act 2016 which came into effect on 31 January 2017 has abolished the concept of Authorised Share Capital.*

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares (other than treasury shares) rank equally with regards to the Company's residual assets.

## 19 RESERVES

| | Group | | |
|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 Restated | At 1.5.2015 RM'000 Restated |
| Non-distributable: | | | |
| Foreign currency translation reserve (Note a) | 234,019 | 122,525 | (3,354) |
| Fair value reserve (Note b) | 1,179,509 | 1,385,254 | 1,420,479 |
| Consolidation reserve (Note c) | 81,842 | 102,109 | 104,010 |
| Available-for-sale reserve (Note d) | 5,215 | 4,891 | 13,114 |
| Capital reserve (Note e) | 116,528 | 10,804 | 10,804 |
| Distributable: | | | |
| Retained earnings | 425,604 | 226,737 | 467,982 |
| | 2,042,717 | 1,852,320 | 2,013,035 |

| | Company | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Non-distributable: | | |
| Available-for-sale reserve (Note d) | 1,874 | - |
| Distributable: | | |
| Retained earnings (Note f) | 740,193 | 786,831 |
| | 742,067 | 786,831 |

(a) Foreign currency translation reserve

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 122,525 | (3,354) |
| Current year movement | 111,494 | 88,189 |
| Transfer to profit or loss upon disposal | - | 37,690 |
| At 30 April 2017/2016 | 234,019 | 122,525 |

(b) Fair value reserve

| | Group | | |
|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 Restated | 1.5.2015 RM'000 Restated |
| At 1 May 2016/2015/2014 | 1,385,254 | 1,420,479 | 1,468,595 |
| Impairment in value of gaming rights (note (i)) | (257,518) | (3,572) | (48,116) |
| Reversal of deferred tax liability arising from impairment of gaming rights (note (ii)) | 61,804 | - | - |
| Recognition of deferred tax liability | - | (15,429) | - |
| Transfer to non-controlling interests | - | (6,152) | - |
| Transfer to retained earnings | (10,031) | (10,072) | - |
| At 30 April 2017/2016/2015 | 1,179,509 | 1,385,254 | 1,420,479 |

This reserve represents the Group's share of post acquisition fair value and other adjustments arising from the business combination of BToto Group in prior years.

## 19 RESERVES (CONT'D)

(b) Fair value reserve (Cont'd)

(i) In the current financial year, the Group recognised an impairment loss of RM642,991,000 (2016 : RM9,848,000) in respect of its gaming rights, as disclosed in Note 10. The Group has accounted for its share of the aforementioned impairment loss amounting to RM257,518,000 (2016 : RM3,572,000) in the fair value reserve.

(ii) As a consequence to the recognition of impairment loss of the current financial year , the Group recognised its share of reversal of the related deferred tax liability amounting to RM61,804,000.

(c) Consolidation reserve

| | | Group | |
|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 Restated | At 1.5.2015 RM'000 Restated |
| At 1 May 2016/2015/2014 | 102,109 | 104,010 | 104,010 |
| Arising from: | | | |
| - decrease in equity interest in a subsidiary company | 2,891 | - | - |
| - increase in equity interest in a subsidiary company | (23,158) | (1,901) | - |
| At 30 April 2017/2016/2015 | 81,842 | 102,109 | 104,010 |

This reserve represents the effects arising from changes in the Group's ownership interest in a subsidiary company that does not result in loss of control.

(d) Available-for-sale reserve

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 4,891 | 13,114 | - | - |
| Changes in fair values of available-for-sale financial assets during the year | 376 | (8,924) | 1,874 | - |
| Transfer to profit or loss upon disposal | (52) | 701 | - | - |
| At 30 April 2017/2016 | 5,215 | 4,891 | 1,874 | - |

Available-for-sale reserve represents the cumulative fair value changes, net of tax, if applicable, of available-for-sale financial assets until they are disposed of or impaired.

## 19 RESERVES (CONT'D)

(e) Capital reserve

| | Group | |
|---|---|---|
| | 2017<br>RM'000 | 2016<br>RM'000 |
| At 1 May 2016/2015 | 10,804 | 10,804 |
| Transferred from distributable earnings arising from a subsidiary company's bonus issue of shares | 105,724 | - |
| At 30 April 2017/2016 | 116,528 | 10,804 |

This reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.

(f) Retained earnings

Retained earnings of the Company is available for distribution as single tier dividends.

## 20 TREASURY SHARES

| | Group and Company | | | |
|---|---|---|---|---|
| | 2017<br>No. of shares<br>'000 | 2016<br>No. of shares<br>'000 | 2017<br>RM'000 | 2016<br>RM'000 |
| At beginning and end of the year | 10,943 | 10,943 | 20,699 | 20,699 |

Pursuant to an Extraordinary General Meeting held on 30 July 2008, the Company obtained a shareholders' mandate to undertake the purchase of up to 10% of the issued and paid-up share capital of the Company at the time of purchase.

The renewal of the Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back was approved by the shareholders of the Company at the Annual General Meeting held on 13 October 2016.

The shares bought back are held as treasury shares and none of these shares were cancelled or distributed during the financial year.

## 21 LONG TERM BORROWINGS

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Secured: | | | | |
| Term loans | 1,285,213 | 1,658,660 | 412,449 | 315,330 |
| Amount repayable within 12 months included in short term borrowings (Note 26) | (631,073) | (579,639) | (297,815) | (133,925) |
| | 654,140 | 1,079,021 | 114,634 | 181,405 |
| Medium term notes (Note a) | 1,423,700 | 1,448,205 | 648,700 | 648,205 |
| Amount repayable within 12 months included in short term borrowings (Note 26) | (529,480) | (105,000) | (274,480) | - |
| | 894,220 | 1,343,205 | 374,220 | 648,205 |
| Other bank borrowings | 231,106 | 356,930 | 106,936 | 192,479 |
| | 1,779,466 | 2,779,156 | 595,790 | 1,022,089 |
| Hire purchase and finance lease liabilities (Note b) | 90,542 | 88,859 | 830 | 1,519 |
| Amount repayable within 12 months included in short term borrowings (Note 26) | (87,672) | (8,990) | (388) | (638) |
| | 2,870 | 79,869 | 442 | 881 |
| | 1,782,336 | 2,859,025 | 596,232 | 1,022,970 |

The long term borrowings of the Group and of the Company are secured by quoted shares, properties, deposits and cash and bank balances of the Group and of the Company as mentioned in Notes 3, 4, 5, 6, 7, 9, 11, 12, 15 and 16. The term loans and other bank borrowings bear floating interest at rates ranging from 2.00% to 7.08% (2016 : 2.34% to 8.85%) per annum for the Group and from 4.91% to 6.19% (2016 : 4.59% to 6.30%) per annum for the Company.

Details of the outstanding long term borrowings are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| **Long term borrowings** | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Amounts repayable within : | | | | |
| More than 1 year but not later than 2 years | 469,823 | 1,041,878 | 95,221 | 492,381 |
| More than 2 years but not later than 5 years | 1,127,321 | 1,394,349 | 501,011 | 415,797 |
| More than 5 years | 185,192 | 422,798 | - | 114,792 |
| | 1,782,336 | 2,859,025 | 596,232 | 1,022,970 |

## 21 LONG TERM BORROWINGS (CONT'D)

(a) Medium term notes

The facility amounts of the medium terms notes ("MTN") programme are as follows:

| | Group 2017 RM'000 | Group 2016 RM'000 |
|---|---|---|
| STM MTN | 800,000 | 800,000 |
| BLB MTN | 650,000 | 650,000 |
| | 1,450,000 | 1,450,000 |

(i) STM MTN comprises MTN programme of up to RM800,000,000 in nominal value issued by a wholly-owned subsidiary company of BToto, Sports Toto Malaysia Sdn Bhd ("STM"). As at 30 April 2017, STM MTN totalling RM775,000,000 (2016 : RM800,000,000) in nominal value remains outstanding.

STM MTN is secured by a third party first equitable charge over the entire issued and paid-up share capital of STM which is the issuer and a corporate guarantee provided by BToto.

(ii) BLB MTN comprises a MTN programme of RM650,000,000 in nominal value issued by the Company. As at 30 April 2017, BLB MTN totalling to RM650,000,000 (2016 : RM650,000,000) in nominal value remains outstanding.

BLB MTN is secured by a financial guarantee insurance facility granted by Danajamin Nasional Berhad to the Company for the principal redemption of up to RM500,000,000 in nominal value and a bank guarantee facility granted by OCBC Bank (Malaysia) Berhad to the Company for the principal redemption of up to RM150,000,000 in nominal value.

The maturities of the MTNs as at the reporting date are as follows:

| **CURRENT** | Maturity | Group 2017 RM'000 | Group 2016 RM'000 | Company 2017 RM'000 | Company 2016 RM'000 |
|---|---|---|---|---|---|
| Secured with fixed rate: | | | | | |
| 4.41% p.a. | June 2016 | - | 55,000 | - | - |
| 4.80% p.a. | October 2016 | - | 50,000 | - | - |
| 6.00% p.a. | June 2017 | 150,000 | - | - | - |
| 4.60% p.a. | June 2017 | 35,000 | - | - | - |
| 4.60% p.a. | June 2017 | 70,000 | - | - | - |
| 4.75% p.a. | December 2017 | 199,622 | - | 199,622 | - |
| 4.65% p.a. | December 2017 | 74,858 | - | 74,858 | - |
| Amount repayable within 12 months included in short term borrowings (Note 26) | | 529,480 | 105,000 | 274,480 | - |

## 21 LONG TERM BORROWINGS (CONT'D)

(a) Medium term notes (Cont'd)

The maturities of the MTNs as at the reporting date are as follows (cont'd):

| NON-CURRENT | | Group | | Company | |
|---|---|---|---|---|---|
| | Maturity | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Secured with fixed rate: | | | | | |
| 6.00% p.a. | June 2017 | - | 150,000 | - | - |
| 4.60% p.a. | June 2017 | - | 35,000 | - | - |
| 4.60% p.a. | June 2017 | - | 70,000 | - | - |
| 4.75% p.a. | December 2017 | - | 199,262 | - | 199,262 |
| 4.65% p.a. | December 2017 | - | 74,723 | - | 74,723 |
| 4.30% p.a. | June 2018 | 50,000 | - | - | - |
| 4.47% p.a. | June 2018 | 30,000 | - | - | - |
| 4.73% p.a. | June 2018 | 95,000 | - | - | - |
| Amount repayable more than 1 year but not later than 2 years | | 175,000 | 528,985 | - | 273,985 |
| 4.73% p.a. | June 2018 | - | 95,000 | - | - |
| 4.82% p.a. | June 2019 | 200,000 | 200,000 | - | - |
| 4.88% p.a. | July 2019 | 145,000 | 145,000 | - | - |
| 4.95% p.a. | December 2019 | 199,584 | 199,584 | 199,584 | 199,584 |
| 4.85% p.a. | December 2019 | 74,844 | 74,844 | 74,844 | 74,844 |
| 5.35% p.a. | December 2021 | 99,792 | - | 99,792 | - |
| Amount repayable more than 2 years but not later than 5 years | | 719,220 | 714,428 | 374,220 | 274,428 |
| Amount repayable more than 5 years | | | | | |
| 5.35% p.a. | December 2021 | - | 99,792 | - | 99,792 |
| Total non-current MTNs | | 894,220 | 1,343,205 | 374,220 | 648,205 |

(b) Hire purchase and finance lease liabilities

Approximately RM2,073,000 (2016 : RM3,146,000) and RM442,000 (2016 : RM881,000) included in the hire purchase and finance lease liabilities of the Group and of the Company respectively are owing to a related company.

The hire purchase and finance lease liabilities bear interest at rates ranging from 2.99% to 8.50% (2016 : 2.99% to 5.85%) per annum.

## 21 LONG TERM BORROWINGS (CONT'D)

(b) Hire purchase and finance lease liabilities (Cont'd)

The commitment terms under the hire purchase and finance lease liabilities are summarised as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Future minimum lease payments: | | | | |
| 1 year after reporting date | 91,834 | 12,635 | 467 | 759 |
| More than 1 year but not later than 2 years | 1,404 | 12,178 | 273 | 498 |
| More than 2 years but not later than 5 years | 1,742 | 71,121 | 267 | 572 |
| | 94,980 | 95,934 | 1,007 | 1,829 |
| Unexpired interest | (4,438) | (7,075) | (177) | (310) |
| | 90,542 | 88,859 | 830 | 1,519 |
| Amount repayable within 12 months included in short term borrowings (Note 26) | (87,672) | (8,990) | (388) | (638) |
| | 2,870 | 79,869 | 442 | 881 |
| Analysis of hire purchase and finance lease liabilities: | | | | |
| 1 year after reporting date | 87,672 | 8,990 | 388 | 638 |
| More than 1 year but but not later than 2 years | 1,251 | 8,946 | 225 | 413 |
| More than 2 years but not later than 5 years | 1,619 | 70,923 | 217 | 468 |
| | 90,542 | 88,859 | 830 | 1,519 |

## 22 LONG TERM LIABILITIES

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Club members' deposits (Note a) | 10,419 | 16,621 |
| Deferred membership fees (Note b) | 58,294 | 78,382 |
| Other deferred income (Note c) | 33,959 | 22,518 |
| Retention sum - property development projects | 5,998 | 8,400 |
| Rental deposits | 2,612 | 3,179 |
| | 111,282 | 129,100 |

(a) Club members' deposits represent amounts paid by members to certain subsidiary companies for membership licences issued to use and enjoy the facilities of the subsidiary companies' recreational clubs. The monies are refundable to the members upon expiry of prescribed terms from the dates of issuance of the licences.

(b) Deferred membership fees are recognised over the membership period.

(c) 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 memberships or tenancy period.

## 23 RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations recognised by the Group is analysed into:

| | | Group | |
|---|---|---|---|
| | | 2017 RM'000 | 2016 RM'000 |
| Current | - unfunded defined benefit plans | 126 | 15 |
| Non-current | - funded defined benefit plan | 3,231 | 3,385 |
| | - unfunded defined benefit plans | 6,803 | 6,290 |
| | | 10,034 | 9,675 |
| | | 10,160 | 9,690 |

(a) Funded Defined Benefit Plan

Certain foreign subsidiary companies of the Group maintain separate funded retirement plans for its eligible employees. Actuarial valuations are made regularly to update the retirement benefit costs.

The movements in the funded defined benefit obligation recognised are as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 3,385 | 3,818 |
| Recognised in statement of profit or loss (Notes 33, 34 and 35) | 935 | 802 |
| Recognised in statement of comprehensive income | 699 | (658) |
| Employer's contribution | (1,961) | (722) |
| Exchange differences | 173 | 145 |
| At 30 April 2017/2016 | 3,231 | 3,385 |

The amounts of funded defined benefit obligation recognised in the consolidated statement of financial position are determined as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Present value of the obligation | 80,711 | 70,183 |
| Fair value of plan assets | (77,480) | (66,798) |
| Deficit over plan assets | 3,231 | 3,385 |

The movements in present value of the funded defined benefit obligation recognised are as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 70,183 | 71,452 |
| Current service cost and interest cost | 3,172 | 3,348 |
| Actuarial loss/(gain) | 12,254 | (4,395) |
| Benefits paid by the plan | (3,777) | (2,811) |
| Exchange differences | (1,121) | 2,589 |
| At 30 April 2017/2016 | 80,711 | 70,183 |

## 23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Funded Defined Benefit Plan (Cont'd)

The movements in fair value of plan assets are presented below:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 66,798 | 67,634 |
| Interest income | 2,237 | 2,546 |
| Return on plan assets | 11,555 | (3,737) |
| Employer's contribution | 1,961 | 722 |
| Benefits paid by the plan | (3,777) | (2,811) |
| Exchange differences | (1,294) | 2,444 |
| At 30 April 2017/2016 | 77,480 | 66,798 |

The plan assets consist of the following:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Fixed income assets | 76,850 | 66,540 |
| Cash in bank | 628 | 251 |
| Others | 2 | 7 |
| | 77,480 | 66,798 |

The components of amounts recognised in the consolidated profit or loss and in other comprehensive income in respect of the funded defined benefit retirement plan are as follows:

Reported in the consolidated statement of profit or loss:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Current service costs recognised in directors' remuneration and employee benefit expenses (Notes 34 and 35) | 763 | 626 |
| Net interest costs (Note 32) | 172 | 176 |
| Retirement benefits recognised in profit or loss | 935 | 802 |

Reported in the consolidated statement of comprehensive income:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Remeasurement losses arising from: | | |
| Actuarial changes in financial assumptions | (11,986) | 153 |
| Actuarial changes in demographic assumptions | (1,361) | 3,786 |
| Return on plan assets | 11,555 | (3,737) |
| Experience adjustments arising from defined benefit obligations | 1,093 | 456 |
| | (699) | 658 |
| Deferred tax benefit/(expense) | 180 | (132) |
| Retirement benefits recognised in other comprehensive income | (519) | 526 |

## 23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Funded Defined Benefit Plan (Cont'd)

The current service and net interest costs are charged to profit or loss and presented as part of the employee benefit expenses and finance costs respectively.

The amounts recognised in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

Presented below is the historical information related to the present value of the funded defined benefit obligation, fair value of the plan assets and deficit in the plan.

| | 2017 RM'000 | 2016 RM'000 | 2015 RM'000 | 2014 RM'000 | 2013 RM'000 |
|---|---|---|---|---|---|
| Present value of the obligation | 80,711 | 70,183 | 71,452 | 64,913 | 3,077 |
| Fair value of the plan assets | (77,480) | (66,798) | (67,634) | (61,451) | (434) |
| Deficit in the plan | 3,231 | 3,385 | 3,818 | 3,462 | 2,643 |

For the determination of the funded defined benefit obligation, the following principal actuarial assumptions were used:

| | Group | |
|---|---|---|
| | 2017 | 2016 |
| Discount rate | 2.70% - 5.08% | 3.50% - 5.11% |

Sensitivity analysis for retirement benefit obligation

The management is of the view that any reasonably possible changes to the principal actuarial assumptions will not have significant impact to the Group.

(b) Unfunded Defined Benefit Plans

Certain subsidiary companies in Malaysia operate unfunded, defined retirement benefit schemes and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees. Under the scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days per year of final salary on attainment of the retirement age of 60.

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 6,305 | 5,705 |
| Recognised in profit or loss (Notes 32 and 35) | 785 | 628 |
| Utilisation of provision during the year | (161) | (28) |
| At 30 April 2017/2016 | 6,929 | 6,305 |
| Analysed as follows: | | |
| Current | 126 | 15 |
| Non-current | 6,803 | 6,290 |
| | 6,929 | 6,305 |

## 23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Unfunded Defined Benefit Plans (Cont'd)

The amounts recognised in the consolidated statement of financial position are determined based on the present value of unfunded defined benefit obligations.

The amounts recognised in the consolidated statement of profit or loss are as follows:

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Current service cost (Note 35) | 436 | 287 |
| Interest cost (Note 32) | 349 | 341 |
| Retirement benefits recognised in profit or loss | 785 | 628 |

| | Group | |
|---|---|---|
| | 2017 | 2016 |
| Principal actuarial assumptions to determine benefit obligations: | | |
| Discount rate in Malaysia (%) | 5.50 - 6.00 | 6.00 |
| Expected rate of salary increases (%) | 6.00 | 6.00 |

A quantitative sensitivity analysis of the change in the rate is shown below:

| | Increase / (decrease) | | Impact on unfunded defined benefit obligations | |
|---|---|---|---|---|
| | 2017 % | 2016 % | 2017 RM'000 | 2016 RM'000 |
| Discount rate | 1 | 1 | (834) | (839) |
| Future salary increase | 1 | 1 | 1,048 | 1,144 |
| Discount rate | (1) | (1) | 1,002 | 1,012 |
| Future salary decrease | (1) | (1) | (893) | (952) |

The duration of the unfunded defined benefit obligations as at 30 April 2017 is between 11 and 16 (2016 : 11 and 16) years.

