FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

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

RESULTS

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

	Group RM'000	Company RM'000
Loss for the year	(12,217)	(56,570)
Attributable to:		
Owners of the Parent	(11,437)	(56,570)
Non-controlling interests	(780)	-
	(12,217)	(56,570)

In the opinion of the Directors, the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 31 and 34 to 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

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and fully paid-up ordinary shares from RM1,113,042,000 to RM1,447,277,000 by way of:

(i) issuance of 75,250,000 new ordinary shares of RM1.00 each persuant to the exercise of warrants at RM1.00 per share; and

(ii) transfer of share premium to share capital in accordance with the Companies Act 2016 amounting to RM258,985,000.

The new ordinary shares issued during the financial year ranked pari passu with the existing ordinary shares of the Company.

The Company did not issue any 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.

The movements in the Warrants 2008/2018 of the Company during the financial year are as follows:

	No. of unexercised Warrants 2008/2018 '000
As of 1 July 2016	415,982
Exercised	(75,250)
As of 30 June 2017	340,732

The main features of the Warrants 2008/2018 are disclosed in Note 17 to the financial statements.

DIRECTORS

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

Datuk Wira Lye Ek Seang	
Morvin Tan U-Jiang	
Chryseis Tan Sheik Ling	(Appointed on 7 December 2016)
Koh Huey Min	(Appointed on 23 June 2017)
Chan Kien Sing	
Datuk Robert Yong Kuen Loke	
Heng Kiah Choong	
Dato' Mohd Salleh Bin Ahmad	
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	(Resigned on 23 February 2017)
Lim Meng Kwong	(Resigned on 18 May 2017)

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 33 to the financial statements or the fixed salary of a full-time employee of the Company), by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member,or with a company in which the Director has a substantial financial interest, except as disclosed in Note 43 to the financial statements.

DIRECTORS' INTERESTS IN SHARES

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 49 to the financial statements.

SUBSEQUENT EVENT

Subsequent event is disclosed in Note 50 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a Directors' and Officers' Liability Insurance for the purposes of Section 289(5) of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the Directors and Officers of the Company. The amount of insurance premium paid during the financial year amounted to RM47,833.

OTHER STATUTORY INFORMATION

(a) Before the financial statements 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.

OTHER STATUTORY INFORMATION (CONTD.)

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

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 30 June 2017 is as disclosed in Note 36 to the financial statements.

AUDITORS

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

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

MORVIN TAN U-JIANG
4 October 2017

HENG KIAH CHOONG

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

We, MORVIN TAN U-JIANG and HENG KIAH CHOONG, 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 47 to 151 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2017 and of the financial performance and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 53 to the financial statements on page 152 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 Directors dated 4 October 2017.

MORVIN TAN U-JIANG

HENG KIAH CHOONG

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

I, KOH HUEY MIN, 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 47 to 151 and the information set out on page 152 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 KOH HUEY MIN
at Kuala Lumpur in the Federal Territory
on 4 October 2017.

KOH HUEY MIN

Before me,

OOI AH BAH (W 152)
Commissioner for Oaths
Kuala Lumpur

		GROUP		COMPANY	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	5	303,657	286,150	83	114
Investment properties	6	2,508,166	2,465,298	-	-
Land held for property development	7	99,197	97,772	-	-
Prepaid lease payments	8	5,291	-	-	-
Subsidiary companies	9	-	-	1,286,271	1,333,359
Associated company	10	-	-	-	-
Joint ventures	11	14,882	16,379	-	-
Other investments	12	187,641	168,785	542	556
Deferred tax assets	26	15,169	16,878	-	-
Intangible assets	13	57,811	96,640	-	-
Receivables	15	-	-	128,217	74,311
		3,191,814	3,147,902	1,415,113	1,408,340
CURRENT ASSETS					
Inventories	14	196,948	196,292	-	-
Receivables	15	41,028	37,817	219,003	363,519
Tax recoverable		249	43	70	-
Cash and bank balances	16	89,212	77,355	10,154	5,212
		327,437	311,507	229,227	368,731
TOTAL ASSETS		3,519,251	3,459,409	1,644,340	1,777,071

STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2017

	Note	GROUP 2017 RM'000	GROUP 2016 RM'000	COMPANY 2017 RM'000	COMPANY 2016 RM'000
EQUITY					
Share capital	17	1,447,277	1,113,042	1,447,277	1,113,042
Share premium	18	-	258,985	-	258,985
Available-for-sale reserve	19	15,949	30,481	157	173
Foreign currency translation reserve	20	10,068	7,558	-	-
Retained earnings	21	769,361	780,798	43,404	99,974
Equity funds		2,242,655	2,190,864	1,490,838	1,472,174
Non-controlling interests		8,672	9,175	-	-
Total equity		2,251,327	2,200,039	1,490,838	1,472,174
NON-CURRENT LIABILITIES					
Bank borrowings	22	612,924	572,125	-	247,700
Senior bonds	23	119,514	119,338	-	-
Hire purchase liabilities	24	1,215	1,059	35	58
Long term liabilities	25	187,060	175,396	-	-
Deferred tax liabilities	26	111,126	92,733	20	27
		1,031,839	960,651	55	247,785
CURRENT LIABILITIES					
Payables	27	126,071	127,230	153,424	56,801
Bank borrowings	22	64,035	118,993	-	-
Senior bonds	23	39,911	39,896	-	-
Hire purchase liabilities	24	496	303	23	24
Provisions	28	804	644	-	-
Tax payable		4,768	11,653	-	287
		236,085	298,719	153,447	57,112
Total liabilities		1,267,924	1,259,370	153,502	304,897
TOTAL EQUITY AND LIABILITIES		3,519,251	3,459,409	1,644,340	1,777,071

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

	Note	GROUP 2017 RM'000	GROUP 2016 RM'000	COMPANY 2017 RM'000	COMPANY 2016 RM'000
Revenue	29	356,358	387,092	739	107,670
Cost of sales	30	(149,971)	(176,006)	-	-
Gross profit		206,387	211,086	739	107,670
Fair value changes on investment properties	6	33,132	635	-	-
Other income	31	30,096	14,052	8,255	9,682
Distribution and marketing expenses		(5,675)	(5,240)	-	-
Administrative expenses		(118,507)	(113,533)	(2,503)	(3,264)
Other expenses	34	(67,214)	(80,202)	(48,105)	(90,240)
		78,219	26,798	(41,614)	23,848
Finance costs	35	(68,598)	(53,606)	(13,467)	(10,093)
Share of results of joint ventures		(1,730)	(791)	-	-
Profit/(Loss) before tax	36	7,891	(27,599)	(55,081)	13,755
Income tax expense	37	(20,108)	(19,135)	(1,489)	(1,953)
(Loss)/Profit for the year		(12,217)	(46,734)	(56,570)	11,802
Attributable to:					
Owners of the Parent		(11,437)	(54,122)	(56,570)	11,802
Non-controlling interests		(780)	7,388	-	-
		(12,217)	(46,734)	(56,570)	11,802
Loss per share attributable to owners of the Parent (sen)					
Basic	38	(1.02)	(4.86)		
Fully diluted	38	(1.02)	(4.86)		

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 2017

	GROUP		COMPANY	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(Loss)/Profit for the year	(12,217)	(46,734)	(56,570)	11,802
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	(13,331)	7,750	(16)	(183)
- Transfer to statement of profit or loss upon disposal	(1,201)	(790)	-	(790)
Currency translation difference	2,787	(615)	-	-
Total comprehensive income for the year	(23,962)	(40,389)	(56,586)	10,829
Attributable to:				
Owners of the Parent	(23,459)	(47,570)	(56,586)	10,829
Non-controlling interests	(503)	7,181	-	-
	(23,962)	(40,389)	(56,586)	10,829

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	<---Attributable to the owners 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 2016	1,113,042	258,985	30,481	7,558	780,798	2,190,864	9,175	2,200,039
Total comprehensive income	-	-	(14,532)	2,510	(11,437)	(23,459)	(503)	(23,962)
Transactions with owners:								
Issuance of ordinary shares pursuant to exercise of Warrants 2008/2018	75,250	-	-	-	-	75,250	-	75,250
Transfer arising from "no par value" regime	258,985	(258,985)	-	-	-	-	-	-
As of 30 June 2017	1,447,277	-	15,949	10,068	769,361	2,242,655	8,672	2,251,327
As of 1 July 2015	1,113,042	258,985	25,416	7,178	708,901	2,113,522	416,711	2,530,233
Total comprehensive income	-	-	6,254	298	(54,122)	(47,570)	7,181	(40,389)
Transactions with owners:								
Acquisition of remaining equity interest in a subsidiary company	-	-	(1,189)	82	137,149	136,042	(386,042)	(250,000)
Dividends (Note 39)	-	-	-	-	(11,130)	(11,130)	-	(11,130)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(28,675)	(28,675)
As of 30 June 2016	1,113,042	258,985	30,481	7,558	780,798	2,190,864	9,175	2,200,039

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

STATEMENT OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital RM'000	<---Non-distributable---> Share Premium RM'000	Available-for-sale Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000
As of 1 July 2016	1,113,042	258,985	173	99,974	1,472,174
Total comprehensive income	-	-	(16)	(56,570)	(56,586)
Transaction with owners:					
Issuance of ordinary shares pursuant to exercise of Warrants 2008/2018	75,250	-	-	-	75,250
Transfer arising from "no par value" regime	258,985	(258,985)	-	-	-
As of 30 June 2017	1,447,277	-	157	43,404	1,490,838
As of 1 July 2015	1,113,042	258,985	1,146	99,302	1,472,475
Total comprehensive income	-	-	(973)	11,802	10,829
Transaction with owners:					
Dividends (Note 39)	-	-	-	(11,130)	(11,130)
As of 30 June 2016	1,113,042	258,985	173	99,974	1,472,174

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

	Note	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		388,280	441,456
Payments to suppliers, prize winners and other operating expenses		(282,844)	(311,129)
Payments for pool betting duties, gaming tax, royalties and other government contributions		(30,598)	(38,622)
Tax refund		50	197
Payment of taxes		(14,047)	(15,566)
Other (payments)/receipts		(7,173)	4,820
Net cash generated from operating activities		53,668	81,156
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		123	1
Acquisition of property, plant and equipment	(a)	(2,453)	(4,165)
Acquisition of properties	(b)	(2,656)	(18,116)
Payment for intangible assets		-	(648)
Sale of other investments		7,816	1,205
Proceeds from disposal of investment properties		-	8,208
Subscription of redeemable preference shares in a joint venture		-	(3,000)
Acquisition of equity interest in a subsidiary company regarded as business combination	(c)	(24,719)	-
Acquisition of equity interest in subsidiary companies		(4)	(1)
Acquisition of remaining equity interest in a subsidiary company		-	(250,000)
Acquisition of other investments		(63,012)	(4,638)
Interest received		2,044	2,865
Dividends received		213	1,666
Deposit paid in relation to proposed acquisition of investments		(5,400)	(5,186)
Net cash used in investing activities		(88,048)	(271,809)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		75,250	-
Drawdown of borrowings and loans		535,076	453,000
Repayment of borrowings and loans		(502,543)	(186,211)
Interest paid		(51,348)	(47,432)
Payment of hire purchase liabilities		(467)	(175)
Dividends paid to shareholders of the Company		-	(11,130)
Dividends paid to non-controlling interests		-	(28,675)
(Placements with)/Withdrawals from banks as security pledged for borrowings		(20,640)	36,282
Net cash generated from financing activities		35,328	215,659
NET CHANGE IN CASH AND CASH EQUIVALENTS		948	25,006
EFFECTS OF EXCHANGE RATE CHANGES		69	(603)
OPENING CASH AND CASH EQUIVALENTS		40,591	16,188
CLOSING CASH AND CASH EQUIVALENTS	(d)	41,608	40,591

		2017 RM'000	2016 RM'000
(a)	The additions to property, plant and equipment consist of the following:		
	Payment by cash	2,453	4,165
	Financed by hire purchase	811	1,328
	Deferred payment	219	692
	Total (Note 5)	3,483	6,185
(b)	The additions to properties consist of the following:		
	Payment by cash	2,656	18,116
	Other payables and accrued expenses	173	290
	Advance payment in prior year	-	314
	Total (Notes 6 and 7)	2,829	18,720
(c)	Analysis of the effects of the acquisition of equity interest in a subsidiary company on cash flows are as follows:		
	Group		
	Property, plant and equipment	29,049	-
	Prepaid lease payments	5,300	-
	Net other liabilities assumed	(6,003)	-
	Goodwill on consolidation (Note 13)	1,301	-
	Net assets acquired	29,647	-
	Excluding:		
	Cash and cash equivalents of a subsidiary company acquired	(1,281)	-
	Deposit paid in prior year	(3,250)	-
	Consideration to be settled by cash (Note 27)	(397)	-
	Net cash outflow on acquisition	24,719	-
(d)	The closing cash and cash equivalents consist of:		
	Deposits with licensed banks (Note 16)	58,436	40,564
	Cash on hand and at banks (Note 16)	30,776	36,791
		89,212	77,355
	Less:		
	Bank overdraft (Note 22)	-	(9,800)
	Cash and cash equivalents restricted in usage	(47,604)	(26,964)
		41,608	40,591

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

	Note	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments for operating expenses		(3,829)	(3,179)
Tax refund		-	13
Payment of taxes		(1,767)	(1,987)
Net cash used in operating activities		(5,596)	(5,153)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(4)	-
Sale of other investments		-	1,205
Acquisition of remaining equity interest in a subsidiary company		-	(250,000)
Subscription of additional shares in a subsidiary company		(1,000)	-
Acquisition of equity interest in subsidiary companies		(4)	(1)
Interest received		8,162	8,799
Dividends received		-	106,945
Net cash generated from/(used in) investing activities		7,154	(133,052)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		75,250	-
Drawdown of borrowings and loans		-	250,000
Repayment of borrowings and loans		(250,000)	-
Interest paid		(11,163)	(9,790)
Payment of hire purchase liabilities		(28)	(27)
Inter-company receipts/(payments)		189,325	(87,407)
Dividends paid to shareholders of the Company		-	(11,130)
Withdrawal from/(Placements with) bank as security pledged for borrowing		1,523	(1,523)
Net cash generated from financing activities		4,907	140,123
NET CHANGE IN CASH AND CASH EQUIVALENTS		6,465	1,918
OPENING CASH AND CASH EQUIVALENTS		3,689	1,771
CLOSING CASH AND CASH EQUIVALENTS	(a)	10,154	3,689

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

	2017 RM'000	2016 RM'000
Deposits with licensed banks (Note 16)	10,119	5,179
Cash on hand and at banks (Note 16)	35	33
	10,154	5,212
Less:		
Cash and cash equivalents restricted in usage	-	(1,523)
	10,154	3,689

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

1 GENERAL INFORMATION

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

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

The principal activities of the subsidiary companies consist of:

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

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

The principal place of business of the Company is located at Level 12, Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur.

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

The financial statements were authorised for issue in accordance with a resolution of the Directors on 4 October 2017.

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 requirements of the Companies Act 2016 in Malaysia.

On 15 Sep 2016, the Companies Act 2016 was enacted and it replaced the Companies Act 1965 in Malaysia with effect from 31 January 2017. The key changes are disclosed in Note 3.2 (28).

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

2.1 Adoption of new and revised Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised MFRSs and amendments to MFRSs issued by Malaysian Accounting Standards Board that are relevant to their operations and effective for annual financial periods beginning on or after 1 July 2016.

MFRS 10	Consolidated Financial Statements (Amendments relating to Investment Entities: Applying the Consolidation Exception)
MFRS 11	Joint Arrangements (Amendments relating to Accounting for Acquisitions of interests in Joint Operations)
MFRS 12	Disclosure of Interest in Other Entities (Amendments relating to Investment Entities: Applying the Consolidation Exception)
MFRS 14	Regulatory Deferral Accounts
MFRS 101	Presentation of Financial Statements (Amendments relating to Disclosure Initiative)
MFRS 116	Property, Plant and Equipment (Amendments relating to Clarification of Acceptable Methods of Depreciation and Amortisation)
MFRS 116 and MFRS 141	Property, Plant and Equipment and Agriculture (Amendments relating to Agriculture: Bearer Plants)
MFRS 127	Consolidated and Separate Financial Statements (Amendments relating to Equity Method in Separate Financial Statements)
MFRS 128	Investments in Associates (Amendments relating to Investment Entities: Applying the Consolidation Exception)
MFRS 138	Intangible Assets (Amendments relating to Clarification of Acceptable Methods of Depreciation and Amortisation)

Annual Improvements to MFRSs 2012 - 2014 Cycle (issued in November 2014)

The adoption of these new and revised MFRSs and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

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

2.2 MFRSs and Amendments to MFRSs issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2017:

MFRS 107	Statement of Cash Flows (Amendments relating to Disclosure Initiative)
MFRS 112	Income Taxes (Amendments relating to Recognition of Deferred Tax Assets for Unrealised Losses)

Annual Improvements to MFRS Standards 2014 - 2016 Cycle (issued in December 2016)

Effective for financial periods beginning on or after 1 January 2018:

MFRS 2	Share-based Payment (Amendments relating to Classification and Measurement of Share-based Payment Transactions)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
MFRS 140	Investment Property (Amendments relating to Transfer of Investment Property)

Annual Improvements to MFRS Standards 2014 - 2016 Cycle (issued in December 2016)

IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

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

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments

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

MFRS 17	Insurance Contracts

Effective date to be announced by IASB:

MFRS 10	Consolidated Financial Statements (Amendments relating to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
MFRS 128	Investments in Associates and Joint Ventures (Amendments relating to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

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

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

Unless otherwise described below, the abovementioned MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these MFRSs and Amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except for the changes in presentation and disclosures of financial information.

