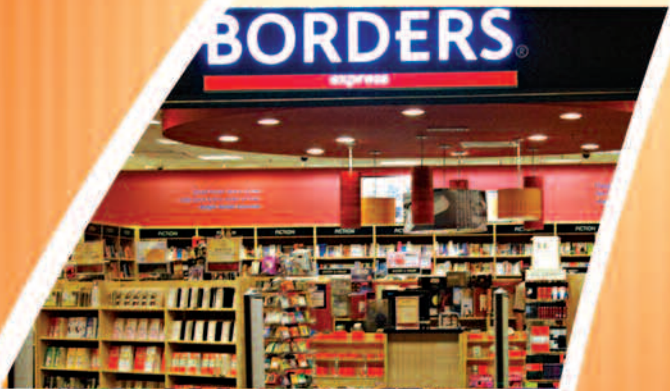
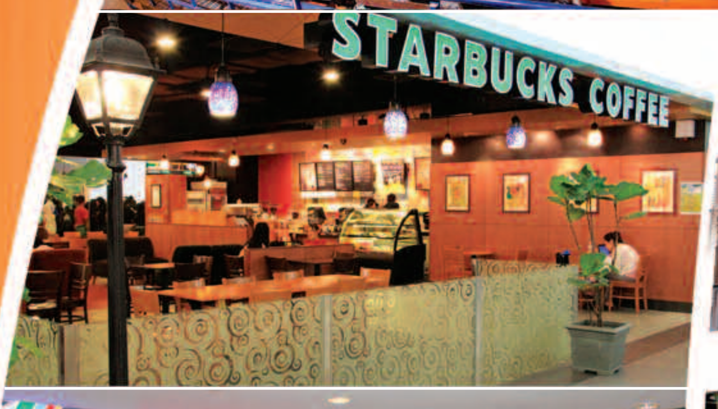
BERJAYA

BERJAYA ASSETS BERHAD

(Company No. 3907-W)

2013
annual report





CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

YAM Tunku Dato' Seri Shahabuddin
Bin Tunku Besar Burhanuddin
(Chairman)
Independent Non-Executive

Tan Thiam Chai
Executive Director

Datuk Lye Ek Seang
Executive Director

Chan Kien Sing
Non-Independent Non-Executive

Lim Meng Kwong
Non-Independent Non-Executive

Dato' Dickson Tan Yong Loong
Non-Independent Non-Executive

Datuk Robert Yong Kuen Loke
Independent Non-Executive

Heng Kiah Choong
Independent Non-Executive

Dato' Mohd Salleh Bin Ahmad
Independent Non-Executive

AUDIT AND RISK MANAGEMENT COMMITTEE

Heng Kiah Choong *(Chairman)*
Chan Kien Sing
Dato' Mohd Salleh Bin Ahmad

NOMINATION COMMITTEE

YAM Tunku Dato' Seri Shahabuddin
Bin Tunku Besar Burhanuddin
(Chairman)
Heng Kiah Choong
Dato' Mohd Salleh Bin Ahmad

REMUNERATION COMMITTEE

YAM Tunku Dato' Seri Shahabuddin
Bin Tunku Besar Burhanuddin
(Chairman)
Heng Kiah Choong
Dato' Mohd Salleh Bin Ahmad

SECRETARIES

Su Swee Hong
(MAICSA No. 0776729)
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

Deloitte KassimChan
Chartered Accountants
Level 19 Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

STOCK SHORT NAME

BJASSET (3239)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS

YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU BESAR BURHANUDDIN

D.K, S.P.T.J., AO (Australia)
78 years of age, Malaysian
Chairman
Independent Non-Executive

YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin was appointed to the Board as Chairman on 3 August 2009. He graduated with a Bachelor of Science (Economics) from Queens University of Belfast, Northern Ireland.

He began his career with Esso Malaysia Limited as an economic analyst and moved on as a Finance Manager in one of the finance company within Malayan Banking Group. Currently, he is the Executive Chairman and co-founder of Strateq Sdn Bhd (formerly known as Kompakar Inc Bhd) which is a leading technology provider offering scalable integrated solutions that has been instrumentally localised and expanding to countries in the Asia Pacific Region.

Amongst the accolades bestowed on Tunku are "Darjah Kerabat Terengganu Yang Amat Mulia Darjah Yang Pertama (D.K.)" by his Royal Highness the Sultan of Terengganu, DYMM Sultan Ismail Nasiruddin Shah; "Darjah Seri Paduka Tuanku Ja'afar Yang Amat Terpuji (S.P.T.J)" awarded by His Royal Highness The Yang Di-Pertuan Besar Negeri Sembilan, DYMM Tuanku Ja'afar; "Honorary Officer (AO) in the General Division of the Order of Australia" for service to Australian-Malaysian relations awarded by the Governor-General of the Commonwealth of Australia; and "Austrade International Award 2000" for outstanding contribution to Australia's international trading performance by a foreign individual based outside Australia.

Tunku is the Vice Chairman of Iris Corporation Berhad, a MSC Status company listed on the ACE Market of Bursa Malaysia Securities Berhad and involved in the business of technology consulting, implementation of digital identity and business solutions. He is a Director of Axis Reit Managers Berhad and several other private limited companies.

Tunku is the Chairman of the Nomination Committee and the Remuneration Committee.

TAN THIAM CHAI

54 years of age, Malaysian
Executive Director

He was appointed to the Board on 16 July 2008 and appointed as an Executive Director of the Company on 18 June 2009. He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tunku Abdul Rahman 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 the Berjaya Corporation 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 an Executive Director of Berjaya Land Berhad, a Director of Atlan Holdings Bhd, Berjaya Food Berhad, Magni-Tech Industries Berhad, Cosway Corporation Berhad, Indah Corporation Berhad, Cosway Corporation Limited, Hong Kong and Taiga Building Products Ltd, Canada.

He also holds directorships in several other private limited companies.

DATUK LYE EK SEANG

48 years of age, Malaysian
Executive Director

He was appointed to the Board as Independent Non-Executive Director on 19 April 2012. On 8 January 2013, he was appointed as an Executive Director of the Company.

He is the founding member of Sunzi Association of Malaysia. He holds a Bachelor of Science (Hons) degree in Mathematics from the University of Malaya. While in University of Malaya, he was "The Sportman of the Year" in 1998, founder and instructor of Persatuan Taekwando (WTF) University of Malaya. He joined the Rejimen Askar Wataniah (Reserved Officer Training Unit-ROTU) and was commissioned as Second Lieutenant by Duli Yang Maha Mulia Seri Paduka Baginda Yang Dipertuan Agong on 15 June 1989.

He was a Non-Independent Non-Executive Director and Audit Committee Member of Magna Prima Berhad from 16 July 2007 to 24 June 2009. He was also a Non-Independent Non-Executive Director of Ho Hup Construction Company Berhad from August 2008 and re-designated as Deputy Executive Chairman from December 2008 until March 2010.

Currently, he is an Executive Director of Berjaya Times Square Sdn Bhd and a Director of Cardiff City Football Club. He is also a Non-Independent Non-Executive Director of Minetech Resource Berhad and a Trustee of Tropicana Foundation. He also sits on the Board of several other private limited companies involved in manufacturing, television program production and distribution, biotechnology and property development.

CHAN KIEN SING

57 years of age, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board on 9 April 2001. He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articled with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad.

Currently, he is an Executive Director of Berjaya Corporation Berhad, Berjaya Sports Toto Berhad and Berjaya Media Berhad. He is the Managing Director of Sun Media Corporation Sdn Bhd and the Chief Executive Officer of 7-Eleven Malaysia Sdn Bhd. He also sits on the boards of Berjaya Times Square Sdn Bhd, Berjaya Group Berhad, Berjaya Capital Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad, Berjaya Retail Berhad, 7-Eleven Malaysia Holdings Berhad (formerly known as Seven Convenience Berhad), International Lottery & Totalizator Systems Inc, United States of America and several other private limited companies.

He is a member of the Audit and Risk Management Committee.

PROFILE OF DIRECTORS

LIM MENG KWONG

60 years of age, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board on 7 May 2003. He is a member of Malaysian Institute of Accountants and holds a Master's degree in Business Administration from the Cranfield Institute of Management, United Kingdom.

Currently, he is the Special Projects Director and was previously the Head of the Group Investment Division of Berjaya Corporation Berhad holding the position as Senior General Manager. Prior to joining Berjaya Corporation Berhad, he was working in the Corporate Finance Division in a leading local merchant bank and has various financial and audit experience, both in Malaysia and the United Kingdom.

He is the President of Berjaya Philippines Inc. and a Director of Tien Wah Press Holdings Berhad. He also holds directorships in various subsidiaries of Berjaya Assets Berhad and Berjaya Corporation Berhad.

DATUK ROBERT YONG KUEN LOKE

61 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board on 9 April 2001. He is a Fellow member of The Institute of Chartered Accountants in England and Wales and a member of The Institute of Certified Public Accountants of Singapore and the Malaysian Institute of Accountants. He is also a Council Member of 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 for more than five years with chartered accounting firms. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. From 1983 to 1986, he served as 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 Land Berhad and Berjaya Sports Toto Berhad.

DATO' DICKSON TAN YONG LOONG

32 years of age, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board on 19 April 2012. He graduated with a Bachelor of Science (Honours) degree in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom in 2003.

He started his career with CIMB Securities Sdn Bhd as an Equities Analyst in 2004 and joined Dijaya Corporation Berhad (now known as Tropicana Corporation Berhad) as Business Development Manager in 2005. He is presently the Group Managing Director of Tropicana Corporation Berhad ("Tropicana") and he is currently overseeing group corporate strategy, planning and risk management of the Tropicana group of companies. He is also a Director of several other local and international private limited companies involved in manufacturing, services, media, leisure, retail, property development and property investment.

He also holds directorships in Tropicana Golf & Country Resort Berhad, TT Resources Berhad, Berjaya Corporation Berhad, Berjaya Land Berhad and Berjaya Sports Toto Berhad.

He is affiliated with certain non-profit organisations, including as a trustee of Tropicana Foundation, a member of the Kuala Lumpur Business Club and a member of the Malaysian Institute of Management.

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

He was appointed to the Board on 27 February 2001. He started his sports-related business upon completion of his secondary education in 1966. Currently, he is the Managing Director of Sai (M) Sdn Bhd, overseeing the overall management of the graphic design and Sports Event Management departments. He has extensive interest in sports-related business and activities. He is currently the Senior Vice-President of the Malaysian Tenpin Bowling Congress, Deputy President of Kuala Lumpur Tenpin Bowling Congress and Marketing Committee of Olympic Council of Malaysia, Board Member of Tun Hussein Onn Eye Hospital, Council Member of Malaysia Blind Association and the Chairman of the Rehabilitation and Recreation for the Disabled, Selangor. His company is the marketing representative of the International Sepak Takraw Federation responsible in the marketing and promotion of sepak takraw and distribution of sepak takraw equipment.

He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and the Remuneration Committee.

HENG KIAH CHOONG
64 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board on 28 March 2005. He graduated with a degree in Bachelor of Arts (Second Class Honours), University of Malaya. He began his career with the Ministry of Finance as Assistant Secretary in 1966. He was promoted to Principal Assistant Secretary in 1969 and was the Deputy Head of Division prior to his departure in 1988. Thereafter, he joined the Ministry of Defence and was the Director of Establishment and Services. He was appointed as the Chief Executive Officer of Koperasi Serbaguna Anak-Anak Selangor Berhad (KOSAS) in 1991 until January 2005. He also holds directorships in several private limited companies.

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

DATO' MOHD SALLEH BIN AHMAD
71 years of age, Malaysian
Independent Non-Executive Director

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; and
3. any conviction for offences within the past 10 years other than traffic offences.

CHAIRMAN'S STATEMENT

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF BERJAYA ASSETS BERHAD ("BASSETS") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013.

FINANCIAL RESULTS

For the financial year ended 30 June 2013, the Group registered a revenue of RM361.6 million as compared to a revenue of RM331.4 million in the previous year. The increase in revenue was mainly contributed by its principal subsidiary, Berjaya Times Square Sdn Bhd ("BTSSB") which consolidated the revenue contributed by Berjaya Waterfront, Johor Bahru properties (formerly known as The Zon Johor Bahru) with the completion of its acquisition on 15 March 2013. Natural Avenue Sdn Bhd ("NASB") also recorded an improvement in ticket sales as a result of having a higher number of draws in the financial year under review compared to the previous year.

The Group registered a pre-tax profit of RM70.8 million for the financial year under review compared to RM201.3 million in the previous year. The lower pre-tax profit under review was mainly due to the lower favourable fair value adjustment of investment properties, the impairment losses of quoted investments and the lower gain registered on disposal of certain investment properties. The decrease in Group pre-tax profit was partly mitigated by the higher profit contribution from both the gaming and property development and investment business segments.

DIVIDEND

For the financial year ended 30 June 2013, the Board recommended a final dividend of 2 sen per ordinary share of RM1.00 each less 25% income tax for the approval of shareholders at the forthcoming annual general meeting.

SIGNIFICANT CORPORATE DEVELOPMENT

On 10 April 2012, BAssets announced that its 100%-owned subsidiary, Berjaya Waterfront Sdn Bhd (formerly known as Pesaka Ikhlas (M) Sdn Bhd) ("BWSB"), had entered into 3 conditional sale and purchase agreements ("SPA") for the following:

i) The acquisition by BWSB from Atlan Technology Sdn Bhd ("ATSB") of its remaining lease interest in a parcel of vacant land measuring about 4.899 acres held under title H.S (D) 19350, PTB 10710, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM32.01 million ("ATSB SPA");

ii) The acquisition by BWSB from Darul Metro Sdn Bhd ("DMSB") of its remaining lease interest in 6 parcels of land measuring about 14.122 acres held under title H.S. (D) 19348, PTB 10707, PTB 20380, PTB 20438, PTB 20006, PTD 146378 and PTD 148062, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor with an integrated commercial development known as "The Zon Johor Bahru" (now known as "Berjaya Waterfront") erected thereon for a cash consideration of RM325.00 million ("DMSB SPA"); and

iii) The proposed acquisition by BWSB from Kelana Megah Sdn Bhd of its intended lease interest in a parcel of vacant land measuring about 4.285 acres held under Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM27.99 million ("KMSB SPA").

BTS received an award from Guinness World Records for the World's Largest Capsule Vending Machine.

Berjaya Waterfront, Johor Bahru

On 15 March 2013, BWSB completed the acquisitions relating to ATSB SPA and DMSB SPA. The conditions precedent in the KMSB SPA are still pending fulfilment.

PROPERTY INVESTMENT AND DEVELOPMENT

BTSSB is the principal subsidiary of BAssets that operates the property investment and development business segment. It owns and manages Berjaya Times Square ("BTS") mall. BTS is acknowledged as Malaysia's largest inner-city shopping cum leisure mall with a gross built-up area of 7.5 million square feet on a 10-acre piece of land. An international landmark that is popular amongst the middle income and mass markets, BTS comprises a 12-level shopping mall, two 46-storey towers of service suites and hotel, 5 levels of basement and 10 floors of annexed car parks.

Entering its tenth year of operations, BTS continues to achieve a progressive increase in its occupancy rate. As of June 2013, its occupancy rate stands at 88% with a total 3.2 million lettable square feet inclusive of car park.

BTSSB has three main operating subsidiary companies: BWSB which owns and manages Berjaya Waterfront, Johor Bahru (formerly known as The Zon Johor Bahru), BTS Car Park Sdn Bhd which owns the car parks at BTS and Berjaya Times Square Theme Park Sdn Bhd which owns and operates the indoor theme park at BTS.

BTS, a 12-level stratified shopping mall measures approximately 3.5 million square feet in area size and houses:

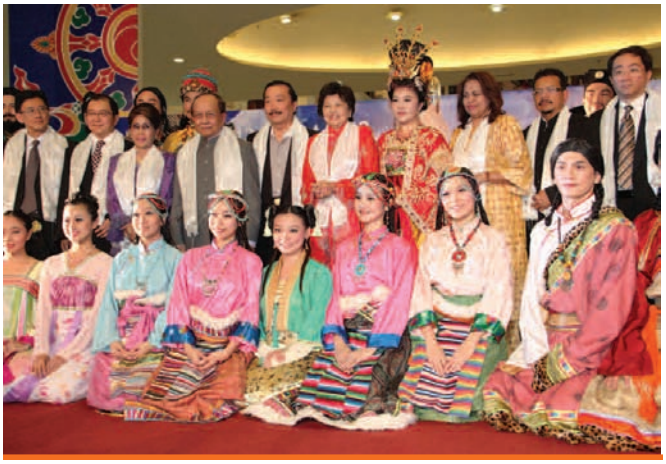
- More than 1,000 units of strategically selected retail shops and food and beverage outlets
- 3 themed retail districts (Central Park, 1st Avenue and Tiny Taipei)
- Malaysia's largest indoor theme park, named Berjaya Times Square Theme Park
- An IT centre
- A 9-screen Cineplex and the country's largest 3D digital hall

During the year, BTS received several awards for the Biggest Blossom Tree Replica in Malaysia, the First Motion Sensor Grand Musical Stairs by Malaysia Book of Records, and the World's Largest Capsule Vending Machine by Guinness World Records™. BTS also launched two themed retail districts, namely Central Park and Tiny Taipei.

In a strategic move, BTSSB acquired the prominent The Zon Johor Bahru on 15 March 2013. Currently, a rebranding exercise is underway to launching the property's new name, Berjaya Waterfront. Spreading over 18 acres of prime land, the property boasts a direct seafront and is a full-fledged integrated leisure development catering to the middle to mass markets and tourists.

Hui Lau Shan, Hong Kong based healthy dessert store whose initials mean 'Health, Leisure and Style'.

Adidas Concept Store has a wide array of quality products for consumers.



Launch of Princess Wen Cheng, The Musical at BTS.

GAMING

The gaming business segment of BAssets is operated by its subsidiary company, Natural Avenue Sdn Bhd ("NASB"). NASB is the exclusive agent for Sarawak Turf Club's Special Cash Sweep Number Forecast Lotteries. NASB conducts two games drawn three times weekly which are the 1+3D BIG/SMALL and the 3D BIG and currently has 74 ticketing outlets in Sarawak.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year under review, BAssets and its subsidiaries supported various CSR initiatives.

On 23 February 2013, BTS was the venue sponsor for Berjaya Founder's Day, an annual event organised by the Berjaya Corporation Group of Companies ("BCorp Group"), in honour of its founder, Tan Sri Dato' Seri Vincent Tan ("TSVT"). At this year's event, TSVT via Better Malaysia Foundation and the BCorp Group via Berjaya Cares Foundation contributed a total of RM20.2 million to 74 non-profit and charitable organisations.

Hong Kong singer, Leo Ku during his promo tour.

BTS was also the venue host for several charity and community events such as Malaysia Social Media Week 2012, International Persons With Disabilities (OKU) Day, Princess Wen Cheng – The Musical Launch, AND1 3x3 Streetball Challenge 2012, Canon Photo Marathon Malaysia 2012, Aston Martin Showcase, Skyfall Gala Movie Premiere, CZ12 Movie Launch featuring special appearance by Jackie Chan, and the 17th International & 1st Chinese Chess Competition for the Disabled.

NASB's CSR programmes included the contribution of an annual donation of RM300,000 to Sarawak Turf & Equestrian Club Kidney Foundation to assist the underprivileged suffering from renal failure to undergo dialysis at various dialysis centres in Kuching, Miri and Sibu.

During the Chinese New Year, NASB hosted the CASHSWEEP Annual Charity Event in Kuching, where donations and angpows were distributed to 800 residents from 20 charitable organisations throughout Sarawak.

NASB continued to sponsor the Kuching CASHSWEEP Martial Arts Display which aims at promoting greater understanding among multi-racial and multi-cultural population as well as cultivating goodwill and the spirit of 1Malaysia.

In addition, NASB also sponsored the Padawan Raft Safari during its Padawan Festival celebration which had 400 local and foreign participants.

BTS was the venue sponsor for Berjaya Founder's Day 2013.

Several awards were presented to Sales Outlets, ticketing clerks and staff at the NASB Annual Appreciation Nite 2013.

FUTURE OUTLOOK

Malaysia's gross domestic product (GDP) grew 4.3% at the second quarter of 2013 and is likely to remain resilient driven by the domestic demand and implementation of projects under the Economic Transformation Programme ("ETP"). The retail industry is foreseen to be challenging with the emergence of new malls and shops. With the launch of Visit Malaysia Year 2014 this year, the tourism industry will see an increase of tourists in the country which will help boost the country's economy.

Against this scenario, BTS continues to maintain its position as one of the leading retail shopping centres in Kuala Lumpur and will continue to create and promote more exciting events and activities to attract more shoppers and visitors.

The gaming business under NASB is expected to maintain a steady growth. NASB will further enhance its customer service and step up its promotion and public relation activities to further improve customers' confidence in CASHSWEEP's products.

APPRECIATION

Our success in 2013 is made possible through the dedication and commitment of our management, employees and agents. The Board would like to extend its appreciation to our customers, business associates, financiers, shareholders, retailers and regulatory authorities for their continuous support and co-operation.

Dato' Chan Tien Ghee had stepped down as a Director and Deputy Chairman of the Company with effect from 31 January 2013. The Board wishes to express their thanks and sincere appreciation for his contributions towards the Group.

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

YAM Tunku Dato' Seri Shahabuddin
Bin Tunku Besar Burhanuddin
Chairman

17 October 2013

NASB's CASHSWEEP Charity Event 2013 held at Kuching in conjunction with Chinese New Year.

NASB donated RM10,000 to Padawan Raft Safari, organised during the Padawan Festival by the Padawan Municipal Council.