**24 DEFERRED TAX (ASSETS)/LIABILITIES**

| | Group | | |
|---|---|---|---|
| | **2017 RM'000** | **2016 RM'000 Restated** | **1.5.2015 RM'000 Restated** |
| At 1 May 2016/2015/2014 | 1,173,255 | 1,162,114 | 1,169,419 |
| Recognised in profit or loss (Note 36) | 4,966 | (32,711) | (6,909) |
| Arising from gaming rights with finite life | - | 42,532 | - |
| Recognised in other comprehensive income | (154,498) | 132 | (149) |
| Recognised in intangible assets | (283) | (281) | (755) |
| Arising from acquisition of a subsidiary company | - | 35 | - |
| Exchange differences | (1,072) | 1,434 | 508 |
| At 30 April 2017/2016/2015 | 1,022,368 | 1,173,255 | 1,162,114 |
| Presented after appropriate offsetting as follows: | | | |
| Deferred tax assets | (38,653) | (45,348) | (22,955) |
| Deferred tax liabilities | 1,061,021 | 1,218,603 | 1,185,069 |
| | 1,022,368 | 1,173,255 | 1,162,114 |

| | Company | |
|---|---|---|
| | **2017 RM'000** | **2016 RM'000** |
| At 1 May 2016/2015 | - | - |
| Recognised in profit or loss (Note 36) | - | - |
| At 30 April 2017/2016 | - | - |
| Presented after appropriate offsetting as follows: | | |
| Deferred tax assets | - | - |
| Deferred tax liabilities | - | - |
| | - | - |

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

| Deferred Tax Liabilities of the Group: | Property, plant and equipment RM'000 | Gaming rights/ Goodwill RM'000 | Undistributed profits of an associated company RM'000 | Land held for development RM'000 | Receivables/ Payables/ Others RM'000 | Development properties RM'000 | Investment properties RM'000 | Property inventories RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| At 1 May 2016 | 113,127 | 1,101,760 | - | 8,924 | 1,819 | 7,079 | 30,121 | 8,829 | 1,271,659 |
| Recognised in profit or loss | 443 | (8,626) | 4,475 | 1,027 | (241) | (333) | 1,033 | (110) | (2,332) |
| Recognised in intangible assets | - | (283) | - | - | - | - | - | - | (283) |
| Recognised in other comprehensive income | - | (154,318) | - | - | - | - | - | - | (154,318) |
| Exchange differences | (107) | - | - | - | 24 | - | - | - | (83) |
| | 113,463 | 938,533 | 4,475 | 9,951 | 1,602 | 6,746 | 31,154 | 8,719 | 1,114,643 |
| Less: Set-off of deferred tax assets | | | | | | | | | (53,622) |
| At 30 April 2017 | | | | | | | | | 1,061,021 |
| **Restated** | | | | | | | | | |
| At 1 May 2015 | 119,834 | 1,068,015 | - | 9,646 | 2,005 | 7,198 | 28,492 | 10,102 | 1,245,292 |
| Recognised in profit or loss | (7,886) | (8,506) | - | (722) | (335) | (119) | 1,629 | (1,273) | (17,212) |
| Recognised in intangible assets | - | (281) | - | - | - | - | - | - | (281) |
| Arising from gaming rights with finite life | - | 42,532 | - | - | - | - | - | - | 42,532 |
| Acquisition of a subsidiary company | - | - | - | - | 35 | - | - | - | 35 |
| Exchange differences | 1,179 | - | - | - | 114 | - | - | - | 1,293 |
| | 113,127 | 1,101,760 | - | 8,924 | 1,819 | 7,079 | 30,121 | 8,829 | 1,271,659 |
| Less: Set-off of deferred tax assets | | | | | | | | | (53,056) |
| At 30 April 2016 | | | | | | | | | 1,218,603 |
| **Restated** | | | | | | | | | |
| At 1 May 2014 | | | | | | | | | |
| - as previously reported | 136,205 | - | - | 10,674 | 2,874 | 10,584 | 28,706 | 10,950 | 199,993 |
| - prior year adjustment (Note 2.6) | - | 1,068,770 | - | - | - | - | - | - | 1,068,770 |
| - as restated | 136,205 | 1,068,770 | - | 10,674 | 2,874 | 10,584 | 28,706 | 10,950 | 1,268,763 |
| Reclassification | (78) | - | - | 444 | 238 | (444) | - | - | 160 |
| Recognised in profit or loss | (16,004) | - | - | (1,472) | (1,236) | (2,942) | (214) | (848) | (22,716) |
| Recognised in intangible assets | - | (755) | - | - | - | - | - | - | (755) |
| Exchange differences | (289) | - | - | - | 129 | - | - | - | (160) |
| | 119,834 | 1,068,015 | - | 9,646 | 2,005 | 7,198 | 28,492 | 10,102 | 1,245,292 |
| Less: Set-off of deferred tax assets | | | | | | | | | (60,223) |
| At 30 April 2015 | | | | | | | | | 1,185,069 |

**24 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)**

| Deferred Tax Assets of the Group: | Other payables RM'000 | Unused tax losses and unabsorbed capital allowances RM'000 | Unabsorbed investment tax allowances RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| At 1 May 2016 | (47,132) | (44,873) | (599) | (5,800) | (98,404) |
| Recognised in profit or loss | 5,968 | 1,665 | 577 | (912) | 7,298 |
| Recognised in other comprehensive income | - | - | - | (180) | (180) |
| Exchange differences | 129 | (1,070) | - | (48) | (989) |
| | (41,035) | (44,278) | (22) | (6,940) | (92,275) |
| | | | | | 53,622 |
| At 30 April 2017 | | | | | (38,653) |
| At 1 May 2015 | (33,956) | (42,830) | (8) | (6,384) | (83,178) |
| Recognised in profit or loss | (12,851) | (2,480) | (591) | 423 | (15,499) |
| Recognised in other comprehensive income | - | - | - | 132 | 132 |
| Exchange differences | (325) | 437 | - | 29 | 141 |
| | (47,132) | (44,873) | (599) | (5,800) | (98,404) |
| | | | | | 53,056 |
| At 30 April 2016 | | | | | (45,348) |
| At 1 May 2014 | (40,903) | (49,592) | (3,117) | (5,732) | (99,344) |
| Reclassification | 578 | 80 | (455) | (363) | (160) |
| Recognised in profit or loss | 6,369 | 6,076 | 3,564 | (202) | 15,807 |
| Recognised in other comprehensive income | - | - | - | (149) | (149) |
| Exchange differences | - | 606 | - | 62 | 668 |
| | (33,956) | (42,830) | (8) | (6,384) | (83,178) |
| | | | | | 60,223 |
| At 30 April 2015 | | | | | (22,955) |

| Deferred Tax Liabilities of the Company: | Property, plant and equipment RM'000 | Total RM'000 |
|---|---|---|
| At 1 May 2016 | 253 | 253 |
| Recognised in profit or loss | (62) | (62) |
| | 191 | 191 |
| Less: Set-off of deferred tax assets | | (191) |
| At 30 April 2017 | | - |
| At 1 May 2015 | 315 | 315 |
| Recognised in profit or loss | (62) | (62) |
| | 253 | 253 |
| Less: Set-off of deferred tax assets | | (253) |
| At 30 April 2016 | | - |

| Deferred Tax Assets of the Company: | Unabsorbed capital allowances RM'000 | Other payables RM'000 | Total RM'000 |
|---|---|---|---|
| At 1 May 2016 | (149) | (104) | (253) |
| Recognised in profit or loss | 77 | (15) | 62 |
| | (72) | (119) | (191) |
| Less: Set-off of deferred tax liabilities | | | 191 |
| At 30 April 2017 | | | - |
| At 1 May 2015 | (226) | (89) | (315) |
| Recognised in profit or loss | 77 | (15) | 62 |
| | (149) | (104) | (253) |
| Less: Set-off of deferred tax liabilities | | | 253 |
| At 30 April 2016 | | | - |

**24 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)**

Deferred tax assets have not been recognised in respect of the following items:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Unutilised tax losses | 455,073 | 495,915 | - | - |
| Unabsorbed capital allowances | 271,284 | 316,111 | 4,193 | 4,673 |
| Investment tax allowances | 56,135 | 97,237 | - | - |
| Others | 91,364 | 49,624 | - | - |
| | 873,856 | 958,887 | 4,193 | 4,673 |

Deferred tax assets have not been recognised in respect of the unutilised tax losses, unabsorbed capital allowances, investment tax allowances and other deductible temporary differences as it is not probable that future taxable profits from a business source as defined by the Malaysian tax legislature will be available against which the unutilised tax losses, unabsorbed capital allowances, investment tax allowances and other deductible temporary differences can be utilised.

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Company and its respective Malaysian incorporated subsidiary companies are subject to no substantial changes in shareholdings of the respective entities under Section 44(5A) and Paragraph 75A, Schedule 3 of the Income Tax Act, 1967 (the Act). However, the Minister of Finance has exercised his powers under Section 44(5D) and paragraph 75C, Schedule 3 of the Act to exempt all companies except dormant companies from the provision of Section 44(5A) and paragraph 75A, Schedule 3 of the Act respectively.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislations of the respective countries.

## 25 PAYABLES

| | Group | | |
|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 Restated | At 1.5.2015 RM'000 Restated |
| **Trade payables** | 272,508 | 311,878 | 224,806 |
| **Other payables** | | | |
| Other payables | 163,604 | 135,249 | 91,139 |
| Accruals | 307,032 | 295,555 | 272,766 |
| Payable for acquisition of assets | 162,881 | 162,897 | 276,266 |
| Agency deposits | 37,841 | 37,725 | 37,566 |
| Pool betting duty payables | 78,565 | 23,681 | 22,725 |
| Deposit received for disposal of Great Mall Project | - | 646,131 | - |
| Refundable deposits | 186,005 | 161,515 | 113,060 |
| Amounts owing to: | | | |
| - related companies | 52,387 | 108,597 | 20,659 |
| - associated companies | 107 | 174 | 109 |
| | 988,422 | 1,571,524 | 834,290 |
| **Other current liabilities** | | | |
| Deposits | 5,602 | 6,092 | 17,976 |
| Deferred income | 6,932 | 9,168 | 9,988 |
| Progress billings in respect of property development costs/property sales | 69,928 | 79,296 | 51,864 |
| Dividend payable | 507 | 702 | 1,608 |
| | 82,969 | 95,258 | 81,436 |
| **Total payables** | 1,343,899 | 1,978,660 | 1,140,532 |

| | Company | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Other payables | 1,387 | 1,664 |
| Accruals | 15,594 | 16,190 |
| Amounts owing to: | | |
| - subsidiary companies | 1,001,865 | 976,908 |
| - related companies | 5,129 | 693 |
| - associated companies | 107 | 154 |
| | 1,024,082 | 995,609 |

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group range from 1 to 183 (2016 : 1 to 183) days.

Included in the trade payables is an amount of RM70,553,000 (2016 : RM63,165,000) due to the main contractor of the Jeju Project as referred to in Notes 2.5(a)(viii) and 40. The main contractor has a lien over the Jeju Project as disclosed in Note 5.

## 25 PAYABLES (CONT'D)

(b) Other payables

Included in other payables are advances from certain directors of subsidiary companies amounting to RM2,132,000 (2016 : RM2,096,000).

Included in accruals of the Group are accrued contributions to the National Sports Council and accrual for gaming tax payable to the Ministry of Finance.

Payable for acquisition of assets relates to the balance purchase price of several parcels of freehold land acquired by a subsidiary company.

Deposit received in the previous financial year for the disposal of Great Mall Project has been recognised as part of the sales consideration, upon fulfilment of all conditions precedent as disclosed in Note 47(d).

Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

The amounts owing to subsidiary, related and associated companies of the Company are unsecured, repayable on demand and interest bearing except for amounts totalling RM67,803,000 (2016 : RM32,811,000) which are non-interest bearing.

## 26 SHORT TERM BORROWINGS

| | Group | | |
|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 Restated | At 1.5.2015 RM'000 Restated |
| Secured: | | | |
| Amount repayable within 12 months: | | | |
| - Term loans (Note 21) | 631,073 | 579,639 | 597,731 |
| - Medium term notes (Note 21) | 529,480 | 105,000 | 200,000 |
| Other short term borrowings | 394,835 | 230,170 | 205,239 |
| Vehicle stocking loans | 281,121 | 320,345 | 243,786 |
| Bank overdrafts | 7,816 | 9,586 | 23,267 |
| | 1,844,325 | 1,244,740 | 1,270,023 |
| Amount repayable within 12 months: | | | |
| Hire purchase and finance lease liabilities (Note 21) | 87,672 | 8,990 | 7,995 |
| | 1,931,997 | 1,253,730 | 1,278,018 |

| | Company | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Secured: | | |
| Amount repayable within 12 months: | | |
| - Term loans (Note 21) | 297,815 | 133,925 |
| - Medium term notes (Note 21) | 274,480 | - |
| Other short term borrowings | 178,549 | 81,574 |
| Bank overdrafts | 1,450 | - |
| | 752,294 | 215,499 |
| Amount repayable within 12 months: | | |
| Hire purchase and finance lease liabilities (Note 21) | 388 | 638 |
| | 752,682 | 216,137 |

## 26 SHORT TERM BORROWINGS (CONT'D)

The secured borrowings are secured by certain quoted shares, properties, vehicles, deposits and cash and bank balances of the Company and its subsidiary companies as mentioned in Notes 3, 4, 5, 6, 7, 9, 11, 12, 15 and 16.

The short term borrowings bear floating interest at rates ranging from 2.96% to 10.50% (2016 : 2.75% to 9.35%) per annum for the Group and from 4.90% to 10.50% (2016 : 4.59% to 8.85%) per annum for the Company.

The vehicle stocking loans obtained by foreign subsidiary companies bear interest at the rate of 1.70% (2016 : 2.10%) per annum.

Approximately RM1,707,000 (2016 : RM2,006,000) and RM388,000 (2016 : RM638,000) included in the hire purchase and finance lease liabilities of the Group and of the Company respectively represent amounts owing to a related company.

## 27 PROVISIONS

| | Group | |
|---|---|---|
| Sales warranty | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 447 | 124 |
| Additional provision during the year (Note 33) | 1,002 | 539 |
| Utilised during the year | (144) | (202) |
| Exchange differences | 83 | (14) |
| At 30 April 2017/2016 | 1,388 | 447 |
| Restoration costs | | |
| At beginning of the year and at end of the year | 971 | 971 |
| Total | 2,359 | 1,418 |

(a) Sales warranty

A foreign subsidiary company provides 3 to 12 (2016 : 3 to 12) months warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. Provision for warranties is recognised for all products under warranty at the reporting date based on past experience of the level of repairs and returns.

(b) Dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration is the estimated cost of dismantlement, removal or restoration of property, plant and equipment arising from the use of such assets, which are capitalised and included in the cost of property, plant and equipment.

## 28 REVENUE

Revenue of the Group and the Company are analysed into significant categories as follows and the intra-group transactions are excluded from revenue of the Group:

**Group**

| | 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| Toto betting and leasing of lottery equipment income | 3,261,228 | 3,313,741 |
| Sales of motor vehicles, charges for aftersales services, repairs and maintenance services rendered | 2,345,438 | 2,174,907 |
| Income from supply of goods and services from hotels, resorts, theme park operations and casino operations | 299,945 | 284,986 |
| Contract revenue and sale of property inventories | 239,084 | 333,286 |
| Income from chartered and scheduled flights | 8,607 | 10,512 |
| Membership fees and subscriptions | 69,349 | 67,002 |
| Rental income from investment properties | 43,911 | 46,846 |
| Sale of lottery and voting systems and spare parts | 103,804 | 52,717 |
| | 6,371,366 | 6,283,997 |

**Company**

| | 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| Gross dividend income | | |
| - from unquoted subsidiary companies | 40,000 | 102,630 |
| - from a quoted subsidiary company | 29,212 | 36,615 |
| - from a quoted associated company | - | 332 |
| | 69,212 | 139,577 |
| Management fees receivable | | |
| - from subsidiary companies | 940 | 940 |
| - from an associated company | 240 | 240 |
| | 1,180 | 1,180 |
| | 70,392 | 140,757 |

## 29 OTHER INCOME

Included in other income are the following:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Operating lease income, other than those relating to investment properties | 9,849 | 9,766 | - | - |
| Reversal of impairment loss on receivables | 804 | 2,441 | - | - |
| Finance income - loans and receivables and other liabilities at amortised costs | 3,329 | 2,989 | - | - |

## 29 OTHER INCOME (CONT'D)

Included in other income are the following (cont'd):

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Gain on disposal of property, plant and equipment | 22,606 | 429 | 64 | 59 |
| Gain on foreign exchange - realised | 6,998 | 3,965 | - | - |
| - unrealised | 112,332 | 99,753 | 28,366 | 40,821 |

## 30 INVESTMENT RELATED INCOME

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Interest income on loans and receivables: | | | | |
| - fixed and other deposits | 19,548 | 20,055 | 1,534 | 1,442 |
| - inter-company | | | | |
| - subsidiary companies | - | - | 35,809 | 36,293 |
| - related companies | 525 | 15 | 16 | 15 |
| - joint ventures | 24,725 | 24,960 | - | - |
| - others | 11,760 | 9,902 | - | - |
| | 56,558 | 54,932 | 37,359 | 37,750 |
| Dividend income (gross) from: | | | | |
| - available-for-sale investments | | | | |
| - quoted in Malaysia | 1,739 | 1,035 | 470 | - |
| - quoted outside Malaysia | 155 | 148 | - | - |
| Net gains of fair value through profit or loss investments quoted in Malaysia | 1,713 | - | 362 | - |
| Net fair value gain on available-for-sale equity investment transferred from equity upon disposal | 141 | - | - | - |
| Net gain on deemed disposal of a subsidiary company | - | 25,958 | 19,335 | - |
| Net gain on remeasurement of retained equity interest in a former subsidiary company | - | 122,271 | - | - |
| Fair value adjustment on investment properties (Note 4) | 15,853 | 11,345 | - | - |
| Reversal of impairment of investments in subsidiary companies | - | - | - | 8,768 |
| Reversal of impairment of amounts owing from subsidiary companies | - | - | 40,644 | 8,363 |
| Writeback of amounts owing from subsidiary companies | - | - | - | 235,820 |
| Balance carried forward | 76,159 | 215,689 | 98,170 | 290,701 |

## 30 INVESTMENT RELATED INCOME (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Balance brought forward | 76,159 | 215,689 | 98,170 | 290,701 |
| Writeback of investments in subsidiary companies | - | - | - | 3,800 |
| Gain on settlement of surrendering certain assets and lease interests to relevant authorities | 184,639 | - | - | - |
| Reversal of impairment of property, plant and equipment | - | 31,057 | - | - |
| Reversal of impairment of land held for development | - | 8,802 | - | - |
| Reversal of impairment of property development costs | - | 7,119 | - | - |
| Reversal of impairment of unquoted investments | - | 2,523 | - | - |
| Gain on disposal of unquoted investments | 948 | 95 | - | - |
| Contribution arising from waiver of loan from an associated company | 6,450 | - | - | - |
| | 268,196 | 265,285 | 98,170 | 294,501 |

## 31 INVESTMENT RELATED EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Impairment of goodwill | 25,414 | 373,265 | - | - |
| Impairment of assets held for sale | - | 131,612 | - | - |
| Impairment of available-for-sale of quoted equity investments | 895 | 564 | - | - |
| Fair value loss of fair value through profit or loss investments quoted in Malaysia | - | 6,859 | - | 1,450 |
| Impairment in value of investment in associated companies | 4,621 | 28,650 | - | - |
| Impairment in value of property, plant and equipment | 7,070 | 16,266 | - | - |
| Impairment in value of unquoted investments | - | 7,497 | - | - |
| Loss on disposal of quoted investments | - | 566 | - | - |
| Balance carried forward | 38,000 | 565,279 | - | 1,450 |

## 31 INVESTMENT RELATED EXPENSES (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Balance brought forward | 38,000 | 565,279 | - | 1,450 |
| Net fair value loss on available-for-sale equity investment transferred from equity upon disposal | - | 1,191 | - | - |
| Loss on disposal of Great Mall Project | 4,464 | - | - | - |
| Loss on deemed disposal of an associated company | 8,578 | - | - | - |
| Liquidated ascertained damages on termination of sale and purchase agreement | - | 1,903 | - | - |
| Impairment loss on amounts owing from subsidiary companies | - | - | 19,973 | 70,668 |
| Write-off of amounts owing from subsidiary companies | - | - | 18,403 | 33,587 |
| Impairment loss on amounts owing from: | | | | |
| - a joint venture | - | 1,226 | - | - |
| - an associated company | - | 2 | - | - |
| Write-off of investment in a subsidiary company | - | - | 2,000 | - |
| Impairment in value of investment in subsidiary companies | - | - | 43,582 | 19,652 |
| | 51,042 | 569,601 | 83,958 | 125,357 |

## 32 FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Interest expense on financial liabilities at amortised cost: | | | | |
| - bank and other borrowings | 100,688 | 104,621 | 38,656 | 36,884 |
| - hire purchase and finance lease | 4,842 | 4,321 | 141 | 124 |
| - inter-companies | | | | |
| - subsidiary companies | - | - | 32,186 | 30,769 |
| - related companies | 39 | 36 | 6 | 6 |
| - medium term notes | 70,009 | 68,274 | 31,982 | 31,875 |
| - loan related expenses | 2,961 | 4,175 | 237 | 471 |
| - manufacturers' vehicle stocking loans | 9,973 | 9,837 | - | - |
| - defined benefit plans (Note 23) | 521 | 517 | - | - |
| - unwinding of discount and charge out of deferred transaction costs | 22,336 | 12,656 | 3,590 | 2,622 |
| | 211,369 | 204,437 | 106,798 | 102,751 |

## 33 PROFIT/(LOSS) BEFORE TAX

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Profit/(Loss) before tax is stated after charging: | | | | |
| Depreciation of | | | | |
| property, plant and equipment | 94,846 | 100,557 | 1,053 | 1,517 |
| Auditors' remuneration | | | | |
| - audit - current year | 2,785 | 2,777 | 150 | 150 |
| - (over)/underprovision | | | | |
| in previous year | (73) | 18 | 4 | - |
| - other services | 438 | 457 | 366 | 341 |
| Directors' remuneration (Note 34) | | | | |
| - fees | 1,483 | 2,304 | 160 | 133 |
| - salaries and other emoluments | 52,044 | 16,075 | 1,182 | 1,039 |
| - defined contribution/benefit plans | 7,735 | 2,803 | 93 | 126 |
| - bonus | 1,083 | 1,099 | 78 | 66 |
| - performance incentive | 6,050 | 7,703 | - | - |
| Impairment loss on receivables | 1,161 | 5,311 | - | - |
| Receivables written off | - | 24 | - | - |
| Minimum operating lease payments: | | | | |
| - premises | 47,023 | 44,094 | 77 | 72 |
| - plant and machinery | 5,539 | 93 | - | - |
| Contribution to National Sports Council | 36,944 | 46,126 | - | - |
| Property, plant and equipment written off | 192 | 101 | - | - |
| Inventories written down | 4,639 | - | - | - |
| Amortisation of: | | | | |
| - gaming rights | 28,753 | 28,354 | - | - |
| - customer relationships | 459 | - | - | - |
| - computer software | 597 | 802 | - | - |
| Provision for sales warranty | 1,002 | 539 | - | - |
| Management fees payable | | | | |
| to ultimate holding company | 1,120 | 1,120 | 400 | 400 |
| Loss on foreign exchange - realised | 7,395 | 18,327 | 3,826 | 5,345 |
| - unrealised | 41,380 | 38,851 | 3,473 | 6,003 |
| Loss on disposal of | | | | |
| property, plant and equipment | 1,271 | 1,931 | - | - |
| Direct operating | | | | |
| expenses of investment properties * | 5,577 | 5,459 | - | - |
| Employee benefit expenses (Note 35) | 406,531 | 379,216 | 12,786 | 12,558 |
| And after crediting: | | | | |
| Management fees receivable | | | | |
| from an associated company | 240 | 240 | - | - |

* It is not practicable to segregate the direct operating expenses of investment properties in respect of revenue and non-revenue generating properties due to periodic changes in the occupancy rates during the financial year.