(i) MFRS 107 - Statement of Cash Flows (Amendments relating to Disclosure Initiative)

The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from both cash flows and non-cash changes.

The amendments should be applied prospectively and comparative information is not required for earlier periods presented. Except for providing the requisite disclosures, the Directors of the Group and of the Company do not anticipate that the application of the amendments will have a material impact on the Group's and the Company's financial statements.

(ii) MFRS 112 - Income Taxes (Amendments relating to Recognition of Deferred Tax Assets for Unrealised Losses)

The amendments to MFRS 112 clarify that: (i) The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this; and (ii) When comparing deductible temporary differences with future taxable profits, the future profits shall exclude tax deductions resulting from the reversal of those deductible temporary differences.

The amendments should be applied retrospectively with specific transitional relief. The Directors of the Group and of the Company do not anticipate that the application of the amendments will have a material impact on the Group's and the Company's financial statements.

(iii) MFRS 9 - Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued by IASB in October 2010) include requirements for the classification and measurement of financial liabilities and for derecognition. In February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of MFRS 9 was issued by MASB – MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ ("FVTOCI") measurement category for certain simple debt instruments.

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

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

(iii) MFRS 9 - Financial Instruments (contd.)

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 Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are (i) held within a business model whose objective is to collect the contractual cash flows, and (ii) 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. Debt instruments that are (i) held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and (ii) that have contractual terms of the financial asset that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value through profit or loss. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the 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 profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

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

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

(iii) MFRS 9 - Financial Instruments (contd.)

The Directors anticipate that the application of MFRS 9 would not have significant impact on amounts reported in respect of the Group's and of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 9 until a detailed review has been completed.

(iv) MFRS 15 - Revenue from Contracts with Customers

In September 2014, MFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Subsequently, Amendments to MFRS 15 were issued in June 2016 which provide clarifications on certain requirements of MFRS 15 and provide additional transitional relief upon implementing MFRS 15. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

(a) Step 1: Identify the contract(s) with a customer.
(b) Step 2: Identify the performance obligations in the contract.
(c) Step 3: Determine the transaction price.
(d) Step 4: Allocate the transaction price to the performance obligations in the contract.
(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The Directors anticipate that the application of MFRS 15 would not have significant impact on the Group's and the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until a detailed review has been completed.

(v) MFRS 16 - Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

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

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

(v) MFRS 16 - Leases (contd.)

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

The Directors of the Group and of the Company do not anticipate that the application of the amendments will have a material impact on the Group’s and the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until a detailed review has been completed.

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

(1) Subsidiary Companies and Basis of Consolidation

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

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

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

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

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

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, consolidation of a subsidiary company begins when the Group obtains control over the subsidiary company and ceases when the Group loses control of the subsidiary company.

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance with the specifications in MFRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT").

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

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

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

The contingent consideration to be transferred by the acquirer will be recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137 as appropriate with the corresponding gain or loss being recognised 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. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation, except for unrealised losses which are not eliminated when there are indications of impairment.

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

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

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

i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest;

is recognised in the statement of profit or loss. The subsidiary company’s cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

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

(2) Associated Companies and Joint Ventures

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

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

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

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

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

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

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

(3) Affiliated Companies

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(4) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably. 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.

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(5) Investment Properties

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

(6) Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

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

(7) Prepaid Lease Payments

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(7) Prepaid Lease Payments (contd.)

Leasehold land is amortised in equal instalments over the remaining lease period of 15 years.

(8) Intangible Assets

(i) Goodwill

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

(ii) Other Intangible Assets

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

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

Other intangible assets consist of the rights acquired to receive Special Cash Sweep Lottery royalty revenue and franchise fees paid by the Group. The estimated useful lives are as follows:

Rights	28 years
Franchise fees	5 years

(9) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(9) Inventories (contd.)

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

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

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

(10) Fair Value Measurement

The Group measures financial instruments and certain non financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) in the principal market for the asset or liability, or
ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy,based on the lowest level input that is significant to the fair value measurement as a whole as described in Note 45.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(10) Fair Value Measurement (contd.)

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

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

(11) 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.

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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.

(12) 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.)

(12) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(12) Financial Assets (contd.)

(iv) Available-For-Sale Financial Assets (contd.)

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 when 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.

(13) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(13) Impairment of Financial Assets (contd.)

(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.

(14) Statement of Cash Flows

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

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

(15) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(15) Financial Liabilities (contd.)

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

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 of 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.

Offsetting of financial instruments

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

(16) Financial Guarantee Contracts

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(16) Financial Guarantee Contracts (contd.)

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.

(17) Provisions

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

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

(i) Provision for On-line Repairs

A provision for on-line repairs is recognised when motor vehicles are being held on behalf of franchise holders prior to delivery. It is in respect of damages and defects identified during the course of assembly of motor vehicles. It is based on historical repairs data and a weighting of all possible outcomes against the associated probabilities.

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

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

(iii) Provision for Sludge Disposal

A provision for sludge disposal is recognised for the remaining sludge held as at the financial year end in the Group's factory. It is based on historical charges on disposal of sludge.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(17) Provisions (contd.)

(iv) Provision for Liquidated and Ascertained Damages

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

(18) Leases

(i) As Lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to 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(24)(vi).

(19) Taxes

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

(i) Current Tax

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes (contd.)

(i) Current Tax (contd.)

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.

(ii) Deferred Tax

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(ii) Deferred Tax (contd.)

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.

(iii) Gaming and Sales Tax

Revenues are recognised net of the amount of gaming and sales tax while expenses and assets are recognised net of sales tax except where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables 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.

(iv) Goods and Services Tax ("GST") and Value Added Tax ("VAT")

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

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

(20) Foreign Currencies

(i) Functional and Presentation Currency

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(20) Foreign Currencies (contd.)

(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.

(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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(20) Foreign Currencies (contd.)

(iii) Foreign Operations (contd.)

The principal closing rates used in translation are as follows:

Foreign currency	Currency code	2017 RM	2016 RM
1 Great Britain Pound	GBP	5.590	5.405
1 Singapore Dollar	SGD	3.114	2.984
1 United States Dollar	USD	4.295	4.021

(21) Borrowing Costs

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

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

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

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

(22) Share Capital

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

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

(23) Contingencies

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

Contingent liabilities and assets are not recognised in the 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) 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 joint ventures 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 is 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 and GST relating to draw days within the financial year.

(iv) Gaming Equipment Sale

Revenue from the sale of gaming equipment, is recognised net of discounts and GST 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 and hotel operations are 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 GST and discount, where applicable.

(viii) Theme Park Tickets, Car Park Tickets and Ferry Tickets

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

(ix) Sales of Food and Beverage

Revenue from sale of food and beverage is recognised when food and beverage is served, net of service tax, GST and discounts, where applicable.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition (contd.)

(x) Assembly Charges

Revenue from assembly charges is recognised when work has been performed.

(xi) Other Income

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

(25) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

(26) Segment Information

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(26) Segment Information (contd.)

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

(27) Current and Non-current Classification

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

An asset is classified as current when it is:
- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

(28) Significant Changes in Regulatory Requirements

Companies Act 2016 ("New Act")

Amongst the key changes introduced in the New Act which have affected the financial statements of the Group and of the Company upon the commencement of the New Act on 31 January 2017 are:

- the removal of authorised share capital;
- the ordinary shares of the Company will cease to have par or nominal value; and
- the Company's share premium will become part of the share capital.

The adoption of the New Act has no financial impact on the Group and on the Company for the financial year ended 30 June 2017. The effect of adoption is mainly on the disclosures to the financial statements of the Group and of the Company.

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 and prior financial year, the Group impaired quoted equity investments with "significant" decline in fair value greater than 20%, and "prolonged" period greater than 12 months.

For the financial year ended 30 June 2017, the amount of impairment loss recognised for available-for-sale investments was RM24,742,000 (2016 : RM13,590,000) for the Group and RM13,000 (2016 : RMNil) for the Company as disclosed in Note 34.

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 measured deferred tax on changes in fair values of investment properties at real property gains tax rates as the gains from disposal of investment properties of the Group are subject to these tax rates.

(v) Additional assessments raised by the Inland Revenue Board of Malaysia (“IRB”)

In prior year, IRB issued Notice of Additional Assessments ("Forms JA") in accordance with Section 4(a) of the Income Tax Act 1967 on gains from disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group. The IRB has regarded the disposal of the investment properties to be in the ordinary course of business of BTSSB as a property developer. The amount of additional taxes assessed amounted to RM156.48 million, inclusive of tax penalties amounted to RM48.56 million.

The total additional taxes amounting to RM156.48 million were accrued for as provision for taxes in dispute in the first financial quarter ended 30 September 2016 as the IRB did not accede to the application for deferment of payment of the additional taxes from BTSSB. The IRB then commenced civil proceedings against BTSSB for the disputed tax assessments.

On 3 April 2017, the High Court judge granted an order for stay of proceedings in favour of BTSSB until the full and final determination of BTSSB tax appeal case by the Special Commissioners of Income Taxes ("SCIT"). Consequently, upon grant of stay of proceedings, the management has decided to reverse the provisions provided previously and the taxes in dispute amounted to RM180.73 million, inclusive of further tax penalties amounted to RM72.82 million, is now disclosed as contingent liabilities.

As of the date of issue of these financial statements, the litigations are still on-going.

(vi) 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 2017, 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.

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

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

(vii) Sale and buyback transaction

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

The Group has assessed that the Transaction is in the nature of a financing arrangement and merely a means by which DBKL provides finance to BTSSB, with the Properties as security and has accounted this Transaction in accordance with the requirements in MFRS 139 Financial Instruments: Recognition and Measurement.

(b) Key Sources of Estimation Uncertainty

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

(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.

During the financial year, the Group recognised an impairment loss in respect of goodwill allocated to the Group's CGU identified to the gaming and related activities business segment as the carrying value of the CGU was assesed to be in excess of its VIU. The gaming and related activities business segment was affected by the rampant illegal gaming activities.

Details of goodwill are disclosed in Note 13.

(ii) Impairment of property, plant and equipment

The Group carried out the impairment test based on the assessment of the fair value of the respective assets' or cash generating units' (“CGUs”) fair value less costs to sell or based on the estimation of the value-in-use (“VIUs”) of the CGUs to which the property, plant and equipment are allocated. Estimating the VIUs requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of property, plant and equipment is disclosed in Note 5.

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

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

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

The Group and the Company conduct an annual impairment review of their investments in subsidiary companies, associated company and joint ventures. The Group and the Company carried out the impairment test based on the assessment of the fair value less costs to sell of the investees' assets or CGUs or based on the estimation of the VIUs of the CGUs of the investees. Estimating the VIUs requires the Group and the Company to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. An impairment loss will be recognised if the carrying values of these CGUs are assessed to be in excess of their VIUs.

The annual impairment review resulted in the Company recognising an impairment loss in respect of its investment in subsidiary companies. Details of the impairment loss recognised are disclosed in Notes 9 and 34.

No impairment losses have been recognised in respect of the investments in associated company and joint ventures.

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

(iv) Depreciation of property, plant and equipment

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

(v) 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 15.

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

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

(vi) 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 37.

(vii) 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 26.

(viii) 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 valuers to determine fair value at the reporting date by reference to open market value using the Investment, Discounted Cash Flow, Comparison and Cost Methods.

During the financial year, the independent professional valuer determined the fair value of the investment property of BTS Car Park Sdn Bhd, a wholly-owned subsidiary company of the Group based on comparable transactions. Accordingly, the investment property is now valued using the Comparison Method which uses significant observable inputs instead of Investment Method. The fair value measurement is therefore remained categorised as Level 3.

5 PROPERTY, PLANT AND EQUIPMENT

GROUP

As of 30 June 2017	Net carrying amount as of 1.7.2016 RM'000	Additions RM'000	Acquisition of a subsidiary company RM'000	Reclassi-fication RM'000	Disposal/ Write off RM'000	Depre-ciation RM'000	Exchange differences RM'000	Net carrying amount as of 30.6.2017 RM'000
Freehold building	150,925	-	-	-	-	(4,107)	-	146,818
Long term leasehold land and buildings	106,852	-	-	-	-	(3,438)	-	103,414
Short term leasehold land and buildings	3,725	-	29,000	-	-	(173)	-	32,552
Plant, machinery and equipment	5,521	8	22	-	-	(845)	-	4,706
Computer equipment	5,217	129	27	-	-	(1,384)	-	3,989
Renovation	4,150	319	-	-	-	(1,054)	-	3,415
Furniture, fittings and office equipment	6,152	1,243	-	-	(3)	(1,122)	-	6,270
First aid and theme park equipment	52	506	-	-	-	(41)	-	517
Motor vehicles	1,349	494	-	-	(11)	(488)	-	1,344
Capital work-in-progress	1,998	768	-	-	(2,314)	-	-	452
Others	209	16	-	-	-	(45)	-	180
	286,150	3,483	29,049	-	(2,328)	(12,697)	-	303,657

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

GROUP

As of 30 June 2016	Net carrying amount as of 1.7.2015 RM'000	Additions RM'000	Acquisition of a subsidiary company RM'000	Reclassi- fication RM'000	Disposal/ Write off RM'000	Depre- ciation RM'000	Exchange differences RM'000	Net carrying amount as of 30.6.2016 RM'000
Freehold building	155,032	-	-	-	-	(4,107)	-	150,925
Long term leasehold land and buildings	110,289	-	-	-	-	(3,437)	-	106,852
Short term leasehold land and buildings	3,827	-	-	-	-	(102)	-	3,725
Plant, machinery and equipment	6,364	-	-	-	-	(843)	-	5,521
Computer equipment	6,267	339	-	-	-	(1,387)	(2)	5,217
Renovation	535	1,166	-	3,274	-	(825)	-	4,150
Furniture, fittings and office equipment	5,856	1,323	-	-	(3)	(1,024)	-	6,152
First aid and theme park equipment	44	30	-	-	-	(22)	-	52
Motor vehicles	1,585	287	-	-	-	(519)	(4)	1,349
Capital work-in-progress	2,354	3,035	-	(3,274)	-	-	(117)	1,998
Others	248	5	-	-	-	(44)	-	209
	292,401	6,185	-	-	(3)	(12,310)	(123)	286,150

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

GROUP

As of 30 June 2017	**Cost RM'000**	**Accumulated depreciation RM'000**	**Net carrying amount RM'000**
Freehold building	195,485	48,667	146,818
Long term leasehold land and buildings	118,310	14,896	103,414
Short term leasehold land and buildings	57,321	24,769	32,552
Plant, machinery and equipment	72,218	67,512	4,706
Computer equipment	16,184	12,195	3,989
Renovation	13,489	10,074	3,415
Furniture, fittings and office equipment	14,402	8,132	6,270
First aid and theme park equipment	39,096	38,579	517
Cinema fixtures, fittings and equipment	500	500	-
Motor vehicles	4,667	3,323	1,344
Capital work-in-progress	452	-	452
Others	905	725	180
	533,029	229,372	303,657

As of 30 June 2016	**Cost RM'000**	**Accumulated depreciation RM'000**	**Net carrying amount RM'000**
Freehold building	195,485	44,560	150,925
Long term leasehold land and buildings	118,310	11,458	106,852
Short term leasehold land and buildings	5,074	1,349	3,725
Plant, machinery and equipment	15,545	10,024	5,521
Computer equipment	14,703	9,486	5,217
Renovation	13,170	9,020	4,150
Furniture, fittings and office equipment	13,197	7,045	6,152
First aid and theme park equipment	38,590	38,538	52
Cinema fixtures, fittings and equipment	500	500	-
Motor vehicles	4,122	2,773	1,349
Capital work-in-progress	1,998	-	1,998
Others	892	683	209
	421,586	135,436	286,150

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

	Group	
	2017 RM'000	**2016 RM'000**
Computer equipment	46	61
Renovation	686	885
Motor vehicles	518	100
Furniture, fittings and office equipment	739	463
	1,989	1,509

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

	Group	
	2017 RM'000	**2016 RM'000**
Freehold building	4,481	150,925
Long term leasehold land and buildings	-	106,852
Plant, machinery and equipment	-	5,460
Computer equipment	97	1,165
Renovation	69	3,003
Furniture, fittings and office equipment	276	4,773
First aid and theme park equipment	-	52
Motor vehicles	721	788
Capital work-in-progress	-	295
	5,644	273,313

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

	Group	
	2017 RM'000	**2016 RM'000**
At cost:		
Plant, machinery and equipment	33,381	7,219
Furniture, fittings and office equipment	4,589	3,571
Computer equipment	3,525	2,827
Renovation	7,535	7,295
First aid and theme park equipment	38,428	38,354
Motor vehicles	1,986	1,521
Cinema fixtures, fittings and equipment	500	500
Others	449	447
	90,393	61,734

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

COMPANY

	Net carrying amount as of 1.7.2016 / 1.7.2015 RM'000	Additions RM'000	Depre-ciation RM'000	Net carrying amount as of 30.6.2017 / 30.6.2016 RM'000
As of 30 June 2017				
Computer equipment	14	4	(6)	12
Motor vehicle	100	-	(29)	71
	114	4	(35)	83
As of 30 June 2016				
Computer equipment	24	-	(10)	14
Motor vehicle	128	-	(28)	100
	152	-	(38)	114

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As of 30 June 2017			
Computer equipment	74	62	12
Motor vehicle	142	71	71
	216	133	83
As of 30 June 2016			
Computer equipment	70	56	14
Motor vehicle	142	42	100
	212	98	114

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

	Company 2017 RM'000	Company 2016 RM'000
Motor vehicles	71	100

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

	Company 2017 RM'000	Company 2016 RM'000
At cost:		
Computer equipment	48	24

6 INVESTMENT PROPERTIES

	Group	
	2017 RM'000	2016 RM'000
At fair value:		
As of 1 July 2016/2015	2,465,298	2,475,216
Fair value changes	33,132	635
Additions during the year	1,404	16,482
Disposals during the year	(11)	(2,930)
Exchange differences	8,343	(24,105)
As of 30 June 2017/2016	2,508,166	2,465,298

In prior year, BTSSB has entered into Sale and Purchase Agreements ("SPAs") with an independent third party, Datuk Bandar Kuala Lumpur ("DBKL") to dispose of two parcels of commercial premise ("Properties") with carrying amount of RM82,650,000 for a total cash consideration of RM150.0 million as disclosed in Note 49(a). The said transaction had been completed during the financial year and is regarded as a financing arrangement as disclosed in Note 25(a).