主席报告

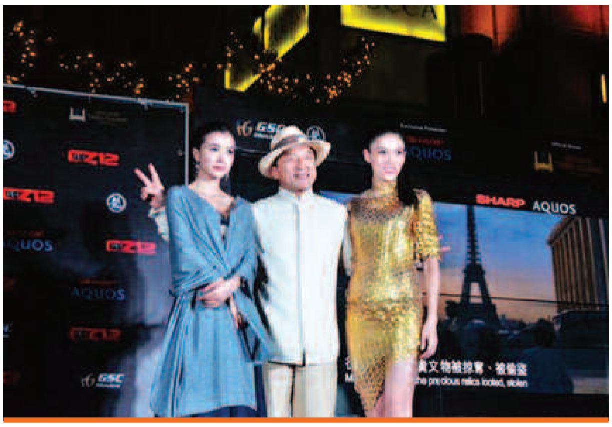
我谨代表董事部，欣然提呈成功资产有限公司(“成功资产”)截至 2013 年 6 月 30 日之财政年度的年度报告及财务报告。

财务业绩

在截至 2013 年 6 月 30 日的财政年度，本集团取得RM3 亿 6 千 1 百 60 万的营业额相比之下，前一年的营业额为 RM3 亿 3 千 1 百 40 万。营业额增长的主要原因是其主要子公司成功时代广场私人有限公司(“BTSSB”)在 2013 年 3 月 15 日完成收购新山的Berjaya Waterfront (前称 The Zon Johor Bahru)，而综合了该产业所贡献的收益。与前一年相比之下，Natural Avenue 私人有限公司(“NASB”)在受检讨年度举行更多次开彩而取得更高的博彩业务收益。

本集团在受检讨的财政年取得 RM7 千零 80 万的扣税前盈利，相较于前一年的RM2 亿零 1 百 30 万。受检讨年度的扣税前盈利减少主要是因为投资产业公平价值升幅较去年低，挂牌投资的减值损失和脱售某些投资产业取得较低的赚益。本集团扣税前盈利之减少幅度因博彩和产业发展及投资业务领域贡献更高盈利而局部减轻。

康宁药剂(Caring Pharmacy)，一家售卖各种护肤品和个人护理产品，并拥有全职药剂师的概念店。



成龙登台亮相的 CZ12 电影推介礼。

股息

在截至 2013 年 6 月 30 日的财政年度，董事部建议派发每一 RM1.00 普通股 2 分扣 25% 所得税的年终股息，并将在来届股东年度大会上寻求股东批准。

重大企业发展

在 2012 年 4 月 10 日，成功资产宣布其独资子公司 Berjaya Waterfront 私人有限公司 (前称 Pesaka Ikhlas (马) 私人有限公司) (“BWSB”)，已签署 3 项附条件的买卖协议以进行以下活动:

i) 由 BWSB 向 Atlan Technology 私人有限公司(“ATSB”)收购后者在一幅面积大约 4.899 英亩地段的剩余租赁权益，该地段的地契号码为 H.S (D) 19350, PTB 10710, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor，现金代价为RM3 千 2 百 01 万(“ATSB 收购协议”)

ii) 由 BWSB 向 Darul Metro 私人有限公司(“DMSB”) 收购后者在六幅面积大约 14.122 英亩地段的剩余租赁权益，这些地段的地契号码为 H.S. (D) 19348, PTB 10707, PTB 20380, PTB 20438, PTB 20006, PTD 146378 和 PTD 148062, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor，和座落在该地段上的一项称为 “The Zon Johor Bahru” (现称为 “Berjaya Waterfront”) 的综合商业发展计划，现金代价为RM3 亿 2 千 5 百万 (“DMSB 收购协议”)；以及

iii) 由 BWSB 建议向 Kelana Megah 私人有限公司收购后者在一幅面积大约 4.285 英亩空置地段的有意租赁权益，地段号码为 PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor，现金代价为 RM2 千 7 百 99 万 (“KMSB SPA”)。

在 2013 年 3 月 15 日，BWSB 已完成 ATSB 和 DMSB 收购计划，而KMSB SPA 中的一些先决条件则有待履行。

产业投资和发展

BTSSB 乃是成功资产旗下经营产业投资和发展业务的主要子公司。它拥有和经营成功时代广场(“BTS”)购物中心。成功时代广场备受认同为马来西亚最具规模的城内购物与休闲广场，总建筑面积广达 7 百 50 万方尺，地段面积为 10 英亩。作为一个备受中产阶级和大众欢迎的国际地标，成功时代广场拥有一座 12 层购物广场，两座 46 层的服务式套房和酒店大楼，5 层地下室和 10 层附属停车场。

在今年欢庆运营十周年的成功时代广场的其出租率继续更上一层楼。截至 2013 年 6 月为止，其出租率企稳于 88%，包括停车场在内的可出租总面积为 3 百 20 万方尺。

BTSSB 拥有三家主要的运营子公司：BWSB，它拥有和经营新山的 Berjaya Waterfront (前称 The Zon Johor Bahru)，BTS Car Park 私人有限公司，成功时代广场的停车场，以及成功时代广场乐园私人有限公司，拥有和经营成功时代广场的室内主题乐园。

成功时代广场是一栋 12 层的分层购物中心，面积大约 3 百50 万方尺，内有:

- 超过 1,000 单位地点具策略性的零售店和饮食店
- 3 个主题零售区域 (Central Park, 1st Avenue 和小台北)
- 马来西亚最大型的室内主题乐园，称为成功时代广场主题乐园
- 一个 IT 中心
- 拥有 9 个银幕的迷你戏院和国内最大型的 3D 数码电影院

在本年度，成功时代广场的马来西亚最大棵复制 Blossom 花树赢得多个奖项，第一个运动感应大型音乐楼梯挤入马来西亚纪录大全，而世界最大型的胶囊贩卖机也缔造了健力士世界纪录。成功时代广场也开辟了两个主题零售区域，即 Central Park 和小台北。

BTSSB 展开一项策略性行动，于 2013 年 3 月 15 日收购了著名的 The Zon Johor Bahru。该产业正在进行一项重新塑造品牌计划以推介其新名称，即 Berjaya Waterfront。座落于超过 18 英亩首要地段的产业别具直接面海优势，乃是一家全方位综合休闲发展计划，以迎合中产阶级乃至大众和旅客的需求。

博彩

成功资产的博彩业务是由其子公司 Natural Avenue 私人有限公司(“NASB”)经营。NASB 是砂拉越马会之 Special Cash Sweep Number Forecast Lotteries 的独家代理。NASB 举办每个星期三次的两种博彩游戏，即 1+3D BIG/SMALL 和 3D BIG，目前在砂拉越拥有 74 家彩票分店。

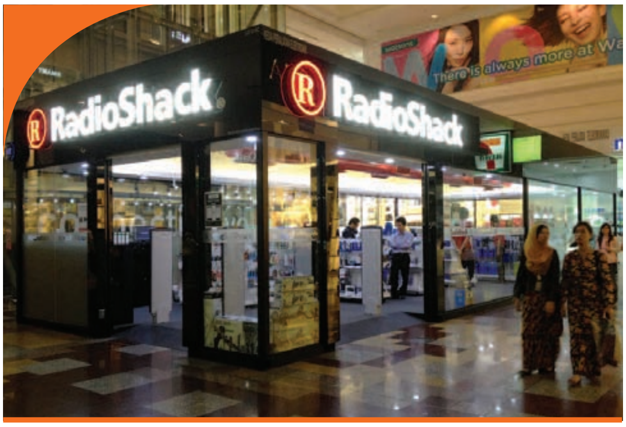
企业社会责任

在受检讨的财政年度，成功资产及各子公司赞助了多项企业社会责任倡议。

在 2013 年 2 月 23 日，成功时代广场成为举办成功创办人日活动的场地，这是一项以成功集团创办人丹斯里拿督斯里陈志远的名义推行的年度活动。在今年的盛会上，丹斯里拿督斯里陈志远透过更美好马来西亚基金会和成功集团的成功关怀基金会总共捐赠 RM2 千零 20 万给 74 家非盈利和慈善组织。

成功时代广场也是举办各项慈善和社区活动的东道场地，例如 2012 年马来西亚社交媒体周，国际残疾人日，文成公主音乐剧推介礼。2012 年 AND1 3x3 Streetball 挑战赛，2012 年 Canon 马来西亚摄影马拉松，Aston Martin Showcase，Skyfall Gala 电影首映礼，成龙特别登台的 CZ12 电影推介礼，以及残疾人第 17 届西洋棋和首届中国象棋比赛。

NASB 的企业社会责任计划包括每年捐献 RM30万给 Sarawak Turf & Equestrian Club 的肾脏基金，以协助因患上肾衰竭病而需要帮助的弱势人士，让他们在古晋，诗巫和美里多家洗肾中心接受洗肾治疗。



Radioshack 呈献最新的流动装置，科技，工具和 DIY 产品。

UBay 是一个为年轻赶上潮流者而创造的品牌，并满足他们对优质服装的需求。

位于成功时代广场第 3 层的小台北。

主席报告

NASB 捐助 Sarawak Turf Club 的肾脏基金。该基金为因患上肾衰竭病而得洗肾治疗的清贫人士提供财务援助。

NASB 赞助古晋节武术表演，即 2013 年古晋节的活动之一。

在 NASB 的 2013 年 CASHSWEEP 慈善活动上捐助各福利和慈善组织。

NASB 也配合农历新年而举办年度的 CASHSWEEP 慈善活动，砂拉越州各地有大约 800 名来自 20 个慈善组织的居民获赠捐款和红包。

NASB 继续赞助古晋 CASHSWEEP 武术表演，宗旨在于提高人们对多元种族和多元文化人民的了解，以及发扬亲善和 1Malaysia 精神。

此外，NASB 也赞助了配合 Padawan 佳节庆祝会而举办的Padawan 竹筏漂流赛，吸引了 400 名本地和外国人参加。

未来展望

在 2013 年的第二季度，马来西亚的国内生产总值增长 4.3%，预料在国内需求和落实经济转型计划(ETP)之下各项目的推动下保持弹力。

随着新广场和商店的崛起，预料零售业将面对挑战。而在今年推介的 2014 马来西亚旅游年，将可为国内旅游业带来更多旅客，进而带动国家的经济。

NASB 旗下的博彩业务预料将继续稳健成长，NASB 将进一步提升其顾客服务和强化宣传和公共关系活动，以进一步加强公众人士对 CASHSWEEP之产品的信心。

感谢

我们在 2013 年的成功可归功于管理层，所有员工和代理们的献身和投入精神。董事部在此感谢本公司顾客，来往商家，融资机构，股东，零售商和监管当局的持续支持与合作。

拿督曾长义已在 2013 年1 月 31 日卸任为本公司副主席。董事部谨此感谢和真诚表扬他们为本集团作出的贡献。

对于诸位董事部成员，我衷心感谢他们的献身精神和贡献，并展望大家踊跃参与董事部的活动。

YAM Tunku Dato' Seri Shahabuddin
Bin Tunku Besar Burhanuddin
主席

2013 年 10 月 17 日

CORPORATE STRUCTURE

of main operating companies as at 1 October 2013

BERJAYA ASSETS BERHAD

100% BERJAYA TIMES SQUARE SDN. BHD.

- Berjaya Times Square, Kuala Lumpur
- Berjaya Times Square Theme Park

100% BTS CAR PARK SDN. BHD.

- Car park operator in Berjaya Times Square, Kuala Lumpur

100% BERJAYA WATERFRONT SDN. BHD.
(formerly known as Pesaka Ikhlas (M) Sdn. Bhd.)

- Operation of Berjaya Waterfront Hotel, Johor Bahru
- Operation of Berjaya Waterfront Complex, Johor Bahru
- Operation of Berjaya Waterfront Ferry Terminal, Johor Bahru

++ **65% NATURAL AVENUE SDN. BHD.**

- Number forecast operator in Sarawak

100% SUBLIME CARTEL SDN. BHD.

- Provision of lottery consultancy and related services

++ Combined Interest

GROUP FINANCIAL HIGHLIGHTS

Description	12 months ended 30 June 2013 RM'000	12 months ended 30 June 2012 RM'000	14 months ended 30 June 2011 RM'000	12 months ended 30 April 2010 RM'000	12 months ended 30 April 2009 RM'000
Revenue	361,651	331,370	354,000	371,584	332,449
Profit Before Tax	70,841	201,309	368,886	314,912	40,153
Profit For The Year/Period	52,887	183,224	295,937	240,979	14,615
Profit Attributable To Equity Holders Of The Parent	45,819	177,290	290,646	235,673	8,197
Share Capital	1,113,042	1,113,042	1,113,042	1,113,042	1,113,042
Reserves	1,097,070	1,069,273	727,647	364,515	128,842
Equity Funds	2,210,112	2,182,315	1,840,689	1,477,557	1,241,884
Non-controlling Interests	3,841	3,647	5,013	3,747	3,466
Total Equity	**2,213,953**	**2,185,962**	**1,845,702**	**1,481,304**	**1,245,350**
Deferred Tax Liabilities	15,978	10,077	245,814	178,145	111,048
Long Term Liabilities	564,899	370,943	331,055	369,320	406,439
Current Liabilities	214,769	104,930	103,314	126,109	185,707
Total Liabilities	**795,646**	**485,950**	**680,183**	**673,574**	**703,194**
Total Equity And Liabilities	**3,009,599**	**2,671,912**	**2,525,885**	**2,154,878**	**1,948,544**
Property, Plant & Equipment	304,644	169,269	179,869	176,222	193,767
Investment Properties	2,108,636	1,878,996	1,791,850	1,607,000	1,380,000
Associated Company	–	–	–	–	–
Jointly Controlled Entities	5,543	4,940	5,999	5,478	8,194
Investments	122,903	137,147	177,206	1,000	1,000
Derivative Asset	71	104	166	–	–
Deferred Tax Asset	16,978	2,138	–	–	–
Goodwill	140,636	140,636	140,609	140,609	140,609
Other Intangible Asset	17,568	18,669	19,770	20,871	22,155
Total Non-Current Assets	2,716,979	2,351,899	2,315,469	1,951,180	1,745,725
Current Assets	292,620	320,013	210,416	203,698	202,819
Total Assets	**3,009,599**	**2,671,912**	**2,525,885**	**2,154,878**	**1,948,544**
Net Assets Per Share (RM)	1.99	1.72	1.65	1.33	1.12
Earnings Per Share (Sen)	4.12	14.53	26.11	21.17	0.74
Gross Dividend Rate (Sen)	2.00	2.00	4.00	2.00	–

Notes:

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

No retrospective restatement of the effects on the adoption of the Amendments to FRS 112 – Income Taxes in the financial statements prior to financial year 2012 was done, as it is impractical to do so. The nature of the restatement is disclosed in Note 2.2 to the financial statements.

集团财务摘要

摘要	截至 6月30日 的12个月 2013 RM'000	截至 6月30日 的12个月 2012 RM'000	截至 6月30日 的14个月 2011 RM'000	截至 4月30日 的12个月 2010 RM'000	截至 4月30日 的12个月 2009 RM'000
营业额	361,651	331,370	354,000	371,584	332,449
税前盈利	70,841	201,309	368,886	314,912	40,153
全年/期益	52,887	183,224	295,937	240,979	14,615
可分配予 股东的盈利	45,819	177,290	290,646	235,673	8,197
股本	1,113,042	1,113,042	1,113,042	1,113,042	1,113,042
储备金	1,097,070	1,069,273	727,647	364,515	128,842
股东基金	2,210,112	2,182,315	1,840,689	1,477,557	1,241,884
非控股股东权益	3,841	3,647	5,013	3,747	3,466
股东权益总额	**2,213,953**	**2,185,962**	**1,845,702**	**1,481,304**	**1,245,350**
递延课税	15,978	10,077	245,814	178,145	111,048
长期债务	564,899	370,943	331,055	369,320	406,439
流动债务	214,769	104,930	103,314	126,109	185,707
债务总额	**795,646**	**485,950**	**680,183**	**673,574**	**703,194**
股东权益及债务总额	**3,009,599**	**2,671,912**	**2,525,885**	**2,154,878**	**1,948,544**
固定资产	304,644	169,269	179,869	176,222	193,767
投资产业	2,108,636	1,878,996	1,791,850	1,607,000	1,380,000
联号公司	–	–	–	–	–
联号控制的实体	5,543	4,940	5,999	5,478	8,194
投资	122,903	137,147	177,206	1,000	1,000
衍生资产	71	104	166	–	–
递延税务资产	16,978	2,138	–	–	–
商誉	140,636	140,636	140,609	140,609	140,609
其他无形资产	17,568	18,669	19,770	20,871	22,155
流动环资产总额	2,716,979	2,351,899	2,315,469	1,951,180	1,745,725
流动资产	292,620	320,013	210,416	203,698	202,819
资产总额	**3,009,599**	**2,671,912**	**2,525,885**	**2,154,878**	**1,948,544**
每股净资产(RM)	1.99	1.72	1.65	1.33	1.12
每股收益(Sen)	4.12	14.53	26.11	21.17	0.74
毛股息率(Sen)	2.00	2.00	4.00	2.00	–

备注:

若有发行额外的股票，每股收益将根据已发行股票的加权平均数量计算。

2012 财政年之前的财务报告未依据修定版的会计准则 FRS 112 追溯重述递延税务，因为是不实务的做法。重述会计的性质如财务报告的注释 2.2 所披露。

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Berjaya Assets Berhad ("BAssets") and its subsidiary companies operate in two major operating business segments: property investment and development business segment and the gaming business segment.

PERFORMANCE REVIEW BY BUSINESS SEGMENTS

PROPERTY INVESTMENT AND DEVELOPMENT

Revenue

For the financial year ended 30 June 2013, Berjaya Times Square Sdn Bhd Group ("BTSSB Group") recorded a revenue of RM124.11 million, an increase of 24.37% compared to the previous year's revenue. The increase in revenue was mainly contributed by higher revenue reported by Berjaya Waterfront Sdn Bhd (formerly known as Pesaka Ikhlas (M) Sdn Bhd) ("BWSB") where Berjaya Times Square Sdn Bhd ("BTSSB") completed the acquisition of Berjaya Waterfront, Johor Bahru on 15 March 2013. In addition, BTSSB Group recorded higher rental revenue from the Berjaya Times Square ("BTS") mall and car park, whilst theme park ticket revenue increased in the financial year under review.

Profit Before Tax

Profit before tax decreased to RM56.51 million compared to RM172.86 million in the previous financial year mainly due to lower favourable fair value changes of investment properties and lower sales of properties recorded during the financial year.

BTSSB Group also incurred a higher finance expense as compared to the previous financial year due to the full year impact of finance expense on Senior Bonds as compared to only one month's impact in the previous financial year. BTSSB Group had also incurred higher impairment loss on its quoted shares.

The overall occupancy rate of BTS remained at 88%, same as the previous financial year mainly due to a few anchor areas that were temporarily vacated for renovation as well as realignment in tenancy mix at certain areas of the mall. The renovation work was subsequently completed in July 2013 and the anchor tenant had commenced its business.

Profit After Tax

Correspondingly, profit after tax of BTSSB Group was lower at RM45.65 million as compared to RM147.43 million in the previous financial year.

Prospects

BTSSB aims to grow BTS into an internationally renowned shopping mall that is acclaimed for its retail and entertainment offerings. In order to provide a more holistic shopping experience within the mall, BTSSB will be upgrading BTS' facilities and services in phases.

To ensure constant profitability with a strategic growth plan, BTSSB will be organizing more marketing campaigns that will push the boundaries of retail innovation such as the capsule vending machine which received certification from Guinness World Records as the world's 'Largest Capsule Vending Machine', which has further enhanced the brand name of BTS.

BTSSB plans to establish its latest acquisition, Berjaya Waterfront as an iconic international lifestyle, retail, entertainment and travel hub of the South. To provide a more wholesome shopping experience, it is undergoing a rebranding exercise and a facelift which will be accompanied with an upgrade of facilities and services in phases. Located strategically within the government sanctioned Iskandar Economic Zone, this enclave covers 18 acres of prime land. Berjaya Waterfront houses exclusive facilities such as a 12-level hotel, a 5-level shopping complex which provides an array of retail and entertainment solutions, and dining and recreation options in addition to the only duty free zone with a unique 'Airport in the City' concept offering wide selections of imported products at competitive prices.

Fuelled by the burgeoning market, Berjaya Waterfront is being groomed to cater to affluent shoppers from Singapore and Indonesia via the causeway and its international ferry terminal.

GAMING

Revenue

For the financial year ended 30 June 2013, Natural Avenue Sdn Bhd ("NASB") recorded an increase in revenue to RM236.85 million from RM231.58 million in the previous year due to higher number of draws as compared to the previous year.

Profit Before Tax

Profit before tax increased to RM25.84 million as compared to RM24.11 million in the previous financial year. The increase was mainly due to lower prize payout and higher revenue.

Profit After Tax

Profit after tax of NASB was correspondingly higher at RM20.17 million as compared to RM16.94 million in the previous financial year.

Prospects

NASB aims to enhance the CASHSWEEP brand and products through a better customer experience. To ensure improvement in sales and revenue, NASB will be organising more aggressive marketing promotions and also public relations initiatives. To improve sales, NASB will be relocating several ticketing outlets to more strategic locations.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Berjaya Assets Berhad (or "the Company") acknowledges that good corporate governance is vital to uphold the business integrity and to sustain the performance and profitability of the Group's business operation. The Board is committed in ensuring that the principles and recommendations as set out in the Malaysian Code of Corporate Governance 2012 ("the Code") are observed and practised.

The following sections explain how the Group has applied the principles of the Code and the extent in which it has applied the principles and complied with the recommendations as set out in the Code throughout the financial year ended 30 June 2013. The Board will continue to take further measures to improve compliance with the principles and recommendations in the ensuing years.

1. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors of the Company comprised of members who are experienced in various fields and they play an important role in the stewardship and direction of the operations of the Group.

The Board is responsible for the effective leadership and control of the Group and this includes, inter-alia, the following:

a) overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
b) identifying principal risks to ensure the implementation of appropriate systems to manage these risks;
c) maintaining shareholders and investors relations of the Company; and
d) reviewing the adequacy and integrity of the Company's internal control systems and management systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board delegates the authority and responsibilities for managing the everyday affairs of the Group to the Executive Directors and through them and subject to their oversight, to other senior management. The Executive Directors lead the senior management team in making and implementing the day-to-day decisions on the business operations and management, managing resources and risks in pursuing the corporate objectives of the Group.

The Board has delegated certain responsibilities to the Board Committees that operate within clearly defined terms of references. Currently, the Board Committees comprise the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The Board also periodically reviews the terms of reference of the Board Committees to ensure their relevance.

The ultimate responsibility for decision making in the company still lies with the Board as a whole.

Directors' Code of Conduct/Ethics

The Board has adopted a Code of Ethics for Directors ("Code of Ethics"). The Code of Ethics 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 its employees and Executive Directors to ensure a high standard of ethical and professional conduct is upheld by all its employees and Executive Directors in the performance of their duties and responsibilities.

Corporate Strategy to promote sustainability

The Board recognises the importance of business sustainability and the impact of the Group's business on the environmental, social and governance aspects is taken into consideration in conducting the Group's business. The details of the sustainability efforts are set out in the Corporate Social Responsibility Statement of this Annual Report.

Access to information and advice

All the Board members have full and timely access to all information concerning the Company and the Group. The Board papers which include reports on the Group's operations, finance, corporate development and proposals are distributed to the Directors prior to Board meetings. Notices with relevant agenda are provided in sufficient time prior to Board meetings to enable the Directors to have an overview of matters to be discussed or reviewed at the meetings and to obtain further explanation or clarification, if any, to facilitate informed decision making.

The Board is supported by suitably qualified and competent company secretaries who are members of a professional body. The Directors have individual and independent access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board. The Board may also seek advice from the senior Management staff in the

Group on issues under their respective purview. In addition, the Board may obtain independent professional advice, where necessary, both inside and outside the Company, at the Company's expense on specific issues to enable the Board to discharge its duties in relation to matters being deliberated.

Board Charter

The Board has formally adopted a Board Charter which sets out the roles, duties and responsibilities as well as the composition and processes to enable all Board members, acting on behalf of the Company, to be aware of their duties and responsibilities at all times. The Board will review the Charter annually to ensure that it remains consistent with the Board's roles and objectives. The Board Charter is available on the Company's website at www.berjaya.com/berjaya-assets/index.html.

2. COMPOSITION OF THE BOARD

The Board currently has nine (9) members comprising:

– The Chairman (who is Independent Non-Executive)
– Two (2) Executive Directors
– Three (3) Non-Independent Non-Executive Directors
– Three (3) Independent Non-Executive Directors.

This composition fulfills the requirements as set out under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, must be independent.

The Executive and Non-Executive Directors, with their different backgrounds and experiences in the fields of finance, accounting, business development, property development and investment, provide an optimum mix of skills and experience for a balanced and effective Board. The Board is satisfied with the current size and composition of its Board members. A brief profile of each Director is contained in pages 2 to 5 of the Annual Report.