## 34 DIRECTORS' REMUNERATION

The aggregate Directors' remuneration paid or payable to all Directors of the Company and of the Group, categorised into appropriate components for the financial year are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| **Directors of the Company:** | **2017 RM'000** | **2016 RM'000** | **2017 RM'000** | **2016 RM'000** |
| Executive Directors | | | | |
| Salaries and other emoluments | 3,708 | 3,015 | 1,166 | 1,023 |
| Defined contribution plan | 550 | 496 | 93 | 126 |
| Bonus | 455 | 196 | 78 | 66 |
| Benefits-in-kind | 91 | 62 | 68 | 57 |
| Non-Executive Directors | | | | |
| Fees | 205 | 178 | 160 | 133 |
| Salaries and other emoluments | 641 | 765 | 16 | 16 |
| Defined contribution plan | 25 | 24 | - | - |
| Bonus | 13 | 13 | - | - |
| Benefits-in-kind | 26 | 21 | - | - |
| | 5,714 | 4,770 | 1,581 | 1,421 |
| **Other Directors of the Group:** | | | | |
| Fees | 1,278 | 2,126 | - | - |
| Salaries and other emoluments | 47,695 | 12,295 | - | - |
| Retirement benefits | | | | |
| - defined benefit plan (Note 23) | 8 | 3 | - | - |
| - defined contribution plan | 7,152 | 2,280 | - | - |
| Bonus | 615 | 890 | - | - |
| Performance incentive | 6,050 | 7,703 | - | - |
| Benefits-in-kind | 550 | 532 | - | - |
| | 63,348 | 25,829 | - | - |

## 35 EMPLOYEE BENEFIT EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Wages, salaries and other allowances (excluding directors' remuneration) | 350,040 | 326,234 | 10,589 | 10,266 |
| Social security costs and employee insurance | 19,751 | 18,578 | 287 | 328 |
| Retirement benefits | | | | |
| - defined benefit plans (Note 23) | 1,191 | 910 | - | - |
| - defined contribution plan | 21,105 | 20,662 | 1,264 | 1,262 |
| Short term accumulating compensated absences | 356 | 242 | 50 | 74 |
| Other staff related expenses | 14,088 | 12,590 | 596 | 628 |
| | 406,531 | 379,216 | 12,786 | 12,558 |

## 36 TAXATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Income tax: | | | | |
| Malaysian income tax | 130,804 | 178,767 | - | 1,063 |
| Foreign tax | 27,618 | 24,802 | - | - |
| Withholding tax | 396 | 343 | - | - |
| Underprovision in prior years: | | | | |
| - Malaysian income tax | 1,250 | 2,606 | 212 | 1,048 |
| - Foreign tax | 66 | 178 | - | - |
| | 160,134 | 206,696 | 212 | 2,111 |
| Deferred tax (Note 24): | | | | |
| Relating to origination and reversal of temporary differences | 5,357 | (31,490) | - | - |
| Effects of real property gains tax | (2,282) | (1,161) | - | - |
| Under/(Over)provision in prior years | 1,891 | (60) | - | - |
| | 4,966 | (32,711) | - | - |
| | 165,100 | 173,985 | 212 | 2,111 |

Malaysian income tax is calculated at the Malaysian statutory income tax rate of 24% (2016 : 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 36 TAXATION (CONT'D)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax of the Group and of the Company is as follows:

| Group | 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| Profit before tax | 576,321 | 8,961 |
| Tax at Malaysian statutory tax rate of 24% (2016 : 24%) | 138,317 | 2,151 |
| Effect of different tax rates in other countries/tax regimes | (4,573) | (4,857) |
| Effect of income not subject to tax | (52,578) | (29,244) |
| Effect of income subject to real property gains tax | (2,282) | (1,161) |
| Effect of expenses not deductible for tax purposes | 118,637 | 189,151 |
| Effect of utilisation of previously unrecognised tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances | (43,756) | (11,753) |
| Effect of share of associated companies' and joint ventures' results | (19,582) | 8,219 |
| Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences | 23,049 | 18,727 |
| Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences | (210) | (315) |
| Deferred tax liability recognised on undistributed profits of an associated company | 4,475 | - |
| Under/(Over)provision of deferred tax in prior years | 1,891 | (60) |
| Underprovision of tax expense in prior years | 1,316 | 2,784 |
| Withholding tax | 396 | 343 |
| Taxation for the year | 165,100 | 173,985 |

| Company | 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| (Loss)/Profit before tax | (46,426) | 196,083 |
| Tax at Malaysian statutory tax rate of 24% (2016 : 24%) | (11,142) | 47,060 |
| Effect of expenses not deductible for tax purposes | 49,171 | 59,287 |
| Effect of income not subject to tax | (38,029) | (104,987) |
| Effect of utilisation of previously unrecognised unabsorbed capital allowances | - | (297) |
| Underprovision of tax in prior year | 212 | 1,048 |
| Taxation for the year | 212 | 2,111 |

## 36 TAXATION (CONT'D)

Tax savings during the financial year arising from:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Utilisation of current year tax losses | 1,012 | 708 | - | - |
| Utilisation of previously unrecognised tax losses | 20,541 | 1,255 | - | - |

## 37 EARNINGS/(LOSS) PER SHARE

The earnings/(loss) per share is calculated by dividing profit/(loss) attributable to equity holders of the Parent of RM294,738,000 (2016 : loss of RM270,637,000) on the weighted average of 4,989,394,000 (2016 : 4,989,394,000) ordinary shares with voting rights in issue (excluding treasury shares).

| | Group | |
|---|---|---|
| | 2017 | 2016 |
| Profit/(Loss) attributable to the equity holders of the Parent (RM'000) | 294,738 | (270,637) |
| Weighted average number of ordinary shares with voting rights in issue ('000) | 4,989,394 | 4,989,394 |
| Basic earnings/(loss) per share (sen) | 5.91 | (5.42) |

There are no potential ordinary shares outstanding as at 30 April 2017. As such, the fully diluted earnings/(loss) per share of the Group is equivalent to the basic earnings/(loss) per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

## 38 FINANCIAL GUARANTEES

The financial guarantees provided to financiers for subsidiary companies are no longer disclosed as contingent liabilities but would instead be accounted as financial liabilities if considered likely to crystallise. The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

## 39 COMMITMENTS

### (a) Other Commitments

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Capital expenditure: | | |
| - approved and contracted for | 15,653 | 20,813 |
| - approved but not contracted for | 20,729 | 24,517 |
| Land lease payments for foreign development project | 487,368 | 435,456 |
| Group's share of a joint venture's commitment | | |
| - land use rights fee | 21,768 | 10,625 |
| - land rental | 5,548 | 4,566 |
| Proposed investment in a joint venture | 8,000 | 8,000 |
| | 559,066 | 503,977 |

### (b) Non-Cancellable Operating Lease Commitments - Group and Company as Lessees

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Future minimum rental payable: | | | | |
| Not later than 1 year | 45,282 | 38,494 | 1,768 | 1,204 |
| Later than 1 year and not later than 5 years | 111,658 | 102,068 | 2,946 | 27 |
| More than 5 years | 368,263 | 357,166 | - | - |
| | 525,203 | 497,728 | 4,714 | 1,231 |

The Group and the Company entered into operating leases which represent rental payable for the use of land and buildings, vehicles and plant and equipment. Leases are negotiated for a period of between 1 and 70 years and rentals fixed for between 1 and 70 years.

A foreign subsidiary company has entered into land lease contracts for operating lease terms of 100 years. These leases are non-cancellable upon the foreign subsidiary company obtaining property development approval from the foreign authorities.

## 39 COMMITMENTS (CONT'D)

### (c) Non-Cancellable Operating Lease Commitments - Group as Lessor

| | Group | |
|---|---|---|
| | 2017 RM'000 | 2016 RM'000 |
| Future minimum rental receivable: | | |
| Not later than 1 year | 16,893 | 20,605 |
| Later than 1 year and not later than 5 years | 22,641 | 18,742 |
| More than 5 years | 4,355 | 6,854 |
| | 43,889 | 46,201 |

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial and office space.

A foreign subsidiary company has entered into a lease for provision of online lottery equipment for a stipulated period. Revenue from the leasing of lottery equipment is recognised based on certain percentage of the gross receipts from the lottery ticket sales of the lottery operator subject to an annual minimum fee as prescribed in the lease agreement. The lease income is recognised as revenue during the financial year as disclosed in Note 28.

## 40 MATERIAL LITIGATION AND ARBITRATION PROCEEDINGS

### Material Litigation

On 6 November 2015, the Company announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), has instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for breach of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as "Jeju Airest City" in Jeju Island, Republic of Korea and to claim for losses and damages as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the land acquired thereunder to BJR, free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence JDC had breached the terms of the Land SPA as it had failed to transfer good and unencumbered title to the said lands to BJR. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed a suit demanding that the said lands be returned to them. Under the circumstances, the on-going development works on the Jeju Project has been suspended pending the resolution of this matter by JDC with the affected landowners.

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction costs due and owing to the main contractor.

## 40 MATERIAL LITIGATION AND ARBITRATION PROCEEDINGS (CONT'D)

**Material Litigation (Cont'd)**

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. As at reporting date, the land price appraisal report of the Jeju Project has been completed by the court-appointed land appraisal company and the land price appraisal report has been submitted directly to the court. The JDC Lawsuit is still on-going.

**Arbitration Proceedings**

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary company of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration. The arbitration proceedings is pursuant to an interim settlement agreement between PGMC and PCSO whereby parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings. At the reporting date, the arbitration proceedings is still on-going. The Group is of the view that PGMC is legally entitled to specific performance and the ELA (as defined in Note 2.2(6)(ii)) will continue to be extended an additional three (3) years under the law of Philippines, in relation to the aforesaid arbitration, which would result in an additional three (3) years of rights to operate.

## 41 SIGNIFICANT RELATED PARTY DISCLOSURES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Repayment from: | | | | | |
| - subsidiary companies | | - | - | 286,891 | 400,533 |
| (Advances to)/Repayments from: | | | | | |
| - subsidiary companies | | - | - | (360,202) | (411,458) |
| - joint ventures | b | 16,317 | 10,962 | - | - |
| - related companies | a | (60,161) | 86,099 | - | - |
| Purchase of quoted shares in Malaysia from Berjaya Retail Berhad | c | 14,000 | - | - | - |
| Rental of premises and related services receivable from: | | | | | |
| - Singer (Malaysia) Sdn Bhd | c | (485) | (485) | - | - |
| - Inter-Pacific Securities Sdn Bhd | a | (1,092) | (1,079) | - | - |
| - Berjaya Higher Education Sdn Bhd | a | (2,891) | (2,947) | - | - |

## 41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2017 | 2016 | 2017 | 2016 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| Rental of premises and related services receivable from: | | | | | |
| - Sun Media Corporation Sdn Bhd | d | (573) | (573) | - | - |
| - Tai Thong Group Sdn Bhd | e | (1,413) | (1,429) | - | - |
| - 7-Eleven Malaysia Sdn Bhd | c | (2,237) | (2,234) | - | - |
| - Berjaya Starbucks Coffee Company Sdn Bhd | a | (1,513) | (1,157) | - | - |
| - U Mobile Sdn Bhd ("UMSB") | j | (1,762) | (1,865) | - | - |
| - Songbird Amusement Sdn Bhd | f | (335) | (315) | - | - |
| - BerjayaCity Sdn Bhd | a | (4) | (216) | - | - |
| - Berjaya Assets Food (BAF) Sdn Bhd ("BAF") | g | (641) | (356) | - | - |
| Supply of computerised lottery systems and related services to: | | | | | |
| - Berjaya Gia Thinh Investment Technology Joint Stock Company | a | (83,048) | - | - | - |
| - Natural Avenue Sdn Bhd ("NASB") | g | (641) | (560) | - | - |
| Provision of guard services to BerjayaCity Sdn Bhd | a | - | (611) | - | - |
| Aircraft leasing charges receivable from Cosway (M) Sdn Bhd | a | (960) | (960) | - | - |
| Rental of premises payable to Berjaya Times Square Sdn Bhd ("BTSSB") | g | 686 | 712 | 379 | 379 |
| Rental of premises payable to Ambilan Imej Sdn Bhd | a | 3,627 | 3,627 | - | - |
| Rental of premises payable to Berjaya Sompo Insurance Berhad | i | 562 | 561 | - | - |
| Share registration services rendered by Berjaya Registration Services Sdn Bhd | a | 578 | 889 | 46 | 71 |
| Advertising and publishing services charged by Sun Media Corporation Sdn Bhd | d | 1,405 | 1,206 | 30 | 37 |
| Purchase of consumables from Graphic Press Group Sdn Bhd | a | 11,113 | 14,465 | - | - |

## 41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Information technology consultancy and management related services as well as purchase of hardware, software, network equipment from Qinetics Solutions Sdn Bhd and Qinetics Services Sdn Bhd | h | 3,459 | 3,189 | 1,537 | 1,366 |

Nature of Relationships

(a) Related companies/member companies of BCorp Group other than subsidiary companies of the Company.
(b) Joint ventures of the Group as disclosed in Note 8.
(c) A company in which Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") has deemed interests.
(d) A subsidiary company of Berjaya Media Berhad ("BMedia"). The Group and related companies of BCorp Group have interests in BMedia. Tan Sri Vincent Tan is a substantial shareholder of BMedia and his brother Tan Sri Dato' Tan Chee Sing ("TSDT") also has interest in BMedia. Tan Sri Vincent Tan is the father of Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, Directors of the Company.
(e) Wholly-owned subsidiary company of Tai Thong Holdings Sdn Bhd which in turn is a wholly-owned subsidiary company of Diversified Kinetic Sdn Bhd. TSDT is a major shareholder of Diversified Kinetic Sdn Bhd.
(f) A company in which a person connected with Tan Sri Vincent Tan has interest.
(g) BTSSB and BAF are wholly owned subsidiary companies of BAssets whilst NASB is effectively 65%-owned by BAssets. Tan Sri Vincent Tan is a substantial shareholder of BAssets whilst TSDT has interests in BAssets.
(h) Subsidiary companies of MOL.com Sdn Bhd ("MOL"). Tan Sri Vincent Tan is a deemed major shareholder of Qinectics Solutions Sdn Bhd and Qinectics Services Sdn Bhd by virtue of his interest in MOL.
(i) Associated company of BCorp Group.
(j) A company in which Tan Sri Vincent Tan is a substantial shareholder.

All transactions have been fully settled as at 30 April 2017 except for those disclosed in Notes 13 and 25.

Certain professional fees amounting to RM6,678,000 (2016 : RM7,542,000) were incurred by a foreign subsidiary company for management and consultancy services contracted with a corporate entity, of which the Chief Executive Officer of the foreign subsidiary company has an interest.

All other significant intercompany transactions have been disclosed in Notes 28, 30, 31, 32 and 33 and in the statements of cash flows.

The compensation of the key management personnel of the Group and of the Company are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Short-term benefits | 62,546 | 28,201 | 1,488 | 1,295 |
| Post-employment benefits | 7,898 | 2,870 | 93 | 126 |
| | 70,444 | 31,071 | 1,581 | 1,421 |

## 42 SEGMENTAL 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) toto betting and related activities - toto betting operations under Section 5 of the Pool Betting Act and leasing of online lottery equipment;
(ii) motor vehicle dealership - motor vehicle retailer, repairs and maintenance and provider of related aftersales services;
(iii) property development and property investment - development of residential and commercial properties and operations and letting of properties;
(iv) hotels and resorts - management and operations of hotels and resorts; and
(v) club, recreation and others - operations of recreational clubs, vacation time share and air charter business.

Management 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) are managed on a group basis and not allocated to operating segments.

The geographical segment information is prepared based on the locations of assets. The segment 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 include mainly corporate assets, tax recoverable/liabilities, borrowings, hire purchase and lease obligations.

Other non-cash expenses include mainly unrealised loss on foreign exchange, write-off of property, plant and equipment, write-down of inventories and impairment loss on receivables.

**42 SEGMENTAL INFORMATION (CONT'D)**

**(a) Business Segments:**

| Revenue | 2017 External RM'000 | 2017 Inter-segment RM'000 | 2017 Total RM'000 | 2016 External RM'000 | 2016 Inter-segment RM'000 | 2016 Total RM'000 |
|---|---|---|---|---|---|---|
| Toto betting and related activities | 3,365,032 | - | 3,365,032 | 3,363,835 | - | 3,363,835 |
| Motor vehicle dealership | 2,345,438 | - | 2,345,438 | 2,177,530 | - | 2,177,530 |
| Property development and property investment | 282,995 | 9,354 | 292,349 | 380,132 | 8,443 | 388,575 |
| Hotels and resorts | 299,121 | 2,328 | 301,449 | 281,200 | 1,897 | 283,097 |
| Club, recreation and others | 78,780 | 23,070 | 101,850 | 81,300 | 21,095 | 102,395 |
| Inter-segment eliminations | - | (34,752) | (34,752) | - | (31,435) | (31,435) |
| | 6,371,366 | - | 6,371,366 | 6,283,997 | - | 6,283,997 |

Inter-segment revenue are eliminated on consolidation.

| Results | 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| Toto betting and related activities | 413,150 | 497,296 |
| Motor vehicle dealership | 22,733 | 19,382 |
| Property development and property investment | 17,305 | 40,065 |
| Hotels and resorts | 44,207 | 21,630 |
| Club, recreation and others | (30,811) | (28,876) |
| Segment results | 466,584 | 549,497 |
| Unallocated corporate income | 22,362 | 2,463 |
| | 488,946 | 551,960 |
| Investment related income (Note 30) | | |
| - toto betting and related activities | 24,215 | 21,587 |
| - property development and property investment | 18,299 | 163,498 |
| - hotels and resorts | 1,179 | 3,005 |
| - club, recreation and others | 188,678 | 47,461 |
| - unallocated | 35,825 | 29,734 |
| | 268,196 | 265,285 |
| Investment related expenses (Note 31) | | |
| - toto betting and related activities | (24,545) | (383,083) |
| - property development and property investment | (5,975) | (134,117) |
| - hotels and resorts | - | (1,225) |
| - club, recreation and others | (7,070) | (16,266) |
| - unallocated | (13,452) | (34,910) |
| | (51,042) | (569,601) |
| | 706,100 | 247,644 |
| Finance costs | (211,369) | (204,437) |
| Share of results of associated companies | 85,588 | (16,673) |
| Share of results of joint ventures | (3,998) | (17,573) |
| Profit before tax | 576,321 | 8,961 |
| Taxation | (165,100) | (173,985) |
| Profit/(Loss) for the year | 411,221 | (165,024) |
| Non-controlling interests | (116,483) | (105,613) |
| Profit/(Loss) attributable to owners of the Parent | 294,738 | (270,637) |

## 42 SEGMENTAL INFORMATION (CONT'D)

### (a) Business Segments (Cont'd):

| Assets and Liabilities | 2017 Assets RM'000 | 2017 Liabilities RM'000 | 2016 Assets RM'000 Restated | 2016 Liabilities RM'000 Restated |
|---|---|---|---|---|
| Toto betting and related activities | 4,274,759 | 309,328 | 5,140,150 | 315,053 |
| Motor vehicle dealership | 851,115 | 266,546 | 876,592 | 363,722 |
| Property development and property investment | 4,106,956 | 809,733 | 3,804,462 | 1,468,859 |
| Hotels and resorts | 1,437,121 | 416,813 | 1,437,495 | 413,083 |
| Club, recreation and others | 962,279 | 704,811 | 1,030,828 | 675,630 |
| Inter-segment eliminations | (882,157) | (936,175) | (875,912) | (920,987) |
| Segment assets/liabilities | 10,750,073 | 1,571,056 | 11,413,615 | 2,315,360 |
| Investment in associated companies | 593,567 | - | 484,462 | - |
| Investment in joint ventures | 60,161 | - | 45,310 | - |
| Assets classified as held for sale | 42,916 | - | 979,782 | - |
| Unallocated corporate assets/liabilities | 1,671,783 | 4,686,439 | 1,507,597 | 5,153,412 |
| Consolidated assets/liabilities | 13,118,500 | 6,257,495 | 14,430,766 | 7,468,772 |

Inter-segment assets and liabilities are eliminated on consolidation.

| Other Information | 2017 Capital expenditure RM'000 | 2017 Depreciation/ Amortisation RM'000 | 2017 Other non-cash expenses RM'000 | 2016 Capital expenditure RM'000 | 2016 Depreciation/ Amortisation RM'000 | 2016 Other non-cash expenses RM'000 |
|---|---|---|---|---|---|---|
| Toto betting and related activities | 16,257 | 39,391 | 6,766 | 12,928 | 45,985 | 2,816 |
| Motor vehicle dealership | 12,779 | 16,880 | 5,089 | 64,066 | 14,256 | 939 |
| Property development and property investment | 80,418 | 4,080 | 110 | 58,804 | 3,564 | 1,064 |
| Hotels and resorts | 17,231 | 41,427 | 707 | 13,442 | 37,620 | 563 |
| Club, recreation and others | 3,966 | 20,582 | 20,822 | 4,043 | 26,224 | 19,820 |
| Unallocated | 613 | 2,295 | 14,880 | 1,300 | 2,064 | 19,085 |
| | 131,264 | 124,655 | 48,374 | 154,583 | 129,713 | 44,287 |

Capital expenditure consists of additions to property, plant and equipment as disclosed in Note 3.

| Impairment Losses | 2017 RM'000 | 2016 RM'000 |
|---|---|---|
| Toto betting and related activities | 24,544 | 381,326 |
| Property development and property investment | 1,512 | 132,214 |
| Hotels and resorts | - | 1,225 |
| Club, recreation and others | 7,070 | 16,266 |
| Unallocated | 4,874 | 34,910 |
| | 38,000 | 565,941 |

### (b) Geographical Locations:

| | 2017 Revenue RM'000 | 2017 Segment assets RM'000 | 2017 Capital expenditure RM'000 | 2016 Revenue RM'000 | 2016 Segment assets RM'000 Restated | 2016 Capital expenditure RM'000 |
|---|---|---|---|---|---|---|
| Malaysia | 3,684,260 | 7,662,668 | 55,996 | 3,827,927 | 8,364,893 | 92,207 |
| Outside Malaysia | 2,687,106 | 3,087,405 | 75,268 | 2,456,070 | 3,048,722 | 62,376 |
| | 6,371,366 | 10,750,073 | 131,264 | 6,283,997 | 11,413,615 | 154,583 |

The Group operates principally in Malaysia. Outside Malaysia mainly comprises the Republic of Seychelles, United Kingdom, the Republic of Korea, Sri Lanka, the Philippines, the Socialist Republic of Vietnam, Japan and United States of America.

## 43 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:

Investment Properties

| **Group** **2017** | **Level 1 RM'000** | **Level 2 RM'000** | **Level 3 RM'000** | **Total RM'000** |
|---|---|---|---|---|
| Commercial properties | - | 124,829 | 538,641 | 663,470 |
| Other properties | - | 54,592 | 21,995 | 76,587 |
| | - | 179,421 | 560,636 | 740,057 |
| **2016** | | | | |
| Commercial properties | - | 34,320 | 530,335 | 564,655 |
| Other properties | - | 37,283 | 19,965 | 57,248 |
| | - | 71,603 | 550,300 | 621,903 |

(ii) Description of valuation techniques used and key inputs to valuation 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 insignificant adjustments factors, are categorised as Level 2 in the fair value hierarchy.

Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, range generally between 78% and 0% (2016 : 88% 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.

## 43 FAIR VALUE MEASUREMENT (CONT'D)

### (a) Non financial assets that are measured at fair value (Cont'd)

(ii) Description of valuation techniques used and key inputs to valuation on non financial assets (cont'd)

Comparison/Depreciable Replacement Cost Method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in the surrounding vicinity with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

The significant unobservable inputs for this category of assets are the land and replacement cost per square foot which ranges from RM80 to RM4,582 per square foot (2016 : RM70 to RM7,161 per square foot), and the depreciation rate of 2% (2016 : 2%).

Sensitivity analysis

The increase in the price per square feet of comparable properties in the surrounding vicinity will result in an increase of fair value of these properties.

(iii) Fair value reconciliation of non financial assets measured at Level 3

| | Group | |
|---|---|---|
| Investment Properties | 2017 RM'000 | 2016 RM'000 |
| At 1 May 2016/2015 | 550,300 | 539,915 |
| Net fair value adjustments | 10,336 | 10,385 |
| At 30 April 2017/2016 | 560,636 | 550,300 |

## 43 FAIR VALUE MEASUREMENT (CONT'D)

### (b) Financial assets that are disclosed at fair value

The table below analyses the Group's financial assets disclosed at fair value at the reporting date, according to the level in the fair value hierarchy:

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---|---|---|---|---|
| **2017** | | | | |
| Subsidiary companies | | | | |
| Company | 511,208 | - | - | 511,208 |
| Associated companies | | | | |
| Group | 174,054 | - | - | 174,054 |
| Company | 33,597 | - | - | 33,597 |
| **2016** | | | | |
| Subsidiary companies | | | | |
| Company | 592,114 | - | - | 592,114 |
| Associated companies | | | | |
| Group | 140,912 | - | - | 140,912 |
| Company | 26,279 | - | - | 26,279 |

### (c) 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 |
|---|---|---|---|---|
| **2017** | | | | |
| Financial assets - Investments | | | | |
| Group | 89,407 | - | - | 89,407 |
| Company | 17,713 | - | - | 17,713 |
| Financial assets - Short term investments | | | | |
| Group | 9,006 | - | - | 9,006 |
| **2016** | | | | |
| Financial assets - Investments | | | | |
| Group | 81,919 | - | - | 81,919 |
| Company | 1,450 | - | - | 1,450 |
| Financial assets - Short term investments | | | | |
| Group | 9,302 | - | - | 9,302 |

## 44 FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 2.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2017 RM'000 | 2016 RM'000 Restated | 2017 RM'000 | 2016 RM'000 |
| **Financial assets** | | | | | |
| Available-for-sale | | | | | |
| Investments | 9 | 100,852 | 86,165 | 21,858 | 5,958 |
| Loans and receivables | | | | | |
| Receivables | 13 | 2,219,867 | 1,339,765 | 2,838,580 | 2,647,659 |
| Deposits | 15 | 425,993 | 529,328 | 27,402 | 26,082 |
| Cash and bank balances | 16 | 318,625 | 1,124,390 | 5,206 | 7,509 |
| | | 2,964,485 | 2,993,483 | 2,871,188 | 2,681,250 |
| Fair value through profit or loss | | | | | |
| Investments | 9 | 8,574 | 6,859 | 1,813 | 1,450 |
| Short term investments | 14 | 9,006 | 9,302 | - | - |
| | | 17,580 | 16,161 | 1,813 | 1,450 |
| Total financial assets | | 3,082,917 | 3,095,809 | 2,894,859 | 2,688,658 |
| **Financial liabilities** | | | | | |
| Other financial liabilities | | | | | |
| Long term borrowings | 21 | 1,782,336 | 2,859,025 | 596,232 | 1,022,970 |
| Long term liabilities | 22 | 19,029 | 28,200 | - | - |
| Payables | 25 | 1,260,930 | 1,883,402 | 1,024,082 | 995,609 |
| Short term borrowings | 26 | 1,931,997 | 1,253,730 | 752,682 | 216,137 |
| Total financial liabilities | | 4,994,292 | 6,024,357 | 2,372,996 | 2,234,716 |

## 44 FINANCIAL INSTRUMENTS (CONT'D)

### (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 values are as disclosed in Note 43.

(ii) Financial instruments that are not measured at fair value and whose carrying amounts 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 | 13 |
| Deposits | 15 |
| Cash and bank balances | 16 |
| Payables | 25 |
| Short term borrowings | 26 |
| Long term borrowings | 21 |
| Long term liabilities | 22 |

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due either to the insignificant impact of discounting or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of fixed rate bank loans, Medium Term Notes and finance lease obligations are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangements at reporting date.

The fair values of financial guarantees are determined based on the probability weighted discounted cash flows method. The probability has been estimated and assigned for the following key assumptions:
- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed was to default.

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

## 44 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Fair values (Cont'd)

(iii) Financial instruments that are not measured at fair value and whose carrying amounts are not reasonable approximation of fair value

| | 2017 RM'000 Carrying Amount | 2017 RM'000 Fair Value | 2016 RM'000 Carrying Amount | 2016 RM'000 Fair Value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments | | | | |
| - unquoted shares in Malaysia | | | | |
| **Group** | 20,019 | * | 11,105 | * |
| **Company** | 5,958 | * | 5,958 | * |

* The unquoted investments are carried at cost less accumulated impairment loss as their fair values cannot be measured reliably due to the absence of an active market and reliable input data.

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES 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 market 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 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 the Company's financial instruments will fluctuate because of changes in market interest rates.

Interest rate exposure of the Group arises mainly from the Group's interest-bearing borrowings and deposits. Deposits are generally short term in nature and are mostly short term deposits with licensed banks and other financial institutions.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio to mitigate the impact of interest rate risk. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2016 : less than 6 months) from the reporting date.

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Market risk (Cont'd)

(i) Interest Rate Risk (Cont'd)

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017 RM'000** | **2016 RM'000** | **2017 RM'000** | **2016 RM'000** |
| Fixed rate instruments | | | | |
| Financial assets | 503,506 | 537,625 | 27,402 | 26,082 |
| Financial liabilities | 1,514,242 | 1,742,064 | 649,532 | 649,724 |
| Floating rate instruments | | | | |
| Financial assets | 696,414 | 640,410 | 1,068,882 | 1,118,844 |
| Financial liabilities | 2,200,741 | 2,371,510 | 1,913,816 | 1,534,327 |

Fair value sensitivity analysis for fixed rate instruments

The Group does not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect 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 profit before tax of the Group to be lower/higher by RM3,761,000 (2016 : RM4,328,000), and the loss/profit before tax of the Company to be higher/lower by RM2,112,000 (2016: lower/higher by RM1,039,000) respectively, assuming that all other variables remain constant.

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Market risk (Cont'd)

(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 operates internationally and is exposed to various currencies, mainly United States Dollar, Euro, Seychelles Rupees, Singapore Dollar, Chinese Renminbi, Vietnam Dong, Thai Baht, Great Britain Pound, Korean Won, Philippine Peso, Hong Kong Dollar and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

The unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

**Financial Assets/Liabilities Held in Non-Functional Currencies**

| Functional Currency of Group Companies | Thai Baht RM'000 | Euro RM'000 | United States Dollar RM'000 | Singapore Dollar RM'000 | Japanese Yen RM'000 | Chinese Renminbi RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| Receivables | | | | | | | |
| Ringgit Malaysia | 73,520 | - | 377,033 | - | 282,662 | - | 733,215 |
| Seychelles Rupees | - | 2,640 | 492 | - | - | - | 3,132 |
| At 30 April 2017 | 73,520 | 2,640 | 377,525 | - | 282,662 | - | 736,347 |
| Ringgit Malaysia | 64,888 | 285 | 336,441 | 921 | - | - | 402,535 |
| Seychelles Rupees | - | 627 | 2,150 | - | - | - | 2,777 |
| At 30 April 2016 | 64,888 | 912 | 338,591 | 921 | - | - | 405,312 |
| Cash and bank balances and deposits | | | | | | | |
| Chinese Renminbi | - | 9 | 728 | - | - | - | 737 |
| Seychelles Rupees | - | 4,015 | 3,304 | - | - | - | 7,319 |
| Vietnam Dong | - | - | 141 | - | - | - | 141 |
| Ringgit Malaysia | - | - | 1,724 | 86 | - | - | 1,810 |
| At 30 April 2017 | - | 4,024 | 5,897 | 86 | - | - | 10,007 |
| Chinese Renminbi | - | - | 653 | - | - | - | 653 |
| Seychelles Rupees | - | 1,478 | 1,791 | - | - | - | 3,269 |
| Korean Won | - | - | 1 | - | - | - | 1 |
| Vietnam Dong | - | - | 121 | - | - | - | 121 |
| Ringgit Malaysia | - | - | 17,080 | 22 | - | 124,483 | 141,585 |
| At 30 April 2016 | - | 1,478 | 19,646 | 22 | - | 124,483 | 145,629 |
| Payables | | | | | | | |
| Ringgit Malaysia | - | - | 246 | - | 587 | - | 833 |
| Vietnam Dong | - | - | 4,868 | - | - | - | 4,868 |
| Singapore Dollar | - | - | - | - | 567 | - | 567 |
| Seychelles Rupees | - | 94 | 519 | - | - | - | 613 |
| At 30 April 2017 | - | 94 | 5,633 | - | 1,154 | - | 6,881 |

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Market risk (Cont'd)

(ii) Foreign Currency Risk (Cont'd)

**Financial Assets/Liabilities Held in Non-Functional Currencies**

| Functional Currency of Group Companies | Thai Baht RM'000 | Euro RM'000 | United States Dollar RM'000 | Singapore Dollar RM'000 | Japanese Yen RM'000 | Chinese Renminbi RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| Payables | | | | | | | |
| Ringgit Malaysia | - | 1 | 680 | 20 | - | - | 701 |
| Vietnam Dong | - | - | 7,764 | - | - | - | 7,764 |
| Seychelles Rupees | - | 17 | 609 | - | - | - | 626 |
| At 30 April 2016 | - | 18 | 9,053 | 20 | - | - | 9,091 |
| Borrowings | | | | | | | |
| Ringgit Malaysia | | | | | | | |
| At 30 April 2017 | - | - | 236,363 | 38,698 | - | - | 275,061 |
| At 30 April 2016 | - | - | 359,200 | 51,990 | - | - | 411,190 |

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, EUR, SCR, SGD, RMB, THB and JPY exchange rates against the respective major functional currencies of the Group entities, with all other variables remaining constant:

| **Group** Increase/(decrease) to profit before tax | | 2017 RM'000 | 2016 RM'000 |
|---|---|---|---|
| USD/RM | - strengthened 14% (2016 : 21%) | 19,901 | (1,335) |
| | - weakened 14% (2016 : 21%) | (19,901) | 1,335 |
| USD/SCR | - strengthened 1% (2016 : 9%) | 33 | 300 |
| | - weakened 1% (2016 : 9%) | (33) | (300) |
| EUR/SCR | - strengthened 4% (2016 : 10%) | 262 | 209 |
| | - weakened 4% (2016 : 10%) | (262) | (209) |
| SGD/RM | - strengthened 8% (2016 : 14%) | (3,089) | (7,149) |
| | - weakened 8% (2016 : 14%) | 3,089 | 7,149 |
| RMB/RM | - strengthened 7% (2016 : 18%) | - | 22,407 |
| | - weakened 7% (2016 : 18%) | - | (22,407) |
| THB/RM | - strengthened 13% (2016 : 20%) | 9,558 | 12,978 |
| | - weakened 13% (2016 : 20%) | (9,558) | (12,978) |
| EUR/RM | - strengthened 7% (2016 : 20%) | - | 57 |
| | - weakened 7% (2016 : 20%) | - | (57) |
| JPY/RM | - strengthened 11% (2016 : Nil) | 31,093 | - |
| | - weakened 11% (2016 : Nil) | (31,093) | - |

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Market risk (Cont'd)

(iii) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of quoted investments.

The Group is exposed to market price risk arising from its investments in quoted instruments. The quoted instruments in Malaysia are listed on Bursa Securities and other foreign stock exchanges. These instruments are designated as available-for-sale or fair value through profit or loss financial assets. The Group does not have exposure to commodity price risk. To manage its market price risk arising from investments in quoted instruments, the Group diversifies and manages its portfolio in accordance with established guidelines and policies.

Sensitivity analysis for market price risk

At the reporting date, if the index of the stock exchange had been 1% higher/lower, with all other variables held constant, the Group's profit before tax would have been RM86,000 (2016 : RM69,000) higher/lower, arising as a result of higher/lower fair value gains on fair value through profit or loss equity investments. The Group's available-for-sale reserve would have been RM778,000 (2016 : RM721,000) higher/lower, arising as a result of an increase/decrease of 1% in the fair value of equity instruments designated as available-for-sale.

### (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 refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of undiscounted financial instruments by remaining contractual maturities

| Financial liabilities<br>Group | On demand or within one year<br>RM'000 | Two to five years<br>RM'000 | Over five years<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|---|
| **2017** | | | | |
| Trade and other payables | 1,260,930 | - | - | 1,260,930 |
| Hire purchase and finance lease liabilities | 91,834 | 3,146 | - | 94,980 |
| Loans and borrowings | 1,997,261 | 1,772,524 | 238,064 | 4,007,849 |
| | 3,350,025 | 1,775,670 | 238,064 | 5,363,759 |

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) Liquidity Risk (Cont'd)

Analysis of undiscounted financial instruments by remaining contractual maturities (Cont'd)

| Financial liabilities Group | On demand or within one year RM'000 | Two to five years RM'000 | Over five years RM'000 | Total RM'000 |
|---|---|---|---|---|
| **2016 - Restated** | | | | |
| Trade and other payables | 1,883,402 | - | - | 1,883,402 |
| Hire purchase and finance lease liabilities | 12,635 | 83,299 | - | 95,934 |
| Loans and borrowings | 1,419,309 | 2,795,597 | 402,917 | 4,617,823 |
| | 3,315,346 | 2,878,896 | 402,917 | 6,597,159 |
| **Company** | | | | |
| **2017** | | | | |
| Other payables | 1,024,082 | - | - | 1,024,082 |
| Hire purchase and finance lease liabilities | 467 | 540 | - | 1,007 |
| Loans and borrowings | 823,796 | 667,741 | - | 1,491,537 |
| | 1,848,345 | 668,281 | - | 2,516,626 |
| **2016** | | | | |
| Other payables | 995,609 | - | - | 995,609 |
| Hire purchase and finance lease liabilities | 759 | 1,070 | - | 1,829 |
| Loans and borrowings | 283,812 | 1,019,384 | 118,649 | 1,421,845 |
| | 1,280,180 | 1,020,454 | 118,649 | 2,419,283 |

### (c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's association to business partners with high creditworthiness. Trade and other receivables are monitored on an ongoing basis via Group management reporting procedures to reduce the Group's exposure to bad debts.

Exposure to credit risk

At reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets recorded on the statements of financial position. The major classes of the Group's and the Company's financial assets are trade and other receivables including amounts owing by joint ventures, associated, related and subsidiary companies. The Group and the Company do not have significant concentration of credit risks except as disclosed in Note 13.

## 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (c) Credit Risk (Cont'd)

Credit risk concentration profile of trade receivables

The Group determines concentrations of credit risk by monitoring the business segment profile of its trade receivables as follows:

| | 2017 | | 2016 | |
|---|---|---|---|---|
| **Group** | **RM'000** | **%** | **RM'000** | **%** |
| Toto betting and related activities | 127,732 | 53 | 39,141 | 29 |
| Motor vehicle dealerships | 48,411 | 20 | 46,949 | 35 |
| Property development and property investment | 39,546 | 16 | 24,388 | 18 |
| Hotels and resorts | 19,409 | 8 | 17,039 | 12 |
| Club, recreation and others | 7,296 | 3 | 8,229 | 6 |
| | 242,394 | 100 | 135,746 | 100 |

## 46 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. The financial management function is carried out by the Group's Treasury Division. The Treasury Division manages the Group's funds and financial resources and all its loans and borrowings on a "pool basis". No changes were made in the objectives, policies or processes during the financial years ended 30 April 2017 and 30 April 2016.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's total debt includes bank borrowings, medium term notes, vehicle stocking loans, hire purchase and finance lease obligations. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

The gearing ratios as at 30 April 2017 and 30 April 2016 were as follows:

| | | Group | |
|---|---|---|---|
| | | **2017** | **2016** |
| | **Note** | **RM'000** | **RM'000** |
| Short term borrowings | 26 | 1,931,997 | 1,253,730 |
| Long term borrowings | 21 | 1,782,336 | 2,859,025 |
| Total debt | | 3,714,333 | 4,112,755 |
| Total equity | | 6,861,005 | 6,961,994 |
| Gearing ratio (%) | | 54 | 59 |

The gearing ratio is not governed by the FRS and its definition and calculation may vary from one group/company to another.

## 47 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 16 May 2016, the Company announced that it had on 11 May 2016 and 13 May 2016 disposed of a total of 5,200,000 ordinary shares in BToto ("Disposed Shares A") for a total cash consideration of about RM15.34 million or at an average selling price of RM2.95 per Disposed Share A. The Disposed Shares A represents about 0.39% equity interest in BToto.

(b) On 7 June 2016, the Company announced that it and its wholly-owned subsidiary company, Gateway Benefit Sdn Bhd, had on 24 May 2016 and 6 June 2016 disposed of a total of 9,000,000 ordinary shares in BToto ("Disposed Shares B") for a total cash consideration of about RM25.75 million or at an average selling price of RM2.86 per Disposed Share B. The Disposed Shares B represents about 0.67% equity interest in BToto.

(c) On 22 September 2016, the Company announced that its wholly-owned subsidiary company, Alam Baiduri Sdn Bhd, has on even date, entered into a sale and purchase agreement ("SPA") with BerjayaCity Sdn Bhd ("BCity') for the proposed acquisition of freehold lands ("the Lands") for a total cash consideration of RM155.0 million or at the price of RM177,954 per acre ("Acquisition"). BCity is a 100%-owned subsidiary company of BCorp and the Lands are all located within an area zoned for industrial purposes in Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan.

The Acquisition required the consents/approvals from the Estate Board of Selangor and any other relevant authorities.

On 31 March 2017, the Company announced that the Acquisition has been completed.

(d) On 16 December 2015, the Company announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited, which in turn is a wholly-owned subsidiary of the Company had entered into a Construction Project Transfer Agreement ("Contract") with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean"), for the proposed disposal of the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project"), for a cash consideration of RMB2.08 billion (about RM1.39 billion) ("Disposal").

On 16 December 2016, the Company announced that the Disposal has been completed following the fulfilment of all conditions precedent. The total cash consideration received for the Disposal upon its completion was RMB1.065 billion (about RM711.32 million).

The balance cash consideration of RMB1.015 billion ("Final Instalment") will be receivable within 13 months after Completion Date. The Final Instalment is secured by a guarantee granted by SkyOcean Holdings Group Limited, the holding company of Beijing SkyOcean and its major shareholder, Mr. Zhou Zheng.

Subsequently on 28 April 2017, the Company announced that GMOC has entered into a supplemental agreement with Beijing SkyOcean to adjust the total cash consideration pursuant to the Disposal from RMB2.080 billion to RMB2.039 billion (about RM1.28 billion) and accordingly revised the Final Instalment from RMB1.015 billion to RMB974.07 million (about RM613.7 million). The adjustment is to account for part of the land being regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

## 47 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(e) On 9 December 2016, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of BToto listed on the Philippine Stock Exchange ("PSE") released an announcement to the PSE that it had on 8 December 2016 executed a Share Sale Agreement to purchase from Bentley Motors Limited 6,589,934 shares of H.R. Owen Plc ("H.R. Owen"), an existing subsidiary company of BPI for a total consideration of GBP14.8 million (about RM85.3 million), or GBP2.25 per share ("Share Purchase"). The Share Purchase was completed during the financial year and BPI's equity interests in H.R. Owen has increased from 72.03% to 98.38%.

(f) On 15 February 2017, the Company announced that its wholly-owned subsidiary company, Berjaya Leisure (Cayman) Limited ("BLCayman"), had entered into a capital contribution transfer agreement ("Agreement") for the proposed disposal of its entire 70% stake in Berjaya Long Beach Limited Liability Company ("BLong Beach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited ("Sulyna") ("Proposed Disposal"). The cash consideration for the Proposed Disposal is about VND333.25 billion (about RM65.32 million) and BLCayman will waive all amounts owing by BLong Beach to BLCayman amounting to VND87.50 billion (about RM17.15 million) as at 31 January 2017.

The salient terms and conditions of the Agreement, includes inter-alia, the following:
(i) BLCayman is to submit an application to the relevant Vietnamese authorities for the issuance of the relevant registration certificates ("Application") upon the receipt of pre-emption rights waiver from the remaining 30% stakeholders of BLong Beach ("JV Partners' Approval"); and
(ii) within 30 business days from the date of the Agreement, BLCayman is to handover the operations and management of BLong Beach to Sulyna ("Company Handover").

The cash consideration for the Proposed Disposal will be settled in the following manner:
(i) VND113.35 billion (about RM22.22 million) was received upon entering into the Agreement ("Deposit");
(ii) VND153.35 billion (about RM30.04 million) to be received within 90 business days from receipt of the Deposit and upon confirmation from BLCayman that the Application has been made, the JV Partners' approval has been obtained and the Company Handover has been completed; and
(iii) VND66.65 billion (about RM13.06 million) to be received within 5 business days from the last day of the period of one year from the Handover or finalisation of the relevant tax, whichever is earlier.

The Proposed Disposal is pending completion.

(g) On 19 July 2004, the Company announced that Berjaya Tagar Sdn Bhd ("BTSB"), then a subsidiary company of Berjaya Land Development Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSB proposed to acquire Sungai Tinggi Land from BerjayaCity Sdn Bhd ("BCity"), a wholly-owned subsidiary company of BCorp and to appoint BCity as the turnkey contractor of the new turf club.

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders respectively have been obtained for the STC Proposals.

## 47 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

Subsequently, on 28 June 2010, the Company announced the status of the conditions precedent ("CP") of the STC Proposals as follows:

1. approval of the FIC for the STC Proposals was obtained on 12 October 2004;
2. approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004;
3. approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004;
4. approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled;
5. the agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below;

6a. the approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and BTSB is awaiting the decision from the Selangor State government;

6b. the approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a of the CP above is fulfilled; and

6c. the approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the CP in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental agreement to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remaining outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by BTSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such other date as mutually extended.