Investment properties amounting to RM2,168,859,000 (2016 : RM2,455,948,000) have been pledged to financial institutions for credit facilities as referred to in Notes 22 and 23.

Included in the investment properties are RM475,872,000 (2016 : RM466,429,000) representing investment properties held under lease terms.

The fair values of the Group's investment properties at 30 June 2017 have been arrived at on the basis of a valuation carried out by independent valuers which have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined primarily based on Investment, Discounted Cash Flow, Comparison and Cost Methods. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

During the financial year, the independent professional valuer determined the fair value of the investment property of BTS Car Park Sdn Bhd, a wholly-owned subsidiary company of the Group based on comparable transactions. Accordingly, the investment property is now valued using the Comparison Method which uses significant observable inputs instead of Investment Method. The fair value measurement is therefore remained categorised as Level 3.

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

7 LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2017 RM'000	2016 RM'000
As of 1 July 2016/2015:		
Freehold land cost	97,772	95,071
Additions during the year:		
Development costs	1,425	2,238
Reversal of impairment during the year	-	463
As of 30 June 2017/2016	99,197	97,772

8 PREPAID LEASE PAYMENTS

	Group	
	2017 RM'000	**2016 RM'000**
Cost		
As of 1 July 2016/2015:	-	-
Arising from acquisition of a subsidiary company	8,510	-
As of 30 June 2017/2016	8,510	-
Accumulated amortisation		
As of 1 July 2016/2015:	-	-
Arising from acquisition of a subsidiary company	3,210	-
Amortisation (Note 36)	9	-
As of 30 June 2017/2016	3,219	-
Net carrying amount		
As of 30 June 2017/2016	5,291	-

The leasehold land of the Group has an unexpired lease period of less than 50 years.

9 SUBSIDIARY COMPANIES

	Company	
	2017 RM'000	**2016 RM'000**
Unquoted shares at cost	1,425,283	1,424,279
Less: Accumulated impairment (Note 34)	(139,012)	(90,920)
	1,286,271	1,333,359

The Group's equity interest in the subsidiary companies, details of their respective principal activities and countries of incorporation are shown in Note 52.

As of 30 June 2017, the Company conducted an impairment review of the investments in certain subsidiary companies, principally based on the assumptions and calculations detailed in Note 13 and the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

The review gave rise to recognition of an impairment loss of investment in subsidiary companies of RM48,092,000 (2016 : RM90,218,000) as disclosed in Note 34.

(a) The changes to the composition of the Group for the financial year ended 30 June 2017 are as follows:

(i) Acquisition of 100% equity interest comprising 2 ordinary shares in Fasa Budaya Sdn Bhd ("FBSB") for a total cash consideration of RM1,840. FBSB is presently dormant and the intended principal activity is investment holding. The acquisition of FBSB did not have any material effect on the financial results of the Group as the said company has remained dormant subsequent to the acquisition;

9 SUBSIDIARY COMPANIES (CONTD.)

(a) The changes to the composition of the Group for the financial year ended 30 June 2017 are as follows (contd.):

(ii) Acquisition of 100% equity interest comprising 1 ordinary share in Ascend Asap Sdn Bhd ("AASB") (formerly known as Gaya Mustika Sdn Bhd) for a total cash consideration of RM1,640. AASB is presently dormant and the intended principal activity is investment holding. The acquisition of AASB did not have any material effect on the financial results of the Group as the said company has remained dormant subsequent to the acquisition;

(iii) Subscription of additional 999,998 ordinary shares in Berjaya Assets Food (BAF) Sdn Bhd ("BAF") for a total cash consideration of RM999,998. Consequently, BAF has increased its issued and fully paid share capital from RM2 to RM1 million by an allotment of 999,998 ordinary shares; and

(iv) Acquisition of 100% equity interest comprising 38.0 million ordinary shares in Oriental Assemblers Sdn Bhd ("OASB") for a total cash consideration of RM29.6 million by Aroma Kiara Sdn Bhd, a wholly owned subsidiary of the Company. The principal activities of OASB consist of those relating to vehicle assembly and the manufacturing and sale of engines and transmissions.

The provisional fair values of the identifiable assets and liabilities of the acquisition of OASB, which qualified as business combination are as follows:

Group	2017 RM'000
Non-current assets	34,349
Current assets	2,498
Non-current liabilities	(7,022)
Current liabilities	(1,479)
Total net assets acquired	28,346
Goodwill on consolidation (Note 13)	1,301
Total cost of acquisition	29,647

The acquisition of OASB, which qualified as business combination contributed the following results from its date of acquistion to the Group:

Group	2017 RM'000
Revenue	93
Loss for the year	(288)

Provisional accounting of acquisition regarded as business combination

The fair value adjustments as at 31 May 2017 and the goodwill on acquisition are provisional as the Group is currently undertaking a purchase price allocation exercise to identify and measure intangible assets, if any. The goodwill on acquisition is now provisionally estimated to be RM1.3 million. Goodwill arising from this acquisition and any identified intangible assets will be adjusted accordingly on a retrospective basis when the purchase price allocation exercise is finalised.

9 SUBSIDIARY COMPANIES (CONTD.)

The net cash flows on the acquisition of OASB, which qualified as business combination are as follows:

Group	2017 RM'000
Purchase consideration to be satisfied by cash	29,647
Excluding:	
Cash and cash equivalents of a subsidiary company acquired	(1,281)
Deposit paid in prior year	(3,250)
Consideration to be settled by cash (Note 27)	(397)
Net cash outflow on acquisition	24,719

(b) Subsidiary companies with material non-controlling interests

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

	Equity interest held by non-controlling interests	
	2017 %	2016 %
Berjaya UK Investment and Development Ltd ("BIDL")	30	30
Natural Avenue Sdn Bhd ("NASB")	35	35

	Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
BIDL	(1,448)	(86)	7,947	9,118
NASB	2,018	4,739	4,499	2,481
Individually immaterial subsidiary companies with non-controlling interests	(1,350)	2,735	(3,774)	(2,424)
	(780)	7,388	8,672	9,175

Summarised financial information of the subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

Group

As of 30 June 2017	BIDL RM'000	NASB RM'000	Total RM'000
Non-current assets	252,260	8,536	260,796
Current assets	8,850	12,226	21,076
Non-current liabilities	(161,412)	(875)	(162,287)
Current liabilities	(73,207)	(7,032)	(80,239)
Net assets	26,491	12,855	39,346

9 SUBSIDIARY COMPANIES (CONTD.)

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

Group

As of 30 June 2017	**BIDL RM'000**	**NASB RM'000**	**Total RM'000**
Equity attributable to:			
- owners of the parent	26,491	12,855	39,346
- non-controlling interests	-	-	-
Total equity	26,491	12,855	39,346

Group

As of 30 June 2016

Non-current assets	245,507	9,797	255,304
Current assets	8,226	16,202	24,428
Non-current liabilities	(178,365)	(1,190)	(179,555)
Current liabilities	(44,974)	(17,720)	(62,694)
Net assets	30,394	7,089	37,483
Equity attributable to:			
- owners of the parent	30,394	7,089	37,483
- non-controlling interests	-	-	-
Total equity	30,394	7,089	37,483

Group

Year ended 30 June 2017

Revenue	11,197	150,077	161,274
(Loss)/Profit for the year	(4,825)	5,766	941
Other comprehensive income	(117)	-	(117)
Total comprehensive income	(4,942)	5,766	824
(Loss)/Profit for the year attributable to:			
- owners of the parent	(4,825)	5,766	941
- non-controlling interests	-	-	-
	(4,825)	5,766	941
Total comprehensive income attributable to:			
- owners of the parent	(4,942)	5,766	824
- non-controlling interests	-	-	-
	(4,942)	5,766	824

9 SUBSIDIARY COMPANIES (CONTD.)

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

Group

Year ended 30 June 2017	**BIDL RM'000**	**NASB RM'000**	**Total RM'000**
Net cash generated from/(used in):			
- operating activities	7,875	(2,875)	5,000
- investing activities	(666)	262	(404)
- financing activities	(7,591)	-	(7,591)
Net change in cash and cash equivalents	(382)	(2,613)	(2,995)
Dividends paid to non-controlling interests	-	-	-

Group

Year ended 30 June 2016			
Revenue	12,575	190,239	202,814
(Loss)/Profit for the year	(288)	13,540	13,252
Other comprehensive income	36	-	36
Total comprehensive income	(252)	13,540	13,288
(Loss)/Profit for the year attributable to:			
- owners of the parent	(288)	13,540	13,252
- non-controlling interests	-	-	-
	(288)	13,540	13,252
Total comprehensive income attributable to:			
- owners of the parent	(252)	13,540	13,288
- non-controlling interests	-	-	-
	(252)	13,540	13,288
Net cash generated from/(used in):			
- operating activities	8,014	18,903	26,917
- investing activities	(604)	173	(431)
- financing activities	(8,324)	(10,500)	(18,824)
Net change in cash and cash equivalents	(914)	8,576	7,662
Dividends paid to non-controlling interests	-	(3,675)	(3,675)

10 ASSOCIATED COMPANY

	Group	
	2017 RM'000	**2016 RM'000**
Unquoted shares at cost	530	530
Share of post acquisition reserves	(30)	(30)
	500	500
Less : Intragroup adjustments	(500)	(500)
	-	-

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

The details of the associated company are set out in Note 52.

Summarised financial information in respect of the associated company of the Group is set out below. The summarised financial information presented below represents the amounts in the financial statements of the associated company and not the Group's share of those amounts.

Group **Megaquest Sdn Bhd** **As of 30 June 2017/2016**	**2017 RM'000**	**2016 RM'000**
Non-current assets	32	54
Current assets	1,686	1,657
Non-current liabilities	-	-
Current liabilities	(7)	(8)
Net assets	1,711	1,703
Net assets attributable to:		
Owners of the associated company	856	852
Non-controlling interests of the associated company	855	851
	1,711	1,703
Year ended 30 June 2017/2016		
Revenue	2	2
Profit for the year	8	26
Other comprehensive income	-	-
Total comprehensive income	8	26
Profit for the year, representing total comprehensive income attributable to owners of the associated company	8	26
Dividends received from the associated company during the year	-	-

10 ASSOCIATED COMPANY (CONTD.)

Reconciliation of the summarised financial information presented above to the carrying value of the Group's interest in the associated company

Group **Megaquest Sdn Bhd**	**2017** **RM'000**	**2016** **RM'000**
Attributable to the owners of associated company:		
Net assets at 1 July 2016/2015	1,703	1,677
Profit for the year	8	26
Net assets at 30 June 2017/2016	1,711	1,703
Group's equity interest (%)	50	50
Interest in net assets of associated company	856	852
Less: Intragroup adjustments	(856)	(852)
Carrying value of Group's interest in the associated company	-	-

11 JOINT VENTURES

	Group	
	2017 **RM'000**	**2016** **RM'000**
Unquoted investments, at cost:		
Ordinary shares	3,845	3,845
Redeemable Preference Shares ("RPS")	9,945	9,945
Share of post acquisition reserves	(2,221)	(491)
Exchange differences	154	80
	11,723	13,379
Share application monies in respect of RPS issuance	3,159	3,000
	14,882	16,379

Jernih Wiramas Sdn Bhd ("JWSB"), a wholly-owned subsidiary company of the Company holds a total of 9,945 (2016 : 9,945) RPS of RM0.01 each at RM1,000 per RPS in TREC Holdings Sdn Bhd ("TREC"), a company incorporated in Malaysia with carrying amount of RM9,945,000 (2016 : RM9,945,000).

The salient terms of TREC's RPS are as follows:

(a) The RPS shall be issued in registered form in denominations or multiples of RM1,000.00 each;

(b) No dividend shall be payable on the RPS; and

(c) The RPS is redeemable at 100% of its issue price at the discretion of TREC at any time but always subject to the requirements of Section 112 of the Companies Act 2016.

11 JOINT VENTURES (CONTD.)

Details of the joint ventures are as follows:

Name of Joint Ventures	Paid-up Capital	Proportion of ownership interest held by the Group 2017 %	2016 %	Principal Activities
Berjaya - GSC Sdn Bhd ("BGSB")	RM5,000,000	50	50	Cinema operations
Cardiff City (House of Sport) Limited	GBP500,000 (approximately RM2,795,000)	50	50	Development and running of a sports and leisure academy
TREC Holdings Sdn Bhd ("TREC")	RM350,000	30	30	Letting of properties and maintenance

The Group regards TREC and BGSB as its material joint ventures.

Summarised financial information in respect of the material joint ventures of the Group is set out below. The summarised financial information presented below represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

Group As of 30 June 2017	TREC RM'000	BGSB RM'000	Total RM'000
Non-current assets	51,649	4,730	56,379
Current assets	13,467	3,927	17,394
Non-current liabilities	(25,004)	(202)	(25,206)
Current liabilities	(11,664)	(2,168)	(13,832)
Net assets	28,448	6,287	34,735
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	5,536	3,129	8,665
Current financial liabilities (excluding trade and other payables and provision)	(4,166)	(191)	(4,357)
Non-current financial liabilities (excluding trade and other payables and provision)	(25,004)	-	(25,004)
As of 30 June 2016			
Non-current assets	48,263	6,596	54,859
Current assets	11,739	4,049	15,788
Non-current liabilities	(20,489)	(306)	(20,795)
Current liabilities	(8,614)	(2,451)	(11,065)
Net assets	30,899	7,888	38,787

11 JOINT VENTURES (CONTD.)

Group As of 30 June 2016	TREC RM'000	BGSB RM'000	Total RM'000
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	5,721	3,337	9,058
Current financial liabilities (excluding trade and other payables and provision)	-	(188)	(188)
Non-current financial liabilities (excluding trade and other payables and provision)	(20,489)	-	(20,489)
Year ended 30 June 2017			
Revenue	10,505	7,499	18,004
Loss for the year, representing total comprehensive income for the year	(2,980)	(1,601)	(4,581)
The above loss for the year includes the following:			
Depreciation and amortisation	1,369	1,314	2,683
Finance costs	1,918	-	1,918
Interest income	102	82	184
Dividends received from the joint venture during the year	-	-	-

Group Year ended 30 June 2016	TREC RM'000	BGSB RM'000	Total RM'000
Revenue	3,690	9,069	12,759
(Loss)/Profit for the year, representing total comprehensive income for the year	(5,172)	418	(4,754)
The above (loss)/profit for the year includes the following:			
Depreciation and amortisation	98	1,305	1,403
Finance costs	451	-	451
Interest income	45	97	142
Dividends received from the joint venture during the year	-	-	-

Reconciliation of the summarised financial information presented above to the carrying value of the Group's interest in the joint ventures

Group 2017	TREC RM'000	BGSB RM'000	Total RM'000
Net assets at 1 July 2016	21,354	7,888	29,242
Loss for the year, representing total comprehensive income for the year	(2,980)	(1,601)	(4,581)
Net assets at 30 June 2017	18,374	6,287	24,661
Share application monies in respect of RPS issuance	10,074	-	10,074
	28,448	6,287	34,735

11 JOINT VENTURES (CONTD.)

Group **2017**	**TREC** **RM'000**	**BGSB** **RM'000**	**Total** **RM'000**
Group's equity interest (%)	30	50	-
Interests in joint ventures	5,512	3,144	8,656
Share application monies in respect of RPS issuance	3,159	-	3,159
Goodwill	159	-	159
Carrying value of Group's interest in the joint ventures	8,830	3,144	11,974
2016			
Net assets at 1 July 2015	17,026	7,470	24,496
Issuance of RPS during the year	9,500	-	9,500
(Loss)/Profit for the year, representing total comprehensive income for the year	(5,172)	418	(4,754)
Net assets at 30 June 2016	21,354	7,888	29,242
Share application monies in respect of RPS issuance	9,545	-	9,545
	30,899	7,888	38,787
Group's equity interest (%)	30	50	
Interests in joint ventures	6,406	3,944	10,350
Share application monies in respect of RPS issuance	3,000	-	3,000
Goodwill	159	-	159
Carrying value of Group's interest in the joint ventures	9,565	3,944	13,509

Aggregate information of a joint venture that is not individually material

Group	**2017** **RM'000**	**2016** **RM'000**
The Group's share of (loss)/profit for the year, representing total comprehensive income for the year	(36)	552
Aggregate carrying amount of the Group's interest in the joint venture	2,908	2,870

12 OTHER INVESTMENTS

	Group		**Company**	
	2017 **RM'000**	**2016** **RM'000**	**2017** **RM'000**	**2016** **RM'000**
Quoted shares in Malaysia at fair value	172,997	152,157	521	530
Quoted loan stocks in Malaysia at fair value	8,756	10,451	-	-
Quoted warrants in Malaysia at fair value	1,149	1,436	21	26
Unquoted loan stocks outside Malaysia at cost	3,731	3,731	-	-
Malaysian Government Securities at cost	1,008	1,010	-	-
Total investments	187,641	168,785	542	556

12 OTHER INVESTMENTS (CONTD.)

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Market value of:				
Malaysian Government Securities	1,024	1,036	-	-

As of 30 June 2017, the investments in quoted shares, loan stocks and warrants included certain investments in affiliated companies, Berjaya Corporation Berhad ("BCorp"), Berjaya Food Berhad, Berjaya Land Berhad, Berjaya Media Berhad, Berjaya Sports Toto Berhad and 7-Eleven Malaysia Holdings Berhad with carrying amounts of RM58,284,000 (2016 : RM60,929,000), RM6,794,000 (2016 : RMNil), RM68,153,000 (2016 : RM96,964,000), RM834,000 (2016 : RM985,000), RM3,780,000 (2016 : RM3,031,000) and RM44,010,000 (2016 : RMNil) respectively.