Nomination Committee

The Nomination Committee of the Company comprises exclusively of non-executive Directors, all of whom are independent Directors. The Nomination Committee currently comprises the following members:

1.	YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	– Chairman/Independent Non-Executive
2.	Heng Kiah Choong	– Member/Independent Non-Executive
3.	Dato' Mohd Salleh Bin Ahmad	– Member/Independent Non-Executive

The Nomination Committee is responsible amongst others, for identifying and making recommendations for any appointments and re-election of Board members or Board committee members. When considering new appointments, the Nomination Committee would consider the size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group. The Nomination Committee would then make recommendation to the Board if the proposed candidate is found to be suitable. On an annually basis, the Nomination Committee would review the size, balance and composition of the Board to ensure that the Board has the appropriate mix of expertise and experience and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

The Nomination Committee is also tasked under its terms of reference to carry out the necessary evaluation of the effectiveness of each Director, the Board and the Board Committees on an annual basis. During the financial year, the Committee had carried out an annual evaluation assessment as an effort to determine and monitor the level of effectiveness of the Board, the Board Committees as well as the Board members. Based on the assessment conducted, the Committee would indicate their satisfaction with the level of performance and effectiveness of the Board, the Board Committees and the Board Members.

The Board is aware of the recommendations in the Code on gender diversity at the boardroom and due consideration will be given should there be a suitable female candidate. The current Board composition has no female board member.

Re-election and Re-appointment of Director

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, 1965.

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year will offer themselves for re-election by the shareholders at the AGM held following their appointments.

Pursuant to Section 129(6) of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every AGM, and may offer themselves for re-appointment to hold office until the next AGM.

Remuneration Policies and Procedures

The Remuneration Committee of the Company comprises exclusively of non-executive Directors, all of whom are independent Directors and its composition is as follows:

1. YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin – Chairman/Independent Non-Executive
2. Heng Kiah Choong – Member/Independent Non-Executive
3. Dato' Mohd Salleh Bin Ahmad – Member/Independent Non-Executive

The Remuneration Committee is entrusted with the responsibilities to set up the policy framework and to make recommendations to the Board on all elements of the remuneration and other terms of employment of the Executive Directors. The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The determination of the remuneration packages for the Non-Executive Directors, including the non-executive Chairman, is a matter for the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration package. The Board recommends the Directors' fees payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

The aggregate Directors' remuneration paid or payable to the Directors in office during the financial year by the Company and the Group categorised into appropriate components for the financial year ended 30 June 2013 are as follows:

	<----RM'000				---->
	Fees	**Salaries and Other Emoluments**	**Bonus**	**Benefits-in -kind**	**Total**
Executive	25	426	20	–	471
Non-Executive	138	15	–	–	153
	163	441	20	–	624

The number of Directors of the Company who served during the financial year and whose total remuneration from the Group falling within the respective bands is as follows:

	Number of Directors	
Range of Remuneration (RM)	**Executive Director(s)**	**Non-Executive Director(s)**
1 – 50,000	–	5
150,001 – 200,000	1	–
250,001 – 300,000	1	–
Total:	2	5

3. INDEPENDENT DIRECTORS

Assessment of Independent Directors

The presence of Independent Directors provides objectivity to the Board's decisions, ensuring that all strategies proposed by the management are fully discussed and examined, and taking into account the long-term interests of stakeholders, including shareholders, employees, customers, suppliers and the various communities in which the Company conducts its business.

The Board through the Nomination Committee assessed the independence of the Independent Directors based on the criteria set out in the Listing Requirements on an annual basis. For the financial year ended 30 June 2013, the Board has received confirmations in writing from all the Independent Directors of their independence based on its policy on criteria of assessing independence in line with the definition of "Independent Directors" prescribed by the Listing Requirements.

Tenure of Independent Director

The Board takes cognizance of the Code's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve on the Board but will be re-designated as a non-Independent Director.

Currently, the longest serving Independent Directors are Mr Heng Kiah Choong and Dato' Mohd Salleh Bin Ahmad. Mr Heng has served the Board for more than nine years while Dato' Mohd Salleh will exceed his nine years tenure as an Independent Director after 28 March 2014. Following assessments by the Nomination Committee and the Board, both Mr Heng Kiah Choong and Dato' Mohd Salleh Bin Ahmad have been recommended to continue to act as Independent Directors, subject to shareholders' approval at the forthcoming AGM of the Company based on the following justifications:

a) Mr Heng Kiah Choong:

   i) he fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements, and thus, he would 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 9 years and is familiar with the Company's business operations.

   iii) he remains objective and independent in expressing his views and participating in deliberations and decision making process of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.

   iv) he has exercised his due care during his tenure as an Independent Non-Executive Director and as Chairman of the Audit and Risk Management Committee of the Company and carried out his professional duties in the interests of the Company and the shareholders.

b) Dato' Mohd Salleh Bin Ahmad:

   i) he fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements, and thus, he would 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 8 years and is familiar with the Company's business operations.

   iii) he remains objective and independent in expressing his view and participating in deliberations and decision making process of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.

   iv) he has exercised his due care during his tenure as an Independent Non-Executive Director and carried out his professional duties in the interests of the Company and the shareholders.

4. BOARD COMMITMENT

The Board meets regularly on a quarterly basis with additional meetings being convened when necessary. The meeting dates are planned ahead of schedule to ensure that each member of the Board is committed to meet when the time arises. During the financial year ended 30 June 2013, the Board met four (4) times and the record of attendance of each Director is set out below:

Directors	No. of Meetings Attended
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin#	4/4
Dato' Chan Tien Ghee[1#]	1/2 *
Tan Thiam Chai	4/4
Datuk Lye Ek Seang[2]	4/4
Chan Kien Sing	4/4
Lim Meng Kwong	4/4
Dato' Dickson Tan Yong Loong	3/4
Datuk Robert Yong Kuen Loke#	4/4
Heng Kiah Choong#	4/4
Dato' Mohd Salleh Bin Ahmad#	4/4

1 Resigned as an Independent Non-Executive Director and Deputy Chairman on 31 January 2013.
2 Appointed and Redesignated as an Executive Director on 8 January 2013.

# Denotes Independent Non-Executive Directors.
* Reflects the attendance and the number of meetings held during the period the Director held office.

All the Directors have attended no less than 50% of the Board meetings held during the financial year. During intervals between Board meetings, any matters requiring Board's decisions and approvals will be obtained through circular resolutions of the Directors. These circular resolutions will then be noted at the next Board meeting.

All Directors have complied with the restrictions on the number of directorships in public listed companies as prescribed under the Listing Requirements. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. All Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment as a director. The notification will also include an approximate indication of time that will be spent by the Directors on the new directorships. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities.

Directors' Training

The Board recognizes the importance of training as a continuous education process for the Directors in order to ensure that the Directors stay abreast of the latest developments and changes in laws and regulations, business environment and new challenges and to equip the Directors with the necessary knowledge and skills to enable them to fulfill their responsibilities and to discharge their duties effectively.

All Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"). Apart from the MAP, the Directors have also attended the Continuing Education Programme conducted by various course leaders. The Directors are mindful that they should continually attend seminars and courses to keep themselves updated on regulatory and corporate governance developments, besides enhancing their professionalism and knowledge to effectively discharge their duties and obligations.

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.

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

Director	Seminars/Conferences/Forum
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	– Nominating Committee Programme
Tan Thiam Chai	– Ernst & Young – Transfer Pricing Update Training – The key components of establishing and maintaining world-class audit committee reporting capabilities – Corporate Integrity System Malaysia – CEO Dialogue Session – Bursatra Sdn Bhd's Half Day Seminar – Malaysia Code of Corporate Governance 2012 – Managing Corporate Risk & Achieving Internal Control Through Statutory Compliance – Bursa Malaysia's Half Day Dialogue Session on Revised Shariah Screening Methodology – Bursatra Sdn Bhd – Related Party Transaction – Sustainability Training for Directors & Practitioners
Datuk Lye Ek Seang	– Making the most of the CFO's role: Everyone's Responsibility – New Transfer Pricing Rules – Governance, Risk Management and Compliance: What Directors should know – CEO Forum 2012 – Advocacy Session on Corporate Disclosure for Directors of Listed Issuers
Chan Kien Sing	– CEO Forum 2012 – MIA Conference – Managing Corporate Risk & Achieving Internal Control Through Statutory Compliance – CEO Forum 2013
Lim Meng Kwong	– Governance, Risk Management and Compliance: What Directors should know – New Transfer Pricing Rules – The key components of establishing and maintaining world-class audit committee reporting capabilities – Understanding Financial Statements – Use of Healthy Skepticism – Managing Corporate Risk & Achieving Internal Control Through Statutory Compliance
Dato' Dickson Tan Yong Loong	– Economic Overview for Malaysia in the Regional Context: Opportunities & Challenges – Corporate Integrity System Malaysia: CEO Dialogue Session – Understanding Financial Statements – Use of Healthy Skepticism
Datuk Robert Yong Kuen Loke	– Governance, Risk Management and Compliance: What Directors should know – Nominating Committee Programme – MICPA Business Forum – Navigating Turbulence
Heng Kiah Choong	– Making the most of the CFO's role: Everyone's Responsibility – Governance, Risk Management and Compliance: What Directors should know – Sustainability Training for Directors & Practitioners – Managing Corporate Risk & Achieving Internal Control Through Statutory Compliance – Nominating Committee Programme
Dato' Mohd Salleh Bin Ahmad	– Making the most of the CFO's role: Everyone's Responsibility – New Transfer Pricing Rules – Managing Corporate Risk & Achieving Internal Control Through Statutory Compliance – Sustainability Training for Directors & Practitioners – Nominating Committee Programme – MICG-Director Duties, Business Ethics and Governance Seminar for Directors of PLCs 2013

5. FINANCIAL REPORTING

Directors' Responsibility Statement in respect of Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements 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 as at the end of the financial year. 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, in preparing the financial statements for the financial year ended 30 June 2013, are satisfied that the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. All applicable financial reporting standards have also been followed in the preparation of the financial statements which have been prepared on a going concern basis.

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 to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and reasonable steps have been taken to prevent and detect fraud and other irregularities.

Compliance with applicable Financial Reporting Standards

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

Further, the Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The external auditors are required to declare their independence annually to the Audit and Risk Management Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors had made declaration in their annual audit plan presented to the Audit and Risk Management Committee that they were independent in accordance with the terms of the relevant professional and regulatory requirements.

The Audit and Risk Management Committee had assessed and is satisfied with the competence and independence of the external auditors and had recommended the re-appointment of the external auditors to the Board of Directors and thereafter to be tabled for the shareholders' approval at the forthcoming Annual General Meeting.

6. RISK MANAGEMENT

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

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

The internal audit function of the Group was outsourced to the internal auditors of its affiliated company, Berjaya Land Berhad to assist the Audit and Risk Management Committee in discharging its duties and responsibilities. The internal auditors' responsibilities include providing independent and objective reports on the state of internal controls of the various operating units in the Group to the Audit and Risk Management Committee, with the recommendations for improvement to the control procedures.

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

7. TIMELY DISCLOSURES

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

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group. The Company keeps the shareholders, investors and members of the public abreast of all the Group's performance and operation via the quarterly financial reports, annual reports, announcements and circular to shareholders made by the Company to Bursa Securities during the year.

Apart from the announcements published through the website of Bursa Securities, the Company also maintains a website at www.berjaya.com/berjaya-assets/index.html where shareholders as well as members of the public can access for the latest information on the Company.

8. RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the Company's general meetings. The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Group's businesses. The Chairman of the meeting provided time for the shareholders to ask questions for each agenda in the notice of the general meetings. At each AGM, the Board presents the progress and performance of the Group's businesses and encourages shareholders to participate through a question and answer session. The Directors, Senior Management and/or external auditors of the Company are available to respond to shareholders' queries during the general meetings. The Notice of the AGM together with the annual report will be dispatched to shareholders at least 21 days before the date of the meeting. The shareholders are thus provided with ample time to review the annual report, to appoint proxy where necessary, and to collate questions to be asked at the AGM.

All members present at each meeting shall have the rights to demand for a poll in accordance with the provisions of the Articles of Association of the Company on the voting for any resolutions. The voting process at each meeting shall be by way of show of hands unless a poll is demanded or specifically required. The Chairman may demand for a poll for any resolutions put forward for voting at the shareholders' meetings, if so required.

The Board has identified YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin as the Senior Independent Non-Executive Director of the Board to whom queries or concerns may be conveyed.

9. COMPLIANCE WITH THE CODE

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code during the financial year ended 30 June 2013.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements require Directors of listed companies to include a statement in annual reports on the state of their risk managements and internal controls. The Bursa Securities' Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. The Board's Risk Management and Internal Control Statement, which has been prepared in accordance with the Guidance, is set out below.

RESPONSIBILITY

The Board of Directors recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system could provide only reasonable, and not absolute assurance, against material misstatement or loss.

The Group had in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. This process is regularly reviewed by the Board, which dedicates time for discussion on this subject.

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

RISK MANAGEMENT FRAMEWORK

The Board has established an organisation structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit and Risk Management Committee ("ARMC") to include the work of monitoring all internal controls and risk management. Its review covers matters such as responses to significant risks identified, output from the monitoring process and changes made to the internal control systems.

Having identified the risks to achieving the Group's strategic objectives, each functional area is required to document the management and mitigating actions for each significant risk. New areas are introduced for assessment as the business risk profile changes and are reviewed by the management team.

Each quarter, the management team will prepare a risk profile which summarises the risks, the controls and processes for managing them and the means for assuring management that the processes are effective. This information will be updated in a timely manner and reviewed by the management team who then reports to the ARMC significant changes in the business and the external environment that affect key risks.

INTERNAL AUDIT FUNCTIONS

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system and had tasked the ARMC with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. In this respect, the ARMC carries out an internal audit function to monitor and assess the effectiveness of the internal control system. Observations from internal audits are presented to the ARMC together with the management's responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audits with implementation status reported to the ARMC.

The internal audit function is outsourced to the Group Internal Audit Division of an affiliated company, Berjaya Land Berhad which reports directly to the ARMC. The scope of work covered by the internal audit function is determined by the ARMC after careful consideration and discussion of the audit plan with the ARMC. The ARMC has reviewed the internal audit reports for several major subsidiary companies of the Group during the financial year.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control systems are described below:

- Clearly defined delegation of responsibilities to committees of the Board and to management of Head Office and operating units, including authorisation level for all aspects of the business which are set out in an authority matrix;
- Regular and comprehensive information provided to management, covering financial performance and key business indicators, such as cashflow performance;
- Regular visits to operating units by senior management.

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Berjaya Assets Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 June 2013.

MEMBERS AND MEETING ATTENDANCES

The members of the Audit and Risk Management Committee are as follows:

Heng Kiah Choong
Chairman/Independent Non-Executive Director

Chan Kien Sing
Non-Independent Non-Executive Director

Dato' Mohd Salleh Bin Ahmad
Independent Non-Executive Director

The Audit and Risk Management Committee held five (5) meetings during the financial year ended 30 June 2013. The details of attendance of the members are as follows:

Name	Attendance
Heng Kiah Choong	5/5
Chan Kien Sing	5/5
Dato' Mohd Salleh Bin Ahmad	5/5

The General Manager of Group Internal Audit, the General Manager of Group Accounts and Budgets of Berjaya Corporation Berhad and the Executive Director of Berjaya Times Square Sdn Bhd were also invited to attend the Audit and Risk Management Committee meetings. The external auditors were also invited to attend three (3) of these meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities undertaken by the Audit and Risk Management Committee during the financial year ended 30 June 2013 included the following:

1. Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;

2. Reviewed the external auditors' scope of work and audit plan for the year;

3. Reviewed the internal audit reports presented and considered the findings of internal audit in the Group's operating subsidiaries through the review of internal audit reports tabled and management responses thereto and ensuring significant findings were adequately addressed by the management;

4. Reviewed the risk management reports of the Group's operating subsidiaries and ensuring appropriate risk management measures and measurement methodologies were in place to reduce business risk exposures;

5. Reviewed and discussed the external auditors' audit report and areas of concern in the management letter thereof;

6. Reviewed and recommended for Board's approval, the Audited Financial Statements of the Company;

7. Reviewed the Statement on Internal Control, Statement on Corporate Governance and audited financial statements of the Group prior to submission to the Board for their consideration and approval and inclusion in the Company's annual report;

8. Reviewed the Internal Audit Plan for year 2014;

9. Reported to the Board on its activities and significant findings and results; and

10. Reviewed the related party transactions and the shareholders' circulars in relation to recurrent related party transactions.

INTERNAL AUDIT FUNCTION

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

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

The activities undertaken by the Internal Audit Division during the financial year ended 30 June 2013 included the following:

1. Tabled Internal Audit Plan for the Audit and Risk Management 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 respective operations management.

6. Presented the above internal audit reports to the Audit and Risk Management 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 in the Group involved in property investment and management, theme park, gaming and ferry terminal operations.

The cost incurred for the Internal Audit function in respect of the financial year ended 30 June 2013 was approximately RM131,000.

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1. MEMBERSHIP

The Audit and Risk Management Committee ("the Committee") shall be appointed by the Board from amongst the Directors and shall consist of not less than three members and all the Committee must be non-executive directors, with majority of them being independent directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and experience as approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. QUORUM

A quorum for the Committee shall consist of two members and a majority of the members present must be Independent Directors.

3. CHAIRMAN

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

4. SECRETARY

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board of Directors.

5. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibilities of the Group's finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

6. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

7. DUTIES

The duties of the Committee shall be:

(a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as external auditors;

(b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;

(c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:

- going concern assumption
- compliance with applicable financial reporting standards and regulatory requirements
- any changes in accounting policies and practices
- significant issues arising from the audit
- major judgemental areas

(d) To prepare Audit and Risk Management Committee Report at the end of each financial year;

(e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors' management letter and management's response;

(g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(h) To do the following in relation to the internal audit function:

- review the adequacy of scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;

- review internal audit programme;

- ensure coordination of external audit with internal audit;

- consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;

- review any appraisal or assessment of the performance of the staff of the internal audit function;

- approve any appointment or termination of senior staff member of the internal audit function;

- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation;

- to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;

- to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;

(i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Audit and Risk Management Committee and the Board of Directors from time to time;

(j) In compliance with Paragraph 15.16 of the Bursa Securities Main Market Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities;

(k) To undertake the following risk management activities:

- *Establishing Strategic Context* – Ensuring that the strategic context of the risk management strategy is complete and takes into account the environment within which the Group operates and the requirements of all stakeholders and the Board.

- *Establishing Risk Management Processes* – Determining the overall risk management processes that should be adopted by the business units and developing appropriate guidelines and policies for implementation.

- *Establishing Risk Management Structure* – Ensuring a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by all business units.

- *Embedding Risk Management Capability* – Ensuring risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board.

- *Establishing Reporting Mechanism* – Providing a consolidated risk and assurance report to the Board and Audit and Risk Management Committee to support the statement relating to internal control in the company's annual report.

- *Integrating & coordinating assurance activity* – Ensuring alignment and coordination of assurance activity across the organisation.

- *Establishing Business Benefits* – Identifying opportunities to release potential business benefits through the enhancement of risk management capabilities within the Group.

- *Establishing Effectiveness of Risk Management Processes* – Simplifying and improving the effectiveness of existing risk management structures.

- *Managing the Group Wide Risk Management Programme* – Supporting the implementation of the risk management processes within the business. The Committee will act as steering committee for the Group Wide Risk Management Programme (GWRM).

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

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

There have been no significant changes in the nature of the Group's activities during the financial year.

RESULTS OF OPERATIONS

	Group RM'000	Company RM'000
Profit for the year	52,887	22,672
Attributable to:		
Equity holders of the Parent	45,819	22,672
Non-controlling interests	7,068	–
	52,887	22,672

In the opinion of the Directors, the results of the operations 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 the financial statements.

RESERVES AND PROVISIONS

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

DIVIDENDS

Since 30 June 2012, the Company had on 10 January 2013, paid a final dividend of 2 sen per ordinary share of RM1.00 on 1,113,041,559 ordinary shares with voting rights less 25% income tax in respect of the financial year ended 30 June 2012, amounting to approximately RM16.696 million.

On 16 August 2013, the Board recommended a final dividend of 2 sen less 25% income tax in respect of the current financial year ended 30 June 2013 on 1,113,041,559 ordinary shares of RM1.00 each (net 1.50 sen per ordinary share of RM1.00) amounting to approximately RM16.696 million to be approved by the Company's shareholders at the forthcoming Annual General Meeting. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the following financial year ending 30 June 2014.

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS AND WARRANTS

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

As of 30 June 2013, there were no unissued shares of the Company under options and there was a total of 415,982,348 Warrants 2008/2018 outstanding. None of the Warrants 2008/2018 were exercised during the financial year.

The main features of the Warrants 2008/2018 are disclosed in Note 16 to the financial statements.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin
Datuk Lye Ek Seang
Tan Thiam Chai
Chan Kien Sing
Lim Meng Kwong
Dato' Dickson Tan Yong Loong
Datuk Robert Yong Kuen Loke
Heng Kiah Choong
Dato' Mohd Salleh Bin Ahmad
Dato' Chan Tien Ghee (Resigned on 31 January 2013)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 30 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings, none of Directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 44 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position, statements of profit or loss and statements of profit or loss and other 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 value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(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.

(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 in respect 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 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, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

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

TAN THIAM CHAI **CHAN KIEN SING**

17 October 2013

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **TAN THIAM CHAI** and **CHAN KIEN SING**, being two of the Directors of **BERJAYA ASSETS BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 40 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 30 June 2013 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 46 to the financial statements on page 111 has 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 Board of Directors dated 17 October 2013.

TAN THIAM CHAI

CHAN KIEN SING

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **TAN THIAM CHAI**, being the Director primarily responsible for the financial management of **BERJAYA ASSETS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 40 to 111 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 17 October 2013.

TAN THIAM CHAI

Before me,

KAPT (B) AFFANDI BIN AHMAD (W602)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA ASSETS BERHAD

Report on the Financial Statements

We have audited the financial statements of Berjaya Assets Berhad, which comprise the statements of financial position of the Group and of the Company as of 30 June 2013, and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows, of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 110.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and auditors' reports of all the subsidiaries of which we have not acted as auditors, which are disclosed in Note 45 to the Financial Statements;

(c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations as required by us for those purposes; and

(d) our auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 46 to the Financial Statements 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

(a) The financial statements of the Group and of the Company for the year ended 30 June 2012 were audited by another firm of auditors and are presented here merely for comparative purpose. The report issued by the predecessor auditors, which was dated 23 October 2012, expressed an unmodified opinion.

(b) As stated in Note 2 to the Financial Statements, **BERJAYA ASSETS BERHAD** adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as of 30 June 2012 and 1 July 2011, and the statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended 30 June 2012 and related disclosures. The application of these standards has not affected the comparative information as previously reported in accordance with the Financial Reporting Standards. We were not engaged to report on the comparative information which is now presented in accordance with the Malaysian Financial Reporting Standards and hence, it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as of 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.