Pursuant to the aforesaid Supplemental Agreement, BTSB paid a sum of RM3.0 million to extend the period for another year to fulfil the conditions precedent below:

1. renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
2. the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
   (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;

## 47 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(ii) approval from the Majlis Daerah Hulu Selangor for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
(iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2(i) and (ii) above are obtained.

## 48 SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 15 June 2017, BToto announced that its wholly-owned subsidiary company, Sports Toto Malaysia Sdn Bhd ("STMSB"), had on even date, lodged with the Securities Commission Malaysia its proposal to establish a Medium Term Notes ("MTN") Programme of up to RM800.0 million in nominal value. The MTN Programme shall have a tenure of up to 15 years and the first issuance under the MTN Programme will be made within 60 business days from the lodgement date. The MTN Programme has been accorded a preliminary rating of AA-/Stable by Malaysian Rating Corporation Berhad. CIMB Investment Bank Berhad and Maybank Investment Bank Berhad have been appointed as the Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers for the MTN Programme.

Subsequently, STMSB entered into agreements with the following parties pursuant to its MTN Programme of up to RM800.0 million in nominal value as follows:

(i) a Trust Deed dated 20 June 2017 with Maybank Trustees Berhad (as Trustee) constituting the MTN Programme;

(ii) a subscription agreement dated 23 June 2017 with CIMB Investment Bank Berhad and Maybank Investment Bank Berhad ("MIBB") (as Joint Lead Managers), MIBB (as Facility Agent) and CIMB Bank Berhad (as Investor) for the subscription of RM225.0 million pursuant to the MTN Programme; and

(iii) a subscription agreement dated 19 July 2017 with MIBB (as Lead Manager, Facility Agent and Investor) for the subscription of RM55.0 million pursuant to the MTN Programme.

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|---|
| | **Subsidiary Companies** | | | | |
| (a) | **Subsidiaries of Berjaya Land Berhad** | | | | |
| * | Alam Baiduri Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | Amat Muhibah Sdn Bhd | Malaysia | Dormant | 52.60 | 52.60 |
| * | Amat Teguh Sdn Bhd | Malaysia | Property development | 100 | 100 |
| * | AM Prestige Sdn Bhd | Malaysia | Distribution, marketing and dealing in Aston Martin motor vehicles | 100 | 100 |
| | Angsana Gemilang Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| * | Awan Suria Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | Bahan Cendana Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | Berjaya Air Capital (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |
| * | Berjaya Enamelware Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | Berjaya Guard Services Sdn Bhd | Malaysia | Provision of security services | 100 | 100 |
| * | Berjaya Holiday Cruise Sdn Bhd | Malaysia | Investment holding | 86.36 | 86.36 |
| * | Berjaya Hotels and Resorts (Seychelles) Limited | Republic of Seychelles | Management and operation of hotel resorts in Seychelles | 100 | 100 |
| | Berjaya Hotels & Resorts Vietnam Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| | Berjaya Jet Charter Sdn Bhd | Malaysia | Jet charter | 100 | 100 |
| | Berjaya Kawat Industries Sdn Bhd | Malaysia | Property investment and rental of properties | 100 | 100 |
| | Berjaya Land (Labuan) Limited | Malaysia | Investment holding | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|---|
| (a) | **Subsidiaries of Berjaya Land Berhad (Cont'd)** | | | | |
| | Berjaya Leasing (Labuan) Limited | Malaysia | Provision of aircraft leasing services and undertaking of offshore financial related business | 100 | 100 |
| | Berjaya Land Development Sdn Bhd | Malaysia | Property development and investment holding | 100 | 100 |
| | Berjaya Leisure Capital (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |
| | Berjaya Leisure (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |
| * | Berjaya Megamall Management Sdn Bhd | Malaysia | Property management, temporarily ceased operations | 100 | 100 |
| * | Berjaya North Asia Holdings Pte Ltd | Singapore | Investment holding | 100 | 100 |
| * | Berjaya Okinawa Investment (S) Pte Ltd (formerly known as Berjaya Health Investment Pte Ltd) | Singapore | Investment holding | 100 | - |
| | Berjaya Project Management Sdn Bhd | Malaysia | Project management | 100 | 100 |
| | Berjaya Property Management Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| *a* * | Berjaya Racing Management Sdn Bhd | Malaysia | Dormant | 60 | 60 |
| *b* | Berjaya Sports Toto Berhad | Malaysia | Investment holding | 40.05 | 41.10 |
| | Berjaya Tagar Sdn Bhd | Malaysia | Property development and investment holding | 100 | 100 |
| * | Berjaya Theme Park Management Sdn Bhd | Malaysia | Dormant | 100 | 100 |

*a* *Additional 20% being held by Berjaya Sports Toto Berhad.*
*b* *The Group regards Berjaya Sports Toto Berhad as a subsidiary company as disclosed in Note 2.5(a)(i).*

**49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)**

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| **(a)** | **Subsidiaries of Berjaya Land Berhad (Cont'd)** | | | | |
| | Berjaya Vacation Club Berhad | Malaysia | Time sharing vacation operator, property investment and investment holding | 100 | 100 |
| | B.L. Capital Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| * | B.T. Properties Sdn Bhd | Malaysia | Property development, temporarily ceased operations | 100 | 100 |
| | BTS Leaseback Management Sdn Bhd | Malaysia | Coordination of pool-profit sharing of owner-owned suites | 100 | 100 |
| * | Budi Impian Sdn Bhd | Malaysia | Operator of restaurant | 100 | 100 |
| | Cempaka Properties Sdn Bhd | Malaysia | Property development and investment | 100 | 100 |
| | Cerah Bakti Sdn Bhd | Malaysia | Property development | 70 | 70 |
| | Cerah Tropika Sdn Bhd | Malaysia | Investment holding | 70 | 70 |
| * | Cergas Jati Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| * | Flexiwang Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | Gateway Benefit Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| * | Gemilang Cergas Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | Immediate Capital Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| | Junjung Delima Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| | Klasik Mewah Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | Kota Raya Development Sdn Bhd | Malaysia | Investment and rental of property | 100 | 100 |
| * | Leisure World Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| | Marvel Fresh Sdn Bhd | Malaysia | Trading | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| (a) | **Subsidiaries of Berjaya Land Berhad (Cont'd)** | | | | |
| | Nada Embun Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | Nural Enterprise Sdn Bhd | Malaysia | Investment and rental of property | 100 | 100 |
| | Noble Circle (M) Sdn Bhd | Malaysia | Investment and rental of property | 100 | 100 |
| | One Network Hotel Management Sdn Bhd | Malaysia | Hotel operator | 100 | 100 |
| | Pakar Angsana Sdn Bhd | Malaysia | Property development | 80 | 80 |
| | Portal Access Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| * | Pembinaan Stepro Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | Punca Damai Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| *c* | Regnis Industries (Malaysia) Sdn Bhd | Malaysia | Investment and rental of property | 87.12 | 87.12 |
| | Securiservices Sdn Bhd | Malaysia | Property development | 100 | 100 |
| * | Semakin Sinar Sdn Bhd | Malaysia | Dormant | 51 | 51 |
| | Semangat Cergas Sdn Bhd | Malaysia | Property development | 100 | 100 |
| * | Stephens Properties Plantations Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| * | Taaras Spa Sdn Bhd | Malaysia | Spa management | 100 | 100 |
| * | Tekun Permata Sdn Bhd | Malaysia | Property development | 100 | 100 |
| | Tioman Island Resort Berhad | Malaysia | Property development and operator of resort hotel | 86.25 | 86.25 |
| * | Tiram Jaya Sdn Bhd | Malaysia | Property development | 100 | 100 |
| * | Wangsa Sejati Sdn Bhd | Malaysia | Dormant | 52.63 | 52.63 |

*c* *Inclusive of 30% being held by B.L. Capital Sdn Bhd.*

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| **(a)** | **Subsidiaries of Berjaya Land Berhad (Cont'd)** | | | | |
| * | Wisma Stephens Management Co Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| **(b)** | **Subsidiaries of Berjaya Land Development Sdn Bhd** | | | | |
| | Indra Ehsan Sdn Bhd | Malaysia | Property development | 100 | 100 |
| * | Kim Rim Enterprise Sdn Bhd | Malaysia | Property development, temporarily ceased operations | 100 | 100 |
| | Sri Panglima Sdn Bhd | Malaysia | Property development | 100 | 100 |
| **(c)** | **Subsidiaries of Berjaya Leisure (Cayman) Limited** | | | | |
| | Berjaya Asset (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |
| * | Berjaya (China) Great Mall Co Ltd | People's Republic of China | Property investment and development | 51 | 51 |
| * | Berjaya Jeju Resort Limited | Republic of Korea | Property development and investment | 72.60 | 72.60 |
| d* | Berjaya International Casino Management (Seychelles) Limited | Republic of Seychelles | Casino operations | 60 | 60 |
| * | Berjaya Investment Holdings Pte Ltd | Singapore | Investment holding | 100 | 100 |
| # | Berjaya Mount Royal Beach Hotel Limited | Sri Lanka | Owner and operator of hotel | 92.60 | 92.60 |
| # | Berjaya Properties (HK) Limited | Hong Kong | Dormant | 60 | 60 |
| | BHR (Cayman) Limited | Cayman Islands | Property investment and investment holding | 100 | 100 |
| # | Berjaya-D2D Company Limited | Socialist Republic of Vietnam | Property investment and development | 75 | 75 |

d *Additional 40% being held by Berjaya International Casino Management (HK) Limited.*

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| **(c)** | **Subsidiaries of Berjaya Leisure (Cayman) Limited (Cont'd)** | | | | |
| * | Berjaya Okinawa Investment (S) Pte Ltd (formerly known as Berjaya Health Investment Pte Ltd) | Singapore | Investment holding | - | 100 |
| # | Berjaya Vietnam International University Township One Member Limited Liability Company | Socialist Republic of Vietnam | Property investment and development | 100 | 100 |
| # | Berjaya Vietnam Financial Center Limited | Socialist Republic of Vietnam | Property investment and development | 100 | 100 |
| * | Mahameru Consultancy d.o.o. Visoko | Bosnia and Herzegovina | Property investment | 100 | 100 |
| # | Natural Gain Investment Limited | Hong Kong | Dormant | 100 | 100 |
| # | Berjaya Long Beach Limited Liability Company | Socialist Republic of Vietnam | Owner and developer of hotel | 70 | 70 |
| * | Berjaya Nhon Trach New City Center | Socialist Republic of Vietnam | Property investment and development | 100 | 100 |
| # | T.P.C Development Limited | Hong Kong | Investment holding | 100 | 100 |
| **(d)** | **Subsidiaries of Berjaya Okinawa Investment (S) Pte Ltd (formerly known as Berjaya Health Investment Pte Ltd)** | | | | |
| * | Berjaya Okinawa Hospitality Asset TMK | Japan | Property investment and development | 100 | - |
| * | Berjaya Okinawa Investment Godo Kaisha | Japan | Investment holding | 100 | - |
| **(e)** | **Subsidiary of Berjaya Property Management Sdn Bhd** | | | | |
| | Taman TAR Development Sdn Bhd | Malaysia | Property development | 100 | 100 |
| | **(i) Subsidiary of Taman TAR Development Sdn Bhd** | | | | |
| * | The Peak Property Management Sdn Bhd | Malaysia | Dormant | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| **(f)** | **Subsidiaries of Berjaya Sports Toto Berhad** | | | | |
| # | Berjaya-ILTS Limited | Hong Kong | Dormant | 100 | 100 |
| | FEAB Equities Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | FEAB Land Sdn Bhd | Malaysia | Property development and investment | 100 | 100 |
| | FEAB Properties Sdn Bhd | Malaysia | Property investment and development and investment holding | 100 | 100 |
| | Magna Mahsuri Sdn Bhd | Malaysia | Property investment and investment holding | 100 | 100 |
| | Sports Toto Malaysia Sdn Bhd | Malaysia | Toto betting operations | 100 | 100 |
| | STM Resort Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | Sports Toto Fitness Sdn Bhd | Malaysia | Operation of health and fitness centre | 100 | 100 |
| | **(i) Subsidiary of FEAB Land Sdn Bhd** | | | | |
| | FEAB Realty Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | **(ii) Subsidiaries of Magna Mahsuri Sdn Bhd** | | | | |
| | Berjaya Sports Toto (Cayman) Limited ("BSTC") | Cayman Islands | Investment holding | 100 | 100 |
| | Sports Toto Apparel Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | Sports Toto Computer Sdn Bhd | Malaysia | Computer consultancy services | 100 | 100 |
| | Sports Toto Products Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | **(iii) Subsidiary of Berjaya Sports Toto (Cayman) Limited** | | | | |
| # | Berjaya Lottery Management (HK) Limited | Hong Kong | Investment holding | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|---|
| (f) | **Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)** | | | | |
| | **(iv) Subsidiaries of Berjaya Lottery Management (HK) Limited** | | | | |
| *e* * | Berjaya Philippines Inc. | Philippines | Investment holding | 74.20 | 74.20 |
| * | International Lottery & Totalizator Systems, Inc. ("ILTS") | United States of America | Manufacturer and distributor of computerised lottery and voting systems | 100 | 100 |
| | **(v) Subsidiaries of Berjaya Philippines Inc.** | | | | |
| * | Berjaya Enviro Philippines Inc. | Philippines | Service business of protecting and cleaning the environment | 100 | - |
| * | H.R. Owen Plc | United Kingdom | Investment holding | 98.38 | 72.03 |
| * | Perdana Hotel Philippines Inc. | Philippines | Operation of a hotel in the Philippines | 100 | 100 |
| * | Philippine Gaming Management Corporation | Philippines | Leasing of on-line lottery equipment and provision of software support | 100 | 100 |
| | **(vi) Subsidiary of International Lottery & Totalizator Systems, Inc.** | | | | |
| * | Unisyn Voting Solutions, Inc. | United States of America | Developing, manufacturing and providing licences and supports for voting systems | 100 | 100 |
| | **(vii) Subsidiaries of H.R. Owen Plc** | | | | |
| * | Bradshaw Webb (Chelsea) Limited | United Kingdom | Dormant | 100 | 100 |
| * | Bodytechnics Limited | United Kingdom | Maintenance and repair of motor vehicles | 100 | 100 |
| * | Broughtons of Cheltenham Limited | United Kingdom | Motor retailing and provision of aftersales services | 100 | 100 |

*e* *Additional 14.06% being held by BSTC.*

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| **(f)** | **Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)** | | | | |
| | **(vii) Subsidiaries of H.R. Owen Plc (Cont'd)** | | | | |
| * | Heathrow Limited | United Kingdom | Dormant | 100 | 100 |
| * | Holland Park Limited | United Kingdom | Provision of aftersales services | 100 | 100 |
| * | H.R. Owen Dealerships Limited | United Kingdom | Motor retailing and provision of aftersales services | 100 | 100 |
| * | H.R. Owen Insurance Services Limited | United Kingdom | Provision of insurance agents and brokers services | 60 | - |
| * | H.R. Owen Investments Limited | United Kingdom | Dormant | 100 | 100 |
| * | H.R. Owen Leasing Limited | United Kingdom | Dormant | 100 | 100 |
| * | H.R. Owen Motor Dealerships Limited | United Kingdom | Dormant | 100 | 100 |
| * | H.R. Owen Motor Properties Limited | United Kingdom | Dormant | 100 | 100 |
| * | H.R. Owen Vehicle Leasing Company Limited | United Kingdom | Dormant | 100 | 100 |
| * | Jack Barclay Limited | United Kingdom | Motor retailing and provision of aftersales services | 100 | 100 |
| * | London Lotus Centre Limited | United Kingdom | Dormant | 100 | 100 |
| * | Malaya Dealerships Limited | United Kingdom | Dormant | 100 | 100 |
| *f* * | Netprofit.com Limited ("Netprofit") | United Kingdom | Dormant | 100 | 100 |

*f* *H.R. Owen Plc and Bradshaw Webb (Chelsea) Limited each holds 50% equity interest in Netprofit.*

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| **(f)** | **Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)** | | | | |
| | **(vii) Subsidiaries of H.R. Owen Plc (Cont'd)** | | | | |
| * | Upbrook Mews Limited | United Kingdom | Engage in letting and operating of own or leased real estate | 100 | - |
| | **(viii) Subsidiary of H.R. Owen Investments Limited** | | | | |
| * | H.R. Owen Finance Ltd | United Kingdom | Dormant | 100 | 100 |
| **(g)** | **Subsidiary of Berjaya North Asia Holdings Pte Ltd** | | | | |
| * | Berjaya Okinawa Development Co Ltd | Japan | Resort hotel and residence development | 100 | 100 |
| **(h)** | **Subsidiaries of Berjaya Vacation Club Berhad** | | | | |
| | Berjaya Air Sdn Bhd | Malaysia | Charter flight operator | 100 | 100 |
| | Berjaya Beau Vallon Bay (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |
| | BTS Hotel Sdn Bhd | Malaysia | Owner of hotel | 100 | 100 |
| | Berjaya Golf Resort Berhad | Malaysia | Property development and investment and operator of golf and recreation club | 100 | 100 |
| | Berjaya Hospitality Services Sdn Bhd | Malaysia | Hotel operator | 100 | 100 |
| # | Berjaya Hotels and Resorts (HK) Limited | Hong Kong | Investment holding | 60 | 60 |
| # | Berjaya International Casino Management (HK) Limited | Hong Kong | Investment holding | 80 | 80 |
| | Berjaya Langkawi Beach Resort Sdn Bhd | Malaysia | Hotel and resort operation | 100 | 100 |
| | Berjaya Praslin Beach (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| (h) | **Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)** | | | | |
| | Berjaya Hotels & Resorts (M) Sdn Bhd | Malaysia | Resort management | 100 | 100 |
| | Berjaya Vacation Club (Cayman) Limited | Cayman Islands | Investment holding | 100 | 100 |
| * | Berjaya Vacation Club (Philippines) Inc. | Philippines | Dormant | 100 | 100 |
| # | Berjaya Vacation Club (HK) Limited | Hong Kong | Dormant | 100 | 100 |
| * | Berjaya Vacation Club (S) Pte Ltd | Singapore | Vacation time sharing | 100 | 100 |
| | Bukit Kiara Resort Berhad | Malaysia | Developer and operator of equestrian and recreational club | 100 | 100 |
| | Georgetown City Hotel Sdn Bhd | Malaysia | Hotel operator | 100 | 100 |
| * | Hotel Integrations Sdn Bhd | Malaysia | Provision of hotel consultancy and related services | 70 | - |
| | Indah Corporation Berhad | Malaysia | Developer and operator of golf resort and property development | 100 | 100 |
| | KDE Recreation Berhad | Malaysia | Developer and operator of golf and recreational club | 100 | 100 |
| * | Redang Village Resort Sdn Bhd | Malaysia | Dormant | 51 | 51 |
| | Sinar Merdu Sdn Bhd | Malaysia | Investment and rental of property | 100 | 100 |
| | Staffield Country Resort Berhad | Malaysia | Developer and operator of golf resort | 80 | 80 |
| | The Taaras Beach & Spa Resort (Redang) Sdn Bhd | Malaysia | Hotel and resort operation | 99.50 | 99.50 |
| | The Taaras Luxury Group Sdn Bhd | Malaysia | Management of hotel operations | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | Equity Interest Held 2016 % |
|---|---|---|---|---|---|
| (h) | **Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)** | | | | |
| * | Tioman Pearl Sdn Bhd | Malaysia | Development of hotel and resort | 70 | 70 |
| | Tioman Travel & Tours Sdn Bhd | Malaysia | Property investment | 100 | 100 |
| | **(i) Subsidiary of Berjaya Air Sdn Bhd** | | | | |
| | Berjaya Air Cargo Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | **(ii) Subsidiary of Berjaya Beau Vallon Bay (Cayman) Limited** | | | | |
| * | Berjaya Beau Vallon Bay Beach Resort Limited | Republic of Seychelles | Operation of hotel resort in Seychelles | 100 | 100 |
| | **(iii) Subsidiary of Berjaya Praslin Beach (Cayman) Limited** | | | | |
| * | Berjaya Praslin Limited | Republic of Seychelles | Operation of a hotel resort in Seychelles | 100 | 100 |
| | **(iv) Subsidiary of The Taaras Beach & Spa Resort (Redang) Sdn Bhd** | | | | |
| * | Redang Island Golf and Country Club Berhad | Malaysia | Dormant | 100 | 100 |
| | **(v) Subsidiary of Berjaya Vacation Club (Cayman) Limited** | | | | |
| * | Berjaya Vacation Club (UK) Limited | United Kingdom | Hoteliers and hotel management | 100 | 100 |
| | **(vi) Subsidiaries of Georgetown City Hotel Sdn Bhd** | | | | |
| | Berjaya Georgetown Sharksfin Restaurant Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | BG Karaoke Sdn Bhd | Malaysia | Dormant | 68.97 | 68.97 |
| | **(vii) Subsidiary of Sinar Merdu Sdn Bhd** | | | | |
| * | ANSA Hotel KL Sdn Bhd | Malaysia | Property investment and hoteliers | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|---|
| **(i)** | **Subsidiary of Cerah Tropika Sdn Bhd** | | | | |
| | Penstate Corp. Sdn Bhd | Malaysia | Property development | 100 | 100 |
| **(j)** | **Subsidiary of Kota Raya Development Sdn Bhd** | | | | |
| * | Kota Raya Complex Management Sdn Bhd | Malaysia | Property management, temporarily ceased operations | 100 | 100 |
| **(k)** | **Subsidiary of Noble Circle (M) Sdn Bhd** | | | | |
| * | Noble Circle Management Sdn Bhd | Malaysia | Property management, temporarily ceased operations | 100 | 100 |
| **(l)** | **Subsidiary of Nural Enterprise Sdn Bhd** | | | | |
| * | Aras Klasik Sdn Bhd | Malaysia | Property management, temporarily ceased operations | 100 | 100 |
| **(m)** | **Subsidiaries of Tioman Island Resort Berhad** | | | | |
| * | Berjaya Hotels & Resorts (Singapore) Pte Ltd | Singapore | Hotel booking, marketing agent and investment holding | 100 | 100 |
| * | Tioman Golf Management Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| * | ANSA Hotels & Resorts Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| | **(i) Subsidiary of Berjaya Hotels & Resorts (Singapore) Pte Ltd** | | | | |
| | BHR Okinawa Management Godo Kaisha | Japan | Hotel management | 100 | - |
| **(n)** | **Subsidiary of Wisma Stephens Management Co Sdn Bhd** | | | | |
| * | Wujud Jaya Sdn Bhd | Malaysia | Dormant | 100 | 100 |