Certain quoted investments of the Group with fair value of RM129,585,000 (2016 : RM149,636,000) have been pledged to financial institutions for credit facilities granted to certain of its subsidiary companies.

As of 30 June 2017, 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 joint venture, Cardiff City (House of Sport) Limited ("Cardiff"). The 3% RCULS of GBP1.00 each are constituted by a deed dated 30 November 2010 between Cardiff and the holders of 3% RCULS. The main features of 3% RCULS are as follows:

a) The 3% RCULS was convertible into ordinary shares of Cardiff during the period from 30 November 2010 to the maturity date on 29 November 2016 at the rate of one GBP1.00 of 3% RCULS for one GBP1.00 ordinary share of Cardiff. The conversion tenure is now extended to 29 January 2023 at the conversion rate of GBP1.00 of 3% RCULS for one GBP1.00 ordinary share of Cardiff;

12 OTHER INVESTMENTS (CONTD.)

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 amounting to RM24,742,000 and RM13,000 (2016 : RM13,590,000 and RMNil) respectively in respect of certain quoted investments 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.

Further details on fair value hierarchy and classification of other investments are disclosed in Notes 45 and 46 respectively.

13 INTANGIBLE ASSETS

Group

	Goodwill on consolidation RM'000	Rights RM'000	Franchise fees RM'000	Total RM'000
Cost				
As of 1 July 2015	199,955	28,243	-	228,198
Addition during the year	-	-	823	823
As of 30 June 2016	199,955	28,243	823	229,021
Addition during the year	1,301	-	-	1,301
As of 30 June 2017	201,256	28,243	823	230,322
Accumulated amortisation and impairment				
As of 1 July 2015	59,319	12,877	-	72,196
Impairment (Note 34)	59,029	-	-	59,029
Amortisation (Note 36)	-	1,101	55	1,156
As of 30 June 2016	118,348	13,978	55	132,381
Impairment (Note 34)	38,865	-	-	38,865
Amortisation (Note 36)	-	1,101	164	1,265
As of 30 June 2017	157,213	15,079	219	172,511
Net carrying amount				
As of 30 June 2017	44,043	13,164	604	57,811
As of 30 June 2016	81,607	14,265	768	96,640

Rights

Comprises the rights to receive Special Cash Sweep Lottery royalty revenue. The intangible asset is amortised over the remaining tenure of the rights expiring on 9 November 2029.

13 INTANGIBLE ASSETS (CONTD.)

Franchise fees

Comprises the fees paid in respect of the opening of "Greyhound" Café. The intangible asset is amortised over the period of the agreement of 5 years from the date when the respective café commences operations.

Impairment test for goodwill on consolidation

Goodwill on consolidation of RM44,016,000 (2016 : RM81,580,000) and RM27,000 (2016 : 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.

During the financial year, the Group recognised an impairment in respect of goodwill allocated to the Group's CGU identified to the gaming and related activities business segment amounting to RM38,865,000 (2016 : RM59,029,000) as the carrying value of the CGU was assessed to be in excess of its VIU. The recoverable amount of this intangible asset is the Group's share of VIU which amounted to RM51,071,000 (2016 : RM99,243,000) as of the reporting date.

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:

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

(b) Growth rate
The long term annual growth rate of 2.56% (2016 : 4.3%) used is consistent with the average long term annual growth rate for the relevant industries.

(c) Discount rate
The pre-tax discount rate used for identified CGUs of 13.00% (2016 : 13.00%) is on a basis that reflect specific risks relating to the CGU.

Sensitivity to changes in assumptions

For the gaming and related activities business segment, which goodwill has been impaired in the current year, its recoverable amount based on VIU computation remains sensitive towards possible negative changes in revenue growth rate due to the continued rampant illegal gaming activities.

Should the annual revenue growth rate of the forecast year ending 30 June 2018 decrease by 1%, the carrying amount of the goodwill of the gaming and related activities business segment is expected to be further impaired by RM5,832,000.

14 INVENTORIES

	Group	
	2017 RM'000	2016 RM'000
At cost :		
Finished goods and consumables	714	622
Ticket inventories	314	315
Gaming equipment	422	449
Work-in-progress	226	-
Spare parts and supplies	366	-
	2,042	1,386
At net realisable value :		
Properties held for sale	194,906	194,906
	196,948	196,292

The cost of inventories recognised as an expense during the year in the Group amounted to RM18,147,000 (2016 : RM16,287,000).

Properties held for sale are pledged to financial institutions for credit facilities as referred to in Note 22.

15 RECEIVABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CURRENT				
Trade receivables				
Third parties (Note a)	28,376	20,772	-	-
Less: Allowance for impairment	(14,762)	(12,325)	-	-
Trade receivables, net	13,614	8,447	-	-
Other receivables (Note b)				
Sundry receivables	8,318	10,246	5	3
Deposits	3,484	2,986	1	1
Amounts due from:				
- affiliated companies	2,881	2,478	-	-
- a joint venture	1,756	1,525	-	-
- subsidiary companies	-	-	218,820	363,396
GST recoverable	43	55	41	54
	16,482	17,290	218,867	363,454
Other current assets				
Deposits for acquisition of assets	560	560	-	-
Deposit for acquisition of investments	5,400	7,186	-	-
Prepayments	4,972	4,334	136	65
	10,932	12,080	136	65
Total current receivables	41,028	37,817	219,003	363,519

15 RECEIVABLES (CONTD.)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
NON-CURRENT				
Other receivables (Note b)				
Amounts due from subsidiary companies	-	-	128,217	74,311
Total non-current receivables	-	-	128,217	74,311
Total receivables	41,028	37,817	347,220	437,830

(a) Trade receivables

The Group's trade receivables are non-interest bearing with credit terms ranging from 1 to 30 (2016 : 7 to 30) days. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	1,326	1,195
1 to 30 days past due not impaired	6,821	5,757
31 to 60 days past due not impaired	1,891	529
61 to 90 days past due not impaired	778	123
91 to 120 days past due not impaired	676	38
More than 120 days past due not impaired	2,122	805
	12,288	7,252
Impaired	14,762	12,325
	28,376	20,772

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 RM12,288,000 (2016 : RM7,252,000) 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.

15 RECEIVABLES (CONTD.)

(a) Trade receivables (contd.)

Receivables that are impaired

The Group's trade receivables that are individually assessed and impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Trade receivables - nominal amounts	14,762	12,325
Less: Allowance for impairment	(14,762)	(12,325)
	-	-
Movement in allowance account:		
As of 1 July 2016/2015	12,325	9,618
Arising from acquisition of a subsidiary company	514	-
Charge for the year (Note 36)	4,330	3,987
Reversal of impairment (Note 36)	(534)	(1,266)
Written off	(1,873)	(14)
As of 30 June 2017/2016	14,762	12,325

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 impairments are provided for specific receivable balances. Management are of the opinion that there are no further factors that warrants the consideration of additional impairment on a collective basis.

(b) Other receivables

The amounts due from subsidiary companies, affiliated companies and a joint venture are unsecured, interest bearing and repayable on demand.

The amounts due from certain subsidiary companies have been classified as non-current assets as the Company has reassessed that it does not intend to call for the payments of these amounts within the next 12 months.

16 CASH AND BANK BALANCES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Deposits with licensed banks	58,436	40,564	10,119	5,179
Cash on hand and at banks	30,776	36,791	35	33
	89,212	77,355	10,154	5,212

16 CASH AND BANK BALANCES (CONTD.)

Included in deposits with licensed banks and cash on hand and at banks of the Group and of the Company are:

(a) deposits pledged to bank for bank guarantee facilities granted to certain subsidiary companies of the Group amounting to RM216,000 (2016 : RM16,000); and

(b) monies held in debt service reserve accounts amounting to RM47,388,000 (2016 : RM26,948,000) for the Group and RMNil (2016 : RM1,523,000) for the Company

which are restricted in usage and do not form part of cash and cash equivalents.

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		Range of maturities	
	2017	**2016**	**2017**	**2016**
	%	**%**	**Days**	**Days**
Licensed banks	0.62 - 3.35	1.72 - 3.16	1 - 365	1 - 63

17 SHARE CAPITAL

	Group and Company Ordinary shares			
	No. of shares		**Amount**	
	2017	**2016**	**2017**	**2016**
	'000	**'000**	**RM'000**	**RM'000**
Authorised:				
As of 1 July 2016/2015 and as of 30 June 2017/2016	-	5,000,000	-	5,000,000
Issued and fully paid:				
As of 1 July 2016/2015	1,113,042	1,113,042	1,113,042	1,113,042
Issuance of ordinary shares pursuant to exercise of Warrants 2008/2018	75,250	-	75,250	-
Transfer of share premium in accordance with Companies Act 2016	-	-	258,985	-
As of 30 June 2017/2016	1,188,292	1,113,042	1,447,277	1,113,042

Companies Act 2016

The Company's authorised and issued and fully paid-up share capital in 2016 comprises ordinary shares with a par value of RM1.00 each. The new Companies Act 2016 ("Act"), which came into effect on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

In accordance with the transitional provisions of the Act, the amount standing to the credit of the Company's share premium account has become part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the relative entitlement of the shareholders.

17 SHARE CAPITAL (CONTD.)

Companies Act 2016 (contd.)

However, the Company has a period of 24 months from the effective date of the Act to use the existing balance in the share premium account in the manner as specified by the Act.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The new ordinary shares issued during the financial year ranked pari passu with the existing ordinary shares of the Company.

Warrants 2008/2018

On 18 March 2008, the Company issued 415,982,348 free detachable Warrants 2008/2018 pursuant to the Rights Issue.

During the financial year, 75,250,000 of Warrants 2008/2018 has been exercised to subscribe for 75,250,000 new ordinary shares at the exercise price of RM1.00 per share.

The Warrants 2008/2018 were constituted by a Deed Poll dated 12 February 2008 and the main features of the Warrants 2008/2018 are as follows:

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

(b) The Warrants 2008/2018 may be exercised at any time up to 17 March 2018; and

(c) The shares arising from the exercise of Warrants 2008/2018 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, the number of outstanding Warrants 2008/2018 was 340,732,348 (2016 : 415,982,348).

18 SHARE PREMIUM

	Group and Company	
	2017 RM'000	2016 RM'000
As of 1 July 2016/2015	258,985	258,985
Transferred to share capital in accordance with Companies Act 2016	(258,985)	-
As of 30 June 2017/2016	-	258,985

19 AVAILABLE-FOR-SALE RESERVE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
As of 1 July 2016/2015	30,481	25,416	173	1,146
Changes in fair values of available-for-sale financial assets during the year	(13,331)	7,044	(16)	(183)
Transfer to statement of profit or loss upon disposal	(1,201)	(790)	-	(790)
Acquisition of remaining equity interest in a subsidiary company	-	(1,189)	-	-
As of 30 June 2017/2016	15,949	30,481	157	173

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.

20 FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2017 RM'000	2016 RM'000
As of 1 July 2016/2015	7,558	7,178
Current year movement	2,510	380
As of 30 June 2017/2016	10,068	7,558

21 RETAINED EARNINGS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
As of 1 July 2016/2015	780,798	708,901	99,974	99,302
Total comprehensive income for the year	(11,437)	(54,122)	(56,570)	11,802
Dividends (Note 39)	-	(11,130)	-	(11,130)
Acquisition of remaining equity interest in a subsidiary company	-	137,149	-	-
As of 30 June 2017/2016	769,361	780,798	43,404	99,974

The entire retained earnings of the Company is available for distribution as single tier dividends.

22 BANK BORROWINGS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Short term borrowings				
Secured:				
Term loans	47,778	92,726	-	-
Revolving credit facility	5,000	4,924	-	-
Margin account	11,257	11,543	-	-
Bank overdraft	-	9,800	-	-
	64,035	118,993	-	-
Long term borrowings				
Secured:				
Term loans	612,924	572,125	-	247,700
Total borrowings				
Secured:				
Term loans	660,702	664,851	-	247,700
Revolving credit facility	5,000	4,924	-	-
Margin account	11,257	11,543	-	-
Bank overdraft	-	9,800	-	-
	676,959	691,118	-	247,700

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Maturity of borrowings				
Not later than 1 year	64,035	118,993	-	-
Later than 1 year and not later than 2 years	107,615	67,709	-	12,500
Later than 2 years and not later than 5 years	429,687	317,364	-	100,000
More than 5 years	75,622	187,052	-	135,200
	676,959	691,118	-	247,700

The interest rates per annum for borrowings are as follows:

	Group		Company	
	2017 %	2016 %	2017 %	2016 %
Term loans	5.14 to 8.15	3.56 to 7.35	-	6.85 to 7.35
Revolving credit facility	6.00	5.72	-	-
Margin account	7.67	7.60	-	-
Bank overdraft	-	8.85	-	-

22 BANK BORROWINGS (CONTD.)

The borrowings are secured by the following:

(a) investment properties and debenture over assets of certain subsidiary companies of the Group;
(b) the assignment of sales proceeds, future rental and insurance policies by Berjaya Times Square Sdn Bhd ("BTSSB") for the entire development project;
(c) a guarantee from a director of BTSSB and major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun;
(d) certain quoted investments of the Group;
(e) legal charge over BTSSB's Debt Service Reserve Account and Designated Rental Collection Account; and
(f) corporate guarantee by the Company.

23 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 the following series ("Senior Bonds"):

			Group			
		Interest	Nominal value		At amortised cost	
		rate	2017	2016	2017	2016
Series	**Maturity**	**p.a (%)**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
1	31 May 2019	5.75 - 6.00	40,000	-	39,838	-
1	1 June 2017	5.75	-	40,000	-	39,896
2	1 June 2018	5.85	40,000	40,000	39,911	39,817
3	31 May 2019	6.00	80,000	80,000	79,676	79,521
			160,000	160,000	159,425	159,234

	2017 RM'000	2016 RM'000
Maturity of Senior Bonds		
Not later than 1 year	39,911	39,896
Later than 1 year and not later than 2 years	119,514	39,817
Later than 2 years and not later than 5 years	-	79,521
	159,425	159,234

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.

24 HIRE PURCHASE LIABILITIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Minimum lease payments:				
Not later than 1 year	628	382	27	28
Later than 1 year and not later than 2 years	628	381	27	27
Later than 2 years and not later than 5 years	840	956	14	41
	2,096	1,719	68	96
Less: Future finance charges	(385)	(357)	(10)	(14)
Present value of hire purchase liabilities	1,711	1,362	58	82
Present value of hire purchase liabilities:				
Not later than 1 year	496	303	23	24
Later than 1 year and not later than 2 years	517	302	23	23
Later than 2 years and not later than 5 years	698	757	12	35
	1,711	1,362	58	82
Analysed as:				
Due within 12 months	496	303	23	24
Due after 12 months	1,215	1,059	35	58
	1,711	1,362	58	82

The hire purchase liabilities bear interest from 3.50% to 5.35% (2016: 3.50% to 5.35%) per annum.

25 LONG TERM LIABILITIES

	Group	
	2017 RM'000	2016 RM'000
Other long term liabilities (Note a)	181,918	59,033
Less: Current portion included in payables (Note 27)	(15,550)	(8,800)
	166,368	50,233
Deposits received (Note b)	-	105,000
Rental deposits	17,383	16,810
Other deferred income (Note c)	3,309	3,353
	187,060	175,396

(a) Other long term liabilities relates to:
   (i) 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; and
   (ii) the sale and buyback transaction as disclosed in Note 4(a)(vii), which represent a financing arrangement that bears interest at the effective interest rate of 7.31% per annum.

(b) In prior year, deposits received amounting to RM105,000,000 represented deposits received from DBKL, in accordance with the terms and conditions of the Sale and Purchase Agreements ("SPAs") entered into as disclosed in Note 6. The said transaction had been completed during the financial year and the amount had been reclassified to other long term liabilities.