(c) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner – 2846/01/14 (J)
Chartered Accountant

17 October 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2013

	Note	30.6.2013 RM'000	Group 30.6.2012 RM'000	1.7.2011 RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	5	304,644	169,269	179,869
Investment properties	6	2,108,636	1,878,996	1,791,850
Associated company	8	–	–	–
Jointly controlled entities	9	5,543	4,940	5,999
Other investments	10	122,903	137,147	177,206
Derivative asset	11	71	104	166
Deferred tax assets	24	16,978	2,138	11,540
Intangible assets	12	158,204	159,305	160,379
		2,716,979	2,351,899	2,327,009
CURRENT ASSETS				
Inventories	13	198,562	200,054	106,052
Receivables	14	23,475	72,287	43,903
Tax recoverable		706	1,072	1,222
Cash and bank balances	15	69,877	46,600	59,239
		292,620	320,013	210,416
TOTAL ASSETS		3,009,599	2,671,912	2,537,425
EQUITY				
Share capital	16	1,113,042	1,113,042	1,113,042
Share premium	17	258,985	258,985	258,985
Available-for-sale reserve	18	48,901	50,180	99,828
Foreign currency translation reserve		(45)	2	–
Retained earnings	19	789,229	760,106	616,207
Equity funds		2,210,112	2,182,315	2,088,062
Non-controlling interests		3,841	3,647	5,013
Total equity		2,213,953	2,185,962	2,093,075
NON-CURRENT LIABILITIES				
Bank borrowings	20	316,286	198,083	311,397
Senior bonds	21	158,266	157,980	–
Hire purchase liabilities	22	–	222	3,090
Long term liabilities	23	90,347	14,658	16,568
Deferred tax liabilities	24	15,978	10,077	9,981
		580,877	381,020	341,036
CURRENT LIABILITIES				
Payables	25	146,366	70,781	49,150
Bank borrowings	20	48,365	29,558	51,364
Hire purchase liabilities	22	222	2,688	2,526
Tax payable		19,816	1,903	274
		214,769	104,930	103,314
Total liabilities		795,646	485,950	444,350
TOTAL EQUITY AND LIABILITIES		3,009,599	2,671,912	2,537,425

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

STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2013

	Note	Company 30.6.2013 RM'000	 30.6.2012 RM'000	 1.7.2011 RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	5	18	23	8
Subsidiary companies	7	1,417,252	1,406,547	1,406,547
Other investments	10	1,800	1,882	2,359
		1,419,070	1,408,452	1,408,914
CURRENT ASSETS				
Receivables	14	76,279	64,293	54,966
Tax recoverable		706	1,070	4,246
Cash and bank balances	15	1,838	1,191	2,736
		78,823	66,554	61,948
TOTAL ASSETS		1,497,893	1,475,006	1,470,862
EQUITY				
Share capital	16	1,113,042	1,113,042	1,113,042
Share premium	17	258,985	258,985	258,985
Available-for-sale reserve	18	1,018	900	1,579
Retained earnings	19	82,465	76,489	87,823
Total equity		1,455,510	1,449,416	1,461,429
NON-CURRENT LIABILITY				
Deferred tax liabilities	24	4	3	3,002
CURRENT LIABILITY				
Payables	25	42,379	25,587	6,431
Total liabilities		42,383	25,590	9,433
TOTAL EQUITY AND LIABILITIES		1,497,893	1,475,006	1,470,862

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

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
		30.6.2013	**30.6.2012**	**30.6.2013**	**30.6.2012**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	26	361,651	331,370	24,028	23,046
Cost of sales	27	(203,004)	(194,139)	–	–
Gross profit		158,647	137,231	24,028	23,046
Fair value adjustment on investment properties	6	6,382	82,265	–	–
Other income	28	26,094	70,754	1,850	1,105
Distribution and marketing expenses		(4,893)	(4,596)	–	–
Administrative expenses		(69,992)	(58,395)	(1,569)	(1,616)
Other expenses	31	(15,237)	(2,166)	(41)	(6)
		101,001	225,093	24,268	22,529
Finance costs	32	(30,799)	(24,598)	(1,231)	(282)
Share of results of jointly controlled entities		639	814	–	–
Profit before tax	33	70,841	201,309	23,037	22,247
Income tax expense	34	(17,954)	(18,085)	(365)	(190)
Profit for the year		52,887	183,224	22,672	22,057
Attributable to:					
Equity holders of the Parent		45,819	177,290	22,672	22,057
Non-controlling interests		7,068	5,934	–	–
		52,887	183,224	22,672	22,057
Earnings per share attributable to equity holders of the Parent (sen)					
Basic	35	4.12	15.93		
Fully diluted	35	4.12	15.93		
Net dividend per share (sen)					
Final dividend	36			1.50	1.50

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Profit for the year	52,887	183,224	22,672	22,057
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Net (loss)/gain on available-for-sale investments:				
– (Loss)/Gain on fair value changes	(954)	(46,334)	142	(679)
– Transfer to profit or loss upon disposal	(325)	(3,314)	(24)	–
Currency translation difference	(47)	2	–	–
Income tax relating to components of other comprehensive income	–	–	–	–
Total comprehensive income for the year	51,561	133,578	22,790	21,378
Attributable to:				
Equity holders of the Parent	44,493	127,644	22,790	21,378
Non-controlling interests	7,068	5,934	–	–
	51,561	133,578	22,790	21,378

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	<------------- Attributable to the equity holders of the Parent ------------->							
		<--------Non-distributable-------->			Distributable			
	Share Capital RM'000	Share Premium RM'000	Available-for-sale Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Equity Funds RM'000	Non-controlling Interests RM'000	Total Equity RM'000
As of 1 July 2011								
– as reported	1,113,042	258,985	99,828	–	368,834	1,840,689	5,013	1,845,702
Effects of adopting Amendments to MFRS 112	–	–	–	–	247,373	247,373	–	247,373
As of 1 July 2011								
– as restated	1,113,042	258,985	99,828	–	616,207	2,088,062	5,013	2,093,075
Total comprehensive income	–	–	(49,648)	2	177,290	127,644	5,934	133,578
Transactions with owners:								
Non-controlling interests arising from additional subscription of shares in a subsidiary company	–	–	–	–	–	–	400	400
Dividends (Note 36)	–	–	–	–	(33,391)	(33,391)	–	(33,391)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(7,700)	(7,700)
As of 30 June 2012	1,113,042	258,985	50,180	2	760,106	2,182,315	3,647	2,185,962
As of 1 July 2012								
– as restated	1,113,042	258,985	50,180	2	760,106	2,182,315	3,647	2,185,962
Total comprehensive income	–	–	(1,279)	(47)	45,819	44,493	7,068	51,561
Transactions with owners:								
Non-controlling interest arising from additional subscription of shares in a subsidiary company	–	–	–	–	–	–	300	300
Dividends (Note 36)	–	–	–	–	(16,696)	(16,696)	–	(16,696)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(7,174)	(7,174)
As of 30 June 2013	1,113,042	258,985	48,901	(45)	789,229	2,210,112	3,841	2,213,953

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	<---Non-distributable--->			Distributable	
	Share Capital RM'000	Share Premium RM'000	Available-for-sale Reserve RM'000	Retained Earnings RM'000	Total RM'000
As of 1 July 2011	1,113,042	258,985	1,579	87,823	1,461,429
Total comprehensive income	–	–	(679)	22,057	21,378
Transaction with owners:					
Dividends (Note 36)	–	–	–	(33,391)	(33,391)
As of 30 June 2012	1,113,042	258,985	900	76,489	1,449,416
As of 1 July 2012	1,113,042	258,985	900	76,489	1,449,416
Total comprehensive income	–	–	118	22,672	22,790
Transaction with owners:					
Dividends (Note 36)	–	–	–	(16,696)	(16,696)
As of 30 June 2013	1,113,042	258,985	1,018	82,465	1,455,510

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		391,420	338,496
Payments to suppliers, prize winners and other operating expenses		(248,552)	(202,792)
Payments for pool betting duties, gaming tax, royalties and other government contributions		(46,676)	(45,699)
Tax refund		11	3
Payment of taxes		(9,524)	(6,811)
Other receipts		130	411
Net cash generated from operating activities		86,809	83,608
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		–	126
Acquisitions of property, plant and equipment		(148,462)	(1,655)
Acquisitions of properties		(40,223)	(111,754)
Sale of other investments		10,500	11,262
Sale of properties		42,816	100,665
Acquisition of other investments		(11,586)	(19,428)
Interest received		1,968	1,322
Dividends received		1,516	4,102
Deposits paid in relation to proposed acquisition of properties		(2,612)	(40,185)
Net cash used in investing activities		(146,083)	(55,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of share capital to non-controlling interests		300	400
Issuance of Senior Bonds		–	160,000
Drawdown of borrowings and loans		172,576	9,930
Repayment of borrowings and loans		(32,729)	(150,482)
Interest paid		(29,122)	(22,185)
Payment of hire purchase liabilities		(2,688)	(2,706)
Dividends paid to shareholders of the Company		(16,696)	(33,391)
Dividends paid to non-controlling interests		(7,174)	(7,700)
Net cash generated from/(used in) financing activities		84,467	(46,134)
NET CHANGE IN CASH AND CASH EQUIVALENTS		25,193	(18,071)
EFFECTS OF EXCHANGE RATE CHANGES		(641)	–
OPENING CASH AND CASH EQUIVALENTS		37,972	56,043
CLOSING CASH AND CASH EQUIVALENTS	(a)	62,524	37,972

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

	2013 RM'000	2012 RM'000
Deposits with licensed banks (Note 15)	53,902	27,929
Cash on hand and at banks (Note 15)	15,975	18,671
Bank overdraft (Note 20)	(7,353)	(8,628)
	62,524	37,972

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for operating expenses		(820)	(1,020)
Payment of taxes		–	(13)
Net cash used in operating activities		(820)	(1,033)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of other investments		–	(208)
Acquisition of property, plant and equipment		(6)	(24)
Sale of other investments		183	–
Interest received		1,826	1,105
Dividends received		23,303	31,321
Deposits paid in relation to proposed acquisition of properties		–	(196)
Net cash generated from investing activities		25,306	31,998
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,231)	(282)
Inter-company (payments)/repayments		(5,912)	1,163
Dividends paid to shareholders of the Company		(16,696)	(33,391)
Net cash used in financing activities		(23,839)	(32,510)
NET CHANGE IN CASH AND CASH EQUIVALENTS		647	(1,545)
OPENING CASH AND CASH EQUIVALENTS		1,191	2,736
CLOSING CASH AND CASH EQUIVALENTS	(a)	1,838	1,191

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

	2013 RM'000	2012 RM'000
Deposits with licensed banks (Note 15)	1,111	1,150
Cash on hand and at banks (Note 15)	727	41
	1,838	1,191

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

NOTES TO THE FINANCIAL STATEMENTS
– 30 JUNE 2013

1 GENERAL INFORMATION

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

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

The principal activities of the subsidiary companies consist of:

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

There have been no significant changes in the nature of these activities during the financial year.

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

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 17 October 2013.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act, 1965 in Malaysia.

2.1 Adoption of Malaysian Financial Reporting Standards

The financial statements of the Group and of the Company for the financial year ended 30 June 2013 have been prepared in accordance with MFRSs for the first time. In the previous years, these financial statements were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia.

The transition to MFRSs is accounted for in accordance with MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards, with 1 July 2011 as the date of transition. The changes in accounting policies as a consequence of the transition to MFRSs and the reconciliations of the effects of the transition to MFRSs are presented in Note 2.2.

2.2 Changes in Accounting Policy

On 1 July 2012, the Group adopted the Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income and the Amendments to MFRS 112 Deferred Tax: Recovery of Underlying Assets.

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

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

2.2 Changes in Accounting Policy (contd.)

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (contd.)

The amendments also introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to MFRS 101, the "statement of comprehensive income" is renamed "statement of profit or loss and other comprehensive income" and the "income statement" is renamed the "statement of profit or loss".

The amendments are applied retrospectively and hence, the presentation of items of other comprehensive income are modified accordingly. Other than the presentation changes, the adoption of Amendments to MFRS 101 did not result in any impact on profit or loss, other comprehensive income and total comprehensive income of the Group and of the Company.

Amendments to MFRS 112 Deferred Tax: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in MFRS 140 Investment Property should be determined on the basis that its carrying amount will be recovered through sale.

Previously, the Group recognised deferred tax on fair value changes of investment properties based on the presumption that the underlying assets would be recovered through use. The adoption of amendment has resulted in the Group remeasuring the prior year's deferred tax on fair value changes of investment properties. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated.

The following are the effects to the financial position as of 30 June 2012 and 1 July 2011 arising from the above change in accounting policy:

Group	Increase/(Decrease) As of 30.6.2012 RM'000	As of 1.7.2011 RM'000
Consolidated Statement of Financial Position		
Deferred tax assets	2,138	11,540
Retained earnings	262,962	247,373
Deferred tax liabilities	(260,824)	(235,833)

Group	Increase/ (Decrease) Year ended 30.6.2012 RM'000
Consolidated Statement of Profit or Loss	
Income tax expense	(15,589)
Profit attributable to equity holders of the Parent	15,589

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

2.2 Changes in Accounting Policy (contd.)

Amendments to MFRS 112 Deferred Tax: Recovery of Underlying Assets (contd.)

The following comparatives have been restated:

Group	As reported RM'000	Effect of adopting MFRS 112 RM'000	As restated RM'000
As of 30 June 2012			
Consolidated Statement of Financial Position			
Deferred tax assets	–	2,138	2,138
Retained earnings	497,144	262,962	760,106
Deferred tax liabilities	270,901	(260,824)	10,077
Consolidated Statement of Profit or Loss			
Income tax expense	(33,674)	(15,589)	(18,085)
Profit attributable to equity holders of the Parent	161,701	15,589	177,290
As of 1 July 2011			
Consolidated Statement of Financial Position			
Deferred tax assets	–	11,540	11,540
Retained earnings	368,834	247,373	616,207
Deferred tax liabilities	245,814	(235,833)	9,981

2.3 MFRSs and Issue Committee Interpretations In Issue but not yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Issue Committee Interpretations ("IC Int.") which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

MFRS 1 Government Loans (Amendments relating to Government Loans)[1]
MFRS 7 Financial Instruments: Disclosures (Amendment relating to Disclosures – Offsetting Financial Assets and Financial Liabilities)[1]
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)[2]
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2010)[2]
MFRS 10 Consolidated Financial Statements[1]
MFRS 10 Consolidated Financial Statements (Amendments relating to Transition Guidance)[1]
MFRS 11 Joint Arrangements[1]
MFRS 11 Joint Arrangements (Amendments relating to Transition Guidance)[1]
MFRS 12 Disclosure of Interests in Other Entities[1]
MFRS 12 Disclosure of Interests in Other Entities (Amendments relating to Transition Guidance)[1]
MFRS 13 Fair Value Measurement[1]
MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)[1]
MFRS 127 Separate Financial Statements (IAS 27 amended by IASB in May 2011)[1]
MFRS 128 Investments in Associates and Joint Ventures (IAS 27 amended by IASB in May 2011)[1]
MFRS 132 Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[3]
MFRS 136 Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)[3]
MFRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)[3]
IC Int. 20 Stripping Costs in the Production Phase of a Surface Mine[1]
Amendments to MFRSs contained in the document entitled Annual Improvements 2009-2011 cycle[1]

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

2.3 MFRSs and Issue Committee Interpretations Issued but not yet Effective (contd.)

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 January 2015, instead of 1 January 2013, immediately upon the issuance of Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and MFRS 7 relating to "Mandatory Effective Date of MFRS 9 and Transition Disclosure" on 1 March 2012
[3] Effective for annual periods beginning on or after 1 January 2014

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

The Directors are currently assessing the impact that the adoption of these Standards and IC Int. would have on the financial position and performance of the Group and of the Company. It is impractical to provide a reasonable estimate of the impact on the application of these standards until the review is completed.

Amendments to MFRS 7 and MFRS 132: Offsetting Financial Assets and Financial Liabilities and Related Disclosures

The amendments to MFRS 132 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable rights of set-off" and "simultaneous realisation and settlement".

The amendments to MFRS 7 introduce new disclosure requirements relating to rights of offset and related arrangements for financial instruments under an enforceable master netting arrangements or similar arrangements. Both MFRS 132 and MFRS 7 require retrospective application upon adoption.

MFRS 9 and Amendments to Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

The amendments to MFRS 9 relating to "Mandatory Effective Date of MFRS 9 and Transition Disclosures" amended the mandatory effective date of MFRS 9 to annual periods beginning on or after 1 January 2015 instead of on or after 1 January 2013, with earlier applications still permitted as well as modified the relief from restating prior periods. MFRS 7 which was also amended in tandem with the issuance of the aforementioned amendments introduces new disclosure requirements that are either permitted or required on the basis of the entity's date of adoption and whether the entity chooses to restate prior periods.
Key requirements of MFRS 9 are described as follows:

– All recognised financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurements to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in the statement of profit or loss.

– With regard to the measurement of financial liabilities designated at fair value through profit or loss, MFRS 9 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to the statement of profit or loss. Previously, under FRS 139, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in the statement of profit or loss.

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

2.3 MFRSs and Issue Committee Interpretations Issued but not yet Effective (contd.)

MFRS 10, MFRS 11, MFRS 12, MFRS 127 and MFRS 128

In November 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including MFRS 10, MFRS 11, MFRS 12, MFRS 127 and MFRS 128.

Key requirements of these five Standards are described below:

MFRS 10 replaces the parts of MFRS 127 Consolidated and Separate Financial Statements that deal with consolidated financial statements. IC Interpretation 112 Consolidation – Special Purpose Entities will be withdrawn upon effective date of MFRS 10. Under MFRS 10, there is only one basis for consolidation, which is control. In addition, MFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in MFRS 10 to deal with complex scenarios.

MFRS 11 replaces MFRS 131 Interests in Joint Ventures. MFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. IC Interpretation 113 Jointly Controlled Entity – Non-monetary Contributions by Venturers will be withdrawn upon the effective date of MFRS 11. Under MFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under MFRS 131, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under MFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under MFRS 131 can be accounted for using the equity method of accounting or proportionate consolidation.

MFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in MFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to MFRS 10, MFRS 11 and MFRS 12 were issued to clarify certain transitional guidance on the application of these MFRSs for the first time.

MFRS 13

MFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of MFRS 13 is broad, it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments under MFRS 7 Financial Instruments: Disclosures will be extended by MFRS 13 to cover all assets and liabilities within its scope.

Amendments to MFRSs: Annual Improvements 2009-2011 Cycle

The Annual Improvements 2009-2011 Cycle include a number of amendments to various MFRSs, some of which are discussed below:

Amendments to MFRS 101

MFRS 101 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement of reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to MFRS 101 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

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

2.3 MFRSs and Issue Committee Interpretations Issued but not yet Effective (contd.)

Amendments to MFRS 116

The amendments to MFRS 116 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in MFRS 116 and as inventory otherwise.

Amendments to MFRS 132

The amendments to MFRS 132 clarify that income tax relating to distribution to holders of equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with MFRS 112 Income Taxes.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3.2 Summary of Significant Accounting Policies

(a) Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

Subsidiary companies are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effects of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

Subsidiary companies are consolidated using the acquisition method of accounting 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.

Under the acquisition method of accounting, the results of subsidiary companies acquired during the financial year are included in the consolidated financial statements from the effective date of acquisition. The acquisition method of accounting involves allocating the cost of acquisition to the fair value of the assets acquired and liabilities assumed at the date of acquisition. 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. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities assumed, and equity instruments issued. Any costs directly attributable to the acquisition are recognised immediately in the statement of profit or loss.

When control in a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in the statement of profit or loss. Similarly, when control over a subsidiary company is lost, any interest retained is measured at fair value and the corresponding gain or loss is recognised in the statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree, and the fair value of any Group's previously held equity interest in the acquiree (herein after referred to as cost of business combination), over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill.

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

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intra-group balances, transactions, income and expenses are eliminated in full.

Non-controlling interests represent the equity in a subsidiary company 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. Profit or loss and each component of other comprehensive income are attributed to the Group and to the non-controlling interests even if this results in the non-controlling interests recording a deficit balance.

Transactions with non-controlling interests that do not result in loss of control, are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. 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.

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

(b) Associated Companies

Associated companies are companies in which the Group has a long term equity interest and where it exercises significant influence over its financial and operating policies through Board representation.

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

Under the equity method of accounting, the Group's investment in associated companies is carried in the consolidated statement of financial position at cost adjusted for the Group's share of post-acquisition changes in net assets of the associated companies less impairment losses. The Group's share of comprehensive income of associated companies acquired or disposed of during the financial year, is included in the consolidated statement of profit or loss from the date that significant influence effectively commences until the date that significant influence effectively ceases, as appropriate.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(b) Associated Companies (contd.)

Goodwill relating to an associated company is 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 associate's identifiable assets acquired and liabilities assumed over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associated company's profit or loss in the period in which the investment is acquired.

When the Group's share of losses exceeds its interest in an equity accounted associated company including any long term interest, that, in substance, forms part of the Group's net investment in the associated company, 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 an obligation or has made payment on behalf of the associated companies.

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

(c) Jointly Controlled Entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or another entity in which the Group has joint control over its economic activity established under a contractual arrangement.

Investment in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting as described in Note 3.2 (b).

(d) Affiliated Companies

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

(e) Property, Plant and Equipment, and Depreciation

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

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

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

Freehold building	2%
Long term leasehold land and buildings	Over remaining economic useful life of the lease
Short term leasehold land and buildings	Over 50 years
Plant, machinery and equipment	10% – 20%
Computer equipment	10% – 20%
Renovation and signage	10% – 33.3%
Furniture, fittings and office equipment	10% – 50%
First aid and theme park equipment	10% – 20%
Cinema fixtures, fittings and equipment	10% – 20%
Motor vehicles	14% – 20%
Others *	10% – 20%

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

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

(f) 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 the statement of profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of 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 the statement of profit or loss. Upon disposal of the investment property, any surplus previously recorded in other comprehensive income is transferred to retained earnings.

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

(g) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other Intangible Asset

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(g) Intangible Assets (contd.)

(ii) Other Intangible Asset (contd.)

The amortisation period and the amortisation method for an intangible asset are reviewed yearly at each reporting date.

Other intangible asset comprises the rights to receive Special Cash Sweep Lottery royalty revenue. The intangible asset is amortised over the period of the rights of 30 years commencing 9 November 1999.

(h) Inventories

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

Inventories comprise mainly raw material, finished goods, souvenirs and stores and consumables, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis.

Ticket inventories and gaming equipment are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis.

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

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

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

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(i) Impairment of Non-Financial Assets (contd.)

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

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

(j) 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 these 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 the statement of 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 the statement of 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(j) Financial Assets (contd.)

(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 the amortised cost using the effective interest method. Gains and losses are recognised in the statement of 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 the amortised cost using the effective interest method. Gains and losses are recognised in the statement of 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 asset 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 the statement of profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in the statement of profit or loss.

Dividends from an available-for-sale equity instrument are recognised in the statement of profit or loss when the Group 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 the statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(k) 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 the statement of 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 the statement of profit or loss.

(ii) 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.

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 the statement of profit or loss, is transferred from equity to the statement of profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in the statement of 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 the statement of 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 the statement of profit or loss.

(l) Statement of Cash Flows

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

The Group and the Company adopt the direct method in the preparation of the statement of cash flows.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(m) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities, within the scope of MFRS 139, 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 the statement of profit or loss. Net gains or losses on derivatives include exchange differences.

(ii) Other Financial Liabilities

Other financial liabilities of the Group and the Company include trade payables, other payables, hire purchase liabilities, Senior Bonds and loans and borrowings.

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

Senior Bonds, 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 the statement of 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 the statement of profit or loss.

(n) 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 the statement of 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 the statement of profit or loss.

(o) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(o) Provisions (contd.)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to settle the obligation.