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held 2017 % | 2016 % |
|---|---|---|---|---|---|
| | **Associated Companies** | | | | |
| * | Asian Atlantic Holdings Limited | British Virgin Islands | Investment holding | 24.46 | 24.46 |
| * | AM Automotive (S) Pte Ltd | Singapore | Ceased to be dealer of "Aston Martin" vehicles | 49.90 | 49.90 |
| * | Bermaz Auto Philippines Inc. (formerly known as Berjaya Auto Philippines Inc.) | Philippines | Selling and distribution of Mazda brand cars within the territory of the Philippines | 25.48 | 35 |
| g* | Berjaya Assets Berhad | Malaysia | Investment holding | 14.61 | 14.09 |
| h* | Berjaya Kyoto Development (S) Pte Ltd | Singapore | Investment holding | 50 | 50 |
| * | Berjaya Land (Thailand) Company Ltd | Thailand | Property development and investment | 40 | 40 |
| | Berjaya Lottery Vietnam Limited | Labuan, Malaysia | Investment holding | 20 | 20 |
| * | Berjaya Property (Thailand) Company Ltd | Thailand | Dormant | 40 | 40 |
| * | Berjaya Pizza Philippines Inc. | Philippines | Development and operation of "Papa John's Pizza" chain of restaurants in the Philippines | 48.38 | 41.43 |
| * | BJ Bowl Sdn Bhd | Malaysia | Liquidated during the year | - | 20 |
| * | Cashsystems Asia Technology Sdn Bhd | Malaysia | Dormant, under liquidation | 30 | 30 |
| * | Centreplus Sdn Bhd | Malaysia | Dormant | 30 | 30 |
| * | Cosway Philippines Inc. | Philippines | Dormant | 40 | 40 |

g *The Group regards Berjaya Assets Berhad as an associated company as disclosed in Note 2.5(a)(ix).*

h *The Group regards Berjaya Kyoto Development (S) Pte Ltd as an associated company as disclosed in Note 2.5(a)(x).*

## 49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| | Name of Company | Country of Incorporation | Principal Activities | Equity Interest Held | |
|---|---|---|---|---|---|
| | | | | 2017 % | 2016 % |
| | **Associated Companies (Cont'd)** | | | | |
| * | Focus Equity Sdn Bhd | Malaysia | Dormant, under liquidation | 32.50 | 32.50 |
| # | Informatics Education Limited | Singapore | Investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators | 27.09 | 27.09 |
| * | Inter-Capital Holdings Pte Ltd | Singapore | Investment holding | 50 | 50 |
| * | Jaya Bowl Sdn Bhd | Malaysia | Under liquidation | 20 | 20 |
| * | Nubaru Tochi Kanri Godo Kaisya | Japan | Investment holding | 33 | 33 |
| * | Neptune Properties Inc. | Philippines | Engage in real estate business | 41.46 | - |
| * | Portsworth Holdings Pte Ltd | Singapore | Investment holding | 50 | 50 |
| * | Perdana Land Philippines Inc. | Philippines | Acquire, develop or lease real estate | 40 | 40 |
| * | Resort Cruises (S) Pte Ltd | Singapore | Dormant | 49 | 49 |
| * | Singapore Institute of Advanced Medicine Holdings Pte Ltd | Singapore | Investment holding | 21 | 30 |
| | Ssangyong Berjaya Motor Philippines Inc. | Philippines | Selling and distribution of SsangYong brand vehicles within the territory of the Philippines | 20 | 20 |
| * | Tioman Ferry Services Sdn Bhd | Malaysia | Dormant | 20 | 20 |

\# Audited by member firms of Ernst & Young Global
* Not audited by Ernst & Young or a member firm of Ernst & Young Global

## 50 SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised earnings/(losses), is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2017 RM'000 | 2016 RM'000 | 2017 RM'000 | 2016 RM'000 |
| Realised earnings | 413,043 | 229,379 | 715,299 | 752,013 |
| Unrealised earnings | 547,559 | 520,362 | 24,894 | 34,818 |
| | 960,602 | 749,741 | 740,193 | 786,831 |
| Share of results of associated companies * | 146,481 | 60,893 | - | - |
| Share of results of joint ventures * | (213,682) | (209,684) | - | - |
| | 893,401 | 600,950 | 740,193 | 786,831 |
| Less: Consolidation adjustments | (467,797) | (374,213) | - | - |
| | 425,604 | 226,737 | 740,193 | 786,831 |

* *It is not practical to segregate the share of results from associated companies and joint ventures to realised and unrealised earnings/(losses).*

The determination of realised and unrealised earnings is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD

(Incorporated in Malaysia)

**Report on the audit of the financial statements**

***Opinion***

We have audited the financial statements of Berjaya Land Berhad, which comprise the statements of financial position as at 30 April 2017 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 219.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2017, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

***Basis for opinion***

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Independence and other ethical responsibilities***

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

***Key audit matters (Cont'd)***

Impairment assessment of gaming rights with indefinite useful life

(Refer to summary of significant accounting policies in Note 2.2(6), significant accounting estimates and judgement in Note 2.5(b)(v), and the disclosure of gaming rights in Note 10 to the financial statements.)

Gaming rights with indefinite useful life amounting to RM3.76 billion is in respect of gaming rights held by the gaming segment in Malaysia. This represents 39% and 29% of non-current assets and total assets of the Group as at 30 April 2017 respectively.

Gaming rights with an indefinite useful life are subject to an annual impairment test. The Group estimates the recoverable amount of the cash generating unit ("CGU") based on value-in-use ("VIU"). Estimating the VIU of the CGU involves estimates made by the management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate.

The cash flow forecasts contain a number of significant judgements and estimates including estimates on revenue growth rate, payout ratio, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involved significant management's judgements about future market and economic conditions and changes in these assumptions might lead to a significant change in the recoverable amount of the CGU.

Arising from the impairment assessment, the Group has recognised an impairment loss of RM643 million in respect of the Malaysian gaming operations. The impairment of gaming rights was recognised in the statement of comprehensive income against the fair value reserve.

Our procedures to address this area of focus include, amongst others, the following:

- involved our internal valuation experts in reviewing the impairment assessment performed by management on the CGU;
- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amount of the CGU;
- evaluated the appropriateness of the methodology and approach applied, and considered whether they are commonly used in the industry;
- checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- evaluated whether key assumptions which comprise the revenue growth rate, payout ratio and terminal growth rate are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth;
- assessed whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates or equivalent data for peer companies; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes in the key assumptions to the recoverable amount.

***Key audit matters (Cont'd)***

Impairment assessment of gaming rights with indefinite useful life (Cont'd)

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions and sensitivities are included in Note 10.

Litigation relating to the property development project in Jeju Island, South Korea

(Refer to significant accounting estimates and judgement in Note 2.5(a)(viii), the disclosure of land held for development in Note 5, and material litigation in Note 40 to the financial statements.)

As disclosed in Note 40 to the financial statements, the Group has initiated legal proceedings against Jeju Free International City Development Center ("JDC") for breaches of certain terms and conditions stipulated in the Sale & Purchase Agreement entered into with JDC ("Land SPA") while claiming for losses and damages arising from those breaches ("Litigation"). The Group has incurred approximately RM604 million up to 30 April 2017 and has classified these costs under land held for development, which represents 6% and 5% of the non-current assets and total assets of the Group respectively. Recoverability of these costs is dependent on the favourable outcome of the Litigation against JDC.

We consider this to be an area of focus for our audit as the eventual outcome of the Litigation is uncertain and the position taken by the Directors involved significant judgement and estimation. In addition, the amounts involved are significant and may result in significant adjustments to the financial statements should the eventual outcome be unfavourable to the Group.

Our procedures to address this area of focus include, amongst others, the following:
- perused through the significant contract terms and conditions, including that of the Land SPA;
- interviewed the Directors and management to understand the basis of their conclusion in respect of this Litigation;
- assessed the legal counsels' objectivity and independence; and reviewed their credentials, qualifications, experience and reputation;
- evaluated the rationale and basis for the legal counsels' opinion by interviewing them to gain an understanding of the basis of their opinion including their knowledge relating to such litigations/claims in general;
- interviewed the component auditors on their basis of conclusion that the capitalised cost incurred is not impaired; and
- corroborated the legal counsels' assessment and the view of the component auditors, with an independent review by our global firm counterparts in South Korea.

We have also reviewed and assessed the completeness and accuracy of the Group's disclosures pertaining to the said Litigation as disclosed in Note 40.

***Key audit matters (Cont'd)***

Toto betting revenue and related cost of sales

(Refer to summary of significant accounting policies in Note 2.2(24)(ix), and the disclosure of revenue in Note 28 to the financial statements.)

The Group is involved in toto betting operations which revenue is derived from a large volume of individually insignificant transactions. The Group relies heavily on its information technology system to account for such revenue. During the year the Group recognised revenue of approximately RM3.12 billion from toto betting operations, which accounts for 49% of the Group's revenue. The related cost of sales from toto betting operations was RM2.49 billion, which accounts for 51% of the Group's cost of sales.

The amounts recognised for revenue and cost of sales from toto betting operations is a key audit matter because the amounts recognised are significant to the financial statements of the Group and they involve large volume of transactions which are processed by the Group's information technology systems.

Our procedures to address this area of focus include, amongst others, the following:
- obtained an understanding of the relevant internal controls over the process of recording of revenue and cost of sales;
- evaluated the operating effectiveness of the automated controls over revenue and cost of sales processes by involving our internal experts in testing the operating effectiveness of such automated controls. We also tested the accuracy of interface between the sales terminal system and the betting operating system, and related calculation of prize payment in the financial information system;
- evaluated the effectiveness of the non-automated controls in place to ensure the accuracy of revenue and cost of sales recognised, including the timely posting of revenue and cost of sales to the general ledger in financial information system;
- evaluated transactions recorded close to the year end, including draw sales after year end, to establish whether those transactions were recorded in the correct accounting period; and
- performed reconciliation of cash receipts to revenue recorded in the financial statements.

We have also reviewed and assessed the adequacy of the Group's disclosures relating to revenue and cost of sales.

Valuation of investment properties

(Refer to summary of significant accounting policies in Note 2.2(4), the disclosure of investment properties in Note 4, and fair value measurements in Note 43(a) to the financial statements.)

As at 30 April 2017, the carrying amount of investment properties amounted to RM740 million representing 8% and 6% of the Group's total non-current assets and total assets respectively.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

***Key audit matters (Cont'd)***

Valuation of investment properties (Cont'd)

Our procedures to address this area of focus include, amongst others, the following:

- assessed the objectivity, independence, reputation and expertise of the independent valuers;
- obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; and
- evaluated the appropriateness of the data used by the independent valuers as input into their valuations. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

We also reviewed and assessed the Group's disclosures relating to investment properties.

***Information other than the financial statements and auditors' report thereon***

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

***Responsibilities of the directors for the financial statements***

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Auditors' responsibilities for the audit of the financial statements (Cont'd)***

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 49 to the financial statements.

**Other reporting responsibilities**

The supplementary information set out in Note 50 on page 220 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants

LOW KHUNG LEONG
No. 02697/01/2019 J
Chartered Accountant

Kuala Lumpur, Malaysia
9 August 2017

# LIST OF MAJOR PROPERTIES
## as at 30 April 2017

| Location | Tenure | Size | Description | Estimated Age of Building | Date of Acquisition | Net carrying amount RM'000 |
|---|---|---|---|---|---|---|
| Yerae-dong, Seogwipo-si<br>Jeju Special Self-Governing Province, South Korea | Freehold | 9.14 hectares | Land held for development | N/A | 10.08.2009 | 604,254 |
| Lot 28 (GRN 20366)<br>Lot 403 (GRN 20428)<br>Lot 728 (GRN 18054)<br>Seksyen 2<br>Bandar Georgetown<br>Daerah Timor Laut<br>Pulau Pinang | Freehold | 55.37 acres | Land for mixed development | N/A | 31.03.2014 | 568,009 |
| Lot 352 Seksyen 20<br>Bandar Kuantan<br>District of Kuantan<br>Pahang Darul Makmur | Freehold | 5.46 acres | Shopping mall for rental | 19 years | 05.02.1991 | 270,004 |
| 14th, 15th Floors and Service Suites at Tower B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur | Freehold | 345,773 sq ft | 327 units of service suite | 14 years | 06.01.1998 } | 203,416 |
| Service Suites<br>at Tower A & B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur | Freehold | 136,497 sq ft | 181 units of service suite | 14 years | 13.03.2007 } | |
| Service Suites at Tower A<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur | Freehold | 21,765 sq ft | 32 units of service suite | 14 years | 01.07.2008 } | |
| B-35-013, Tower B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur | Freehold | 624 sq ft | 1 unit of service suite | 14 years | 01.07.2008 } | |
| Premises at<br>Ground Floor<br>14th & 16th Floors<br>Tower A & B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur | Freehold | 30,957 sq ft | Hotel lobby, function rooms and storage area | 14 years | 10.02.2010 } | |

| Location | Tenure | Size | Description | Estimated Age of Building | Date of Acquisition | Net carrying amount RM'000 |
|---|---|---|---|---|---|---|
| B44-04, Tower B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur | Freehold | 3,821 sq ft | Penthouse | 14 years | 08.05.2012 | |
| Land at District 10<br>Ho Chi Minh City<br>Vietnam | Leasehold<br>49 years expiring on 01.09.2059 | 66,388 sq m | Land for mixed development | N/A | 15.06.2010 | 179,646 |
| HS(D) 52466-68,<br>PT 4625-27<br>HS(D) 52471-75,<br>PT 4630-34<br>Mukim Sungai Tinggi<br>Daerah Ulu Selangor<br>Selangor Darul Ehsan | Freehold | 871.1 acres | Land for mixed development | N/A | 31.03.2017 | 155,002 |
| HS(D) 4/94, PT 278 | Leasehold expiring on 30.04.2069 | 85.83 acres | Beach resort (424 guest rooms/ chalets) | 24 years | 27.05.1994 | 127,294 |
| HS(D) 1017, PT 140 | Leasehold expiring on 29.03.2070 | | | | 30.03.2010 | |
| HS(D) 1018, PT 141<br>Mukim Padang Matsirat<br>Daerah Langkawi<br>Pulau Langkawi<br>Kedah Darul Aman | Leasehold expiring on 29.03.2070 | | | | 30.03.2010 | |
| Lot 558 | Freehold | 613.68 acres | Beach resort (183 guest rooms and a villa) | >21 years | Year 1990 | 126,636 |
| Lot 705<br>Lot 50000<br>Lot 50001<br>Lot 50002 | Leasehold<br>60 years expiring in year 2070 | | | | Year 2010 | |
| Lot 239, 240-242<br>PT 925, 926, 927<br>PT 928, 929<br>Teluk Dalam and Teluk Siang, Pulau Redang<br>Terengganu Darul Iman | Leasehold<br>60 years expiring in year 2051 | | | | 16.10.1993 | |

| Location | Tenure | Size | Description | Estimated Age of Building | Date of Acquisition | Net carrying amount RM'000 |
|---|---|---|---|---|---|---|
| Lot 5001 to 5020<br>PN 14706 to 14714<br>PN 14721 to 14731<br>Daerah Rompin<br>Bandar Tioman<br>Pulau Tioman<br>Pahang Darul Makmur | Leasehold<br>99 years expiring<br>on 02.05.2107 | 201.39 acres | Land for hotel and resort operations | 30 years | 30.12.1985 | 104,818 |
| Geran No. 29726<br>Lot 1261, Seksyen 67<br>Daerah Kuala Lumpur<br>(Plaza Berjaya, 12 Jalan Imbi<br>Kuala Lumpur) | Freehold | 161,405 sq ft | Land with office, residential block and shopping complex for rental | 31 years | 27.11.1989 | 104,520 |
| 312 parcels of land<br>at Onna-Son<br>Okinawa Island, Japan | Freehold | 103,438 sq m | Land held for development | N/A | Since 15.07.2009 | 98,518 |
| GM931 Lot 57<br>GM841 Lot 58.<br>Geran 26066 Lot 1<br>Geran 26067 Lot 2<br>GM 1772 Lot 49<br>Seksyen 94B<br>Mukim Kuala Lumpur | Freehold | 387,920 sq ft | Vacant development land | N/A | 03.05.2012 | 87,906 |
| Lot PT 4805, 4806<br>HS(D) 81319, 81320<br>Mukim Petaling<br>Kuala Lumpur | Freehold | 7,129,260 sq ft | Club house and golf course | > 25 years | 05.09.1991 | 85,524 |
| 10 parcels of land<br>at Uruma-shi<br>Okinawa Island, Japan | Freehold | 57,479 sq m | Land with hotel building (123 guest rooms) | 23 years | 30.03.2017 | 70,587 |
| 11th Floor<br>Berjaya Times Square<br>No. 1, Jalan Imbi<br>Kuala Lumpur | Freehold | 104,844 sq ft | 1 floor of office space of an integrated commercial development for rental | 14 years | 06.01.1998 | 65,556 |
| 13th Floor<br>Berjaya Times Square<br>No. 1, Jalan Imbi<br>Kuala Lumpur | Freehold | 106,315 sq ft | 1 floor of office space of an integrated commercial development for rental | 14 years | 06.01.1998 | 55,026 |
| 164-166 Sussex Gardens<br>London W2 1UD<br>United Kingdom | Freehold | About 3,926 sq ft | Hotel operation (46 guest rooms) | > 152 years | 29.09.2014 | 54,593 |

| Location | Tenure | Size | Description | Estimated Age of Building | Date of Acquisition | Net carrying amount RM'000 |
|---|---|---|---|---|---|---|
| 7835 Makati Avenue<br>Corner Eduque Street<br>Makati City, Philippines 1209 | Freehold | 586 sq m | Hotel<br>(223 guest rooms) | 16 years | 4.12.2009 | 54,143 |
| ANSA Kuala Lumpur<br>No. 101<br>Jalan Bukit Bintang<br>Kuala Lumpur | Leasehold<br>60 years expiring on 30.04.2062 | 22,852 sq ft | Hotel<br>(168 guest rooms) | > 38 years | 05.05.2008 | 53,384 |
| Lot 4916 (PT 1927)<br>Lot 5871 (PT 2055)<br>Mukim of Hulu Kelang,<br>District of Gombak<br>Taman Tun Abdul Razak<br>Ampang Jaya<br>Selangor Darul Ehsan | Leasehold<br>expiring on 17.06.2078 | 67.19 acres | Club house and golf course | 31 years | 1.10.1984 | 50,942 |
| HS(D) 11814, Lot 11527<br>Lot 1 to 8, Lot 49 to 55<br>Taman Tun Abdul Razak,<br>Ampang, Selangor Darul Ehsan | Freehold | 351,903 sq ft | Land held for development | N/A | 22.12.1990 | 50,109 |

**Note:**
The Group does not adopt a policy of regular revaluation of its properties except for investment properties which are stated at fair value.

# MATERIAL CONTRACTS

Other than as disclosed in Notes 13, 25, 30, 31, 32, 33, 34, 39, 41 and 47 to the financial statements, there are no subsisting material contracts entered into by Berjaya Land Berhad and its subsidiaries involving Directors and major shareholders.

# ADDITIONAL INFORMATION

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2017 amounted to RM657,000 (2016 : RM645,000).

The total number of employees of the Group at 30 April 2017 is 4,793 (2016 : 4,775).