25 LONG TERM LIABILITIES (CONTD.)

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

26 DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
As of 1 July 2016/2015	75,855	67,775	27	36
Arising from acquisition of a subsidiary company	7,021	-	-	-
Recognised in the statement of profit or loss (Note 37)	13,081	8,080	(7)	(9)
As of 30 June 2017/2016	95,957	75,855	20	27
Presented after appropriate offsetting as follows:				
Deferred tax assets	(15,169)	(16,878)	-	-
Deferred tax liabilities	111,126	92,733	20	27
	95,957	75,855	20	27

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

Deferred Tax Liabilities of the Group

	Property, plant and equipment and investment properties RM'000	Accelerated capital allowances RM'000	Total RM'000
As of 1 July 2016	55,766	75,522	131,288
Arising from acquisition of a subsidiary company	7,021	-	7,021
Recognised in the statement of profit or loss	1,438	(17)	1,421
	64,225	75,505	139,730
Less: Set-off of deferred tax assets			(28,604)
As of 30 June 2017			111,126
As of 1 July 2015	56,659	78,525	135,184
Recognised in the statement of profit or loss	(893)	(3,003)	(3,896)
	55,766	75,522	131,288
Less: Set-off of deferred tax assets			(38,555)
As of 30 June 2016			92,733

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

Deferred Tax Assets of the Group

	Tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
As of 1 July 2016	(41,376)	(14,057)	(55,433)
Recognised in the statement of profit or loss	9,794	1,866	11,660
	(31,582)	(12,191)	(43,773)
Less: Set-off of deferred tax liabilities			28,604
As of 30 June 2017			(15,169)
As of 1 July 2015	(50,519)	(16,890)	(67,409)
Recognised in the statement of profit or loss	9,143	2,833	11,976
	(41,376)	(14,057)	(55,433)
Less: Set-off of deferred tax liabilities			38,555
As of 30 June 2016			(16,878)

Deferred Tax Liabilities of the Company

	Property, plant and equipment RM'000
As of 1 July 2016	27
Recognised in the statement of profit or loss	(7)
As of 30 June 2017	20
As of 1 July 2015	36
Recognised in the statement of profit or loss	(9)
As of 30 June 2016	27

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

	Group	
	2017 RM'000	2016 RM'000
Unused tax losses	67,264	32,372
Unabsorbed capital allowances	41,688	34,264
Other deductible temporary differences	144,576	134,944
	253,528	201,580

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

27 PAYABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade payables	9,594	16,836	-	-
Refundable deposits	22,957	21,213	-	-
Other payables and accruals	77,142	79,462	368	2,400
Amounts due to affiliated companies	698	839	-	429
Amounts due to subsidiary companies	-	-	153,056	53,972
	110,391	118,350	153,424	56,801
Advance rental received	130	80	-	-
Current portion of other long term liabilities (Note 25)	15,550	8,800	-	-
	126,071	127,230	153,424	56,801

The normal trade credit term granted to the Group and the Company ranges from 1 to 90 days (2016 : 1 to 90 days).

Included in other payables and accruals of the Group are the following:

(a) balance purchase consideration for the acquisition of several parcels of land amounting to RM40,750,000 (2016 : RM40,747,000). This balance payment bears interest at 9.0% (2016 : 6.0% to 9.0%) per annum; and

(b) an amount of RM397,000 (2016 : RMNil) owing to vendors representing the balance of the consideration payable to them arising from the acquisition of 100% equity interest in Oriental Assemblers Sdn Bhd, as disclosed in Note 49(b).

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.

28 PROVISIONS

	LAD RM'000	On-line repairs RM'000	Additional EPF entitle-ment RM'000	Sludge disposal RM'000	Total RM'000
As of 1 July 2016	644	-	-	-	644
Arising from acquisition of a subsidiary company	-	28	109	23	160
As of 30 June 2017	644	28	109	23	804
As of 1 July 2015/ As of 30 June 2016	644	-	-	-	644

28 PROVISIONS (CONTD.)

(a) Provision for liquidated and ascertained damages ("LAD")

Provision for liquidated and ascertained damages of the Group is made in respect of the delay in the completion of the development project.

(b) On-line repairs

The provision for on-line repairs is made for estimated repair costs relating to damages and defects identified during the course of assembly of motor vehicles. The provision is based on historical repairs data incurred on similar products.

(c) Additional employees provident fund ("EPF") entitlement

Provision for additional EPF entitlement relates to a subsidiary company's employment benefit policy whereby an additional 4% of employer's contribution is payable to employees with less than 5 years of employment service. It is based on 4% of gross salary of employees for the first 5 years of employment service. The provision is payable when an employee with at least 5 years of employment service resigns or retires. The provision is reversed if an employee resigns before his 5 years of employment service.

(d) Sludge disposal

Provision for sludge disposal is in respect of remaining sludge held at the reporting date in the subsidiary company's factory. The provision is based on historical sludge disposal charges incurred.

29 REVENUE

The main categories of revenue are as follows:

Group	**2017 RM'000**	**2016 RM'000**
Gaming ticket sales net of gaming tax	150,077	190,239
Rental income from investment properties	139,509	137,044
Sale of theme park tickets	12,075	11,085
Revenue from jetty operations	26,320	26,190
Revenue from hotel operations	23,505	20,377
Revenue from food and beverage business	4,779	2,157
Revenue from assembly charges	93	-
	356,358	387,092
Company		
Gross dividends from subsidiary companies	-	106,930
Gross dividends from an affiliated company	14	15
Management fees from subsidiary companies	725	725
	739	107,670

30 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, vehicle assembly and recreation and others.

31 OTHER INCOME

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Dividend income from:				
- available-for-sale investments quoted in Malaysia	1,571	1,690	-	-
Interest income:				
- fixed and other deposits	1,064	1,794	104	72
- subsidiary companies	-	-	8,058	8,722
- others	1,168	1,271	-	5
Gain on disposal of property, plant and equipment	112	-	-	-
Gain on disposal of quoted investments	1,201	790	-	790
Gain on disposal of investment properties	-	4,814	-	-
Reversal of impairment on land held for property development	-	463	-	-
Finance income - other liabilities at amortised costs	19,204	-	-	-
Gain on foreign exchange	1,803	192	-	-
Miscellaneous	3,973	3,038	93	93
	30,096	14,052	8,255	9,682

32 STAFF COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages and salaries	25,313	21,832	547	799
Bonus	925	1,718	37	39
EPF contributions	2,944	2,694	62	86
Social security organisation contributions	670	576	5	3
Short term accumulating compensated absences	8	11	-	-
Other staff related expenses	1,080	1,266	43	35
	30,940	28,097	694	962

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

33 DIRECTORS' REMUNERATION

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors of the Company				
Executive:				
Fees	34	10	-	-
Salary and other emoluments	1,100	687	135	135
Benefits-in-kind	9	-	-	-
	1,143	697	135	135
Non-Executive:				
Fees	140	142	130	132
Other emoluments	17	16	17	16
	157	158	147	148
Directors of the subsidiary companies				
Fees	91	130	-	-
Salary and other emoluments	1,064	1,977	-	-
Benefits-in-kind	25	-	-	-
	1,180	2,107	-	-
Total	2,480	2,962	282	283

34 OTHER EXPENSES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Impairment of available-for-sale quoted investments	24,742	13,590	13	-
Impairment of investment in subsidiary companies	-	-	48,092	90,218
Impairment of goodwill	38,865	59,029	-	-
Loss on foreign exchange	2,029	7,561	-	-
Miscellaneous	1,578	22	-	22
	67,214	80,202	48,105	90,240

35 FINANCE COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense:				
- borrowings	51,445	47,235	6,885	9,384
- hire purchase liabilities	110	29	4	4
- subsidiary companies	-	-	4,278	406
- loan related expenses	7,252	1,854	2,300	299
- other finance costs	3,595	3,596	-	-
- unwinding of discount	6,196	892	-	-
	68,598	53,606	13,467	10,093

36 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(loss) before tax is stated after charging/(crediting):				
Direct operating expenses of investment properties:				
- revenue generating during the year	7,393	7,607	-	-
- non-revenue generating during the year	2,919	2,856	-	-
Gaming royalty	828	1,051	-	-
Depreciation of property, plant and equipment (Note 5)	12,697	12,310	35	38
Directors' remuneration (Note 33):				
- fees	265	282	130	132
- salary and other emoluments	2,181	2,680	152	151
Auditors' remuneration:				
- statutory audit	353	316	50	35
- underprovision in prior years	31	29	15	-
- other services	67	75	21	25
Loss on foreign exchange	226	7,369	-	-
Amortisation of of prepaid lease payments (Note 8)	9	-	-	-
Amortisation of other intangible assets (Note 13)	1,265	1,156	-	-
Reversal of impairment of receivables	(534)	(1,266)	-	-
Impairment of receivables	4,330	3,987	-	-
Operating leases:				
- lease payments for buildings	238	214	-	-
- lease payments for land	1,442	895	-	-
Staff costs (Note 32)	30,940	28,097	694	962
Property, plant and equipment written off	2,317	3	-	-

37 INCOME TAX EXPENSE

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current income tax:				
Malaysian income tax	6,678	10,231	1,410	1,959
Withholding tax	365	562	86	-
Effect of real property gains tax	1	113	-	-
(Over)/Underprovision in prior years	(17)	149	-	3
	7,027	11,055	1,496	1,962
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	13,765	7,739	(7)	(9)
(Over)/Underprovision in prior years	(684)	341	-	-
	13,081	8,080	(7)	(9)
Total income tax expense	20,108	19,135	1,489	1,953

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) before tax	7,891	(27,599)	(55,081)	13,755
Taxation at Malaysian statutory tax rate of 24% (2016 : 24%)	1,894	(6,624)	(13,219)	3,301
Effect of different tax rates in other countries	133	178	-	-
Effect of expenses not deductible for tax purposes	30,117	25,879	14,635	24,525
Effect of income not subject to tax	(13,705)	(2,357)	(13)	(25,876)
Effect of income subject to real property gains tax	1	113	-	-
Effect of utilisation of previously unrecognised unutilised investment allowances and unabsorbed capital allowances	-	(1,117)	-	-
Deferred tax assets not recognised during the year	357	1,951	-	-
Deferred tax liabilities recognised for fair value changes of investment properties	1,647	60	-	-
(Over)/Underprovision of deferred tax in prior years	(684)	341	-	-
(Over)/Underprovision of income tax in prior years	(17)	149	-	3
Withholding tax	365	562	86	-
Income tax expense for the year	20,108	19,135	1,489	1,953

37 INCOME TAX EXPENSE (CONTD.)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2016 : 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Additional assessments raised by the Inland Revenue Board of Malaysia (“IRB”)

In prior year, IRB issued Notice of Additional Assessments ("Forms JA") in accordance with Section 4(a) of the Income Tax Act 1967 on gains from disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group. The IRB has regarded the disposal of the investment properties to be in the ordinary course of business of BTSSB as a property developer. The amount of additional taxes assessed amounted to RM156.48 million, inclusive of tax penalties amounted to RM48.56 million.

The total additional taxes amounting to RM156.48 million were accrued for as provision for taxes in dispute in the first financial quarter ended 30 September 2016 as the IRB did not accede to the application for deferment of payment of the additional taxes from BTSSB. The IRB then commenced civil proceedings against BTSSB for the disputed tax assessments.

On 3 April 2017, the High Court judge granted an order for stay of proceedings in favour of BTSSB until the full and final determination of BTSSB tax appeal case by the Special Commissioners of Income Taxes ("SCIT"). Consequently, upon grant of stay of proceedings, the management has decided to reverse the provisions provided previously and the taxes in dispute amounted to RM180.73 million, inclusive of further tax penalties amounted to RM72.82 million, is now disclosed as contingent liabilities.

As of the date of issue of these financial statements, the litigations are still on-going.

38 LOSS PER SHARE

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

	Group	
	2017 RM'000	**2016 RM'000**
Loss attributable to owners of the Parent	(11,437)	(54,122)
	'000	**'000**
Weighted average number of ordinary shares in issue	1,121,297	1,113,042
	Sen	**Sen**
Basic loss per share	(1.02)	(4.86)

Fully diluted loss per share is not presented as the Warrants 2008/2018 have an anti-dilutive effect on the loss per share.

39 DIVIDENDS

	Group and Company			
	2017 Dividend per share Sen	2017 Dividend RM'000	2016 Dividend per share Sen	2016 Dividend RM'000
Declared in respect of:				
Financial year ended 30 June 2015 and accounted in the 2016 shareholders' equity				
- Final dividend of 1 sen single tier	-	-	1.00	11,130

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

40 FINANCIAL GUARANTEES

The financial guarantees provided to financiers for subsidiary companies are no longer disclosed as contingent liabilities but would instead be accounted as financial liabilities if considered likely to crystallise. The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

41 CONTINGENT LIABILITIES

In prior year, IRB issued notice of Additional Assessments ("Forms JA") in accordance with Section 4(a) of the Income Tax Act 1967 on gains from disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group. The IRB has regarded the disposal of the investments properties to be in the ordinary course of business of BTSSB as a property developer. The amount of additional taxes assessed amounted to RM156.48 million, inclusive of tax penalties amounted to RM48.56 million.

BTSSB did not agree with the basis applied by the IRB and has filed an official appeal against the additional assessments for the said years of assessment through submission of the prescribed Forms Q to the Special Commissioners of Income Tax (“SCIT”). In accordance with Section 103(2) of the Income Tax Act 1967, BTSSB is liable and required to pay the additional taxes of RM156.48 million, inclusive of tax penalties, pending the outcome of the appeals. At the same time, BTSSB has also submitted applications to the Ministry of Finance and the IRB for the deferment of payment of the said additional taxes until the decision of the appeal is determined by the court of law. The IRB did not accede to the application for deferment of payment of the additional taxes from BTSSB and had commenced civil proceedings against BTSSB for the disputed tax assessments.

On 8 February 2017, BTSSB was informed by the IRB, that the Forms Q tax appeal filed by BTSSB, has been referred to the SCIT for a determination. The next mention date of the tax appeal case before the SCIT has been fixed on 12 October 2017.

Subsequently, on 3 April 2017, the High Court judge granted an order for a stay of civil proceedings in favour of BTSSB, pending the full and final determination of the tax appeal case of BTSSB by the SCIT. Upon the granting of stay of proceedings, the management has decided to reverse out the provisions provided previously and the taxes in dispute amounted to RM180.73 million, inclusive of further tax penalties amounted to RM72.82 million, is now disclosed as contingent liabilities. The next High Court hearing for a mention has been fixed on 26 October 2017.

41 CONTINGENT LIABILITIES (CONTD.)

On 25 April 2017, the IRB filed to the Putrajaya Court of Appeal of Malaysia ("Court of Appeal"), a notice of appeal to challenge the stay of civil proceedings granted by the High Court in favour of BTSSB. The next Court of Appeal hearing date for a mention has been fixed on 20 October 2017.

As of the date of issue of these financial statements, the litigations are still on-going.

Based on the legal opinion obtained from BTSSB's lawyers, there are reasonable grounds for BTSSB to take a position that the gains from disposal of investment properties should not be subjected to income tax and the High Court was right in granting the stay of proceedings. As such, no provisions in respect of the taxes in dispute are required to be made in the financial statements.

42 COMMITMENTS

(a) Other Commitments

	Group	
	2017 RM'000	**2016 RM'000**
Capital expenditure approved and contracted for	27,431	27,431
Proposed acquisition of 100% equity interest in Oriental Assemblers Sdn Bhd	-	29,250
Proposed acquisition of remaining 50% equity interest in Megaquest Sdn Bhd	102,600	108,000
	130,031	164,681

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

	Group	
	2017 RM'000	**2016 RM'000**
Future minimum rental payments:		
Not later than 1 year	1,491	1,491
Later than 1 year and not later than 5 years	7,021	6,551
Later than 5 years	47,379	49,340
	55,891	57,382

The Group has entered into non-cancellable operating lease agreements which represent rental payable for the use of land and building. Leases are negotiated for a period of 3 and 30 years (2016 : 3 and 30 years) and rentals fixed for 5 years.

42 COMMITMENTS (CONTD.)

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

	Group	
	2017 RM'000	2016 RM'000
Future minimum rental receivable:		
Not later than 1 year	62,799	67,043
Later than 1 year and not later than 5 years	83,548	97,496
More than 5 years	216,554	218,608
	362,901	383,147

The Group entered into non-cancellable operating lease agreements which represent rental receivable for the use of land and commercial property leases on its investment properties portfolio consisting of commercial space. These leases have non-cancellable lease terms of between 6 months and 30 years (2016 : 6 months and 30 years). The future minimum rental receivable of certain subsidiary companies are pledged to financial institutions for credit facilities as referred to in Note 22.