Liquidated ascertained damages which have been accrued based on estimates of settlement sums to be agreed, are recognised in the statement of profit or loss.

(p) 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 the statement of 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 the statement of 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.

(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 bases as rental income. The accounting policy for rental income is set out in Note 3.2 (v)(vi).

(q) Income Tax

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

(i) Current Tax

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

Current taxes are recognised in the statement of profit or loss except to the extent that the taxes relates to items recognised outside the statement of profit or loss which is recognised either in other comprehensive income or directly in equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(q) Income Tax (contd.)

(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 jointly controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and jointly controlled entities, 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.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(q) Income Tax (contd.)

(iii) Gaming and Sales Tax

Revenues, expenses and assets are recognised net of the amount of gaming or sales tax, while expenses are recognised net of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- receivables and payables that are stated with the amount of sales tax included.

The net amount of gaming and sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(r) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in the statement of profit or loss of the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(r) Foreign Currencies (contd.)

(iii) Foreign Operations

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

– Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;

– Income and expenses for each statement of profit or loss and statement of 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.

The principal closing rates used in translation are as follows:

	Currency code	2013 RM	2012 RM
Foreign currency			
1 Sterling Pound	GBP	4.845	4.960
1 Singapore Dollar	SGD	2.507	2.497
1 United States Dollar	USD	3.177	3.197

(s) Borrowing Costs

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

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

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

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

(t) Share Capital

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(u) Contingencies

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

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

(v) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured.

(i) Dividend income

Dividend income from investments in subsidiary and associated companies and jointly controlled entities is recognised when the shareholders' right to receive the dividend payment is established. Dividend income from other investments is recognised on receipt basis.

(ii) Interest income

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

(iii) Gaming activities

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

(iv) Gaming equipment sale

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

(v) Management fee income

Management fee income is recognised on an accrual basis.

(vi) Rental income

Revenue from rental of investment properties is recognised on an accrual basis unless collection is in doubt, in which case it is recognised on receipt basis.

(vii) Sale of goods and properties

Revenue is recognised when significant risks and rewards of ownership of the goods and properties have been passed to the buyer. Revenue is recognised net of sales and service tax and discount, where applicable.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(v) Revenue Recognition (contd.)

(viii) Theme park tickets

Revenue from sale of theme park tickets are recognised when obligation to render services are discharged.

(ix) Other income

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

(w) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

(x) Segment Information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the 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. The segment information by geographical locations is not applicable as the Group operates predominantly in Malaysia.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities.

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

Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(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 effect on the amounts recognised in the financial statements.

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

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

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

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

(ii) 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.

(iii) Impairment of available-for-sale investments

The Group reviews its investments in equity instruments, which are classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group records impairment charges 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 investments with "significant" decline in fair value greater than 20%, and "prolonged" period as greater than 12 months.

For the financial year ended 30 June 2013, the amount of impairment loss recognised for available-for-sale investments was RM14,396,000 (2012 : RM1,942,000) as disclosed in Note 31.

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

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

(iv) Deferred taxation on investment properties

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

(v) Financial guarantee contracts

At each reporting date, 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).

For the financial year ended 30 June 2013, 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. Financial impact of such guarantees is not material.

(b) Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made 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 except the following:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use ("VIU") of the cash-generating unit ("CGU") to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are disclosed in Note 12.

(ii) Impairment of property, plant and equipment and investments in subsidiary companies

The Group carried out the impairment test based on the assessment of the fair value of the respective asset's or CGU's fair value less costs to sell or based on the estimation of the value-in-use ("VIU") of the CGUs to which the respective property, plant and equipment and subsidiary companies 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.

The carrying amounts of property, plant and equipment and the investments in subsidiary companies of the Group are disclosed in Notes 5 and 7 respectively.

(iii) Depreciation of plant, machinery and equipment

The cost of plant, machinery and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant, machinery and equipment to be within 5 to 10 years. These are common life expectancies applied in the industry.

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

(b) Key Sources of Estimation Uncertainty (contd.)

(iv) 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 14.

(v) 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 34.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 24.

(vii) Fair values of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in the statement of profit or loss. The Group engaged independent professional valuer to determine fair value at the reporting date by reference to open market value using the Investment, Discounted Cash Flow and Comparison Methods.

(viii) Derivative asset

The Group measures the derivative asset by reference to the fair value of the derivative asset at reporting date. Estimating fair value of the derivative asset requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the derivative asset, and making relevant assumptions. The details of the derivative asset are disclosed in Note 11.

(ix) Provision for minimum rental payable

In the prior financial years, a subsidiary company of the Group made a provision for minimum rental payable of USD886,000 (approximately RM2,791,000) upon the termination of a lease on a theatre system. The subsidiary company received a statement of accounts from the lessor stating that the amount owing to the lessor as RMNil balance. The management is of the view that after consulting its legal advisors, this RMNil balance statement of accounts does not preclude the lessor from filing a claim for the minimum rental payable. As such, the provision should remain as included in Note 25.

5 PROPERTY, PLANT AND EQUIPMENT

Group	Net carrying amount as of 1.7.2012 RM'000	Additions RM'000	Reclassi-fication RM'000	Write off RM'000	Depre-ciation RM'000	Net carrying amount as of 30.6.2013 RM'000
30 June 2013						
Freehold building	145,162	21,000	–	–	(3,678)	162,484
Long term leasehold land and buildings	–	126,005	–	–	(1,221)	124,784
Short term leasehold land and buildings	4,131	–	–	–	(101)	4,030
Plant, machinery and equipment	13	–	–	–	(2)	11
Computer equipment	8,364	301	(1)	(2)	(1,227)	7,435
Renovation and signage	3,783	2	(409)	–	(1,730)	1,646
Furniture, fittings and office equipment	1,229	262	410	(44)	(486)	1,371
First aid and theme park equipment	4,917	204	–	–	(3,873)	1,248
Cinema fixtures, fittings and equipment	222	–	–	–	(167)	55
Motor vehicles	1,074	688	–	–	(505)	1,257
Others	374	–	–	–	(51)	323
	169,269	148,462	–	(46)	(13,041)	304,644

Group	Net carrying amount as of 1.7.2011 RM'000	Additions RM'000	Disposals RM'000	Write off RM'000	Depre-ciation RM'000	Net carrying amount as of 30.6.2012 RM'000
30 June 2012						
Freehold building	148,636	–	–	–	(3,474)	145,162
Short term leasehold land and buildings	4,233	–	–	–	(102)	4,131
Plant, machinery and equipment	239	11	–	–	(237)	13
Computer equipment	9,403	179	–	–	(1,218)	8,364
Renovation and signage	5,148	886	–	–	(2,251)	3,783
Furniture, fittings and office equipment	1,630	155	(77)	(7)	(472)	1,229
First aid and theme park equipment	8,668	103	–	(1)	(3,853)	4,917
Cinema fixtures, fittings and equipment	389	–	–	–	(167)	222
Motor vehicles	1,251	174	(6)	–	(345)	1,074
Others	272	147	–	–	(45)	374
	179,869	1,655	(83)	(8)	(12,164)	169,269

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Net carrying amount RM'000
As of 30 June 2013				
Freehold building	194,715	32,231	–	162,484
Long term leasehold land and buildings	126,005	1,221	–	124,784
Short term leasehold land and buildings	5,074	1,044	–	4,030
Plant, machinery and equipment	7,261	7,250	–	11
Computer equipment	13,732	6,297	–	7,435
Renovation and signage	8,544	6,898	–	1,646
Furniture, fittings and office equipment	5,791	4,420	–	1,371
First aid and theme park equipment	38,776	37,528	–	1,248
Cinema fixtures, fittings and equipment	500	445	–	55
Motor vehicles	3,288	2,031	–	1,257
Others	886	563	–	323
	404,572	99,928	–	304,644
As of 30 June 2012				
Freehold building	173,715	28,553	–	145,162
Short term leasehold land and buildings	5,074	943	–	4,131
Plant, machinery and equipment	7,356	7,343	–	13
Computer equipment	14,209	5,845	–	8,364
Renovation and signage	9,534	5,751	–	3,783
Furniture, fittings and office equipment	5,096	3,800	67	1,229
First aid and theme park equipment	38,580	33,663	–	4,917
Cinema fixtures, fittings and equipment	22,276	11,636	10,418	222
Motor vehicles	2,949	1,875	–	1,074
Others	914	540	–	374
	279,703	99,949	10,485	169,269

(a) During the financial year, a subsidiary of the Group fully write off certain items of property, plant and equipment aggregating RM10,485,000, which had been fully impaired (2012 : RMNil).

(b) The net carrying amount of property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2013 RM'000	2012 RM'000
Motor vehicles	–	15
Computer equipment	6,432	7,350
	6,432	7,365

(c) The net carrying amounts of property, plant and equipment pledged to financial institutions for credit facilities granted to the Group, as referred to in Notes 20 and 21 are as follows:

	Group	
	2013 RM'000	2012 RM'000
Freehold building	162,484	145,162
Long term leasehold land and buildings	124,784	–
Computer equipment	491	352
Renovation and signage	1,486	3,190
Furniture, fittings and office equipment	1,076	1,229
First aid and theme park equipment	1,044	4,887
Cinema fixtures, fittings and equipment	55	222
Motor vehicles	880	571
	292,300	155,613

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(d) Included in the cost of property, plant and equipment of the Group are fully depreciated assets which are still in use:

	Group 2013 RM'000	Group 2012 RM'000
At cost:		
Plant, machinery and equipment	7,238	7,238
Furniture, fittings and office equipment	1,412	1,354
Computers	1,989	1,968
Renovation	2,923	766
First aid equipment	73	73
Motor vehicles	840	402
Others	342	342
	14,817	12,143

Company	**Net carrying amount as of 1.7.2011/ 1.7.2012 RM'000**	**Additions RM'000**	**Depre-ciation RM'000**	**Net carrying amount as of 30.6.2012/ 30.6.2013 RM'000**
30 June 2013				
Computer equipment	23	6	(11)	18
30 June 2012				
Computer equipment	8	24	(9)	23

Company	**Cost RM'000**	**Accumulated depreciation RM'000**	**Net carrying amount RM'000**
As of 30 June 2013			
Computer equipment	54	36	18
As of 30 June 2012			
Computer equipment	48	25	23

6 INVESTMENT PROPERTIES

	Group	
	2013 RM'000	2012 RM'000
At fair value:		
As of 1 July 2012/2011	1,878,996	1,791,850
Fair value adjustment	6,382	82,265
Additions	246,609	45,318
Disposals during the year	(23,351)	(40,437)
As of 30 June 2013/2012	2,108,636	1,878,996

Investment properties amounting to RM2,072,156,000 (2012 : RM1,837,366,000) have been pledged to financial institutions for credit facilities as referred to in Notes 20 and 21.

Included in the investment properties are RM215,780,000 (2012 : RMNil) representing investment properties held under lease terms.

The fair value of the investment properties is measured on 30 June 2013 by an independent professional valuer by reference to open market value using the Investment, Discounted Cash Flow and Comparison Methods.

7 SUBSIDIARY COMPANIES

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares at cost	1,417,252	1,406,547

The Group's effective equity interest in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 45.

The changes to the composition of the Group for the financial year ended 30 June 2013 are as follows:

(a) the acquisition of 100% equity interest comprising 2 ordinary shares of RM1.00 each in Jernih Wiramas Sdn Bhd by the Company for a total cash consideration of RM2.00;

(b) the acquisition of 100% equity interest comprising 2 ordinary shares of RM1.00 each in Sunrise Bonanza Sdn Bhd ("SBSB") by the Company for a total cash consideration of RM2.00. Subsequently, SBSB increased its issued and paid up share capital from RM2.00 to RM1,000,000 by an allotment of 999,998 ordinary shares of RM1.00 each. The Company and a third party subscribed for 699,998 and 300,000 of these shares in SBSB respectively. As such, the equity interest of the Company in SBSB has been diluted from 100% to 70%; and

(c) the acquisition of 100% equity interest comprising 2 ordinary shares of RM1.00 each in Jauhari Maksima Sdn Bhd by Berjaya Waterfront Sdn Bhd (formerly known as Pesaka Ikhlas (M) Sdn Bhd) for a total cash consideration of RM2.00.

8 ASSOCIATED COMPANY

	Group 2013 RM'000	Group 2012 RM'000
Unquoted shares at cost	530	530
Share of post acquisition reserves	(30)	(30)
	500	500
Less : Accumulated impairment losses	(500)	(500)
	–	–

The Group's share of losses in the associated company has been accounted for to the extent of its investment cost.

The details of the associated company are set out in Note 45.

9 JOINTLY CONTROLLED ENTITIES

	Group 2013 RM'000	Group 2012 RM'000
Unquoted shares at cost	3,740	3,740
Share of post acquisition reserves	1,839	1,200
Foreign currency translation differences	(36)	–
	5,543	4,940

The Group's share of profit after tax of the jointly controlled entities which have been recognised in the financial statements amounted to RM639,000 (2012 : RM814,000).

The Group received a net dividend income amounting to RMNil (2012 : RM1,873,000) from a certain jointly controlled entity.

Details of the jointly controlled entities are as follows:

Name of Jointly Controlled Entities	Paid-up Capital	Effective interest 2013 %	Effective interest 2012 %	Principal Activity
Berjaya - GSC Sdn Bhd	RM5,000,000	50	50	Cinema operations
Cardiff City (House of Sport) Limited	GBP500,000 (approximately RM2,480,000)	50	50	Development and running of a sports and leisure academy

9 JOINTLY CONTROLLED ENTITIES (CONTD.)

The aggregate amounts of each of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interest in the jointly controlled entities are as follows:

	Group	
	2013 RM'000	2012 RM'000
Assets and Liabilities		
Current assets	3,628	3,752
Non-current assets	11,520	7,773
Total assets	15,148	11,525
Current liabilities	3,814	1,958
Non-current liability	5,791	4,627
Total liabilities	9,605	6,585
Results		
Revenue	6,154	6,160
Expenses, including finance costs and income tax expense	(5,515)	(5,346)

10 OTHER INVESTMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Quoted shares in Malaysia at fair value	107,158	121,239	1,614	1,677
Quoted loan stocks in Malaysia at fair value	8,042	9,075	146	165
Quoted warrants in Malaysia at fair value	3,033	2,184	40	40
Unquoted loan stocks outside Malaysia at fair value	3,660	3,628	–	–
Malaysian Government Securities at cost	1,010	1,021	–	–
Total investments	122,903	137,147	1,800	1,882
Market value of:				
Malaysian Government Securities	1,017	1,038	–	–

As of 30 June 2013, the investments in quoted shares, loan stocks and warrants included certain investments in affiliated companies, Berjaya Corporation Berhad ("BCorp"), Berjaya Land Berhad, Berjaya Media Berhad and Dijaya Corporation Berhad (now known as "Tropicana Corporation Berhad") with a net carrying amount of RM57,683,000 (2012 : RM65,365,000), RM52,786,000 (2012 : RM53,088,000), RM1,225,000 (2012 : RM1,086,000) and RMNil (2012 : RM11,400,000) respectively.

Certain quoted shares of the Group with fair value of RM92,642,000 (2012 : RM99,062,000) have been pledged to financial institutions for credit facilities granted to certain of its subsidiary companies.

10 OTHER INVESTMENTS (CONTD.)

As of 30 June 2013, quoted loan stocks in Malaysia designated as available-for-sale equity investments comprise investments in 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 issued by BCorp ("5% BCorp ICULS"). The 5% BCorp ICULS at nominal value of RM1.00 each are constituted by a Trust Deed dated 9 April 2012 between BCorp and the Trustee for the holders of 5% BCorp ICULS.

The main features of 5% BCorp ICULS are as follows:

a) The 5% BCorp ICULS shall be convertible into ordinary shares of BCorp during the period from 26 April 2012 to the maturity date on 25 April 2022 at the rate of one RM1.00 nominal value of 5% BCorp ICULS for one ordinary share of RM1.00 in BCorp;

b) Upon the conversion of the 5% BCorp ICULS into new BCorp ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of BCorp in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the 5% BCorp ICULS are converted or any interim dividend declared prior to the date of conversion of the 5% BCorp ICULS; and

c) The interest on the 5% BCorp ICULS is payable semi-annually in arrears.

Unquoted loan stocks outside Malaysia designated as available-for-sale debt investments comprise investment in 3% RCULS issued by a jointly controlled entity, Cardiff City (House of Sport) Limited ("Cardiff"). The 3% RCULS as of nominal value GBP1.00 each are constituted by a deed dated 30 November 2010 between Cardiff and the holders of 3% RCULS. The main features of 3% RCULS are as follows:

a) The 3% RCULS shall be convertible into ordinary shares of Cardiff during the period from 30 November 2010 to the maturity date on 29 November 2015 at the rate of one GBP1.00 nominal value of 3% RCULS for one GBP1.00 ordinary share of Cardiff;

b) Upon conversion of the 3% RCULS into new Cardiff ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of Cardiff in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which 3% RCULS are converted or any interim dividend declared prior to the date of conversion of 3% RCULS; and

c) The interest on 3% RCULS is payable semi-annually in arrears.

The Group and the Company also recognised an impairment loss amounting to RM14,396,000 and RM41,000 (2012 : RM1,942,000 and RM6,000) respectively of certain quoted shares designated as available-for-sale financial assets due to significant decline of more than 20% in the fair values of these investments below their costs.

The investment in Malaysian Government Securities has been pledged to the Malaysian Government as security in compliance with the terms and conditions for the issuance of gaming licence by the Minister of Finance.

11 DERIVATIVE ASSET

	Group	
	2013 RM'000	2012 RM'000
As of 1 July 2012/2011	104	166
Changes in fair value during the year	(33)	(62)
As of 30 June 2013/2012	71	104

This represents the exchange feature which is a separated embedded derivative contained in the unquoted 3% RCULS as disclosed in Note 10. 3% RCULS holders are able to exchange the 3% RCULS into unquoted Cardiff ordinary shares at the rate of one 3% RCULS for one Cardiff ordinary share. The derivative asset is carried at fair value through profit or loss. The fair value of this unquoted derivative asset is measured as the difference between the fair value of the hybrid instrument and the fair value of the host contract.

12 INTANGIBLE ASSETS

Group	Goodwill on consolidation RM'000	Rights RM'000	Total RM'000
Cost			
As of 1 July 2011	199,928	28,243	228,171
Arising from acquisition of a subsidiary company	27	–	27
As of 30 June 2012 and 30 June 2013	199,955	28,243	228,198
Accumulated amortisation and impairment losses			
As of 1 July 2011	59,319	8,473	67,792
Amortisation (Note 33)	–	1,101	1,101
As of 30 June 2012	59,319	9,574	68,893
Amortisation (Note 33)	–	1,101	1,101
As of 30 June 2013	59,319	10,675	69,994
Net carrying value			
As of 30 June 2013	140,636	17,568	158,204
As of 30 June 2012	140,636	18,669	159,305

12 INTANGIBLE ASSETS (CONTD.)

Rights

Comprises the rights to receive Special Cash Sweep Lottery royalty revenue. The intangible asset is amortised over the period of the rights of 30 years commencing 9 November 1999.

Impairment test for goodwill on consolidation

Goodwill on consolidation of RM140,609,000 (2012 : RM140,609,000) and RM27,000 (2012 : RM27,000) have been allocated to the Group's CGUs identified to the gaming and related activities business segment and the property investment business segment respectively.

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period. The key assumptions used for value-in-use calculations are:

(i) Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions and internal resource efficiency, where applicable.

(ii) Growth rate

The long term annual growth rate of 4.4% (2012 : 3%) used is consistent with the average long term annual growth rate for the relevant industries.

(iii) Discount rate

The discount rate used for identified CGUs of 11.08% (2012 : 10%) is on a basis that reflect specific risks relating to the CGU.

Sensitivity to changes in assumptions

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

13 INVENTORIES

	Group	
	2013 RM'000	**2012 RM'000**
At cost:		
Finished goods and consumables	694	194
Ticket inventories and souvenirs	241	446
Gaming equipment	431	228
	1,366	868
At net realisable value:		
Properties held for sale	197,196	199,186
	198,562	200,054

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM7,656,000 (2012 : RM1,250,000).

Properties held for sale is pledged to financial institutions for bank borrowings as referred to in Note 20.

14 RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables				
Third parties (Note a)	12,356	30,632	–	–
Less: Allowance for impairment	(8,887)	(7,974)	–	–
Trade receivables, net	3,469	22,658	–	–
Other receivables (Note b)				
Sundry receivables	7,229	3,617	147	147
Deposits	1,092	1,038	–	–
Amounts due from:				
– affiliated companies	3,388	1,189	–	–
– a jointly controlled entity	899	164	–	–
– subsidiary companies	–	–	75,689	63,736
Other receivables	12,608	6,008	75,836	63,883
Other current assets (Note c)				
Deposits for acquisition of assets	3,540	40,358	369	369
Prepayments	3,858	3,263	74	41
	7,398	43,621	443	410
Total receivables	23,475	72,287	76,279	64,293

(a) Trade receivables

The Group's trade receivables are non-interest bearing with credit term ranging from 7 to 30 (2012 : 7 to 30) days. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

(i) Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Group	
	2013 RM'000	2012 RM'000
Neither past due nor impaired	1,955	2,615
1 to 30 days past due not impaired	908	24
31 to 60 days past due not impaired	433	17,492
61 to 90 days past due not impaired	61	214
91 to 120 days past due not impaired	–	1
More than 120 days past due not impaired	112	2,312
	1,514	20,043
Impaired	8,887	7,974
	12,356	30,632

14 RECEIVABLES (CONTD.)

(a) Trade receivables (contd.)

(i) Ageing analysis of trade receivables (contd.)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,514,000 (2012 : RM20,043,000) that are past due at the reporting date but not impaired as there is no concern on the credit worthiness of the counter parties 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	
	2013 RM'000	2012 RM'000
Trade receivables – nominal amounts	8,887	7,974
Less: Allowance for impairment	(8,887)	(7,974)
	–	–

Movement in allowance accounts:

As of 1 July 2012/2011	7,974	10,161
Charge for the year (Note 33)	2,302	1,522
Reversal of impairment loss (Note 33)	(1,389)	(3,709)
As of 30 June 2013/2012	8,887	7,974

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 receivable balances on account by account basis. Hence, all impairment losses are provided for specific 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.

(b) Other receivables

The amounts due from subsidiary, affiliated companies and a jointly controlled entity are unsecured, interest bearing and repayable on demand.

(c) Other current assets

In the previous financial year, other current assets mainly comprise deposits paid in respect of acquisition of several parcels of land as referred to in Note 44.

During the financial year, other current assets mainly comprise the deposit paid in respect of acquisition of 2 parcels of freehold land which was completed subsequent to the financial year end.

15 CASH AND BANK BALANCES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Deposits with licensed banks	53,902	27,929	1,111	1,150
Cash on hand and at banks	15,975	18,671	727	41
	69,877	46,600	1,838	1,191

Deposits with licensed banks of the Group amounting to RM16,000 (2012 : RM16,000) are pledged to bank for bank guarantee facilities granted to certain subsidiary company of the Group.

Included in deposits with licensed banks and in cash on hand and at banks of the Group are monies held in debt service reserve accounts amounting to RM41,639,000 (2012 : RM14,241,000).