# GROUP ADDRESSES

**BERJAYA HOTELS & RESORTS**

**Corporate Office**
Level 15 (West Wing)
Berjaya Times Square Hotel
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2142 9611
Fax : 603-2144 2526/2527
Email : bhr@berjayahotel.com
Website : www.berjayahotel.com

**MALAYSIAN HOTELS & RESORTS**

**Berjaya Tioman Resort**
Tioman Island Resort
P.O. Box 4, 86807 Mersing
Johor Darul Takzim
Tel : 609-419 1000
Fax : 609-419 1718
Email : tioman.rsvn@berjayahotel.com

**Berjaya Langkawi Resort**
Karong Berkunci 200
Burau Bay
07000 Langkawi
Kedah Darul Aman
Tel : 604-959 1888
Fax : 604-959 1886
Email : langkawi.rsvn@berjayahotel.com

**The Taaras Beach & Spa Resort**
P.O. Box 126, Main Post Office
20928 Kuala Terengganu
Terengganu Darul Iman
Tel : 609-630 8888
Fax : 609-630 8880
Email : reservation@thetaaras.com

**Berjaya Penang Hotel (formerly known as Georgetown City Hotel)**
1-Stop Midlands Park
Jalan Burmah
10350 Pulau Pinang
Tel : 604-227 7111
Fax : 604-226 7111
Email : pg.reservation@berjayahotel.com

**Berjaya Times Square Hotel, Kuala Lumpur**
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2117 8000
Fax : 603-2143 3352
Email : bth.rsvn@berjayahotel.com

**ANSA Kuala Lumpur**
101, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2146 5000
Fax : 603-2146 5001
Email : reservation@ansakualalumpur.com

**Redang Island Resort**
P.O. Box 106
20710 Kuala Terengganu
Terengganu Darul Iman
Tel : 609-630 8787
Fax : 609-630 8788
Email : reservation@redangislandresort.com

**OVERSEAS HOTELS & RESORTS**

**Berjaya Beau Vallon Bay Resort & Casino – Seychelles**
P.O. Box 550, Victoria
Mahe, Seychelles
Tel : 248-4287-287
Fax : 248-4247-943
Email : mahe.inquiry@berjayahotel.com

**Berjaya Praslin Resort – Seychelles**
Anse Volbert, Praslin, Seychelles
Tel : 248-4286-286
Fax : 248-4232-244
Email : praslin.rsvn@berjayahotel.com

**Berjaya Eden Park London Hotel – United Kingdom**
35-39, Inverness Terrace
Bayswater, London W2 3JS
United Kingdom
Tel : 44-20-7221-2220
Fax : 44-20-7221-2286
Email : info.london@berjayahotel.com

**Berjaya Hotel Colombo – Sri Lanka**
36, College Avenue, Mount Livinia
Sri Lanka
Tel : 94-11-273 9610
Fax : 94-11-273 3030
Email : reserve_bmrbh@sltnet.lk

**Sheraton Hanoi Hotel – Vietnam**
K5 Nghi Tam
11, Xuan Dieu Road
Tay Ho District, Hanoi
Socialist Republic of Vietnam
Tel : 84-24-3719 9000
Fax : 84-24-3719 9001
Email : reservations.hanoi@sheraton.com

**InterContinental Hanoi Westlake – Vietnam**
1A, Nghi Tam
Tay Ho District, Hanoi
Socialist Republic of Vietnam
Tel : 84-24-6270 8888
Fax : 84-24-6270 9999
Email : reservation.hanoi@ihg.com

**Four Seasons Hotel Kyoto**
445-3 Myohoin Maekawa-Cho
Higashiyama-Ku
Kyoto 605-0932
Japan
Tel : 81-75 541 8288
Fax : 81-75 541 8287
Email : contactus.kyoto@fourseasons.com

**Berjaya Makati Hotel – Philippines**
7835, Makati Ave., Corner Eduque Street
Makati City, Manila, Philippines 1209
Tel : 632-750 7500
Fax : 632-750 6783
Email : manila.inquiry@berjayahotel.com

**The Castleton Hotel, London – United Kingdom**
164-166 Sussex Gardens
London W2 1UD, United Kingdom
Tel : 44-20-7706-4666
Fax : 44-20-7706-2288
Email : info@castletonhotel.com

**CLUBS & RECREATION**

**Tioman Island Golf Club, Pahang**
P.O. Box 4
86807 Mersing
Johor Darul Takzim
Tel : 609-419 1000 (Ext 1574)
Email : tioman.golf@berjayahotel.com

**Bukit Banang Golf & Country Club, Johor**
1, Persiaran Gemilang
Bandar Banang Jaya
83000 Batu Pahat
Johor Darul Takzim
Tel : 607-428 6001
Email : banang@berjayaclubs.com

**Staffield Country Resort, Negeri Sembilan**
Batu 13, Jalan Seremban-Kuala Lumpur
71700 Mantin
Negeri Sembilan Darul Khusus
Tel : 603-8766 6117
Email : staffield@berjayaclubs.com

**Bukit Kiara Equestrian & Country Resort, Kuala Lumpur**
Jalan Bukit Kiara
Off Jalan Damansara
60000 Kuala Lumpur
Tel : 603-2093 1222
Email : kiara@berjayaclubs.com

**Bukit Jalil Golf & Country Resort, Kuala Lumpur**
Jalan Jalil Perkasa 3, Bukit Jalil
57000 Kuala Lumpur
Tel : 603-8994 1600
Email : jalil@berjayaclubs.com

**Kelab Darul Ehsan, Selangor**
Taman Tun Abdul Razak
Jalan Kerja Air Lama
68000 Ampang Jaya
Selangor Darul Ehsan
Tel : 603-4257 2333
Email : kde@berjayaclubs.com

**VACATION TIMESHARE & TRAVEL**

**Berjaya Vacation Club Berhad – Kuala Lumpur**
Lot 5-04, 5th Floor, Fahrenheit 88
179, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2116 9999
Fax : 603-2141 9288/2148 6879
Email : bvc@berjaya.com.my

**BERJAYA AIR SDN BHD**
**AIR JET PARTNERS MALAYSIA SDN BHD**
Lot AM1, Skypark Terminal
Sultan Abdul Aziz Shah Airport
47200 Subang
Selangor Darul Ehsan, Malaysia
Tel : 603-7847 1338
Fax : 603-7842 2038

**PROPERTY INVESTMENT & DEVELOPMENT**

**Main Office:**
Level 12 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2149 1999/2142 8028
Fax : 603-2143 2028/2145 2126
Email : property@berjaya.com.my

**Vietnam Office:**
**Berjaya VFC Ltd**
**Berjaya VIUT Ltd**
**Berjaya – D2D Co., Ltd**
6th Floor, Bao Viet Tower
233 Dong Khoi Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Socialist Republic of Vietnam
Tel : 84-28-3521 0038 (General)
84-28-3521 0001 (Marketing)
Fax : 84-28-3521 0039

**Berjaya – Handico12 Co., Ltd., Hanoi The Pavilion**
Ha Noi Garden City
Thach Ban Ward, Long Bien District
Hanoi, Socialist Republic of Vietnam
Tel : 84-24-3652 6666
Fax : 84-24-3652 6668

**China Office:**
**Berjaya (China) Great Mall Co. Ltd.**
38, Xing Gong West Street
Yanjiao Development Zone
065201 Sanhe City
People's Republic of China
Tel : 86-316-332 0309/332
Fax : 86-316-332 0310

**Korea Office:**
**Berjaya Jeju Resort Limited**
2572 Jungmun-dong
Seogwipo City
Jeju Special Self-Governing Province
697-120 Republic of Korea
Tel : 82-64-738 5030
Fax : 82-64-738 5033

# GROUP ADDRESSES

**PROPERTY INVESTMENT & DEVELOPMENT (CONT'D)**

**Property Management:**
Level 12 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2149 1591/92
Fax : 603-2143 8028
Email : propmgmt@berjaya.com.my

**Property Addresses:**

**Indah UPC Shops**
3½ Miles, Jalan Klang Lama
58000 Kuala Lumpur

**Kelang Lama New Business Centre**
**Gemilang Indah Apartments**
Jalan 2/110A
Batu 3½, Jalan Klang Lama
58200 Kuala Lumpur

**Pines Condominiums**
Jalan 116, Jalan Sultan Abdul Samad
Brickfields, 50470 Kuala Lumpur

**Ixora Apartments**
Jalan Rusa, Off Jalan Tun Razak
50400 Kuala Lumpur

**Robson Condominiums**
Jalan 2/87D, Robson Heights
Persiaran Syed Putra 2
50470 Kuala Lumpur

**1 Petaling Residences & Commerz @ Sg. Besi**
Jalan 1C/149, Off Jalan Sungai Besi
57100 Kuala Lumpur

**Petaling Indah Condominiums**
Jalan 1C/149
Off Jalan Sungai Besi
57100 Kuala Lumpur

**Sri Pelangi Condominiums**
**Sri Pelangi Shops & Apartments**
Jalan Genting Kelang, Setapak
53300 Kuala Lumpur

**Taman Cemerlang**
**Cemerlang Heights**
**Cemerlang Court**
**Cemerlang Apartment**
**Cemerlang Shop/Office/Apartment**
Jalan TC 1/5
Taman Cemerlang Gombak
53100 Kuala Lumpur

**Berjaya Park**
Seksyen 32, 40460 Shah Alam
Selangor Darul Ehsan

**Vasana 25**
**Seputeh Heights**
Jalan Bukit Seputeh 3
Taman Seputeh Heights
58000 Kuala Lumpur

**Subang Heights**
Jalan SHT/SHB
Taman Subang Heights
47500 Subang Jaya
Selangor Darul Ehsan

**The Peak @ Taman TAR**
Off Jalan Sultan
Taman Tun Abdul Razak
68000 Ampang
Selangor Darul Ehsan

**Greenfields Apartments**
**Green Avenue Condominiums**
Jalan 1/155B, Bukit Jalil
57000 Kuala Lumpur

**Arena Green Apartments**
**Residensi Lanai**
Jalan 1/55A, Bukit Jalil
57000 Kuala Lumpur

**Savanna Bukit Jalil Condominiums**
Jalan 1/155A, Bukit Jalil
57000 Kuala Lumpur

**Savanna 2 Bukit Jalil**
**Covillea Bukit Jalil**
Jalan Jalil Perkasa 7, Bukit Jalil
57000 Kuala Lumpur

**Jalil Link @ Bukit Jalil**
Jalan 1/155B, Bukit Jalil
57000 Kuala Lumpur

**The Link 2 @ Bukit Jalil**
Jalan Jalil Perkasa 1, Bukit Jalil
57000 Kuala Lumpur

**KM1 East & West Condominiums @ Bukit Jalil**
Jalan Jalil Perkasa, Bukit Jalil
57000 Kuala Lumpur

**Kinrara Ria Apartments**
Jalan TK 4/11
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

**Kinrara Putri Apartments**
Jalan TK 4/12
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

**Kinrara Low Cost Shops & Apartments**
Jalan TK 4/13
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

**Kinrara Mas Shops & Apartments**
Jalan TK 4/14
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

**PROPERTY INVESTMENT & DEVELOPMENT (CONT'D)**

**Kinrara Mas Low Cost Shops**
Jalan TK 4/13
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

**Kinrara Shops, Offices & Apartments**
Jalan TK 4/5
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

**Kuantan Perdana Shop Office**
Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur

**Batu Pahat Office:**
**Berjaya Land Development Sdn Bhd**
74 & 75, Jalan Gemilang
Taman Banang Jaya
83000 Batu Pahat
Johor Darul Takzim
Tel : 607-428 8678

**Penang Office:**
88 Jalan Masjid Negeri
11600 Pulau Pinang
Tel : 604-658 2828

**Singapore Office:**
**Berjaya Corporation (S) Pte. Ltd.**
680 Upper Thomson Road
#01-13 Singapore 787103
Tel : 602-6227 3688
Fax : 602-6225 4966

**COMPLEXES**

**Berjaya Megamall, Pahang**
Lot 3-18, 3rd Floor
Sri Dagangan Kuantan
Business Centre, Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur
Tel : 609-508 8188

**Plaza Berjaya, Kuala Lumpur**
Lot 2.05, 2nd Floor
Podium Block Plaza Berjaya
No. 12, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2141 2818

**Kota Raya Complex, Kuala Lumpur**
Lot 5.0A-1, Level 5
Kota Raya Complex
Jalan Tun Tan Cheng Lock
50000 Kuala Lumpur
Tel : 603-2072 2562

**GAMING & LOTTERY MANAGEMENT**

**Sports Toto Malaysia Sdn Bhd**
Lot 13-01, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2148 9888
Fax : 603-2141 9581
Email : webmaster@sportstoto.com.my
Website : www.sportstoto.com.my

**Natural Avenue Sdn Bhd**
Lot 8189 & 8190
Town East, Pending Road
93450 Kuching, Sarawak
Tel : 6082-333 666
Fax : 6082-330 188
Website : www.cashsweep.com.my

**International Lottery & Totalizator Systems, Inc., USA**
2310 Cousteau Court
Vista (San Diego)
California 92081 – 8346
USA
Tel : 1-760-598-1655
Fax : 1-760-598-0219
Email : mktg@ilts.com
Website : www.ilts.com

**Berjaya Philippines Inc.**
**Philippine Gaming Management Corporation**
9th Floor, Rufino Pacific Tower
6784 Ayala Ave., cor V.A. Rufino Street
Makati City
Metro Manila, Philippines
Tel : 632-811 0668
Fax : 632-811 2293
Website : www.berjaya.com.ph

**EDUCATION**

**Informatics Education Ltd**
**Informatics Campus**
133 Middle Road
#05-01 BOC Plaza
Singapore 188974
Tel : 65-6580 4555
Fax : 65-6565 1371
Website : www.informaticseducation.com

**MOTOR RETAILER**

**H.R. Owen Plc**
Melton Court
25-27 Old Brompton Road
London SW7 3TD
Tel : 44-20-7245 1122
Website : www.hrowen.co.uk

# RECURRENT RELATED PARTY TRANSACTIONS

## Of A Revenue Or Trading Nature for the year ended 30 April 2017

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiary companies:-** | | |
| BCorp | Management fees payable by BLand for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services | 400 |
| Berjaya Registration Services Sdn Bhd | Receipt of share registration, printing and mailing services by BLand Group | 46 |
| Berjaya Education Sdn Bhd | Receipt of education and staff training services by BLand Group | 173 |
| Berjaya Higher Education Sdn Bhd | Income payable by Berjaya Hospitality Services Sdn Bhd ("BHSSB") for renting of café at Level 14, East Wing, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 24 |
| | Rental receivable by Nural Enterprise Sdn Bhd ("NESB") for renting of Units 5.1, 5.2, 5.3, 5.6, 6.1, 6.6, 7.1, 7.2, 7.4, 7.5, 7.6, 8.1, 8.2, 8.6, 9.6, 10.2, 10.6, 11.2, 11.3, 11.4, 12.1, 12.2, 12.3, 13.1, 13.3 and 13.4 of Apartment Block, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur | 514 |
| | Rental receivable by Tiram Jaya Sdn Bhd for renting of Unit 8.5, 8th Floor of Apartment Block, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur | 27 |
| Changan Berjaya Auto Sdn Bhd | Rental income receivable by Klasik Mewah Sdn Bhd ("KMSB") for renting of premise at Lot 3, Jalan 225, Section 51A, Petaling Jaya, Selangor | 144 |
| Berjaya Krispy Kreme Doughnuts Sdn Bhd | Rental income receivable by Sri Panglima Sdn Bhd ("SPSB") for renting of shoplots at No. 1 & 9, Jalan Kinrara TK 4/13, Taman Kinrara, Seksyen 4, Puchong, Selangor | 43 |
| | Rental income receivable by SPSB for renting of shoplot at No. 3, Jalan Kinrara TK 4/13, Taman Kinrara, Seksyen 4, Puchong, Selangor | 19 |
| Bukit Tinggi Tours Sdn Bhd | Rental payable by BHSSB for renting of cars as transportation for long term hotel guests use at Berjaya Times Square Hotel, Jalan Imbi, Kuala Lumpur | 77 |
| Inter-Pacific Trading Sdn Bhd | Rental income receivable by NESB for renting of office at Lot 1.35A, 1st Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 32 |
| | Purchase of stationery products by BLand Group | 107 |
| Inter-Pacific Securities Sdn Bhd | Provision of security guard services by Berjaya Guard Services Sdn Bhd ("BGSSB") | 81 |
| | Rental income receivable by Nada Embun Sdn Bhd ("NEmbun") for renting of office at Lot 13-02, Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 1,092 |
| Prime Credit Leasing Sdn Bhd | Receipt of leasing and hire purchase facilities by BLand Group | 584 |
| Ambilan Imej Sdn Bhd | Rental payable by BLand for renting of office at Level 12, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 1,092 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiary companies:- (cont'd)** | | |
| Berjaya Books Sdn Bhd | Provision of security guard services by BGSSB | 27 |
| Cosway (M) Sdn Bhd | Rental income receivable by Cempaka Properties Sdn Bhd ("CPSB") for renting of shoplot at Lot G-67, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan. | 109 |
| | Wet lease charges receivable by Berjaya Air Sdn Bhd ("BAir") for aircraft leasing facilities | 960 |
| Kimia Suchi Marketing Sdn Bhd | Purchase of cleaning chemical products by the various hotels and resorts in BLand Group | 414 |
| Berjaya Hills Resort Berhad (formerly known as Berjaya Hills Berhad) | General marketing charges payable to Berjaya Hotels & Resorts (Singapore) Pte Ltd | 50 |
| BLoyalty Sdn Bhd | Loyalty reward charges payable by BLand Group | 148 |
| | Rental income receivable by NESB for renting offices at Lots 7A, 7B & 7C, 7th Floor , Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 26 |
| Stephens Properties Sdn Bhd | Rental payable by: | |
| | 1. Berjaya Golf Resort Bhd ("BGolf") for renting of storage space at Lots 20F, 22C, 22D, 22E, 26B & 26C, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur | 14 |
| | 2. Berjaya Land Development Sdn Bhd for renting of storage space at Lot 20E, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur | 2 |
| | 3. Pakar Angsana Sdn Bhd for renting of storage space at Lots 20B, C & D, 21D, 22B, 23F & 26D, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur | 15 |
| | 4. BLand for renting of storage space at Lots 19D, E & F, 25B, D & E and shoplot at Lot 6.07, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur | 31 |
| | 5. BGSSB for renting of offices at Lots 6.01, 6.02 & 6.03, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur | 78 |
| | 6. Tioman Island Resort Berhad for renting of storage space at Lot 22F, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur | 1 |
| | Provision of security guard services by BGSSB | 242 |
| Graphic Press Sdn Bhd | Provision of security guard services by BGSSB | 137 |
| E.V.A Management Sdn Bhd | Human resources management service fees payable by BLand Group | 34 |
| Total | | 6,743 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Bermaz Auto Berhad (formerly known as Berjaya Auto Berhad) and/or its unlisted subsidiary company:-** | | |
| Bermaz Motor Trading Sdn Bhd | Purchase of motor vehicles, component parts and other related products and services by the BLand Group | 67 |
| Total | | 67 |
| **Berjaya Sports Toto Berhad ("BToto") and its unlisted subsidiary companies:-** | | |
| BToto | Rental income receivable by NEmbun for renting of office at part of Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 286 |
| | Rental income receivable by Berjaya Langkawi Beach Resort Sdn Bhd ("BLangkawi") for renting of villa at Berjaya Langkawi Resort, Burau Bay, Pulau Langkawi, Kedah | 180 |
| FEAB Properties Sdn Bhd | Rental income payable by BLangkawi for renting of restaurant premises at Plot C, Teluk Burau, Padang Matsirat, Pulau Langkawi, Kedah | 115 |
| Sports Toto Malaysia Sdn Bhd | Provision of security guard services by BGSSB | 4,168 |
| | Rental income receivable by NEmbun for renting of office at Lot 13-01, Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 1,572 |
| | Rental income received by NESB:- | |
| | 1. Renting of apartment at Lot 5.4, 5th Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 19 |
| | 2. Renting of apartment at Lot 10.4, 10th Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 19 |
| BToto and its subsidiary companies | Dry lease charges receivable by BAir for aircraft leasing facilities | 1,500 |
| | Charter fees receivable by Berjaya Jet Charter Sdn Bhd for aircraft leasing facilities | 7,253 |
| Total | | 15,112 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Berjaya Assets Berhad ("BAssets") and its unlisted subsidiary companies:-** | | |
| Berjaya Times Square Sdn Bhd | Rental payable by: | |
| | 1. Budi Impian Sdn Bhd for renting of shoplots at Lots LG-73, 74 & 74A, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 242 |
| | 2. BLand for renting of offices at Lots 02-17 & 02-34, Level 2, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 379 |
| | 3. Marvel Fresh Sdn Bhd for renting of storage space at G-31, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 38 |
| | Provision of security guard services by BGSSB | 69 |
| BAssets | Management fees receivable by BLand for services rendered include inter-alia the provision of finance, corporate, secretarial and general administrative services | 240 |
| Berjaya Times Square Theme Park Sdn Bhd | Provision of security guard services by BGSSB | 217 |
| BTS Car Park Sdn Bhd | Parking charges paid by BLand Group for leasing of parking bays at Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 142 |
| Berjaya Assets Food (BAF) Sdn Bhd | Rental receivable by ANSA Hotel KL Sdn Bhd for renting of premise at Lot No.0.2, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur | 641 |
| Total | | 1,968 |
| **Berjaya Media Berhad and/or its unlisted subsidiary company:-** | | |
| Sun Media Corporation Sdn Bhd | Rental income receivable by Regnis Industries (M) Sdn Bhd ("Regnis") for renting of office at part of Ground Floor, 5th Floor and whole of 4th Floor and store room at basement level, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor | 573 |
| | Provision of security guard services by Regnis | 52 |
| | Receipt of advertising and publishing services by BLand Group | 35 |
| Total | | 660 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Berjaya Food Berhad and/or its unlisted subsidiary companies:-** | | |
| Berjaya Roasters (M) Sdn Bhd | Rental income receivable by CPSB for renting of shoplot at Lot G-83, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan | 67 |
| | Rental income receivable by CPSB for renting of shoplot at Lot G-29D, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan | 11 |
| | Rental income receivable by Kota Raya Complex Management Sdn Bhd for renting of signage at Lot G05, G06 and G07 at Kota Raya Complex, Jalan Tun Tan Cheng Lock, Kuala Lumpur | 6 |
| Berjaya Starbucks Coffee Company Sdn Bhd | Rental income receivable by: | |
| | 1. Kota Raya Development Sdn Bhd ("KRaya") for renting of Kiosk G1 at Ground Floor, Kota Raya Complex, Jalan Tun Tan Cheng Lock, Kuala Lumpur | 118 |
| | 2. NESB for renting of Kiosk I at Lower Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 15 |
| | 3. NESB for renting of shoplots at Lots 1.07 & 1.08, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 50 |
| | 4. CPSB for renting of shoplot at Lot G15, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan | 196 |
| | 5. CPSB for renting of storage space at Lot S2.B, 2nd Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan | 3 |
| | 6. NESB for renting of store room at Lot 3.04, 3rd Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 16 |
| | 7. ANSA Hotel KL Sdn Bhd for renting of premise at Lot 03, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur | 1,115 |
| | Provision of security guard services by BGSSB | 281 |
| Total | | 1,878 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **7-Eleven Malaysia Holdings Berhad ("SEM") and its unlisted subsidiary company:-** | | |
| 7-Eleven Malaysia Sdn Bhd *(a)* | Rental income receivable by: | |
| | 1. KMSB for renting of shoplot at Lot LG147, Lower Ground Floor, Sungei Wang Plaza, Jalan Sultan Ismail, Kuala Lumpur | 198 |
| | 2. Angsana Gemilang Sdn Bhd ("AGSB") for renting of shoplot at No.32G, Jalan Sultan Ismail, Kuala Lumpur | 340 |
| | 3. NESB for renting of shoplot at Kiosk II at Lower Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 65 |
| | 4. NESB for renting of offices at Lots 3.05, 3.35 & 3.36, 3rd Floor and Lot 4.01, 4th Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 747 |
| | 5. NESB for renting offices at Lots 5.01A&B, 5B, 5C, 5D & 5E, 5th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 359 |
| | 6. NESB for renting of office at Lot 1.05, 1st Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 95 |
| | 7. NESB for renting offices at Lots 3.01 & 3.02, 3rd Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 31 |
| | 8. NESB for renting office at Lot 5A, 5th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 22 |
| | 9. NESB for renting office at Lot 1.35B, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 43 |
| | 10. NESB for renting office at Suite 5F, Office Tower, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 24 |
| | 11. CPSB for renting of shoplots at G21, G22 & G22A, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan | 313 |
| | Parking charges receivable by NESB for leasing of parking bays at Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 3 |
| Total | | 2,240 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Other Related Parties:-** | | |
| Singer (Malaysia) Sdn Bhd ("Singer") *(a)* | Rental income receivable by Regnis for renting of: | |
| | 1. offices at Part of G/F, 1/F and 2/F, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor | 404 |
| | 2. offices at Part of 3/F, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor | 81 |
| | Provision of security guard services by BGSSB | 192 |
| | Purchase of products and services by the BLand Group | 708 |
| Berjaya Sompo Insurance Berhad *(b)* | Rental income payable by BHSSB for renting of service suites at A-18-18, 18th Floor, B-26-19, 26th Floor, B-30-12, 30th Floor and B-42-10, 42nd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 98 |
| | Rental income payable by BHSSB for renting of service suites at A-22-04 & A-22-07, 22nd Floor, B-26-20, 26th Floor and B-27-10, 27th Floor, B-28-08 & B-28-10, 28th Floor, B-29-08, 29th Floor, B-32-18, 32nd Floor and B-39-18, 39th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 402 |
| | Rental income payable by BHSSB for renting of service suites at A-17-08, 17th Floor and A-30-21, 30th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 62 |
| | Rental income receivable by NESB for renting of shoplot at Lots 2.03 & 2.04, 2nd Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 22 |
| | Rental income received by NESB for renting of shoplot at G027G, Ground Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 48 |
| | Parking charges receivable by NESB for leasing of parking at basement of Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 12 |
| U Mobile Sdn Bhd *(c)* | Rental income receivable by: | |
| | 1. Regnis for renting of rooftop at Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor | 29 |
| | 2. BGolf for renting of watchtower at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Kuala Lumpur | 51 |
| | 3. AGSB for renting of offices at 1st & 2nd Floor, No.32, Jalan Sultan Ismail, Kuala Lumpur | 219 |
| | 4. Bukit Kiara Resort Bhd ("BKiara") for renting of broadcasting facility at Bukit Kiara Equestrian & Country Resort, Off Jalan Damansara, Kuala Lumpur | 51 |
| | 5. Georgetown City Hotel Sdn Bhd for renting of rooftop at Georgetown City Hotel, Jalan Burmah, Pulau Pinang | 60 |