43 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Management fees charged to subsidiary companies		-	-	(725)	(725)
Management fees charged by					
- Berjaya Land Berhad	a	240	240	240	240
Purchase of quoted shares in Malaysia from Berjaya Retail Berhad	k	27,000	-	-	-
Purchase of a freehold commercial unit from Berjaya Credit Sdn Bhd	b	-	13,369	-	-
Rental income and other related income charged to:					
- Berjaya Registration Services Sdn Bhd	a	(462)	(462)	-	-
- Budi Impian Sdn Bhd	a	(242)	(242)	-	-
- Berjaya Higher Education Sdn Bhd	a	(1,279)	(1,306)	-	-
- Berjaya Krispy Kreme Doughnuts Sdn Bhd	a	(92)	(92)	-	-
- Berjaya Papa John's Pizza Sdn Bhd	a	(283)	(449)	-	-
- KUB-Berjaya Enviro Sdn Bhd	a	(251)	(235)	-	-
- Cosway (M) Sdn Bhd	a	(447)	(447)	-	-
- Berjaya Land Berhad	a	(379)	(379)	-	-
- Berjaya Books Sdn Bhd	a	-	(68)	-	-
- Berjaya Burger Sdn Bhd (formerly known as Wen Berjaya Sdn Bhd)	a	(266)	(211)	-	-
- Berjaya Hills Resort Berhad (formerly known as Berjaya Hills Berhad)	a	(104)	(104)	-	-
- Berjaya College Sdn Bhd	a	(569)	(569)	-	-
- 7-Eleven Malaysia Sdn Bhd	c	(563)	(550)	-	-
- U Mobile Sdn Bhd ("UMSB")	d	(3,339)	(2,105)	-	-
- MOL AccessPortal Sdn Bhd	f	(520)	(448)	-	-
- Ascot Sports Sdn Bhd ("Ascot")	g	(661)	(661)	-	-
- Berjaya Roasters (M) Sdn Bhd	h	(641)	(619)	-	-
- Berjaya-GSC Sdn Bhd	i	(1,608)	(1,608)	-	-
- Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")	h	(873)	(631)	-	-
- RU Café Sdn Bhd	a	(126)	(54)	-	-
- ANSA Hotel KL Sdn Bhd	a	(716)	(581)	-	-
- Berjaya RadioShack Sdn Bhd	b	(232)	(278)	-	-
- Thai Odyssey Group Sdn Bhd	j	(244)	(244)	-	-
- Caring Pharmacy Retail Management Sdn Bhd	k	(359)	(314)	-	-
		(14,256)	(12,657)	-	-

43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Parking charges charged to:					
- Berjaya Land Berhad	a	(104)	(103)	-	-
- Berjaya Hotels & Resorts (M) Sdn Bhd (formerly known as Berjaya Resort Management Services Sdn Bhd)	a	(43)	(38)	-	-
- Inter-Pacific Securities Sdn Bhd	a	(166)	(108)	-	-
- Prime Credit Leasing Sdn Bhd	a	(7)	(7)	-	-
- KUB-Berjaya Enviro Sdn Bhd	a	(43)	(38)	-	-
- Sports Toto Malaysia Sdn Bhd	a	(348)	(322)	-	-
- UMSB	d	(588)	(473)	-	-
- Berjaya Roasters (M) Sdn Bhd	h	(42)	(62)	-	-
- BStarbucks	h	(102)	(81)	-	-
		(1,443)	(1,232)	-	-
Promotion, advertisement and publishing expenses charged by Sun Media Corporation Sdn Bhd	e	38	117	-	-
Receipt of share registration services and related expenses charged by Berjaya Registration Services Sdn Bhd	a	40	21	40	21
Procurement of computerised lottery system and related services from International Lottery & Totalizator Systems, Inc	a	685	618	-	-

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. Tan Sri Vincent Tan is the father of Morvin Tan U-Jiang ("MTUJ") and Chryseis Tan Sheik Ling ("CTSL"), Executive Directors of the Company. His other son, Dato' Sri Robin Tan Yeong Ching ("DSRT") is the Chairman/Chief Executive Officer and a major shareholder of BCorp. His other daughter, Nerine Tan Sheik Ping ("NTSP") is an Executive Director of BCorp while another son, Rayvin Tan Yeong Sheik ("RTYS") is a shareholder of BCorp. Hence, Tan Sri Vincent Tan, DSRT, NTSP, RTYS, MTUJ and CTSL 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) A wholly owned subsidiary of 7-Eleven Malaysia Holdings Berhad ("SEM"). SEM is in turn 36.91% owned by BRetail and deemed a related party by virtue of Tan Sri Vincent Tan's deemed interests in BRetail.

(d) Deemed a related party by virtue of Tan Sri Vincent Tan's direct and deemed interests in UMSB. Tan Sri Vincent Tan is also the Chairman of UMSB.

43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

The nature of the related party relationships are as follows (contd.):

(e) Subsidiary company of Berjaya Media Berhad ("BMedia"), a company in which BCorp and Tan Sri Vincent Tan have substantial interests. Tan Sri Dato' Tan Chee Sing ("TSDT"), the brother of Tan Sri Vincent Tan, also has interest in BMedia.

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

(g) A company in which Tan Sri Vincent Tan and DSRT have interests. DSRT and RTYS are also Directors of Ascot.

(h) Berjaya Roasters (M) Sdn Bhd and BStarbucks are wholly-owned subsidiary companies of Berjaya Food Berhad ("BFood"). Tan Sri Vincent Tan and BCorp are major shareholders of BFood while DSRT is the Executive Chairman and a shareholder of BFood.

(i) A joint venture of the Company.

(j) A company in which TSDT, the brother of Tan Sri Vincent Tan, is a deemed major shareholder.

(k) A subsidiary company of Caring Pharmacy Group Berhad ("Caring"). Tan Sri Vincent Tan is a major shareholder of Caring.

The compensation of the key management personnel of the Group and of the Company are disclosed as follows:

	Group		**Company**	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Short term employee benefits	2,542	3,009	581	580
Post-employment benefits:				
Defined contribution plan	239	317	36	53
	2,781	3,326	617	633

44 SEGMENT INFORMATION

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

(i) gaming and related activities;
(ii) property development and property investment; and
(iii) recreation and others (including hotel, food and beverage and vehicle assembly businesses).

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

Chief operating decision maker monitors the operating results of its business segments separately for performance assessment and makes strategic decisions based on the operating results. Segment performance is evaluated based on operating profit or loss which is measured similar to the operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and not allocated to operating segments.

The geographical segment information is prepared based on locations of assets. The segments revenue by geographical location of customers does not differ materially from segment revenue by geographical location of assets.

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

Other non cash expenses mainly include write-off of property, plant and equipment, impairment of receivables and unrealised loss on foreign exchange.

(a) **Business segments:**

	2017			2016		
Revenue	**External RM'000**	**Inter-segment RM'000**	**Total RM'000**	**External RM'000**	**Inter-segment RM'000**	**Total RM'000**
Gaming and related activities	150,077	2,898	152,975	190,239	3,676	193,915
Property development and property investment	165,829	-	165,829	163,234	-	163,234
Recreation and others	40,452	-	40,452	33,619	-	33,619
Inter-segment eliminations	-	(2,898)	(2,898)	-	(3,676)	(3,676)
	356,358	-	356,358	387,092	-	387,092

44 SEGMENT INFORMATION (CONTD.)

(a) **Business segments (contd.):**

Results	2017 RM'000	2016 RM'000
Gaming and related activities	6,979	20,281
Property development and property investment	90,815	88,294
Recreation and others	(6,754)	(12,966)
	91,040	95,609
Unallocated corporate expenses	(8,835)	(3,296)
	82,205	92,313
Fair value changes on investment properties	33,132	635
Other income		
- gaming and related activities	4,074	2,812
- property development and property investment	23,844	10,067
- recreation and others	232	198
- unallocated	1,946	975
	30,096	14,052
Other expenses		
- gaming and related activities	(62,803)	(71,716)
- property development and property investment	(2,392)	(2,336)
- recreation and others	(24)	(251)
- unallocated	(1,995)	(5,899)
	(67,214)	(80,202)
Operating profit	78,219	26,798
Finance costs	(68,598)	(53,606)
Share of results of joint ventures	(1,730)	(791)
Profit/(Loss) before tax	7,891	(27,599)
Income tax expense	(20,108)	(19,135)
Loss for the year	(12,217)	(46,734)
Non-controlling interests	780	(7,388)
Loss attributable to owners of the Parent	(11,437)	(54,122)

	2017		2016	
Assets and liabilities	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Gaming and related activities	41,348	7,268	83,869	17,688
Property development and property investment	2,990,916	288,480	2,924,106	278,009
Recreation and others	282,105	17,437	251,855	16,928
Segment assets/liabilities	3,314,369	313,185	3,259,830	312,625
Investment in joint ventures	14,882	-	16,379	-
Unallocated corporate assets/liabilities	190,000	954,739	183,200	946,745
Consolidated assets/liabilities	3,519,251	1,267,924	3,459,409	1,259,370

44 SEGMENT INFORMATION (CONTD.)

(a) **Business segments (contd.):**

Other information	2017 Capital expenditure RM'000	2017 Depreciation/ Amortisation RM'000	2017 Other non-cash expenses RM'000	2016 Capital expenditure RM'000	2016 Depreciation/ Amortisation RM'000	2016 Other non-cash expenses RM'000
Gaming and related activities	72	2,432	-	60	2,457	-
Property development and property investment	5,305	2,587	6,579	22,691	2,412	8,812
Recreation and others	922	8,917	47	2,154	8,559	17
Unallocated	13	35	247	-	38	2,530
	6,312	13,971	6,873	24,905	13,466	11,359

Capital expenditure consists of additions to property, plant and equipment, investment properties and land held for property development as disclosed in Notes 5, 6 and 7.

Impairment	2017 RM'000	2016 RM'000
Gaming and related activities	62,790	70,615
Property development and property investment	804	2,004
Unallocated	13	-
	63,607	72,619

(b) **Geographical Locations:**

	2017 Revenue RM'000	2017 Segment assets RM'000	2017 Capital expenditure RM'000	2016 Revenue RM'000	2016 Segment assets RM'000	2016 Capital expenditure RM'000
Malaysia	345,161	2,943,657	5,619	374,517	2,900,723	24,370
Outside Malaysia	11,197	370,712	693	12,575	359,107	535
	356,358	3,314,369	6,312	387,092	3,259,830	24,905

The Group operates principally in Malaysia. Outside Malaysia mainly comprises the Cayman Islands, Singapore and the United Kingdom.

45 FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

a) Non financial assets that are measured at fair value

i) The table below analyses the Group's non financial assets measured at fair value at the reporting date, according to the level in the fair value hierarchy:

Investment Properties

Group **At 30 June 2017**	**Level 1** **RM'000**	**Level 2** **RM'000**	**Level 3** **RM'000**	**Total** **RM'000**
Commercial properties	-	40,200	2,168,207	2,208,407
Other properties	-	47,650	252,109	299,759
	-	87,850	2,420,316	2,508,166
At 30 June 2016				
Commercial properties	-	36,300	2,138,832	2,175,132
Other properties	-	46,400	243,766	290,166
	-	82,700	2,382,598	2,465,298

ii) Description of valuation techniques used on non financial assets

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. Investment properties valued under the comparison method, with insignificant adjustment factors, are categorised as Level 2 in the fair value hierarchy.

Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, ranged generally between 5% and -23% (2016 : 5% and -4%) of the respective properties' fair value. Larger properties of the Group which are owned en-bloc may contain adjustment factors outside this range.

45 FAIR VALUE MEASUREMENT (CONTD.)

a) Non financial assets that are measured at fair value (contd.)

ii) Description of valuation techniques used on non financial assets (contd.)

Discounted Cash Flows Method *

Under the discounted cash flows method, fair value is determined to be the difference between the present value of cash inflows (gross development value) and the present value of cash outflows (development costs).

Gross development value is derived by comparing the development components of the subject property with comparable transactions in the vicinity or other comparable locations.

Appropriate adjustments for characteristics, merits and demerits are then made to arrive at the proposed gross development value of the development components.

Development costs are the actual or estimated attributable costs (including marketing and finance cost) which are likely to be incurred for the completion and sale of the development components.

An appropriate market derived discount rate is then applied to establish the present values of the cash inflows and cash outflows.

Investment Method *

Under the investment method, fair value is determined based on the projection of a series of cash flows on a real property interest. To this projected cash flows series, an appropriate capitalisation rate is applied to establish the present value of the income stream associated with the asset.

Periodic cash flows is typically the estimated net annual rental value of the property which is calculated as the gross rental income anticipated over the lease period of the property, less the expenses or outgoings incidental to the ownership of the property.

The relevant capitalisation rate is chosen based on the investment rate of return expected from the type of property, taking into consideration of the risk factors, capital appreciation, security of income, ease of sale and management of the subject property.

During the financial year, the independent professional valuer determined the fair value of the investment property of BTS Car Park Sdn Bhd, a wholly-owned subsidiary company of the Group based on comparable transactions. Accordingly, the investment property is now valued using the Comparison Method which uses significant observable inputs instead of Investment Method. The fair value measurement is therefore remained categorised as Level 3.

Cost Method *

Under the cost method, fair value is determined to be the depreciated replacement cost of the property. Depreciated replacement cost is derived from the estimated replacement cost of the replaceable property in the light of current market prices for materials, labour, manufactured machinery and equipment, freight, installation and other related charges. Accrued depreciation due to use, disrepair, age and obsolescence from technology and market changes are then deducted therefrom.

45 FAIR VALUE MEASUREMENT (CONTD.)

a) Non financial assets that are measured at fair value (contd.)

ii) Description of valuation techniques used on non financial assets (contd.)

* The investment properties valued using these methods are categorised as Level 3 in the fair value hierarchy.

b) Financial instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2017				
Group				
Financial assets				
Other investments	182,902	-	-	182,902
Company				
Financial assets				
Other investments	542	-	-	542
2016				
Group				
Financial assets				
Other investments	164,044	-	-	164,044
Company				
Financial assets				
Other investments	556	-	-	556

c) The following table reconciles the Group's Level 3 fair value measurements

	2017 RM'000	2016 RM'000
Non financial assets		
As of 1 July 2016/2015	2,382,598	2,392,516
Additions during the year	1,404	16,482
Fair value changes	27,982	635
Disposals during the year	(11)	(2,930)
Exchange differences	8,343	(24,105)
As of 30 June 2017/2016	2,420,316	2,382,598

45 FAIR VALUE MEASUREMENT (CONTD.)

d) Description of key inputs to valuation on assets measured at Level 3:

Description of valuation techniques and key inputs to valuation on assets measured at Level 3 are as follows:

Valuation technique	Significant unobservable inputs	2017	2016
Investment properties			
Discounted cash flows method	Average gross development value per square foot	RM3,100	RM3,084
	Average gross development costs per square foot	RM680	RM668
	Discount rate	9%	9%
Investment method	Estimated value per month:		
	- rental value per car park bay	-	RM306
	- rental value per square feet	RM244	RM213
	- expenses per car park bay	-	RM82
	Long term vacancy rate	-	10%
	Capitalisation rate	4.75%	4.75%-6.0%
Cost method	Estimated replacement cost per square foot	RM220	RM220
	Estimated accrued depreciation per square foot	RM150	RM150

46 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

		Group		Company	
Financial assets	**Note**	**2017 RM'000**	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Available-for-sale financial assets					
Other investments	12	186,633	167,775	542	556

46 FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (contd.)

Financial assets (contd.)	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Loans and receivables					
Receivables	15	30,096	25,737	347,084	437,765
Deposits with licensed banks	16	58,436	40,564	10,119	5,179
Cash on hand and at banks	16	30,776	36,791	35	33
		119,308	103,092	357,238	442,977
Held-to-maturity investments					
Other investments	12	1,008	1,010	-	-
Total financial assets		306,949	271,877	357,780	443,533
Financial liabilities					
Other financial liabilities					
Bank borrowings	22	676,959	691,118	-	247,700
Senior Bonds	23	159,425	159,234	-	-
Hire purchase liabilities	24	1,711	1,362	58	82
Long term liabilities	25	142,318	121,810	-	-
Payables	27	117,141	118,350	153,424	56,801
Total financial liabilities		1,097,554	1,091,874	153,482	304,583

(b) Fair values

(i) Financial instruments that are measured at fair value

Information of financial instruments of the Group and of the Company that are measured at fair value is disclosed in Note 45.

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

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

	Note
Receivables	15
Payables	27
Bank borrowings	22
Senior Bonds	23
Hire purchase liabilities	24
Long term liabilities	25

46 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 (contd.)

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

The fair value of sale and buyback agreements included in long term liabilities is estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending or borrowing arrangements at reporting date.

The carrying amounts of the amounts due from subsidiary companies disclosed in Note 15 are reasonable approximation of fair values as they are repayable on demand.

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

The fair values of financial guarantees are determined based on the probability weighted discounted cash flows method. The probability has been estimated and assigned for the following key assumptions:
- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed was to default.

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

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

	Group			
	Carrying Amount 2017 RM'000	Fair Value 2017 RM'000	Carrying Amount 2016 RM'000	Fair Value 2016 RM'000
Financial assets				
Investments				
- unquoted loan stocks outside Malaysia	3,731	*	3,731	*

* The investments are carried at cost less accumulated impairment loss as their fair values cannot be measured reliably due to the absence of an active market and reliable input data.

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group’s and of the Company’s financial instruments will fluctuate because of changes in market interest rates.

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

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

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk are disclosed in Notes 15, 16, 22, 23, 24 and 27.

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments				
Financial assets	16,430	10,259	10,119	5,179
Financial liabilities	172,393	172,139	58	82

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Floating rate instruments				
Financial assets	50,374	38,039	347,037	437,707
Financial liabilities	665,702	679,575	153,056	301,672

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market Risk (contd.)

(i) Interest Rate Risk (contd.)

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/loss before tax of the Group to lower/higher by RM1,538,000 (2016 : RM1,604,000) and the loss/profit before tax of the Company to be lower/higher by RM485,000 (2016 : RM340,000) 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, Euro and Thai Baht. 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 assets and liabilities of the Group that are denominated in foreign currencies are as follows:

	Group	
	2017 RM'000	2016 RM'000
Cash and bank balances		
- United States Dollar	10	10
Other payables		
- United States Dollar	225	3,552
- Euro	-	14
- Thai Baht	229	-
	454	3,566

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

(iii) Equity Price Risk

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

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market Risk (contd.)

(iii) Equity Price Risk (contd.)

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 RM1,829,000 (2016 : RM1,641,000) higher/lower, arising as a result of an increase/decrease in the fair values 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 **Financial liabilities**	**On demand or within one year RM'000**	**Two to five years RM'000**	**Over five years RM'000**	**Total RM'000**
2017				
Payables	119,991	-	-	119,991
Long term liabilities	-	44,383	198,750	243,133
Senior Bonds	49,345	126,600	-	175,945
Hire purchase liabilities	628	1,468	-	2,096
Bank borrowings	107,079	558,531	173,742	839,352
	277,043	730,982	372,492	1,380,517
2016				
Payables	121,203	-	-	121,203
Long term liabilities	-	16,810	105,000	121,810
Senior Bonds	49,248	131,345	-	180,593
Hire purchase liabilities	382	1,337	-	1,719
Bank borrowings	153,788	426,057	276,924	856,769
	324,621	575,549	381,924	1,282,094

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(b) Liquidity Risk (contd.)