The range of interest rates of the Group during the financial year and the range of maturities of deposits of the Group as at the end of financial year were as follows:

	Range of interest rates 2013 %	Range of interest rates 2012 %	Range of maturities 2013 Days	Range of maturities 2012 Days
Licensed banks	1.90 – 2.94	2.00 – 3.10	1 – 31	1 – 31

16 SHARE CAPITAL

	Group and Company: Ordinary shares <--- of RM1.00 each ---> No. of shares 2013 '000	No. of shares 2012 '000	Amount 2013 RM'000	Amount 2012 RM'000
Authorised:				
As of 1 July 2012/2011 and as of 30 June 2013/2012	5,000,000	5,000,000	5,000,000	5,000,000
Issued and fully paid:				
As of 1 July 2012/2011 and as of 30 June 2013/2012	1,113,042	1,113,042	1,113,042	1,113,042

Warrants 2008/2018

On 28 March 2008, the Company issued 415,982,348 free detachable Warrants 2008/2018 pursuant to the Rights Issue.

The Warrants were constituted by a Deed Poll dated 12 February 2008 and the main features of the Warrants are as follows:

(a) Each warrant entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in the Company at a price of RM1.00 per share;

(b) The Warrants may be exercised at any time up to 27 March 2018; and

(c) The shares arising from the exercise of Warrants shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments or distributions, unless the exercise of warrants is effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions.

As of the reporting date, all Warrants issued remain unexercised.

17 SHARE PREMIUM

	Group and Company 2013 RM'000	2012 RM'000
As of 1 July 2012/2011 and as of 30 June 2013/2012	258,985	258,985

18 AVAILABLE-FOR-SALE RESERVE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
As of 1 July 2012/2011	50,180	99,828	900	1,579
Changes in fair values of available-for-sale financial assets during the year	(954)	(46,334)	142	(679)
Transfer to statement of profit or loss upon disposal	(325)	(3,314)	(24)	–
As of 30 June 2013/2012	48,901	50,180	1,018	900

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 RETAINED EARNINGS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
As of 1 July 2012/2011 – as reported	497,144	368,834	76,489	87,823
Effects of adopting Amendments to MFRS 112	262,962	247,373	–	–
As of 1 July 2012/2011 – as restated	760,106	616,207	76,489	87,823
Total comprehensive income for the year	45,819	177,290	22,672	22,057
Dividends (Note 36)	(16,696)	(33,391)	(16,696)	(33,391)
As of 30 June 2013/2012	789,229	760,106	82,465	76,489

In the past, Malaysian companies adopted the full imputation system. The Finance Act 2007, which was gazetted on 28 December 2007, has introduced a single tier system. Under the single tier system, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders and such dividends will be exempted from tax in the hands of the shareholders.

Companies with Section 108 balance which do not opt for single tier system are allowed to use the credit balance for purpose of dividend distribution during the transitional period of 6 years until 31 December 2013. However, the Section 108 balance allowed for the purpose of dividend distribution is to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

Companies have an irrevocable option either to continue to frank dividends under limited circumstances or to disregard the Section 108 balance and pay dividends under the single tier system.

The Company did not elect for the irrevocable option to disregard the Section 108 balance.

As of 30 June 2013, the Company has Section 108 balance amounting to RM16,695,000 (2012 : RM27,698,000) available to frank future cash dividends and tax exempt account amounting to RM30,791,000 (2012 : RM30,791,000) available for the payment of future tax exempt dividends, subject to the agreement with the Inland Revenue Board and the availability of profits.

20 BANK BORROWINGS

	Group 2013 RM'000	Group 2012 RM'000
Short term borrowings		
Secured:		
Term loans	18,096	2,000
Revolving credit facility	11,000	9,000
Margin account	11,916	9,930
Bank overdraft	7,353	8,628
	48,365	29,558
Long term borrowings		
Secured:		
Term loans	316,286	190,083
Revolving credit facility	–	8,000
	316,286	198,083
Total borrowings		
Secured:		
Term loans	334,382	192,083
Revolving credit facility	11,000	17,000
Margin account	11,916	9,930
Bank overdraft	7,353	8,628
	364,651	227,641
Maturity of borrowings		
Not later than 1 year	48,365	29,558
Later than 1 year and not later than 2 years	173,641	18,755
Later than 2 years and not later than 5 years	142,645	59,673
More than 5 years	–	119,655
	364,651	227,641

The interest rates per annum for borrowings are as follows:

	Group 2013 %	Group 2012 %
Term loans	3.75 to 6.60	3.75 to 6.60
Revolving credit facility	5.76	5.71 to 5.74
Margin account	7.60	7.60
Bank overdraft	8.60	8.60

20 BANK BORROWINGS (CONTD.)

The borrowings are secured by the following:

(i) investment properties and a debenture over assets of certain subsidiary companies of the Group;

(ii) the assignment of sales proceeds and future rental by Berjaya Times Square Sdn Bhd ("BTSSB") for the entire development project;

(iii) a third party first fixed and floating charge over a parcel of land held under documents title HS(D) 13720 Lot No. PT 17201, Pahang and/or any other lands valued at not less than RM32 million;

(iv) a guarantee from a director of BTSSB and major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun;

(v) quoted shares of the Group; and

(vi) corporate guarantee by the Company.

21 SENIOR BONDS

On 1 June 2012, a subsidiary company issued a series of serial fixed rate bonds amounting to RM160.0 million nominal value comprising of the following series ("Senior Bonds"):

				Group	
		Interest	Nominal	At amortised cost	
		rate	value	2013	2012
Series	Maturity	p.a (%)	RM'000	RM'000	RM'000
1	1 June 2017	5.75	40,000	39,588	39,497
2	1 June 2018	5.85	40,000	39,568	39,495
3	31 May 2019	6.00	80,000	79,110	78,988
			160,000	158,266	157,980

The Senior Bonds are secured by:

(a) 5 levels of basement car park and 13 levels of annexed car park located at Berjaya Times Square, No.1 Jalan Imbi, Kuala Lumpur;

(b) legal assignment of the put option agreement entered into by the subsidiary company and BTSSB, whereby the subsidiary company has the right to sell back the car park to BTSSB at the outstanding amount of the Senior Bonds upon its maturity or on the occurrence of an event of default; and

(c) corporate guarantees by the Company and BTSSB.

22 HIRE PURCHASE LIABILITIES

	Group	
	2013 RM'000	2012 RM'000
Minimum lease payments:		
Not later than 1 year	252	3,049
Later than 1 year and not later than 2 years	–	252
	252	3,301
Less: Future finance charges	(30)	(391)
Present value of hire purchase liabilities	222	2,910
Present value of hire purchase liabilities:		
Not later than 1 year	222	2,688
Later than 1 year and not later than 2 years	–	222
	222	2,910
Analysed as:		
Due within 12 months	222	2,688
Due after 12 months	–	222
	222	2,910

The hire purchase liabilities bear interest rates from 4.50% to 6.50% (2012 : 4.50% to 6.50%) per annum.

23 LONG TERM LIABILITIES

	Group	
	2013 RM'000	2012 RM'000
Other long term liability (Note a)	85,433	–
Less: Current portion included in payables (Note 25)	(8,800)	–
	76,633	–
Rental deposits	11,751	12,622
Other deferred income (Note b)	1,963	2,036
	90,347	14,658

(a) Other long term liability relates to the portion of purchase consideration for the acquisition of several parcels of properties which will be recognised as rental income from a tenant over a period of 10 years.

(b) Other deferred income represents the difference between the carrying amount and fair value of financial liabilities upon initial recognition which is recognised systematically on a straight-line basis over the tenure of the tenancy periods.

24 DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
As of 1 July 2012/2011 – as reported	270,901	245,814	3	3,002
Effects of adopting Amendments to MFRS 112	(262,962)	(247,373)	–	–
As of 1 July 2012/2011 – as restated	7,939	(1,559)	3	3,002
Recognised in the statement of profit or loss (Note 34)	(8,939)	9,498	1	(2,999)
As of 30 June 2013/2012	(1,000)	7,939	4	3

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Property, plant and equipment and investment properties RM'000	Accelerated capital allowances RM'000	Total RM'000
Deferred Tax Liabilities of the Group			
As of 1 July 2012 – as restated	7,337	77,432	84,769
Recognised in the statement of profit or loss	3,327	(674)	2,653
	10,664	76,758	87,422
Less: Set-off of deferred tax assets			(71,444)
As of 30 June 2013			15,978
As of 1 July 2011 – as reported	254,883	79,918	334,801
Effects of adopting MFRS 112	(247,373)	–	(247,373)
As of 1 July 2011 – as restated	7,510	79,918	87,428
Recognised in the statement of profit or loss	(173)	(2,486)	(2,659)
	7,337	77,432	84,769
Less: Set-off of deferred tax assets			(74,692)
As of 30 June 2012			10,077

24 DEFERRED TAX (ASSETS)/LIABILITIES (CONTD.)

	Tax losses and unabsorbed capital allowances RM'000	Unutilised investment tax allowance RM'000	Others RM'000	Total RM'000
Deferred Tax Assets of the Group				
As of 1 July 2012	(74,611)	(2,771)	552	(76,830)
Recognised in the statement of profit or loss	6,871	2,771	(21,234)	(11,592)
	(67,740)	–	(20,682)	(88,422)
Less: Set-off of deferred tax liabilities				71,444
As of 30 June 2013				(16,978)
As of 1 July 2011	(86,787)	(2,771)	571	(88,987)
Recognised in the statement of profit or loss	12,176	–	(19)	12,157
	(74,611)	(2,771)	552	(76,830)
Less: Set-off of deferred tax liabilities				74,692
As of 30 June 2012				(2,138)

	Property, plant and equipment RM'000	Receivables RM'000	Total RM'000
Deferred Tax Liabilities of the Company			
As of 1 July 2012	3	–	3
Recognised in the statement of profit or loss	1	–	1
As of 30 June 2013	4	–	4
As of 1 July 2011	2	3,000	3,002
Recognised in the statement of profit or loss	1	(3,000)	(2,999)
As of 30 June 2012	3	–	3

24 DEFERRED TAX (ASSETS)/LIABILITIES (CONTD.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2013 RM'000	2012 RM'000
Unused tax losses	31,503	33,257
Unabsorbed capital allowances	35,887	38,354
Other deductible temporary differences	119,130	119,163
	186,520	190,774

The availability of the unused tax losses, unabsorbed capital allowances and other deductible temporary differences for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of the subsidiary companies under Section 44(5A) of the Income Tax Act, 1967.

25 PAYABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables	15,716	13,873	–	–
Provision for liquidated ascertained damages	644	644	–	–
Refundable deposits	22,653	42,175	–	–
Other payables and accruals	97,573	13,513	394	347
Amounts due to affiliated companies	980	576	596	201
Amounts due to subsidiary companies	–	–	41,389	25,039
	137,566	70,781	42,379	25,587
Current portion of other long term liability (Note 23)	8,800	–	–	–
	146,366	70,781	42,379	25,587

The normal trade credit term granted to the Group and to the Company ranges from 15 to 90 days (2012 : 15 to 90 days).

Provision for liquidated ascertained damages of the Group is made in respect of the delay in the completion of the development project and is in accordance with Note 3.2(o).

Included in other payables and accruals are the balance purchase consideration for the acquisition of several parcels of land amounting to RM81,407,000 (2012 : RM Nil). This balance payment bears interest at 6.0% per annum.

The amounts due to affiliated companies are unsecured, non interest bearing and repayable on demand.

The amounts due to subsidiary companies are unsecured, interest bearing and repayable on demand.

26 REVENUE

The main categories of revenue are as follows:

	2013 RM'000	2012 RM'000
Group		
Sale of properties	3,765	2,746
Sale of theme park tickets	13,962	13,714
Rental income from investment properties	91,695	83,334
Revenue from jetty operations	7,277	–
Revenue from hotel operations	8,099	–
Gaming ticket sales less gaming tax	236,794	231,549
Gaming terminal sales	59	27
	361,651	331,370
Company		
Gross dividends from subsidiary companies	23,290	22,296
Gross dividends from an affiliated company	13	25
Management fees from subsidiary companies	725	725
	24,028	23,046

27 COST OF SALES

This relates to cost of sales incurred in respect of the business segments of gaming and related activities, property development and property investment, recreation, trading and others.

28 OTHER INCOME

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Dividend income from:				
– available-for-sale investments quoted in Malaysia	1,742	2,001	–	–
Interest income:				
– fixed and other deposits	1,394	1,322	120	63
– subsidiary companies	–	–	1,696	1,042
– others	711	119	10	–
Gain on disposal of quoted investments	325	3,314	24	–
Gain on disposal of investment properties	19,465	60,228	–	–
Finance income – loans and receivables and other liabilities at amortised costs	713	869	–	–
Miscellaneous	1,744	2,901	–	–
	26,094	70,754	1,850	1,105

29 STAFF COSTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages and salaries	11,216	8,745	360	270
Bonus	1,403	1,525	63	56
EPF contributions	1,468	1,206	41	39
Social security organisation contributions	156	115	2	1
Short term accumulating compensated absences	93	134	(3)	2
Other staff related expenses	894	762	–	–
	15,230	12,487	463	368

The above staff costs exclude executive directors' salary and other emoluments.

30 DIRECTORS' REMUNERATION

The total remuneration paid or payable to the Directors of the Group and of the Company categorised into appropriate components for the financial year are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors of the Company				
Executive:				
Fees	25	10	15	–
Salary and other emoluments	446	396	67	238
	471	406	82	238
Non-Executive:				
Fees	148	142	138	132
Other emoluments	15	15	15	15
	163	157	153	147
Directors of the subsidiary companies				
Fees	110	110	–	–
Other emoluments	399	457	–	–
	509	567	–	–
Total	1,143	1,130	235	385

31 OTHER EXPENSES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net fair value loss on available-for-sale quoted investments	14,396	1,942	41	6
Miscellaneous	841	224	–	–
	15,237	2,166	41	6

32 FINANCE COSTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense:				
– borrowings	26,984	22,716	–	–
– hire purchase liabilities	361	364	–	–
– subsidiary companies	–	–	1,231	282
– loan related expenses	83	34	–	–
– unwinding of discount and charge out of deferred transaction costs	3,371	1,484	–	–
	30,799	24,598	1,231	282

33 PROFIT BEFORE TAX

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax is stated after charging/(crediting):				
Direct operating expenses of investment properties:				
– revenue generating during the year	4,994	6,551	–	–
– non-revenue generating during the year	1,078	918	–	–
Gaming royalty	1,287	1,259	–	–
Depreciation of property, plant and equipment (Note 5)	13,041	12,164	11	9
Directors' remuneration (Note 30):				
– fees	283	262	153	132
– salary and other emoluments	860	868	82	253
Auditors' remuneration:				
– statutory audit	233	158	35	35
– under provision in prior years	7	27	–	–
– other services	45	79	–	30
Loss on foreign exchange – unrealised	15	147	–	–
Amortisation of other intangible assets (Note 12)	1,101	1,101	–	–
Reversal of impairment loss on receivables	(1,389)	(3,709)	–	–
Impairment loss on receivables	2,302	1,522	–	–
Operating leases:				
– lease payments for buildings	64	64	–	–
Staff costs (Note 29)	15,230	12,487	463	368
Gain on disposal of property, plant and equipment	–	(43)	–	–
Property, plant and equipment written off	46	8	–	–

34 INCOME TAX EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax:				
Malaysian income tax	26,921	7,765	368	3,181
(Over)/Under provision in prior years	(28)	822	(4)	8
	26,893	8,587	364	3,189
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(7,846)	9,325	1	(2,999)
(Over)/Under provision in prior years	(1,093)	173	–	–
	(8,939)	9,498	1	(2,999)
Total income tax expense	17,954	18,085	365	190

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax	70,841	201,309	23,037	22,247
Taxation at Malaysian statutory tax rate of 25%	17,710	50,327	5,759	5,562
Effect of expenses not deductible for tax purposes	8,842	3,468	437	200
Effect of income not subject to tax	(6,414)	(20,793)	(5,827)	(5,580)
Effect of income subject to real property gains tax	–	(15,589)	–	–
Effect of utilisation of previously unrecognised unutilised investment allowances and unabsorbed capital allowances	(1,484)	(359)	–	–
Deferred tax assets not recognised during the year	421	51	–	–
Deferred tax assets recognised for other temporary differences	–	(15)	–	–
(Over)/Under provision of deferred tax expense in prior years	(1,093)	173	–	–
(Over)/Under provision of tax expense in prior years	(28)	822	(4)	8
Income tax expense for the year	17,954	18,085	365	190

35 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares in issue during the financial year.

	2013 RM'000	2012 RM'000
Profit attributable to ordinary equity holders of the Parent	45,819	177,290
Weighted average number of ordinary shares in issue ('000)	1,113,042	1,113,042
	Sen	**Sen**
Basic earnings per share	4.12	15.93

Fully diluted earnings per share is not presented as the warrants, if exercised, would have an anti-dilutive effect on the earnings per share.

36 DIVIDENDS

	Company			
	2013 Net dividend per share Sen	2013 Net dividend RM'000	2012 Net dividend per share Sen	2012 Net dividend RM'000
Declared/proposed in respect of:				
Financial year ended 30 June 2013				
– Final dividend of 2 sen less 25% income tax	1.50	16,696	–	–
Financial year ended 30 June 2012				
– Final dividend of 2 sen less 25% income tax	–	–	1.50	16,696
	1.50	16,696	1.50	16,696

On 16 August 2013, the Board recommended a final dividend of 2 sen less 25% income tax in respect of the current financial year ended 30 June 2013 on 1,113,041,559 ordinary shares of RM1.00 each (net 1.50 sen per ordinary share of RM1.00) amounting to RM16,696,000, to be approved by the Company's shareholders at the forthcoming Annual General Meeting. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the following financial year ending 30 June 2014.

37 CORPORATE GUARANTEE

The Company has provided corporate guarantees to certain financial institutions pertaining to the banking facilities utilised by its subsidiary companies as of 30 June 2013.

The total amount of corporate guarantees provided by the Company for the abovementioned facilities amounted to RM511,298,000 (2012 : RM371,023,000). The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company will not crystallise in view of the securities pledged by the subsidiary companies as disclosed in Notes 20 and 21.

38 COMMITMENTS

(a) Other Commitments

	Group 2013 RM'000	Group 2012 RM'000
Capital expenditure approved and contracted for	50,931	378,046

(b) Non-Cancellable Operating Lease Commitments – Group as Lessee

	Group 2013 RM'000	Group 2012 RM'000
Future minimum rental payments:		
Not later than 1 year	65	64
Later than 1 year and not later than 5 years	151	192
Later than 5 years	44	68
	260	324

The Group has entered into non-cancellable operating lease agreements which represent rental payable for the use of building. Leases are negotiated for a period of 10 years and rentals fixed for between 3 and 5 years.

(c) Non-Cancellable Operating Lease Commitments – Group as Lessor

	Group 2013 RM'000	Group 2012 RM'000
Future minimum rental receivable:		
Not later than 1 year	66,292	44,936
Later than 1 year and not later than 5 years	91,379	30,689
More than 5 years	196,200	–
	353,871	75,625

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial space. These leases have non-cancellable lease terms of between 6 months and 25 years (2012 : 6 months and 3 years). The future minimum rental receivable are pledged to financial institutions for credit facilities as referred to in Note 20.

39 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Management fees charged to subsidiary companies		–	–	(725)	(725)
Management fees charged by					
– Berjaya Land Berhad	a	240	240	240	240
Rental income and other related income charged to:					
– Berjaya Registration Services Sdn Bhd	a	(382)	(382)	–	–
– Budi Impian Sdn Bhd	a	(242)	(285)	–	–
– Berjaya Higher Education Sdn Bhd	a	(1,343)	(1,144)	–	–
– Berjaya Krispy Kreme Doughnuts Sdn Bhd	a	(80)	(100)	–	–
– Berjaya Papa John's Pizza Sdn Bhd	a	(378)	(290)	–	–
– KUB-Berjaya Enviro Sdn Bhd	a	(213)	(205)	–	–
– Cosway (M) Sdn Bhd	a	(406)	(406)	–	–
– Berjaya Land Berhad	a	(379)	(379)	–	–
– Berjaya Books Sdn Bhd	a	(156)	(150)	–	–
– Berjaya Resort Management Services Sdn Bhd	a	(472)	(472)	–	–
– Mantra Design Sdn Bhd	a	(42)	(42)	–	–
– Wen Berjaya Sdn Bhd	a	(171)	(234)	–	–
– Berjaya Hills Berhad	a	(67)	(67)	–	–
– Academy of Nursing (M) Sdn Bhd	a	(569)	(652)	–	–
– Sports Toto Computer Sdn Bhd	a	(62)	(52)	–	–
– 7-Eleven Malaysia Sdn Bhd	b	(592)	(683)	–	–
– U Mobile Sdn Bhd ("UMSB")	c	(1,453)	(1,510)	–	–
– MOL AccessPortal Sdn Bhd	f	(329)	(357)	–	–
– TT Resources Food & Services Sdn Bhd	g	(157)	(261)	–	–
– Ascot Sports Sdn Bhd	h	(415)	(415)	–	–
– Berjaya Roasters (M) Sdn Bhd	i	(584)	(584)	–	–
– Berjaya-GSC Sdn Bhd	j	(1,398)	(1,398)	–	–
– Berjaya Starbucks Coffee Company Sdn Bhd	k	(556)	(443)	–	–
		(10,446)	(10,511)	–	–
Parking charges charged to:					
– Berjaya Land Berhad	a	(103)	(115)	–	–
– Berjaya Resort Management Services Sdn Bhd	a	(34)	(34)	–	–
– Inter-Pacific Securities Sdn Bhd	a	(152)	(159)	–	–
– Prime Credit Leasing Sdn Bhd	a	(7)	(5)	–	–
– KUB-Berjaya Enviro Sdn Bhd	a	(37)	(34)	–	–
– Sports Toto Malaysia Sdn Bhd	a	(344)	(376)	–	–
– UMSB	c	(332)	(350)	–	–
– Berjaya Roasters (M) Sdn Bhd	i	(50)	(37)	–	–
– Berjaya Starbucks Coffee Company Sdn Bhd	k	(55)	(47)	–	–
		(1,114)	(1,157)	–	–

39 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Promotion, advertisement and publishing expenses charged by Sun Media Corporation Sdn Bhd	e	16	75	–	39
Receipt of share registration services and related expenses charged by Berjaya Registration Services Sdn Bhd	a	28	45	28	45
IT consultancy, management and maintenance services charged by Qinetics Solutions Sdn Bhd	d	–	2	–	–
Procurement of computerised lottery system and related services from International Lottery & Totalizator Systems, Inc	a	442	438	–	–

The nature of the related party relationships are as follows:

(a) Subsidiary company of Berjaya Corporation Berhad ("BCorp"). Deemed a related party by virtue of the interests of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") who is a major shareholder of both the Company and BCorp. His sons, Dato' Robin Tan Yeong Ching ("DRT") and Rayvin Tan Yeong Sheik ("RTYS") are also Directors and shareholders of BCorp. DRT is the Chairman/Chief Executive Officer and deemed a substantial shareholder of BCorp. Hence, Tan Sri Vincent Tan, DRT and RTYS are persons connected with each other.

(b) Subsidiary company of Berjaya Retail Berhad ("BRetail") and deemed a related party by virtue of Tan Sri Vincent Tan's deemed interest in BRetail.

(c) Deemed a related party by virtue of Tan Sri Vincent Tan's direct and deemed interests in UMSB. Tan Sri Dato' Tan Chee Sing ("TSDT"), the father of Dato' Dickson Tan Yong Loong ("DDT") and a brother of Tan Sri Vincent Tan is also a deemed substantial shareholder of UMSB. Hence, TSDT is a person connected with Tan Sri Vincent Tan and DDT.