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries | Amount transacted during the financial year (RM'000) |
|---|---|---|
| **Other Related Parties:- (cont'd)** | | |
| U Mobile Sdn Bhd *(c)* (cont'd) | Rental income receivable by: (cont'd) | |
| | 6. Amat Muhibah Sdn Bhd for renting of broadcasting facility at Desa Water Park, Jalan Klang Lama, Kuala Lumpur | 18 |
| | Parking charges receivable by AGSB for leasing of parking bays at basement carpark, No.32, Jalan Sultan Ismail, Kuala Lumpur | 34 |
| | Parking charges received by NESB for leasing of parking at basement of Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 12 |
| | Provision of security guard services by BGSSB | 122 |
| Tai Thong Group Sdn Bhd *(d)* | Rental and commission receivable by: | |
| | 1. BKiara for renting of Oriental Pearl at Bukit Kiara Equestrian & Country Resort, Off Jalan Damansara, Kuala Lumpur | 543 |
| | 2. BGolf for renting of Oriental Pearl at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Kuala Lumpur | 870 |
| Songbird Amusement Sdn Bhd ("Songbird") *(e)* | Rental income receivable by NESB for renting of shoplots at Lots 2.35 & 2.36, 2nd Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 335 |
| Qinetics Solutions Sdn Bhd *(f)* | Receipt of information technology consultancy and management related services and purchase of networking equipment by BLand Group | 381 |
| Qinetics Services Sdn Bhd *(f)* | Receipt of information technology consultancy and management related services and purchase of networking equipment by BLand Group | 1,820 |
| Berjaya Radioshack Sdn Bhd ("BRadioshack") *(a)* | Provision of security guard services by BGSSB | 14 |
| Total | | 6,588 |
| Grand Total | | 35,256 |

Notes:

(a) A wholly-owned subsidiary of SEM which in turn is 36.91%-owned by Berjaya Retail Berhad ("BRetail"). Singer and BRadioshack are wholly-owned subsidiaries of BRetail which in turn is a wholly-owned subsidiary of Premier Merchandise Sdn Bhd, a wholly-owned subsidiary of Intan Utilities Berhad ("Intan"). Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") is deemed major shareholder of Intan.
(b) Associated company of BCorp.
(c) TSVT, the Chairman of U Mobile Sdn Bhd ("UMSB") is also a deemed major shareholder in UMSB.
(d) Wholly-owned subsidiary of Tai Thong Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of Diversified Kinetic Sdn Bhd ("DKSB"). Tan Sri Dato' Tan Chee Sing, a brother of TSVT, is a major shareholder of DKSB.
(e) A wholly-owned subsidiary of Perfect Patent Sdn Bhd. Ms Tan Choon Lui, a sister of TSVT, is a major shareholder of Songbird by virtue of her interest in Perfect Patent Sdn Bhd.
(f) Subsidiary companies of MOL.com Sdn Bhd ("MOL"). TSVT is a deemed major shareholder in these companies by virtue of his interest in MOL.

# STATEMENT OF DIRECTORS' SHAREHOLDINGS
## as at 17 July 2017

### THE COMPANY

| | No. of Ordinary Shares | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Dato' Ng Sooi Lin | 224,000 | 0.01 | – | – |
| Tan Thiam Chai | 40,000 | 0.00 | – | – |
| Datuk Robert Yong Kuen Loke | 360,808 | 0.01 | – | – |
| Nerine Tan Sheik Ping | 2,000,000 | 0.04 | – | – |
| Chryseis Tan Sheik Ling | 5,000,000 | 0.10 | – | – |

### ULTIMATE HOLDING COMPANY
### BERJAYA CORPORATION BERHAD

| | No. of Ordinary Shares | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Dato' Ng Sooi Lin | 136,681 | 0.00 | – | – |
| Tan Thiam Chai | 126,992 | 0.00 | 107,288 # | 0.00 |
| Datuk Robert Yong Kuen Loke | 1,051,545 | 0.02 | – | – |
| Chryseis Tan Sheik Ling | 202,910 | 0.00 | – | – |

| | No. of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Datuk Robert Yong Kuen Loke | 2,516,508 | 0.39 | – | – |
| Dato' Ng Sooi Lin | 16,666 | 0.00 | – | – |
| Tan Thiam Chai | 20,600 | 0.00 | 17,400 # | 0.00 |
| Nerine Tan Sheik Ping | 132,000 | 0.02 | – | – |
| Chryseis Tan Sheik Ling | 275,000 | 0.04 | – | – |

| | No. of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Dato' Ng Sooi Lin | 1,000 | 0.00 | – | – |
| Tan Thiam Chai | 1,000 | 0.00 | – | – |

| | Number of Warrants 2012/2022 | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Datuk Robert Yong Kuen Loke | 170,108 | 0.02 | – | – |
| Dato' Ng Sooi Lin | 16,666 | 0.00 | – | – |
| Tan Thiam Chai | 20,600 | 0.00 | 17,400 # | 0.00 |

| | Number of Warrants 2016/2026 | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Dato' Ng Sooi Lin | 1,000 | 0.00 | – | – |
| Tan Thiam Chai | 1,000 | 0.00 | – | – |

**RELATED COMPANIES**
**BERJAYA SPORTS TOTO BERHAD**

| | No. of Ordinary Shares | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Tan Thiam Chai | 172,284 | 0.01 | 133,165 # | 0.01 |
| Datuk Robert Yong Kuen Loke | 123,667 | 0.01 | – | – |

**BERJAYA FOOD BERHAD**

| | No. of Ordinary Shares | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Tan Thiam Chai | 445,800 | 0.12 | – | – |

| | No. of Ordinary Shares under Employees' Share Scheme ("ESS") * | | | |
|---|---|---|---|---|
| | Direct Interest | % | Deemed Interest | % |
| Number of ESS Options | | | | |
| Tan Thiam Chai | 320,000 | 0.09 | – | – |
| Number of ESS Shares | | | | |
| Tan Thiam Chai | 80,000 | 0.02 | – | – |

Save as disclosed, none of the other Directors of the Company has any interests in the shares, warrants and debentures of the Company or its related corporations as at 17 July 2017.

# Denotes indirect interest held pursuant to Section 59(11)(c) of the Companies Act, 2016.

* The ESS Options and ESS Shares were granted under the ESS approved by the shareholders of Berjaya Food Berhad at its Extraordinary General Meeting held on 5 October 2016.

# STATISTICS ON SHAREHOLDINGS
## as at 17 July 2017

### ANALYSIS OF SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| less than 100 | 327 | 5.85 | 6,682 | 0.00 |
| 100 - 1,000 | 1,210 | 21.63 | 588,872 | 0.01 |
| 1,001 - 10,000 | 2,283 | 40.82 | 11,811,886 | 0.24 |
| 10,001 - 100,000 | 1,500 | 26.82 | 43,597,804 | 0.87 |
| 100,001 - 249,469,699 | 271 | 4.84 | 4,112,015,852 | 82.42 |
| 249,469,700 * and above | 2 | 0.04 | 821,372,904 | 16.46 |
| **Total** | **5,593** | **100.00** | **4,989,394,000** | **100.00** |

Note: There is only one class of shares in the share capital of the Company. Each share entitles the holder to one vote.

* Denotes 5% of the total number of shares with voting rights in issue.

### THIRTY (30) LARGEST SHAREHOLDERS

| NO. | NAME OF SHAREHOLDERS | NO. OF SHARES HELD | (%) |
|---|---|---|---|
| 1 | **Juara Sejati Sdn Bhd** | 531,372,904 | 10.65 |
| 2 | **RHB Nominees (Tempatan) Sdn Bhd**<br>Bank Of China (Malaysia) Berhad Pledged Securities Account For Teras Mewah Sdn Bhd | 290,000,000 | 5.81 |
| 3 | **Citigroup Nominees (Asing) Sdn Bhd**<br>Macquarie Bank Limited (London Branch) | 246,000,000 | 4.93 |
| 4 | **Teras Mewah Sdn Bhd** | 174,452,984 | 3.50 |
| 5 | **RHB Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Juara Sejati Sdn Bhd | 161,928,096 | 3.25 |
| 6 | **HSBC Nominees (Asing) Sdn Bhd**<br>CS Sec (Europe) Ltd For PCM Industrial L.P. | 145,787,196 | 2.92 |
| 7 | **Citigroup Nominees (Asing) Sdn Bhd**<br>Goldman Sachs International | 129,404,924 | 2.59 |
| 8 | **Berjaya Corporation Berhad** | 126,820,000 | 2.54 |
| 9 | **CIMB Group Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account-CIMB Investment Bank Berhad For Bizurai Bijak (M) Sdn Bhd (SSCA-BGT) | 120,000,000 | 2.41 |
| 10 | **Alliancegroup Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd | 115,000,000 | 2.31 |
| 11 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Juara Sejati Sdn Bhd (414084-91161C) | 113,000,000 | 2.27 |
| 12 | **RHB Capital Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (Berjaya Corp) | 99,000,000 | 1.98 |
| 13 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Juara Sejati Sdn Bhd | 96,070,000 | 1.93 |
| 14 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Teras Mewah Sdn Bhd (51430112619A) | 90,000,000 | 1.80 |
| 15 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (414084-91161D) | 90,000,000 | 1.80 |

**THIRTY (30) LARGEST SHAREHOLDERS (cont'd)**

| NO. | NAME OF SHAREHOLDERS | NO. OF SHARES HELD | (%) |
|---|---|---|---|
| 16 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Sublime Cartel Sdn Bhd (41408491163A) | 78,000,000 | 1.56 |
| 17 | **CIMB Group Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account-CIMB Investment Bank Berhad For Juara Sejati Sdn Bhd (SSCA-BGT) | 76,500,000 | 1.53 |
| 18 | **RHB Nominees (Tempatan) Sdn Bhd**<br>Bank Of China (Malaysia) Berhad Pledged Securities Account For Inter-Pacific Capital Sdn Bhd | 75,000,000 | 1.50 |
| 19 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Teras Mewah Sdn Bhd | 70,970,000 | 1.42 |
| 20 | **Citigroup Nominees (Asing) Sdn Bhd**<br>Pledged Securities Account For Penta Master Fund, Ltd | 65,764,300 | 1.32 |
| 21 | **Affin Hwang Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Juara Sejati Sdn Bhd | 63,800,000 | 1.28 |
| 22 | **BBL Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Teras Mewah Sdn Bhd | 56,000,000 | 1.12 |
| 23 | **Maybank Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Berjaya Times Square Sdn Bhd | 55,881,000 | 1.12 |
| 24 | **RHB Nominees (Tempatan) Sdn Bhd**<br>Industrial And Commercial Bank Of China (Malaysia) Berhad Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd | 55,000,000 | 1.10 |
| 25 | **Affin Hwang Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Berjaya Corporation Berhad | 49,480,000 | 0.99 |
| 26 | **HSBC Nominees (Asing) Sdn Bhd**<br>Exempt An For Credit Suisse Securities (Europe) Limited | 48,354,700 | 0.97 |
| 27 | **CIMB Group Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (BCB CBM-C2-SBLC) | 48,000,000 | 0.96 |
| 28 | **Bizurai Bijak (M) Sdn Bhd** | 47,536,220 | 0.95 |
| 29 | **BBL Nominees (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Inter-Pacific Securities Sdn Bhd | 46,100,000 | 0.93 |
| 30 | **ABB Nominee (Tempatan) Sdn Bhd**<br>Pledged Securities Account For Berjaya VTCY Sdn Bhd (TL Facility) | 44,891,176 | 0.90 |
| | | **3,410,113,500** | **68.34** |

# SUBSTANTIAL SHAREHOLDERS

## as per Register Of Substantial Shareholders as at 17 July 2017

| Names of Substantial Shareholder | No. of Shares | | | | |
|---|---|---|---|---|---|
| | Direct | % | Indirect | % | Notes |
| Teras Mewah Sdn Bhd | 1,214,144,984 | 24.33 | 0 | 0.00 | |
| Juara Sejati Sdn Bhd | 1,241,691,000 | 24.89 | 417,833,612 | 8.37 | (a) |
| Bizurai Bijak (M) Sdn Bhd | 659,100,000 | 13.21 | 274,352,612 | 5.50 | (b) |
| Berjaya Capital Berhad | 0 | 0.00 | 274,352,612 | 5.50 | (c) |
| Berjaya Group Berhad | 23,030,000 | 0.46 | 3,532,769,596 | 70.81 | (d) |
| Berjaya Corporation Berhad | 191,564,000 | 3.84 | 3,555,799,596 | 71.27 | (e) |
| Tan Sri Dato' Seri Vincent Tan Chee Yioun | 62,232,800 | 1.25 | 3,871,165,072 | 77.59 | (f) |

Notes:

(a) Deemed interested by virtue of its interest in Berjaya Capital Berhad and its interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd and Berjaya Times Square Sdn Bhd.

(b) Deemed interested by virtue of its interest in Berjaya Capital Berhad.

(c) Deemed interested by virtue of its interests in Berjaya Sompo Insurance Berhad, Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Rantau Embun Sdn Bhd.

(d) Deemed interested by virtue of its 100% interests in Teras Mewah Sdn Bhd, Juara Sejati Sdn Bhd, Bizurai Bijak (M) Sdn Bhd and its interests in the related companies, namely Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Rantau Embun Sdn Bhd as well as its interests in Berjaya Sompo Insurance Berhad, Berjaya Times Square Sdn Bhd and Sublime Cartel Sdn Bhd.

(e) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.

(f) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, Hotel Resort Enterprise Sdn Bhd, B&B Enterprise Sdn Bhd and Berjaya VTCY Sdn Bhd and his interest in Berjaya Assets Berhad, the holding company of Berjaya Times Square Sdn Bhd and Sublime Cartel Sdn Bhd and his interest in HQZ Credit Sdn Bhd, the ultimate holding company of Desiran Unggul Sdn Bhd and Premier Merchandise Sdn Bhd.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 23 October 2017 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 April 2017 and the Directors' and Auditors' Reports thereon.

2. To approve the payment of Directors' fees amounting to RM160,000.00 to the Non-Executive Directors of the Company for the financial year ended 30 April 2017. **RESOLUTION 1**

3. To approve the payment of Directors' fees up to an amount of RM288,000.00 to the Non-Executive Directors of the Company for the period from 1 May 2017 until the next Annual General Meeting of the Company to be held in 2018. **RESOLUTION 2**

4. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM115,000.00 for the period from 31 January 2017 until the next Annual General Meeting of the Company to be held in 2018. **RESOLUTION 3**

5. To re-elect the following Directors retiring pursuant to Article 101 of the Company's Articles of Association:-

   a) Datuk Robert Yong Kuen Loke **RESOLUTION 4**
   b) Dato' Ng Sooi Lin **RESOLUTION 5**

6. To re-appoint Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as a Director of the Company. **RESOLUTION 6**

7. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 7**

8. As special business:-

   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** **RESOLUTION 8**

   "THAT, subject always to the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to 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 issued share capital 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."

8. As special business:- (cont'd)

To consider and, if thought fit, pass the following Ordinary Resolutions:- (cont'd)

**(ii) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **RESOLUTION 9**

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 24 August 2017 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution."

**(iii) Proposed Renewal of Authority for the Company to Purchase Its Own Shares** **RESOLUTION 10**

"THAT, subject always to the Companies Act, 2016, ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, 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 ("B-Land Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account 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 issued share capital of the Company;

2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

3. the authority shall commence immediately upon passing of this ordinary resolution until:-

    (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or

    (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or

    (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

    whichever occurs first;

AND THAT upon completion of the purchase(s) of the B-Land Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any B-Land Shares so purchased by the Company in the following manner:-

(a) cancel all the B-Land Shares so purchased; or

(b) retain all the B-Land 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."

**(iv) Proposed Retention of Independent Non-Executive Director** **RESOLUTION 11**

"THAT Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years."

By Order of the Board

THAM LAI HENG MICHELLE
(MAICSA 7013702)
Secretary

Kuala Lumpur
24 August 2017

**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 and Directors' Remuneration**

Section 230(1) of the CA 2016 provides that "fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolutions 1 to 3.

The quantum of the Directors' fees for each of the Non-Executive Directors for the financial year ended 30 April 2017 is the same as the previous financial year ended 30 April 2016. Following the re-designation of Dato' Ng Sooi Lin as a Non-Executive Director with effect from 1 January 2017, the Director's fee for Dato' Ng Sooi Lin was pro-rated from 1 January 2017 up to 30 April 2017.

The quantum of the Directors' fees proposed for the period from 1 May 2017 until the next AGM of the Company are also the same as the quantum paid for each of the Non-Executive Directors in the financial year ended 30 April 2017 and assuming that all the Non-Executive Directors will hold office until the end of the next AGM in 2018.

The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors for the Company comprises of meeting allowances.

In determining the estimated remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings.

The proposed Resolutions 2 and 3, if passed, is to facilitate the payment of Directors' fees and Directors' remuneration on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

In the event, where the payment of Directors' fees and Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

**3. Proposed re-appointment of Director**

Following the enforcement of the CA 2016 which came into force on 31 January 2017 repealing the Companies Act, 1965, a Director of a public company of or over the age of seventy (70) is no longer subject to retirement at the AGM.

At the previous Twenty-Sixth AGM held on 13 October 2016, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, who is over seventy (70) years of age has been re-appointed as a Director of the Company pursuant to Section 129(6) of the former Companies Act, 1965 to hold office until the conclusion of the Twenty-Seventh AGM in 2017.

The proposed Resolution 6, if passed, will confirm the appointment of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as a Director of the Company at this AGM without any further requirement for him to seek re-appointment in the future except that he will be subject to retirement by rotation pursuant to Article 101 of the Company's Articles of Association.

4. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   Resolution 8 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act, 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 issued share capital 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 Annual General Meeting of the Company.

   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 last Annual General Meeting held on 13 October 2016 and which will lapse at the conclusion of the Twenty-Seventh 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 future investment project(s), working capital and/or acquisitions.

5. **Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   Resolution 9, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out under Part A of the Circular/Statement to Shareholders dated 24 August 2017 which is despatched together with the Company's 2017 Annual Report.

6. **Proposed Renewal of Authority for the Company to Purchase its Own Shares**

   Resolution 10, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued share capital 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 24 August 2017 which is despatched together with the Company's 2017 Annual Report.

7. **Proposed Retention of Independent Non-Executive Director**

   Resolution 11 is proposed pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and if passed, will allow Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim to be retained and continue to act as an Independent Non-Executive Director and Chairman of the Company. The full details of the Board's justifications for the retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim is set out in the Statement on Corporate Governance in the Company's 2017 Annual Report.

8. **Proxy and Entitlement of Attendance**

   i) A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member.

   ii) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.

   iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.

   iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.

**8. Proxy and Entitlement of Attendance (cont'd)**

v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.

vi) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.

vii) Only members whose names appear in the Record of Depositors as at 13 October 2017 shall be entitled to attend and vote at the meeting.

**9. Poll Voting**

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

**BERJAYA LAND BERHAD (Company No. 201765-A)**

# FORM OF PROXY

I/We, ______________________________________________________________________________
*(Name in full)*

I.C. or Company No. ______________________________ CDS Account No. ______________________________
*(New and Old I.C. Nos. or Company No)*

of ______________________________________________________________________________
*(Address)*

being a member/members of BERJAYA LAND 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 Twenty-Seventh Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Monday, 23 October 2017 at 10.00 a.m. or 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 the financial year ended 30 April 2017 | | |
| RESOLUTION 2 | - To approve payment of Directors' fees for the period from 1 May 2017 until the next Annual General Meeting of the Company | | |
| RESOLUTION 3 | - To approve payment of Directors' remuneration (excluding Directors' fees) for the period from 31 January 2017 until the next Annual General Meeting of the Company | | |
| RESOLUTION 4 | - To re-elect Datuk Robert Yong Kuen Loke as Director | | |
| RESOLUTION 5 | - To re-elect Dato' Ng Sooi Lin as Director | | |
| RESOLUTION 6 | - To re-appoint Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as Director | | |
| RESOLUTION 7 | - To re-appoint Auditors | | |
| RESOLUTION 8 | - To approve authority to issue and allot shares | | |
| RESOLUTION 9 | - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions | | |
| RESOLUTION 10 | - To renew authority for the Company to purchase its own shares | | |
| RESOLUTION 11 | - To approve the proposed retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director | | |

| **No. of shares held** |
|---|
| |

…………………………………………………………..
Signature(s) /Common Seal of Member(s)

Dated this …………. day of ……………………, 2017.

Notes:

1. A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member.
2. A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
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4. An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
5. An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
6. The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
7. Only members whose names appear in the Record of Depositors as at 13 October 2017 shall be entitled to attend and vote at the meeting.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Fold this flap for sealing

Affix Stamp

**THE COMPANY SECRETARY**
**BERJAYA LAND BERHAD**

LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1, JALAN IMBI
55100 KUALA LUMPUR

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1st fold here

*For further information, please contact:*

**The Company Secretary**
**Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.**
**Tel: (6)03-2149 1999 Fax: (6)03-2143 1685**

**www.berjaya.com**