Analysis of undiscounted financial instruments by remaining contractual maturities (contd.)

Company Financial liabilities	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
2017				
Payables	153,424	-	-	153,424
Hire purchase liabilities	27	41	-	68
	153,451	41	-	153,492
2016				
Payables	56,801	-	-	56,801
Bank borrowings	23,198	145,984	176,065	345,247
Hire purchase liabilities	28	68	-	96
	80,027	146,052	176,065	402,144

(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 their funds with reputable financial institutions with high credit ratings.

The Group and the Company are also exposed to credit risk mainly from amounts due from affiliated companies, a joint venture and subsidiary companies. The Group and the Company monitor on ongoing basis the results of the companies and repayments made by the companies.

48 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2017 and 2016.

48 CAPITAL MANAGEMENT (CONTD.)

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 2017 and 30 June 2016 were as follows:

	Note	Group 2017 RM'000	Group 2016 RM'000
Bank borrowings	22	676,959	691,118
Senior Bonds	23	159,425	159,234
Hire purchase liabilities	24	1,711	1,362
Long term liabilities	25	124,935	-
Total debt		963,030	851,714
Total equity		2,251,327	2,200,039
Gearing ratio (%)		43	39

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

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 3 June 2016, BTSSB entered into Sale and Purchase Agreements ("SPAs") with an independent third party, Datuk Bandar Kuala Lumpur ("DBKL") to dispose of two parcels of commercial premise ("Properties") with carrying amount of RM82,650,000 for a total cash consideration of RM150.0 million. On the same day, BTSSB entered into Guaranteed Rental Return Agreements with DBKL to lease back the Properties for a period of 10 years ("Tenure") and buyback the Properties after the Tenure.

The said transactions had been completed during the financial year.

(b) On 21 June 2016, Aroma Kiara Sdn Bhd, a wholly-owned subsidiary company of the Company entered into a Share Purchase Agreement with Oriental Holdings Berhad, Oriental Rubber & Palm Oil Sdn Berhad, Dato' Syed Mohamad Bin Syed Murtaza, and Dato' Seri Haji Md Isahak Bin Md. Yusuf to acquire 100% equity interest in Oriental Assemblers Sdn Bhd for a total cash consideration of RM32.5 million.

The said acquisition had been completed during the financial year for an adjusted total cash consideration of RM29.6 million.

(c) On 12 July 2016, Tropicfair Sdn Bhd, a wholly-owned subsidiary company of the Company had entered into a Share Sale Agreement with Violet Circle Sdn Bhd to acquire the remaining 50% equity interest in Megaquest Sdn Bhd for a total cash consideration of RM108.0 million.

As of the date of the financial statements were authorised for issue, the said acquisition is still pending.

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

(d) On 13 July 2016, Berjaya Waterfront Sdn Bhd ("BWSB"), a wholly-owned subsidiary company of the Company and Foshan City Bureau of Commerce ("FCBC"), the agency responsible for the commerce development and management of the Government of Foshan City, Guangdong Province in China entered into a Memorandum of Understanding (MOU) for Collaboration to foster trade and investment from Foshan City to the South East Asia Duty Free Trade City ("SEADFTC") project. Under the MOU, both BWSB and FCBC will establish a framework for collaboration with progressive discussions, exchange of information, and development and investment updates for the relevant commercial initiatives. FCBC will organise trade visits to SEADFTC to explore and conduct trading and investment activities with the intention of promoting this project as a strategic initiative for Foshan City investors in Malaysia.

50 SUBSEQUENT EVENT

On 6 September 2017, the Company announced that it had proposed to undertake a share split involving the subdivision of every 1 existing ordinary share in the Company ("BAssets Shares") held on an entitlement date to be determined and announced later ("Entitlement Date"), into 2 ordinary shares of the Company ("Subdivided Shares") ("Proposed Share Split").

The Proposed Share Split will give rise to adjustments to the exercise price and number of Warrants 2008/2018 ("Additional BAssets Warrants") which are not exercised prior to the Entitlement Date pursuant to the provisions of the Company's Deed Poll dated 12 February 2008. Any necessary adjustments arising from the Proposed Share Spilt in relation to the outstanding Warrants 2008/2018 will only be finalised on the Entitlement Date.

On 4 October 2017, the Company announced that Bursa Securities had vide its letter dated on even date, approved the following:
(i) Proposed Share Split;
(ii) Listing and quotation of up to 339,888,548 Additional BAssets Warrants arising from the adjustment made pursuant to the Proposed Share Split; and
(iii) Listing and quotation of up to 339,888,548 new shares of the Company to be issued pursuant to the exercise of the Additional BAssets Warrants.

The Subdivided Shares and the Additional BAssets Warrants will be listed and quoted simultaneously.

The Proposed Share Split is now subject to the approval of the Company's shareholders at an extraordinary general meeting to be convened.

51 COMPARATIVES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Statement of Financial Position
Group

2016	Note	As previously reported RM'000	Reclassi-fication RM'000	As reclassified RM'000
Deferred tax assets	26	-	16,878	16,878
Deferred tax liabilities	26	(75,855)	(16,878)	(92,733)
Payables	27	(127,874)	644	(127,230)
Provisions	28	-	(644)	(644)

52 SUBSIDIARY AND ASSOCIATED COMPANIES

	Name of Company	Country of Incorporation	Principal Activities	Proportion of ownership and voting power held by the Group 2017 %	2016 %
	Subsidiary Companies				
	Aroma Kiara Sdn Bhd	Malaysia	Investment holding	100	100
	Ascend Asap Sdn Bhd (formerly known as Gaya Mustika Sdn Bhd)	Malaysia	Investment holding	100	-
	BA Properties (Cayman) Limited	Cayman Islands	Investment holding	100	100
	Berjaya Assets Food (BAF) Sdn Bhd	Malaysia	Operation of food and beverage business	100	100
^	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
	Fasa Budaya Sdn Bhd	Malaysia	Investment holding	100	-
	Ishandal Sdn Bhd	Malaysia	Investment holding	100	100
	Jernih Wiramas Sdn Bhd	Malaysia	Property investment and property development	100	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

52 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

	Name of Company	Country of Incorporation	Principal Activities	Proportion of ownership and voting power held by the Group 2017 %	2016 %
	Subsidiary Companies (contd.)				
	Sunrise Bonanza Sdn Bhd	Malaysia	Property investment and property development	70	70
	Subsidiary of Aroma Kiara Sdn Bhd				
@	Oriental Assemblers Sdn Bhd	Malaysia	Vehicle assembly and the manufacturing and sales of engines and transmissions	100	-
	Subsidiaries of Berjaya Times Square Sdn Bhd				
	Berjaya TS Management Sdn Bhd	Malaysia	Dormant	100	100
	Berjaya Times Square Theme Park Sdn Bhd	Malaysia	Operations of theme park and leasing of theatre	100	100
	Berjaya Waterfront Sdn Bhd	Malaysia	Property and investment holdings, operation of a hotel, and management of ferry terminal	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
	TS Service Suites Sdn Bhd	Malaysia	Property investment	100	100
	10th Avenue Food Mall Sdn Bhd	Malaysia	Dormant	100	100

52 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of Incorporation	Principal Activities	Proportion of ownership and voting power held by the Group 2017 %	2016 %
Subsidiary Companies (contd.)				
Subsidiary of BTS (Cayman) Limited				
^ Berjaya UK Investment & Development Limited	United Kingdom	Property investment	70	70
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				
Jauhari Maksima Sdn Bhd	Malaysia	Property development	52	52
Associated Company				
Megaquest Sdn Bhd	Malaysia	Investment holding	50	50

* *Effective interest*
\# *67% held by Bumisuci Sdn Bhd and 33% held by Ishandal Sdn Bhd*
^ *Audited by a firm other than Deloitte PLT*

@ *The subsidiary company was acquired during the financial year and the audited financial statements of this subsidiary company for the period 1 June 2017 to 30 June 2017 are not available. The Directors have relied on the unaudited management prepared financial statements of Oriental Assemblers Sdn Bhd in the preparation of the consolidated financial statements of the Group and are of the view that the unaudited management prepared financial statements are sufficient for this purpose as the results of the subsidiary company is not material to the financial statements of the Group.*

53 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	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Realised earnings	302,206	399,146	43,404	99,974
Unrealised earnings	839,540	793,350	-	-
Total retained earnings	1,141,746	1,192,496	43,404	99,974
Less: Consolidation adjustments	(372,385)	(411,698)	-	-
Retained earnings as per financial statements	769,361	780,798	43,404	99,974

The determination of realised and unrealised earnings is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berjaya Assets Berhad, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 151.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters presented below are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company of the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How the scope of our audit responded to the key audit matter*
Valuation of Investment Properties As at 30 June 2017, the carrying amount of investment properties amounted to RM2,508,166,000 representing 79% and 71% of the Group's total non-current assets and total assets respectively. Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge. Due to the significant judgement and estimates involved in determining the fair value of the investment properties that are highly subjective, this is one of the key judgemental areas that our audit is concentrated on. Refer to "Key estimates and assumptions" in Note 4(b)(viii) to the financial statements.	Our audit procedures, amongst others, included: • assessed the objectivity, independence, reputation and expertise of the independent valuers; • obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; and • evaluated the appropriateness of the date used by the independent valuers as input into their valuations. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process. We have also assessed the adequacy and appropriateness of the disclosures in the financial statements.

Key audit matter	*How the scope of our audit responded to the key audit matter*
Review Impairment of Goodwill Goodwill on consolidation of RM44,016,000 and RM27,000 have been allocated to the Group's cash generating units ("CGUs") identified to the gaming and related activities business segment and the property investment business segment as at 30 June 2017 respectively. Determining whether the goodwill is impaired requires management estimation of the recoverable amount. The recoverable amount is determined based on an estimation of the present value of future cash flows expected to be generated. The key bases and assumptions used in the estimation of the recoverable amount involve a significant degree of management judgement. Arising from the impairment assessment, the Group recognised an impairment loss in respect of the goodwill allocated to the Group's CGUs identified to the gaming and related activities business segment amounting to RM38,865,000. Refer to "Key estimates and assumptions" in Note 4(b)(i) to the financial statements.	Our audit procedures, amongst others, included: • Reviewed the soundness of the impairment model with the involvement of our internal valuation specialists. • Performed retrospective review of the cash flow projection used in the model to assess the reliability of management's estimates. • Challenged the reasonableness of the key bases and assumptions underpinning the model, including the discount rate and the terminal growth rate. We involved our internal valuation specialists to assist us in reviewing the appropriateness of the discount rate and terminal growth rate used. • Performed sensitivity analysis on key management assumptions to reflect reasonably possible future alternative scenarios. We have also assessed the adequacy and appropriateness of the disclosures in the financial statements.

Key audit matter	*How the scope of our audit responded to the key audit matter*
Additional Assessments Raised by the Inland Revenue Board of Malaysia ("IRB") As disclosed in Note 41 to the financial statements, the IRB had issued Notice of Additional Assessment ("Forms JA") in accordance with Section 4(a) of the Income Tax Act 1967 on gains from disposal of investment properties for the Years of Assessment (YAs) 2011 to 2014 to Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly-owned subsidiary company of the Group with the amount of additional taxes assessed amounted to RM156.48 million, inclusive of tax penalties amounted to RM48.56 million. The IRB also commenced civil proceedings against BTSSB for the disputed tax assessments. On 3 April 2017, the High Court judge granted an order for stay of proceedings in favour of BTSSB until the full and final determination of BTSSB tax appeal case by SCIT. Upon the grant of stay of proceedings, the taxes in dispute amounted to RM180.73 million, inclusive of tax penalties amounted to RM72.82 million, is now disclosed as contingent liabilities. We consider this to be one of the key judgemental areas that our audit is concentrated on as the amounts involved are significant and the position taken by the management involved significant judement and estimation. In addition, the management also relies on external legal opinions. Refer to "Key estimates and assumptions" in Note 4(a)(v) to the financial statements.	Our audit procedures, amongst others, included: • Reviewed the relevant tax documents furnished by the management. • Made inquiry of management about the tax issue and discussed with management, external legal advisor and our internal tax specialist about the potential tax exposure. • Obtained legal confirmations from the legal advisors engaged by BTSSB in relation to the tax issue. We have also assessed the adequacy and appropriateness of the disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Group but does not include the financial statements of the Group and of the Company and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Corporate Information, Profile of Directors, Other Information, Statistics on Shares and Warrants, Statement of Directors' Shareholdings, Substantial Shareholders and Notice of Annual General Meeting, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Corporate Information, Profile of Directors, Other Information, Statistics on Shares and Warrants, Statement of Directors' Shareholdings, Substantial Shareholders and Notice of Annual General Meeting reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Board of Directors is also responsible for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The Audit and Risk Committee of the Company is responsible for overseeing the Group's and the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the financial statements of the Group and of the Company. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 52 to the financial statements.

Other Reporting Responsibilities

The supplementary information set out on page 152 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)

TEO SWEE CHUA
Partner - 2846/01/18 (J)
Chartered Accountant

4 October 2017

LIST OF PROPERTIES

AS AT 30 JUNE 2017

LOCATION	TENURE	SIZE	DESCRIPTION/ EXISTING USE	ESTIMATED AGE OF BUILDING	DATE OF ACQUISITION	NET CARRYING AMOUNT RM'000
No. Geran 56069 Lot 2001, Section 52 Town and District of Kuala Lumpur (Berjaya Times Square, Jalan Imbi Kuala Lumpur)	Freehold	39,591 sq meters	Shopping-cum-leisure mall	<14 years	8.7.1994	2,190,439
No. Geran 56068 Lot 2000, Section 52 Town and District of Kuala Lumpur (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,901 sq meters	Office building	<24 years	8.7.1994	
H.S. (D) 156049, P.T. No. 3338 Mukim Damansara District of Petaling Selangor Darul Ehsan	Freehold	513 sq meters	Bungalow	>35 years	15.3.2011	1,850
No. Geran 33664 Lot 165, Seksyen 0094 Bandar Kuala Lumpur Wilayah Persekutuan	Freehold	125 sq meters	Shop lot	>45 years	10.1.2012	2,500
No. Geran 49297 Lot 52, Seksyen 94 Bandar Kuala Lumpur Wilayah Persekutuan	Freehold	1,694 sq meters	Bungalow	>45 years	31.12.2011	7,000
Lots PTB 10707, PTB 20006 PTB 20380, PTB 20438 PTD 146378 & PTD 148062 Bandar Johor Bahru Daerah Johor Bahru, Negeri Johor (Berjaya Waterfront, Johor Bahru)	Freehold with 99 years lease interest expiring on 30.10.2092	57,355 sq meters	5-level shopping complex	20 years	10.4.2012	187,463
			12-level 400 rooms hotel, a ferry terminal, a custom & immigration building	20 years	10.4.2012	122,443
Lot PTB 24317 & PTB 24318 Bandar Johor Bahru Daerah Johor Bahru, Negeri Johor (Berjaya Waterfront, Johor Bahru)	Freehold with 99 years lease interest expiring on 30.10.2092	19,826 sq meters	Vacant land	N/A	10.4.2012	36,300
No. Geran 102261, Lot 21393 Bandar Johor Bahru Daerah Johor Bahru, Negeri Johor	Freehold	5,377 sq meters	76 office units on a purpose built office tower	19 years	29.4.2015	113,000
Lot G-09, G-10, G-11 and G-12 Ground Floor, Berjaya Times Square Jalan Imbi, Kuala Lumpur	Freehold	2,001 sq feet	Retail lots for rent	<14 years	28.6.2012	40,200

LOCATION	TENURE	SIZE	DESCRIPTION/ EXISTING USE	ESTIMATED AGE OF BUILDING	DATE OF ACQUISITION	NET CARRYING AMOUNT RM'000
Lot 8189 & 8190 Town East Jalan Pending Kuching, Sarawak	Leasehold 60 years expiring on 11.5.2048	245 sq meters	4-storey shop house/office building	28 years	13.7.1996	549
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 meters	4-storey shop house/office building used as office and draw hall	22 years	31.8.2002	3,075
The Collins Theatre 1 Essex Road London N1 2SE	999 years	Approximately 13,272 sq feet	Theatre and restaurant/Retail shop	21 years	23.08.2012	28,509
1-17 Essex Road, London N1 2SE and 12A Islington Green London N1 2XN	150 years	45,983 sq feet	70 fully furnished residential units	21 years	15.08.2014	223,600
Lot PTB 11082, Bandar of Johor Bahru, Daerah Johor Bahru Negeri Johor	Freehold	47,737 sq feet	Vacant land	N/A	22.10.2013	6,041
Lot PTB 11084, Bandar of Johor Bahru, Daerah Johor Bahru Negeri Johor	Freehold	70,960 sq feet	Vacant land	N/A	22.10.2013	21,063
Lot PTB 24119, Bandar of Johor Bahru, Daerah Johor Bahru Negeri Johor	Leasehold 99 years expiring on 18.1.2114	25.034 hectares	Sea bed for reclamation	N/A	9.11.2014	72,093
99 & 99A-C, Jalan Tampoi 81200 Johor Bahru, Johor Darul Takzim	Leasehold 60 years expiring on 2031	217,183 sq feet	Multi-storey car park	20 years	01.11.1997	34,219
		424,658 sq feet	Assembly plant & administration office	49 years	22.04.1968	

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

OTHER **INFORMATION**

MATERIAL CONTRACTS

Other than as disclosed in Notes 15, 22, 23, 27, 33, 42, 43 and 50 of the financial statements for the financial year ended 30 June 2017 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 2017 amounted to RM67,000.