(d) Subsidiary company of MOL.com Sdn Bhd ("MOL"). Tan Sri Vincent Tan and BCorp are major shareholders of MOL while DRT is the Chairman and a shareholder of MOL.

(e) Subsidiary company of Berjaya Media Berhad ("BMedia"). A company in which BCorp and Tan Sri Vincent Tan have substantial interests while DRT is the Chairman of BMedia.

(f) A wholly owned subsidiary company of MOL Global Pte Ltd ("M-Global"), Tan Sri Vincent Tan and MOL are major shareholders of M-Global.

(g) Wholly owned subsidiary company of TT Resources Berhad. TSDT is the Executive Chairman and major shareholder of TT Resources Berhad, while DDT is a Director of TT Resources Berhad.

(h) A company in which Tan Sri Vincent Tan and DRT have interests.

(i) A wholly owned subsidiary company of Berjaya Food Berhad ("BFood"). Tan Sri Vincent Tan and BCorp are major shareholders of BFood while DRT is the Executive Chairman and a shareholder of BFood.

(j) A jointly controlled entity of the Company.

(k) A jointly controlled entity of BFood.

The compensation of the key management personnel who are directors of the Group are disclosed in Note 30.

40 SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their products and services, and has reportable operating segments as follows:

(i) gaming and related activities;
(ii) property development and property investment; and
(iii) recreation (including hotel operation and ferry terminal management).

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

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) and income taxes are managed on a group basis and not allocated to operating segments.

No segment information by geographical location is prepared as the Group operates predominantly in Malaysia.

Unallocated assets/liabilities include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segment. These mainly include corporate assets, tax recoverable/liabilities, borrowings, hire purchase and lease obligations.

Other non cash expenses mainly include write-off of property, plant and equipment, and impairment of receivables.

Business segments:

	2013			2012		
	External RM'000	Inter-segment RM'000	Total RM'000	External RM'000	Inter-segment RM'000	Total RM'000
Revenue						
Gaming and related activities	236,853	4,504	241,357	231,576	4,404	235,980
Property development and property investment	110,836	–	110,836	86,080	–	86,080
Recreation	13,962	–	13,962	13,714	–	13,714
Inter-segment eliminations	–	(4,504)	(4,504)	–	(4,404)	(4,404)
	361,651	–	361,651	331,370	–	331,370

40 SEGMENT INFORMATION (CONTD.)

Business segments (contd.):

	2013 RM'000	2012 RM'000
Results		
Gaming and related activities	28,903	26,389
Property development and property investment	60,651	52,723
Recreation	(3,681)	(3,878)
	85,873	75,234
Unallocated corporate expenses	(2,111)	(994)
	83,762	74,240
Fair value adjustment on investment properties	6,382	82,265
Other income		
– gaming and related activities	2,423	5,359
– property development and property investment	23,376	65,247
– recreation	126	34
– unallocated	169	114
	26,094	70,754
Other expenses		
– gaming and related activities	(10,548)	(924)
– property development and property investment	(4,549)	(1,089)
– recreation	–	(147)
– unallocated	(140)	(6)
	(15,237)	(2,166)
Operating profit	101,001	225,093
Finance costs	(30,799)	(24,598)
Share of results of jointly controlled entities	639	814
Profit before tax	70,841	201,309
Income tax expense	(17,954)	(18,085)
Profit for the year	52,887	183,224
Non-controlling interests	(7,068)	(5,934)
Profit attributable to equity holders of the Parent	45,819	177,290

	2013		2012	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Assets and liabilities				
Gaming and related activities	184,526	15,901	189,373	15,877
Property development and property investment	2,406,218	234,266	2,185,830	67,013
Recreation	269,579	5,259	148,141	3,547
Segment assets/liabilities	2,860,323	255,426	2,523,344	86,437
Investment in jointly controlled entities	5,543	–	4,940	–
Unallocated corporate assets/liabilities	143,733	540,220	143,628	399,513
Consolidated assets/liabilities	3,009,599	795,646	2,671,912	485,950

40 SEGMENT INFORMATION (CONTD.)

	<---- 2013	---->		<---- 2012	---->	
	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non-cash expenses RM'000	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non-cash expenses RM'000
Other information						
Gaming and related activities	36	2,635	–	428	2,822	–
Property development and property investment	269,722	2,744	2,348	46,159	2,919	1,530
Recreation	125,307	8,752	–	386	7,515	147
Unallocated	6	11	–	–	9	–
	395,071	14,142	2,348	46,973	13,265	1,677

	2013 RM'000	2012 RM'000
Impairment losses		
Gaming and related activities	10,548	847
Property development and property investment	3,808	1,089
Unallocated	40	6
	14,396	1,942

41 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group 2013	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Held-to-maturity investments RM'000	Available-for-sale RM'000	Total RM'000
Financial assets						
Other investments	10	–	–	1,010	121,893	122,903
Derivative asset	11	71	–	–	–	71
Receivables	14	–	16,077	–	–	16,077
Deposits	15	–	53,902	–	–	53,902
Cash and bank balances	15	–	15,975	–	–	15,975
Total financial assets		71	85,954	1,010	121,893	208,928

	Note	Total at amortised cost RM'000
Financial liabilities		
Long term borrowings	20	316,286
Senior Bonds	21	158,266
Hire purchase liabilities	22	222
Long term liabilities	23	11,751
Payables	25	136,922
Short term borrowings	20	48,365
Total financial liabilities		671,812

41 FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (contd.)

Group 2012	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Held-to-maturity investments RM'000	Available-for-sale RM'000	Total RM'000
Financial assets						
Other investments	10	–	–	1,021	136,126	137,147
Derivative asset	11	104	–	–	–	104
Receivables	14	–	28,666	–	–	28,666
Deposits	15	–	27,929	–	–	27,929
Cash and bank balances	15	–	18,671	–	–	18,671
Total financial assets		104	75,266	1,021	136,126	212,517

	Note	Total at amortised cost RM'000
Financial liabilities		
Long term borrowings	20	198,083
Senior Bonds	21	157,980
Hire purchase liabilities	22	2,910
Long term liabilities	23	12,622
Payables	25	70,137
Short term borrowings	20	29,558
Total financial liabilities		471,290

Company 2013	Note	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets				
Other investments	10	–	1,800	1,800
Receivables	14	75,836	–	75,836
Deposits	15	1,111	–	1,111
Cash and bank balances	15	727	–	727
Total financial assets		77,674	1,800	79,474

	Note	Total at amortised cost RM'000
Financial liabilities		
Payables	25	42,379

41 FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (contd.)

Company 2012	Note	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets				
Other investments	10	–	1,882	1,882
Receivables	14	63,883	–	63,883
Deposits	15	1,150	–	1,150
Cash and bank balances	15	41	–	41
Total financial assets		65,074	1,882	66,956

	Note	Total at amortised cost RM'000
Financial liabilities		
Payables	25	25,587

(b) Fair values

(i) Financial instruments that are measured at fair value

The carrying amounts of financial assets and liabilities of the Group and of the Company as at the reporting date approximated their fair values except for the following:

		Group			
		2013		2012	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets					
Other investments					
– Quoted government securities	10	1,010	1,017	1,021	1,038

The fair value of Malaysian Government Securities determined directly by reference to their published market bid prices at reporting date.

The Group and the Company use the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1

Quoted market prices in an active market.

Level 2

Valuation inputs (other than Level 1 input) that are based on observable market data for the asset or liability, whether directly or indirectly.

Level 3

Valuation inputs that are not based on observable market data.

41 FINANCIAL INSTRUMENTS (CONTD.)

(b) Fair values (contd.)

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
2013				
Group				
Financial assets				
Other investments	118,233	–	3,660	121,893
Derivative assets	–	–	71	71
	118,233	–	3,731	121,964
Company				
Financial assets				
Other investments	1,800	–	–	1,800
2012				
Group				
Financial assets				
Other investments	132,498	–	3,628	136,126
Derivative assets	–	–	104	104
	132,498	–	3,732	136,230
Company				
Financial assets				
Other investments	1,882	–	–	1,882

The following table reconciles the Group's Level 3 fair value measurements from 1 July 2012 to 30 June 2013:

	2013 RM'000	2012 RM'000
Financial assets		
As of 1 July 2012/2011	3,732	3,731
Fair value changes recognised during the year	(1)	(62)
Exchange differences	–	63
As of 30 June 2013/2012	3,731	3,732

41 FINANCIAL INSTRUMENTS (CONTD.)

(b) Fair values (contd.)

(ii) Financial instruments that are not measured at fair value and whose carrying amount are reasonable approximation of fair value

Included in these classes of financial instruments are certain financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Receivables	14
Payables	25
Bank borrowings	20
Hire purchase liabilities	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the bank borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

42 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market risk (including interest rate risk, foreign currency risk and equity price risk), liquidity risk and credit risk. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of the Group's and 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.

The interest-bearing assets are mainly deposits with licensed banks and they are not held for speculative purposes. The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank.

The interest-bearing debts are mainly term loans, Senior Bonds, revolving credit facility, margin account and amounts due to affiliated companies. Debts at floating rates expose the Group to cash flow interest rate risk. Debts at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate debts.

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk are disclosed in Notes 15, 20, 21 and 25.

42 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market Risk (contd.)

(i) Interest Rate Risk (contd.)

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed rate instruments				
Financial assets	57,562	31,557	1,111	1,150
Financial liabilities	245,895	168,890	–	–
Floating rate instruments				
Financial assets	4,287	1,353	75,689	63,736
Financial liabilities	358,651	219,641	41,389	25,039

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the statement of profit or loss.

Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit before tax of the Group and of the Company to be (lower)/higher by (RM886,000) and RM86,000 (2012 : (RM546,000) and RM97,000) respectively. This analysis assumes that all other variables remain constant.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group mainly transacts in Ringgit Malaysia. However, certain of the Group's purchases are in foreign currencies and as such, the Group is exposed to exchange rate fluctuation between Ringgit Malaysia and foreign currencies such as United States Dollar and Euro. The Group seeks to mitigate foreign currency risk with close monitoring via making payments when foreign exchange rates are favourable to the Group.

The financial liabilities of the Group that are denominated in foreign currencies are as follows:

	Group	
	2013 RM'000	2012 RM'000
Other payables		
– United States Dollar	2,791	2,832
– Euro	14	14
	2,805	2,846

The financial impact of changes in foreign currency rates is not material to the Group.

42 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market Risk (contd.)

(iii) Equity Price Risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from its investments in quoted equity instruments. The quoted equity instruments in Malaysia are listed on Bursa Securities and classified as available-for-sale financial assets based on the purpose for which the quoted equity instruments were acquired. The Group and the Company do not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 1% higher/lower, with all other variables held constant, the Group's available-for-sale reserve would have been RM1,182,000 (2012: RM1,324,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments designated as available-for-sale financial assets.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to the shortage of funds.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funds so as to ensure that all funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio so as to achieve overall cost effectiveness.

Analysis of undiscounted financial instruments by remaining contractual maturities

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities				
2013				
Payables	140,315	–	–	140,315
Rental deposits	–	11,751	–	11,751
Senior bonds	9,440	115,078	84,405	208,923
Hire purchase liabilities	252	–	–	252
Loans and borrowings	63,988	340,738	18,786	423,512
	213,995	467,567	103,191	784,753
2012				
Payables	70,137	–	–	70,137
Rental deposits	–	14,658	–	14,658
Senior bonds	9,440	77,571	131,353	218,364
Hire purchase liabilities	3,049	252	–	3,301
Loans and borrowings	44,581	198,361	–	242,942
	127,207	290,842	131,353	549,402

42 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk mainly from trade and other receivables.

The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

At reporting date, the Group's and the Company's maximum exposure to credit risk arising from trade and other receivables are represented by the carrying amounts of these financial assets recorded on the statements of financial position.

The Group's and the Company's credit risks on cash and bank balances are limited as the Group and the Company place its funds with reputable financial institutions with high credit ratings.

43 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2013 and 2012.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's total debt includes borrowings, Senior Bonds and hire purchase liabilities. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

The gearing ratios as of 30 June 2013 and 30 June 2012 were as follows:

		Group	
	Note	2013 RM'000	2012 RM'000
Short term borrowings	20	48,365	29,558
Long term borrowings	20	316,286	198,083
Senior Bonds	21	158,266	157,980
Hire purchase liabilities	22	222	2,910
Total debt		523,139	388,531
Total equity		2,213,953	2,185,962
Gearing ratio (%)		24	18

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

44 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 10 February 2012, the Company announced that offers made by its 100% owned subsidiary, Berjaya Waterfront Sdn Bhd (formerly known as Pesaka Ikhlas (M) Sdn Bhd) ("BWSB") to acquire several parcels of land with buildings erected thereon in Stulang Laut, Johor Bahru for a total cash consideration of RM385.0 million have been accepted by the vendors, namely, Atlan Technology Sdn Bhd ("ATSB"), Darul Metro Sdn Bhd ("DMSB") and Kelana Megah Sdn Bhd ("KMSB"), collectively referred to as Vendors.

BWSB had entered into 3 conditional sale and purchase agreements for the following:

a) the proposed acquisition by PISB from ATSB of its remaining lease interest in a parcel of vacant land measuring about 4.899 acres held under title H.S.(D) 19350, PTB 10710, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM32.01 million ("ATSB SPA");

b) the proposed acquisition by PISB from DMSB of its remaining lease interest in 6 parcels of land measuring about 14.122 acres held under title H.S.(D) 19348, PTB 10707, PTB 20380, PTB 20438, PTB 20006, PTD 146378 and PTD 148062, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor with an integrated commercial development known as "The Zon Johor Bahru" erected thereon for a cash consideration of RM325.01 million ("DMSB SPA"); and

c) the proposed acquisition by PISB from KMSB of its intended lease interest in a parcel of vacant land measuring about 4.285 acres held under Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a cash consideration of RM27.99 million ("KMSB SPA"), collectively known as "Proposals".

ATSB is a subsidiary of Atlan Holdings Bhd ("AHB"), a company listed on Bursa Securities, whereas KMSB and DMSB are subsidiary companies of Duty Free International Limited ("DFIL"), a company listed on the Singapore Exchange Securities Trading Limited. DFIL is in turn a subsidiary of AHB.

The Zon Johor Bahru is a gazetted Free Commercial Zone pursuant to Section 39(1) of the Free Zones Act, 1990. It comprises of a 12-level hotel, a 5-level shopping complex (podium block), an international ferry terminal and a custom and immigration checkpoint cum office building.

Conditions of the Proposals are as follows:

a) The Proposals are subject to the approvals of the Johor State Government and Majlis Bandaraya Johor Bahru.

b) The KMSB SPA is conditional upon the completion of DMSB SPA.

c) The proposed acquisitions from KMSB and DMSB are conditional upon the approval of the shareholders of DFIL.

d) The Proposals are subject to the consents of the lenders of AHB, DFIL and/or its related companies, where applicable.

As of the date of this report, both the ATSB SPA and DMSB SPA have been completed whilst the KMSB SPA is still pending fulfilment of the conditions precedent.

The acquisition of the abovementioned properties is regarded as a business combination in line with MFRS 3 Business Combinations and the cost of its combination is currently provisionally allocated to the fair values of assets acquired. The Group is currently undertaking a purchase price allocation exercise to identify any intangible assets that may arise from this business combination.

45 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held 2013 %	Equity Interest Held 2012 %
Subsidiary Companies				
^ Berjaya Assets Pte Ltd	Singapore	Investment holding	100	100
Berjaya Times Square Sdn Bhd	Malaysia	Property investment, property development and investment holding	100	100
BTS (Cayman) Limited	Cayman Islands	Investment holding	100	100
Bumisuci Sdn Bhd	Malaysia	Investment holding	100	100
Dayadil Sdn Bhd	Malaysia	Investment holding	100	100
Ishandal Sdn Bhd	Malaysia	Investment holding	100	100
Jernih Wiramas Sdn Bhd	Malaysia	Dormant	100	–
* Natural Avenue Sdn Bhd	Malaysia	Number forecast lotteries in Sarawak	65	65
Rentas Padu Sdn Bhd	Malaysia	Investment holding	100	100
Sapphire Transform Sdn Bhd	Malaysia	Property investment	100	100
# Sempurna Bahagia Sdn Bhd	Malaysia	Investment holding	100	100
Sublime Cartel Sdn Bhd	Malaysia	Provision of lottery consultancy and related services and investment holding	100	100
Sunrise Bonanza Sdn Bhd	Malaysia	Investment holding	70	–
Subsidiaries of Berjaya Times Square Sdn Bhd				
Berjaya TS Management Sdn Bhd	Malaysia	Dormant	100	100
Berjaya Times Square Theme Park Sdn Bhd	Malaysia	Operation of theme park	100	100
Berjaya Waterfront Sdn Bhd (formerly known as Pesaka Ikhlas (M) Sdn Bhd)	Malaysia	Operations of hotel, complex and ferry terminal management	100	100
BTS Cultural Centre Sdn Bhd	Malaysia	Dormant	100	100
BTS Car Park Sdn Bhd	Malaysia	Car park operator	100	100
Danau Laris Sdn Bhd	Malaysia	Dormant	60	60
Shasta Supermarket Sdn Bhd	Malaysia	Dormant	100	100

45 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held 2013 %	Equity Interest Held 2012 %
Subsidiaries of Berjaya Times Square Sdn Bhd (contd.)				
TS Service Suites Sdn Bhd	Malaysia	Dormant	100	100
10th Avenue Food Mall Sdn Bhd	Malaysia	Ceased operations	100	100
Subsidiary of BTS (Cayman) Limited				
^ Cardiff Asset Limited	United Kingdom	Property investment	100	100
Subsidiary of Dayadil Sdn Bhd				
Imej Jasa Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiaries of Imej Jasa Sdn Bhd				
Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100	100
Muara Tebas Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiary of Natural Avenue Sdn Bhd				
Petekat Sdn Bhd	Malaysia	General trading and commission agent	100	100
Subsidiary of Rentas Padu Sdn Bhd				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100	100
Subsidiary of Berjaya Waterfront Sdn Bhd (formerly known as Pesaka Ikhlas (M) Sdn Bhd)				
Jauhari Maksima Sdn Bhd	Malaysia	Dormant	100	–
Associated Company				
Megaquest Sdn Bhd	Malaysia	Investment holding	50	50

* Effective interest

\# 66.67% held by Bumisuci Sdn Bhd and 33.33% held by Ishandal Sdn Bhd

^ Not audited by Deloitte KassimChan or a member firm of Deloitte KassimChan Global

46 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 is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Realised earnings	521,259	470,947	82,465	76,489
Unrealised earnings	710,592	708,282	–	–
Total retained earnings	1,231,851	1,179,229	82,465	76,489
Less: Consolidation adjustments	(442,622)	(419,123)	–	–
Retained earnings as per financial statements	789,229	760,106	82,465	76,489

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.

LIST OF PROPERTIES
AS AT 30 JUNE 2013

Location	Tenure	Size	Description/ Existing Use	Estimated Age of Building	Date of Acquisition	Net Carrying Value RM'000
No. Geran 56069, Lot 2001, Section 52, Town and District of Kuala Lumpur (Berjaya Times Square, Jalan Imbi, Kuala Lumpur)	Freehold	39,591 sq meter	Shopping-cum -leisure mall	<10 years	8.7.1994	2,158,680
No. Geran 56068, Lot 2000, Section 52, Town and District of Kuala Lumpur (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,901 sq meter	Office building	<19 years	8.7.1994	
H.S. (D) 156049, P.T. No. 3338, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	513 sq meter	Bungalow	>30 years	15.3.2011	1,850
No. Geran 33664, Lot 165, Seksyen 0094, Bandar Kuala Lumpur, Wilayah Persekutuan	Freehold	125 sq meter	Shop lot	>40 years	10.1.2012	2,250
No. Geran 49297, Lot 52, Seksyen 94, Bandar Kuala Lumpur, Wilayah Persekutuan	Freehold	1,694 sq meter	Bungalow	>40 years	31.12.2011	6,750
Lots PTB 10707, PTB 20006, PTB 20380, PTB 20438, PTD 146378 & PTD 148062, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor. (Berjaya Waterfront, Johor Bahru)	99 years lease interest expiring on 30.10.2092	57,355 sq meter	5-level shopping complex 12-level 400 rooms hotel, a ferry terminal, a custom & immigration building	16 years	10.4.2012	329,554
Lot PTB 10710 , Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor. (Berjaya Waterfront, Johor Bahru)	99 years lease interest expiring on 30.10.2092	19,826 sq meter	Vacant land	N/A	10.4.2012	32,010

Location	Tenure	Size	Description/ Existing Use	Estimated Age of Building	Date of Acquisition	Net Carrying Value RM'000
Lot G-09, G-09B, G-10, G-11 and G-12, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	Freehold	2,843 sq feet	Retail lots for rent	<9 years	28.6.2012	36,010
Lot 8189 & 8190, Town East, Jalan Pending, Kuching, Sarawak	Leasehold 60 years expiring on 11.5.2048	245 sq meter	4-storey shop house/ office building	24 years	13.7.1996	620
No. 273 & 274, Lot 2545 & 2546, Centraland Commercial Park, Off Jalan Rock Kuching, Sarawak	Leasehold 60 years expiring on 5.5.2054	484.2 sq meter	4-storey shop house/ office building used as office and draw hall	18 years	31.8.2002	3,410
The Collins Theatre 1 Essex Road, London N1 2SE	999 years	Approximately 13,272 sq ft	Theatre and restaurant/ Retail shop	17 years	23.08.2012	25,996

NOTE:

The Group does not adopt a policy of regular valuation of its properties except for investment properties which are stated at fair value.

OTHER INFORMATION

MATERIAL CONTRACTS

Other than as disclosed in Notes 14, 20, 21, 25, 30, 38, 39 and 44 of the financial statements for the financial year ended 30 June 2013 neither Berjaya Assets Berhad nor any of its subsidiaries had entered into any material contracts, involving Directors and major shareholders.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 June 2013 amounted to RM45,000.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted (RM'000)
Berjaya Corporation Berhad ("BCorporation") and/or its unlisted subsidiary companies:			
Berjaya Registration Services ("BRegistration")	BAssets	Receipt of share registration services	28
Berjaya Books Sdn Bhd	Berjaya Times Square Sdn Bhd ("BTSSB")	Rental income receivable for renting of shoplots at Lots 156 LG-10, 11 & 11A, Lower Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	156
BCorporation and its subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable.	361
Wen Berjaya Sdn Bhd	BTSSB	Rental income receivable for renting of café at Lots 03-75A & 03-89, 3rd Floor, Berjaya Times Square, No.1 Jalan Imbi, Kuala Lumpur.	171
Inter-Pacific Trading Sdn Bhd	BAssets Group	Purchase of stationery products and printing services.	29
Berjaya Education Sdn Bhd	BAssets Group	Receipt of education and staff training services.	1
Berjaya Higher Education Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lot 14-01, 14th Floor, Lots 09-45, 09-45A, 09-46, 09-47, 09-48 & 09-50, 9th Floor, and shoplots at Lot 09-23, 09-24 & 09-25, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	1,343
BRegistration	BTSSB	Rental income receivable for renting of shoplot at Lot 06-01, 6th Floor and office at Lot 10-02A, 10th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	382
Berjaya Hills Berhad	BTSSB	Rental income receivable for renting of office at Lots 08-65, 08-66 & 08-67, 8th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	67
Berjaya Krispy Kreme Doughnuts Sdn Bhd	BTSSB	Rental income receivable for renting of café at Lot G-30, Ground Floor, office at Lots 09-19, 09-20 & 09-21, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	80
Berjaya Papa John's Pizza Sdn Bhd	BTSSB	Rental income receivable for renting of café at Lots G-08A & G-09, Ground Floor and office at Lots 09-16, 09-17 & 09-18, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	378
Academy of Nursing (M) Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 10-11, 10-12 & 10-12A, 10th Floor and Lot 11-02A, 11th Floor Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	569

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted (RM'000)
KUB-Berjaya Enviro Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 09-01, 09-02 & 09-03, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	213
RU Café Sdn Bhd	Sapphire Transform Sdn Bhd	Rental income receivable for renting of shoplots at Lots G-09, 09B & 09E, Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	289
Berjaya Engineering Construction Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 09-37 & 09-39, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	28
Cosway (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at LG-12 & LG-20, Lower Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	406
Berjaya Land Berhad ("BLand") and/or its unlisted subsidiary companies:			
BLand	BAssets	Management fees payable for services rendered include inter-alia the provision of finance, corporate, secretarial and general administrative services.	240
	BTSSB	Rental income receivable for renting of office at Lots 02-17 & 02-34, 2nd Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	379
Budi Impian Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at Lots LG-73, 74 & 74A, Lower Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	242
BLand and its subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable.	143
Mantra Design Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 09-14 & 09-15, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	42
Marvel Fresh Sdn Bhd	BTSSB	Rental income receivable for renting of storage space at G-37, Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	38
Berjaya Resort Management Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lot 08-77A, 8th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	472
Berjaya Guard Services Sdn Bhd	BTSSB Berjaya Times Square Theme Park Sdn Bhd	Receipt of security guard services.	247

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted (RM'000)
Berjaya Sports Toto Berhad ("BToto") and/or its unlisted subsidiary companies:			
BToto and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable.	373
Sports Toto Computer Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 09-88, 09-89 & 09-90, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	62
International Lottery & Totalizator Systems, Inc	Natural Avenue Sdn Bhd	Procurement of computerised lottery system and related services.	442
Berjaya Media Berhad ("BMedia") and/or its unlisted subsidiary company:			
Sun Media Corporation Sdn Bhd	BAssets Group	Procurement of promotion, advertising and publishing services.	16
Berjaya Food Berhad ("BFood") and/or its unlisted subsidiary company:			
Berjaya Roasters (M) Sdn Bhd	BTS Car Park Sdn Bhd	Parking charges receivable.	50
	BTSSB	Rental income receivable for renting of shoplot at Lot 03-85, 3rd Floor and office at Lots 09-06 to 09-13, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	584
Other related parties:			
U Mobile Sdn Bhd ("UMSB") *(a)*	BTSSB	Rental income receivable for renting of shoplot at Lot G-17A, Ground Floor, office and storage space at Lots 08-06 to 08-13A, 08-74D, 8th Floor, broadcasting facility at TB Roof 04 and 09-CP-01, L-CPA, car park of Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	1,453
TT Resources Food & Services Sdn Bhd *(b)*	BTSSB	Rental income receivable for renting of shoplots at Lots LG-18C & LG-24 and storage space at Lot LG-75, Lower Ground Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	157
7-Eleven Malaysia Sdn Bhd *(c)*	BTSSB	Rental income receivable for renting of shoplots and storage space at Lot LG-57A, Lower Ground Floor, Lots 01-16, 01-22, 01-48, 01-72A, 1st Floor, Lot 03-96C, 3rd Floor, Lots 05-75A, 05-92, 5th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	592
Ascot Sports Sdn Bhd ("Ascot") *(d)*	BTSSB	Rental income receivable for renting of office at Lots 10-01 & 10-01A, 10th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	415
Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") *(e)*	BTSSB	Rental income receivable for renting of café at Lot G-09C & D, Ground Floor, walkway area, Lot 01-01- 28, 1st Floor and office at Lot 10-02, 10th Floor Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	556

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted (RM'000)
MOL AccessPortal Sdn Bhd ("MOL AccessPortal") *(f)*	BTSSB	Rental income receivable fo renting of office at Lot 07-01, 7th Floor, Lot 08-01, 8th Floor and shoplots at Lots 08-01A & 08-02, 8th Floor, Lots 09-62, 09-63, 09-64 & 09-97, 9th Floor and storage space at Lot 07-74C, 7th Floor, Lot 08-74C, 8th Floor & Lot 09-91C, 9th Floor, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur.	329
BStarbucks *(e)* MOL AccessPortal *(f)* UMSB *(a)* Intan Utilities Berhad ("Intan") *(g)* Wilayah Motor Sdn Bhd *(h)* GPS Tech Solutions Sdn Bhd *(i)* Ascot *(d)*	BTS Car Park Sdn Bhd	Parking charges receivable.	405
GPS Tech Solutions Sdn Bhd *(i)*	BTSSB	Rental income receivable for renting of shoplot at Lot 09-15A 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	41
Thai Odyssey Group Sdn Bhd *(j)*	BTSSB	Rental income receivable for renting of shoplot at Lot LG-55A, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	195
Grand Total			**11,974**

Notes:

a) Deemed a related party by virtue of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT")'s direct and deemed interests in UMSB. Tan Sri Dato' Tan Chee Sing ("TSDT"), the father of Dato' Dickson Tan Yong Loong ("DDTYL") and a brother of TSVT is also deemed a substantial shareholder of UMSB. Hence, TSDT is a person connected to TSVT and DDTYL.

b) Wholly-owned subsidiary company of TT Resources Berhad. TSDT is the Executive Chairman and major shareholder of TT Resources Berhad, while DDTYL is a Director of TT Resources Berhad.

c) Subsidiary company of Berjaya Retail Berhad ("BRetail") and a deemed related party by virtue of TSVT's deemed interest in BRetail.

d) A company in which TSVT and his son, Dato' Robin Tan Yeong Ching have interests.

e) A jointly controlled entity of BFood.

f) A wholly-owned subsidiary company of MOL Global Pte Ltd ("M-Global"). TSVT and MOL are major shareholders of M-Global.

g) A company in which TSVT has deemed interests.

h) Wholly-owned subsidiary companies of B&B Enterprise Sdn Bhd ("B&B"). TSVT is a major shareholder of B&B.

i) A company in which TSVT and BCorporation have interests.

j) A company in which TSDT has interests.

STATISTICS ON SHAREHOLDINGS
AS AT 1 OCTOBER 2013

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	433	13.80	12,629	0.00
100 – 1,000	516	16.44	232,107	0.02
1,001 – 10,000	1,330	42.38	6,822,545	0.61
10,001 – 100,000	630	20.08	21,555,103	1.94
100,001 – 55,652,077	225	7.17	789,819,175	70.96
55,652,078* & above	4	0.13	294,600,000	26.47
Total	**3,138**	**100.00**	**1,113,041,559**	**100.00**

NOTE:

Each share entitles the holder to one vote.
*   Denotes 5% of the issued ordinary share capital of the Company.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (EDG & CBD Team 4)	89,600,000	8.05
2	Maybank Nominees (Tempatan) Sdn Bhd Maybank International (L) Ltd, Labuan For Tan Sri Dato' Seri Vincent Tan Chee Yioun (211034)	78,000,000	7.01
3	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Tan Sri Dato' Seri Vincent Tan Chee Yioun	70,000,000	6.29
4	AIBB Nominees (Tempatan) Sdn Bhd Exempt An For Export-Import Bank Of Malaysia Berhad	57,000,000	5.12
5	Berjaya Sompo Insurance Berhad	55,292,500	4.97
6	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	53,000,000	4.76
7	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	48,747,500	4.38
8	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	42,500,000	3.82
9	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd MIDF Amanah Investment Bank Berhad For Berjaya VTCY Sdn Bhd	41,482,246	3.72
10	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	40,000,000	3.59
11	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	39,500,000	3.55
12	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Tan Sri Dato' Seri Vincent Tan Chee Yioun (CIB057)	37,000,000	3.32

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
13	Cartaban Nominees (Tempatan) Sdn Bhd Raiffeisen Bank International For Portal Access Sdn Bhd	29,800,000	2.68
14	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn. Bhd.	25,699,300	2.31
15	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	20,507,600	1.84
16	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fabulous Channel Sdn Bhd (AF0010)	19,000,000	1.71
17	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Land Bhd (681124)	18,000,000	1.62
18	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tengku Rethwan Bin Tengku Mansor	16,250,000	1.46
19	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00820-000)	15,000,000	1.35
20	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MX3999)	15,000,000	1.35
21	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd MIDF Amanah Investment Bank Berhad For Tan Kok Ping	15,000,000	1.35
22	Ambilan Imej Sdn Bhd	13,536,527	1.21
23	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Nada Embun Sdn Bhd (BLAND)	12,500,000	1.12
24	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis	12,000,000	1.08
25	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Warisan Jutamas Sdn Bhd	12,000,000	1.08
26	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Bong Yam Keng (MY1529)	11,703,500	1.05
27	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd MIDF Amanah Investment Bank Berhad For Arsam Bin Damis	11,000,000	0.99
28	Magna Mahsuri Sdn Bhd	10,936,251	0.98
29	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Pantai Cemerlang Sdn Bhd	10,000,000	0.90
30	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kok Ping	10,000,000	0.90
		930,055,424	**83.56**

STATISTICS ON SHAREHOLDINGS
AS AT 1 OCTOBER 2013

ANALYSIS OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
less than 100	2	0.67	29	0.00
100 – 1,000	34	11.37	23,961	0.01
1,001 – 10,000	151	50.50	646,944	0.15
10,001 – 100,000	74	24.75	2,623,092	0.63
100,001 – 20,799,116	31	10.37	100,870,420	24.25
20,799,117 * and above	7	2.34	311,817,902	74.96
Total	**299**	**100.00**	**415,982,348**	**100.00**

NOTE:

* Denotes 5% of the warrant outstanding.

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	80,000,000	19.23
2	Kenanga Capital Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	55,076,902	13.24
3	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	45,000,000	10.82
4	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	40,000,000	9.62
5	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	34,000,000	8.17
6	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	30,000,000	7.21
7	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Portal Access Sdn Bhd (BLAND)	27,741,000	6.67
8	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	20,000,000	4.81
9	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Inter-Pacific Management Sdn Bhd For Permata Dayu Sdn Bhd	14,000,000	3.37
10	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Land Bhd (681124)	13,305,000	3.20
11	BTS Hotel Sdn Bhd	10,211,506	2.45
12	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Inter-Pacific Capital Sdn Bhd (A/C 83)	7,000,000	1.68

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant Holders	No. of Warrants	%
13	Tengku Rethwan Bin Tengku Mansor	6,500,000	1.56
14	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Nada Embun Sdn Bhd (BLAND)	5,000,000	1.20
15	Magna Mahsuri Sdn Bhd	4,374,500	1.05
16	Berjaya Capital Berhad	3,370,000	0.81
17	Berjaya Sompo Insurance Berhad	3,317,000	0.80
18	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Arsam Bin Damis (AA0023)	3,000,000	0.72
19	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Pantai Cemerlang Sdn Bhd	2,500,000	0.60
20	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Immediate Capital Sdn Bhd (BLAND)	2,100,000	0.51
21	Cimsec Nominees (Asing) Sdn Bhd Bank Of Singapore Ltd For Global Heights Group Ltd	1,309,000	0.31
22	JMP Holdings Sdn Bhd	717,028	0.17
23	Vecc-Men Holdings Sdn Bhd	717,028	0.17
24	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Thong Foong Tat (MY0878)	428,800	0.10
25	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Pek Kiam Kek (MM0606)	395,400	0.10
26	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Yik Chee Lim (MY0055)	283,100	0.07
27	Ng Lee Lin	278,488	0.07
28	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fabulous Channel Sdn Bhd (AF0010)	250,000	0.06
29	Dato' Robin Tan Yeong Ching	243,340	0.06
30	Teoh Cheng Hua	222,000	0.05
		411,340,092	**98.88**

SUBSTANTIAL SHAREHOLDERS
AS AT 1 OCTOBER 2013

	<—— No. of Ordinary Shares of RM1.00 each			——>
	Direct Interest	%	Deemed Interest	%
Name of Substantial Shareholders				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	555,147,500	49.88	327,594,100 (a)	29.43
Portal Access Sdn Bhd	69,353,650	6.23	–	–
Berjaya Land Berhad	33,264,135	2.99	123,615,212 (b)	11.11
Teras Mewah Sdn Bhd	–	–	156,879,347 (c)	14.09
Berjaya Capital Berhad	8,425,000	0.76	72,329,027 (d)	6.50
Juara Sejati Sdn Bhd	–	–	237,633,374 (e)	21.35
Berjaya Group Berhad	–	–	237,633,374 (f)	21.35
Berjaya Corporation Berhad	–	–	237,633,374 (g)	21.35

Notes:

(a) Deemed interested by virtue of his interest in Berjaya Corporation Berhad, Vecc-Men Holdings Sdn Bhd, Hotel Resort Enterprise Sdn Bhd, B & B Enterprise Sdn Bhd, Berjaya VTCY Sdn Bhd and his deemed interest in Lim Kim Hai Sales & Services Sdn Bhd.

(b) Deemed interested by virtue of its 100% interests in Portal Access Sdn Bhd, Immediate Capital Sdn Bhd, BTS Hotel Sdn Bhd and Nada Embun Sdn Bhd as well as its interest in Berjaya Sports Toto Berhad, the holding company of Magna Mahsuri Sdn Bhd.

(c) Deemed interested by virtue of its interests in Berjaya Land Berhad.

(d) Deemed interested by virtue of its interest in Ambilan Imej Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Berjaya Sompo Insurance Berhad.

(e) Deemed interested by virtue of its interests in Berjaya Land Berhad and Berjaya Capital Berhad.

(f) Deemed interested by virtue of its 100% interests in Teras Mewah Sdn Bhd and Juara Sejati Sdn Bhd.

(g) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.

STATEMENT OF DIRECTORS' SHAREHOLDINGS
AS AT 1 OCTOBER 2013

None of the Directors of the Company had any interest in the shares and warrants of the Company or its related corporations as at 1 October 2013.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Third Annual General Meeting of the Company will be held at Manhattan I, Level 14, Berjaya Times Square Hotel, Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 4 December 2013 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive and adopt the audited financial statements of the Company for the year ended 30 June 2013 and the Directors' and Auditors' Reports thereon. **RESOLUTION 1**

2. To approve the payment of a single tier final dividend of 2 sen per ordinary share of RM1.00 each in respect of the year ended 30 June 2013. **RESOLUTION 2**

3. To approve the payment of Directors' fees amounting to RM152,500 for the year ended 30 June 2013. **RESOLUTION 3**

4. To re-elect the following Directors who retire pursuant to Article 102 of the Company's Articles of Association:

   a) Chan Kien Sing **RESOLUTION 4**
   b) Datuk Robert Yong Kuen Loke **RESOLUTION 5**

5. To re-appoint YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. **RESOLUTION 6**

6. To re-appoint Dato' Mohd Salleh Bin Ahmad as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. **RESOLUTION 7**

7. To re-appoint Messrs Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 8**

8. As special business:

   a) To consider and, if thought fit, pass the following Ordinary Resolutions:

      (i) Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965

      "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **RESOLUTION 9**

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

      "THAT, subject to the provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 11 November 2013 ("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 forthcoming AGM at which the ordinary resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is the earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution." **RESOLUTION 10**

(iii) Proposed authority to purchase its own shares by the Company

"THAT, subject always to the Companies Act, 1965, ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, 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 of RM1.00 each in the Company ("BAssets Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of central depositories accounts under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total issued and paid-up share capital of the Company;

2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits or share premium reserve of the Company or both;

3. the authority shall commence immediately upon passing of this ordinary resolution until:-

    (a) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

    (b) the expiration of the period within which the next annual general meeting after that date 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 BAssets Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BAssets Shares so purchased by the Company in the following manner:

(a) cancel all the BAssets Shares so purchased; or

(b) retain all the BAssets Shares as treasury shares for future re-sale or for distribution as dividend to the shareholders of the Company; or

(c) retain part thereof as treasury shares and subsequently cancelling the balance; or

(d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force." **RESOLUTION 11**

(iv) Proposed Retention of Independent Non-Executive Director

"THAT Heng Kiah Choong be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been on the Board of the Company for a cumulative term of more than 9 years." **RESOLUTION 12**

(v) Proposed Retention of Independent Non-Executive Director

"THAT Dato' Mohd Salleh Bin Ahmad be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company when his tenure exceeds a cumulative term of 9 years after 28 March 2014." **RESOLUTION 13**

b) To consider and, if thought fit, pass the following Special Resolution:

Proposed Amendments to the Company's Articles of Association

"THAT the proposed amendments to the Articles of Association of the Company contained in Appendix I of the Circular to Shareholders dated 11 November 2013 be and is hereby approved and adopted." **RESOLUTION 14**

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN THAT the single tier final dividend of 2 sen per ordinary share of RM1.00 each in respect of the financial year ended 30 June 2013, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 29 January 2014.

The entitlement date shall be fixed on 8 January 2014 and a Depositor shall qualify for entitlement only in respect of:

a. Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 8 January 2014 in respect of ordinary transfers.

b. Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

SU SWEE HONG
Secretary
Kuala Lumpur

11 November 2013

NOTES:

(A) APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) proxy only, to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint one (1) proxy in respect of each securities account.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.

4. The instrument appointing a proxy must be deposited at the Company's Registered Office, 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 or any adjournment thereof.

5. Only depositors whose names appears in the Record of Depositors as at 27 November 2013 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

(B) SPECIAL BUSINESS

1. Resolution 9 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up 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 Fifty-Second Annual General Meeting held on 6 December 2012 and which will lapse at the conclusion of the Fifty-Third 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.

2. Resolution 10 is in relation to the approval on the Shareholder's Mandate on Recurrent Related Party Transactions and if passed, will allow the Company and its subsidiary companies to enter into Recurrent Related Party Transactions in accordance with paragraph 10.09 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The explanatory notes on Resolution 10 are set out in the Circular to Shareholders dated 11 November 2013 which is despatched together with the Company's 2013 Annual Report.

3. Resolution 11 is proposed to provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back"). Detailed information on the Proposed Share Buy-Back is set out under Part B of the Circular to Shareholders dated 11 November 2013 which is despatched together with the Company's 2013 Annual Report.

4. Resolution 12 is proposed pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and if passed, will allow Mr Heng Kiah Choong to be retained and continue to act as an Independent Non-Executive Director of the Company.

   The Nomination Committee and the Board have assessed the independence of Mr Heng Kiah Choong and recommended him to continue to act as an Independent Non-Executive Director of the Company. The Board's justifications for the retention of Mr Heng Kiah Choong is set out on page 21 in the Statement on Corporate Governance in the Company's 2013 Annual Report.

5. Resolution 13 is proposed pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and if passed, will allow Dato' Mohd Salleh Bin Ahmad to be retained and continue to act as an Independent Non-Executive Director of the Company when his tenure exceeds a cumulative term of nine (9) years after 28 March 2014.

   The Nomination Committee and the Board have assessed the independence of Dato' Mohd Salleh Bin Ahmad and recommended him to continue to act as an Independent Non-Executive Director of the Company. The Board's justifications for the retention of Dato' Mohd Salleh Bin Ahmad is set out on page 21 in the Statement on Corporate Governance in the Company's 2013 Annual Report.

6. The proposed Resolution 14 is to amend the Articles of Association of the Company to be in line with the recent amendments prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to ensure clarity and consistency throughout the Company's Articles of Association. The relevant information on Resolution 14 is set out under Part C of the Circular to Shareholders dated 11 November 2013 which is despatched together with the Company's 2013 Annual Report.

FORM OF PROXY

BERJAYA

BERJAYA ASSETS BERHAD

(Company No. 3907-W)

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 ASSETS BERHAD hereby appoint:

______________________________ I.C. No. ______________

(Name in full) *(New and Old I.C. Nos.)*

of ____

(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Fifty-Third Annual General Meeting of the Company to be held at Manhattan I, Level 14, Berjaya Times Square Hotel, Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 4 December 2013 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 receive and adopt the Audited Financial Statements.		
RESOLUTION 2 – To approve the payment of a final dividend.		
RESOLUTION 3 – To approve payment of Directors' fees.		
RESOLUTION 4 – To re-elect Chan Kien Sing as Director.		
RESOLUTION 5 – To re-elect Datuk Robert Yong Kuen Loke as Director.		
RESOLUTION 6 – To re-appoint YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin as Director.		
RESOLUTION 7 – To re-appoint Dato' Mohd Salleh Bin Ahmad as Director.		
RESOLUTION 8 – To re-appoint auditors.		
RESOLUTION 9 – To approve authority to issue and allot shares.		
RESOLUTION 10 – To renew and to seek shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 11 – To approve authority to purchase its own shares by the Company.		
RESOLUTION 12 – To approve the proposed retention of Heng Kiah Choong as an Independent Non-Executive Director.		
RESOLUTION 13 – To approve the proposed retention of Dato' Mohd Salleh Bin Ahmad as an Independent Non-Executive Director.		
RESOLUTION 14 – To approve the proposed amendments to the Company's Articles of Association.		

No. of Shares Held

____

Signature of Shareholder(s)

Signed this ________ day of ____________________ 2013

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one (1) proxy only, to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 may appoint one (1) proxy in respect of each securities account.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.
4. The instrument appointing a proxy must be deposited at the Company's Registered Office, 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 or any adjournment thereof.
5. Only depositors whose names appears in the Record of Depositors as at 27 November 2013 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

2ND FOLD HERE

AFFIX STAMP

THE COMPANY SECRETARY
BERJAYA ASSETS BERHAD (3907-W)
Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No. 1 Jalan Imbi, 55100 Kuala Lumpur

1ST FOLD HERE

GROUP ADDRESSES

BERJAYA TIMES SQUARE SDN BHD

Corporate Office:
Lot 08-16, P.O Box. 08-23
Level 8, Berjaya Times Square
No. 1 Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2144 9821
Fax : 03-2143 3055
www.timessquarekl.com

BERJAYA TIMES SQUARE THEME PARK SDN BHD

Lot 09-103
Level 9, Berjaya Times Square
No. 1 Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2117 3118
Fax : 03-2143 2380

BERJAYA WATERFRONT SDN BHD

88, Jalan Ibrahim Sultan
Stulang Laut
80300 Johor Bahru
Johor Darul Takzim
Tel : 07-221 8000
Fax : 07-221 9000

NATURAL AVENUE SDN BHD

Head Office:
Lot 8189 & 8190
Town East, Jalan Pending
93450 Kuching
Sarawak
Tel : 082-333 666
Fax : 082-330 188
www.cashsweep.com.my

Regional Office:
Kuching Regional Office
No. 273-274, Lot 2545-2546
Centraland Commercial Park
Off Jalan Rock
93200 Kuching
Sarawak
Tel : 082-233 466
Fax : 082-233 467

Sibu Regional Office
No. 7, Lorong Wong King Huo 1D
96000 Sibu
Sarawak
Tel : 084-320 202
Fax : 082-320 246

Miri Regional Office
Lot 627, Ground Floor
Jalan Sim Chieng Kay
Off North Yu Seng Road
98000 Miri
Sarawak
Tel : 085-415 331
Fax : 085-415 336

www.timessquarekl.com
www.cashsweep.com.my