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:-			
BCorporation and its subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	242
Inter-Pacific Trading Sdn Bhd	BAssets Group	Purchase of stationery products and printing services	35
Berjaya Registration Services Sdn Bhd ("BRegistration")	BAssets	Receipt of share registration services	40
	Berjaya Times Square Sdn Bhd ("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, Jalan Imbi, Kuala Lumpur	462
Berjaya Burger Sdn Bhd (formerly known as Wen Berjaya Sdn Bhd)	BTSSB	Rental income receivable for renting of café at Lots 03-89, 3rd Floor and office at Lots 09-19, 09-20 and 09-21, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	266
Berjaya Higher Education Sdn Bhd	BTSSB	Rental income receivable for renting of premises at Lot14-01, 14th Floor, Lots 09-23, 09-24, 09-25, 9th Floor, BerjayaTimes Square, Jalan Imbi, Kuala Lumpur	1,279
Berjaya College Sdn Bhd	BAssets Group	Rental income receivable for renting of premises at Lots 10-11, 10-12 & 10-12A, 10th Floor and Lot 11-02A, 11th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	569
Berjaya Hills Resorts Berhad (formerly known as Berjaya Hills Berhad)	BTSSB	Rental income receivable for renting of office at Lots 08-65, 08-66 & 08-67, 8th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	104
Cosway (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at LG-12 & LG-20, Lower Ground Floor, Berjaya Times Square, JalanImbi, Kuala Lumpur	447
Berjaya Papa John's Pizza Sdn Bhd	BTSSB	Rental income receivable for renting of café and storage space at Lots G-07, G-07A, G-07B, G-08B & Lot G-30, Ground Floor, and office at Lots 09-16, 09-17 & 09-18, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	283
RU Café Sdn Bhd	Sapphire Transform Sdn Bhd & BTSSB	Rental income receivable for renting of shoplots at Lot G-09, Ground Floor, and office at Lot 09-05, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	126

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
Berjaya Krispy Kreme Doughnuts Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 08-29, 08-30, 08-32 & 08-33, 8th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	92
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, Jalan Imbi, Kuala Lumpur.	251
Roasters Asia Pacific (M) Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lot 07-24, 7th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	145
Berjaya Engineering Construction Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 09-37 & 09-39, 9th Floor, Berjaya Times Square, Jalan Imbi, KualaLumpur.	40
BLoyalty Sdn Bhd	BAssets Group	Provision for promotion, advertising and publishing services	2
E.V.A. Management Sdn Bhd	BAssets Group	Provision of human resources management services	5
Inter-Pacific Securities Sdn Bhd	BTSSB	Rental income receivable for renting of broadcasting facility at TB Roof 02C, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	6
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, secretaria land general administrative services	240
	BTSSB	Rental income receivable for renting of office at Lots 02-17 & 02-34, 2nd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	379
BLand and its subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	212
Budi Impian Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at Lots LG-73, 74 & 74A, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	242
Marvel Fresh Sdn Bhd	BTSSB	Rental income receivable for renting of storage space at G-37, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	38

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
Berjaya Guard Services Sdn Bhd	BAssets Group	Receipt of security guard services	285
ANSA Hotel KL Sdn Bhd	Berjaya Assets Food (BAF) Sdn Bhd	Rental expense payable for renting of café at Lot No 0.2, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur	716
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	449
International Lottery & Totalizator Systems, Inc	Natural Avenue Sdn Bhd	Procurement of computerised lottery system and related services	685
Sports Toto Fitness Sdn Bhd	BTSSB	Rental income receivable for renting of gym at Lot 06-11, 6th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	516
Berjaya Media Berhad ("BMedia") and/or its unlisted subsidiary company:-			
Sun Media Corporation Sdn Bhd	BAssets Group	Procurement of promotion, advertising and publishing services	38
Berjaya Food Berhad ("BFood") and/or its unlisted subsidiary companies:-			
BFood and its subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	149
Berjaya Roasters (M) Sdn Bhd	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, Jalan Imbi, Kuala Lumpur	641
Berjaya Starbucks Coffee Company Sdn Bhd	BTSSB	Rental income receivable for renting of café at Lots G-09C, D & G, Ground Floor, walkway area, Lot 01-01-28, 1st Floor, office at Lots 09-19 to 09-21, 9th floor, 10-02 & 10-02C, 10th Floor and storage space at Lot 10-02E, 10th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	771
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplots at Lots 1.31 to 1.33, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	102

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
7-Eleven Malaysia Holdings Berhad ("SEM") and/or its unlisted subsidiary company:			
7-Eleven Malaysia Sdn Bhd *(a)*	BTSSB	Rental income receivable for renting of shoplots and storage space at Lots G-37B, G-13A-1, Ground Floor, Lots 01-16 & 01-22, 1st Floor, Lot 03-96C, 3rd Floor, Lot 05-92, 5th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	563
	BTS Car Park Sdn Bhd	Parking charges receivable	6
Other related parties:-			
Ascot Sports Sdn Bhd ("Ascot") *(c)*	BTSSB	Rental income receivable for renting of office at Lots 10-01 & 10-01A, 10th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	661
Thai Odyssey Group Sdn Bhd *(d)*	BTSSB	Rental income receivable for renting of shoplot at Lot LG-55, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	244
Intan Utilities Berhad ("Intan") *(e)*	BTS Car Park Sdn Bhd	Parking charges receivable	5
Roda Indah Motors Sdn Bhd *(e)*			2
Wilayah Motor Sdn Bhd *(e)*			12
UPC Management Services Sdn Bhd *(e)*			2
U Mobile Sdn Bhd ("UMSB") *(f)*	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 and 10-01C, 10th Floor, broadcasting facility at TB Roof 04 and 09-CP-01, L-CPA, carpark of Berjaya Times Square, Jalan Imbi, Kuala Lumpur	3,305
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplot at Lot L2G2, Level 2, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	34
	BTS Car Park Sdn Bhd	Parking charges receivable	588
Berjaya Radioshack Sdn Bhd *(b)*	BTSSB	Rental income receivable for renting of shoplot at Lot G-16, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	232

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 *(g)*	BTSSB	Rental income receivable for renting of office at Lots 07-01 & 07-01A, 7th Floor, Lots 08-01 & 08-64, 8th Floor and shoplots at Lots 08-01A & 08-02, 8th Floor, Lots 09-62, 09-63, 09-64 & 09-97, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	520
	BTS Car Park Sdn Bhd	Parking charges receivable	14
Caring Pharmacy Retail Management Sdn Bhd *(k)*	BTSSB	Rental income receivable for renting shoplots at Lots LG-39 & LG-40, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	359
Adcas Lifescience Sdn Bhd ("Adcas") *(h)*	BTSSB	Rental income receivable for renting shoplots at Lots 09-71 to 09-73-A, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	54
	BTS Car Park Sdn Bhd	Parking charges receivable	
Mode Fair Sdn Bhd ("MFSB") *(i)*	BTSSB	Rental income receivable for renting shoplots at Lots 09-88 to 09-90, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	89
La Juiceria Sdn Bhd ("LJSB") *(j)*	BTSSB	Rental income receivable for renting kiosk at Lot LG-19B-1, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	72
Grand Total			**16,619**

Notes:

a) A wholly owned subsidiary of 7-Eleven Malaysia Holdings Berhad ("SEM"). SEM is in turn 36.91% owned by Berjaya Retail Berhad ("BRetail") and deemed a related party by virtue of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT")'s deemed interest in BRetail.

b) Subsidiary companies of BRetail and deemed related parties by virtue of TSVT's deemed interest in BRetail.

c) A company in which TSVT and his son Dato' Sri Robin Tan Yeong Ching ("DSRT") have interests. DSRT and his brother, Rayvin Tan Yeong Sheik are directors of Ascot.

d) A company in which Tan Sri Dato' Tan Chee Sing, the brother of TSVT is a deemed major shareholder.

e) A company in which TSVT has deemed interests.

f) Deemed a related party by virtue of TSVT's direct and deemed interests in UMSB. TSVT is also the Chairman of UMSB.

g) A wholly-owned subsidiary company of MOL Global, Inc ("M-Global"). TSVT and BCorporation are major shareholders of M-Global.

h) Dato' Zurainah Binti Musa is a major shareholder and director of Adcas. She is also an Executive director of BTSSB.

i) Morvin Tan U-Jiang ("MTUJ") and Chryseis Tan Sheik Ling ("CTSL"), the children of TSVT and Executive Directors of BAssets, are major shareholders of MFSB. MTUJ is also a director of MFSB.

j) CTSL is a major shareholder and a director of LJSB.

k) A subsidiary of Caring Pharmacy Group Berhad. TSVT is a major shareholder of Caring Pharmacy Group Berhad.

STATISTICS ON
SHARES AND WARRANTS
AS AT 5 OCTOBER 2017

ANALYSIS OF SHAREHOLDINGS IN ORDINARY SHARES

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	444	15.04	12,366	0.00
100 – 1,000	572	19.37	232,206	0.02
1,001 – 10,000	1,176	39.82	5,958,142	0.50
10,001 – 100,000	515	17.44	17,581,983	1.48
100,001 – 59,456,767	243	8.23	916,903,162	77.11
59,456,768* and above	3	0.10	248,447,500	20.89
Total	**2,953**	**100.00**	**1,189,135,359**	**100.00**

Note:

Each share entitles the holder to one vote.

* Denotes 5% of the total number of issued shares of the Company.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	DYMM Sultan Ibrahim Johor	120,000,000	10.09
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	68,447,500	5.76
3.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00856-003)	60,000,000	5.05
4.	Berjaya Sompo Insurance Berhad	55,292,500	4.65
5.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Malayan Banking Berhad (MBB2 Swap-M)	55,000,000	4.63
6.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	47,500,000	3.99
7.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	44,500,000	3.74
8.	Abd Rahman Bin Soltan	35,000,000	2.94
9.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	33,000,000	2.78
10.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (Golden)	31,700,000	2.67
11.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kok Ping	26,700,000	2.25
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hotel Resort Enterprise Sdn Bhd	25,699,300	2.16

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

No.	Name of Shareholders	No. of Shares	%
13.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Portal Access Sdn Bhd	24,950,000	2.10
14.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Tan Sri Dato' Seri Vincent Tan Chee Yioun	24,000,000	2.02
15.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	22,000,000	1.85
16.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hotel Resort Enterprise Sdn Bhd	20,507,600	1.72
17.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	19,900,000	1.67
18.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Berjaya Land Berhad	16,000,000	1.34
19.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Singer CBM)	16,000,000	1.34
20.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Arsam Bin Damis (IPM)	15,590,000	1.31
21.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Berjaya VTCY Sdn Bhd (01-00856-001)	15,582,246	1.31
22.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pantai Cemerlang Sdn Bhd	15,000,000	1.26
23.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00820-000)	15,000,000	1.26
24.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MX3999)	15,000,000	1.26
25.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd IPM for Ong Kar Beau	13,700,000	1.15
26.	Ambilan Imej Sdn Bhd	13,536,527	1.14
27.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fabulous Channel Sdn Bhd (AF0010)	13,000,000	1.09
28.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	12,800,000	1.08
29.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (514057695025)	12,000,000	1.01
30.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Berjaya Land Berhad (BBB)	11,730,000	0.99
		899,135,673	**75.61**

ANALYSIS OF WARRANT HOLDERS

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	2	0.59	46	0.00
100 – 1,000	32	9.47	20,086	0.01
1,001 – 10,000	148	43.79	675,744	0.20
10,001 – 100,000	114	33.73	4,541,076	1.33
100,001 – 16,994,426	37	10.94	55,833,234	16.43
16,994,427* and above	5	1.48	278,818,362	82.03
Total	**338**	**100.00**	**339,888,548**	**100.00**

Note:

* Denotes 5% of the warrants outstanding.

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1.	Tan Sri Dato' Seri Vincent Tan Chee Yioun	116,076,902	34.15
2.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	50,000,000	14.71
3.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	45,000,000	13.24
4.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	40,000,000	11.77
5.	Portal Access Sdn Bhd	27,741,460	8.16
6.	Berjaya Land Berhad	12,085,654	3.56
7.	BTS Hotel Sdn Bhd	10,211,506	3.00
8.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Inter-Pacific Capital Sdn Bhd (A/C 83)	7,352,000	2.16
9.	Magna Mahsuri Sdn Bhd	4,374,500	1.29
10.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	4,000,000	1.18
11.	Berjaya Capital Berhad	3,370,000	0.99
12.	Berjaya Sompo Insurance Berhad	3,317,000	0.98
13.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An for Bank of Singapore Limited	1,309,000	0.39
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chok Chew Lan (8125568)	1,002,500	0.29
15.	Low Yee Juan	862,000	0.25

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

No.	Name of Warrant Holders	No. of Warrants	%
16.	Chok Chew Lan	787,000	0.23
17.	JMP Holdings Sdn Bhd	717,028	0.21
18.	Vecc-Men Holdings Sdn Bhd	717,028	0.21
19.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Thong Foong Tat (MY0878)	664,100	0.20
20.	Tan Chong Swee	655,000	0.19
21.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Hong Lim (E-KLC)	496,000	0.15
22.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock (STA 1)	327,300	0.10
23.	Wong Swee Yin	297,000	0.09
24.	Ng Lee Lin	278,488	0.08
25.	Dato' Sri Robin Tan Yeong Ching	243,340	0.07
26.	Quah Chia Hor	231,200	0.07
27.	Yeo Foo Chen	231,000	0.07
28.	Nerine Tan Sheik Ping	218,340	0.06
29.	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for TNTT Realty Sdn Bhd	216,950	0.06
30.	Tio Thiam Boon	200,000	0.06
		332,982,296	**97.97**

STATEMENT OF **DIRECTORS' SHAREHOLDINGS**
AS AT 5 OCTOBER 2017

Subsidiary Company:

Jauhari Maksima Sdn Bhd

	No. of Ordinary Shares			
	Direct Interest	**%**	**Deemed Interest**	**%**
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	380,000	38	–	–

Save as disclosed, none of the other Directors of the Company had any interest in the shares and warrants of the Company or its related corporations as at 5 October 2017.

SUBSTANTIAL **SHAREHOLDERS**
AS AT 5 OCTOBER 2017

	No. of Ordinary Shares			
Names of Substantial Shareholders	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Seri Vincent Tan Chee Yioun	392,870,000	33.04	275,801,528(a)	23.19
Berjaya Land Berhad	33,264,135	2.80	73,615,212(b)	6.19
Teras Mewah Sdn Bhd	–	–	106,879,347(c)	8.99
Berjaya Capital Berhad	8,425,000	0.71	72,329,027(d)	6.08
Juara Sejati Sdn Bhd	–	–	187,633,374(e)	15.78
Berjaya Group Berhad	–	–	187,633,374(f)	15.78
Berjaya Corporation Berhad	–	–	187,633,374(g)	15.78
DYMM Sultan Ibrahim Johor	120,000,000	10.09	–	–

Notes:

(a) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, 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 and Berjaya Philippines Inc.

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

(d) Deemed interested by virtue of its interests 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.

NOTICE IS HEREBY GIVEN THAT the Fifty-Seventh Annual General Meeting of the Company will be held at Manhattan III, Level 14, Berjaya Times Square Hotel, Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 28 November 2017 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 June 2017 and the Directors' and Auditors' Reports thereon.

2. To approve the payment of Directors' fees amounting to RM129,704.00 to the Non-Executive Directors of the Company for the financial year ended 30 June 2017. **Resolution 1**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM640,000.00 for the period from 31 January 2017 until the next AGM of the Company to be held in 2018. **Resolution 2**

4. To re-elect the following Directors who retire by rotation pursuant to Article 102 of the Company's Articles of Association and who being eligible, offer themselves for re-election:

   a) Heng Kiah Choong **Resolution 3**
   b) Datuk Wira Lye Ek Seang **Resolution 4**

5. To re-elect the following Directors who retire pursuant to Article 93 of the Company's Articles of Association and who being eligible, offers themselves for re-election:

   a) YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail **Resolution 5**
   b) Chryseis Tan Sheik Ling **Resolution 6**
   c) Koh Huey Min **Resolution 7**

6. To re-appoint Dato' Mohd Salleh Bin Ahmad as a Director of the Company. **Resolution 8**

7. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 9**

8. As special business:-

   To consider and, if thought fit, pass the following Ordinary Resolutions:

   (i) Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 10**

(ii) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun as specified in Section 2.3 of the Circular to Shareholders dated 31 October 2017 ("Proposed Mandate I") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate I was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution." **Resolution 11**

(iii) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and Companies in which DYMM Sultan Ibrahim Johor is a Major Shareholder

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with U Mobile Sdn Bhd and REDtone International Berhad, which are persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and companies in which DYMM Sultan Ibrahim Johor is also a major shareholder respectively as specified in Section 2.3 of the Circular to Shareholders dated 31 October 2017 ("Proposed Mandate II") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate II was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution." **Resolution 12**

(iv) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Dato' Zurainah Binti Musa

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with persons connected with Dato' Zurainah Binti Musa as specified in Section 2.3 of the Circular to Shareholders dated 31 October 2017 ("Proposed Mandate III"), which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate III was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution." **Resolution 13**

(v) Proposed Renewal of Authority for the Company to Purchase its Own Shares

"THAT, subject always to the Companies Act 2016, ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company ("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 share capital of the Company;

2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

3. the authority shall commence immediately upon passing of this ordinary resolution until:-

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or

   (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or

   (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

   whichever occurs first;

AND THAT upon completion of the purchase(s) of the BAssets Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BAssets Shares so purchased by the Company in the following manner:-

(a) cancel all the BAssets Shares so purchased; or

(b) retain all the BAssets Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or

(c) retain part thereof as treasury shares and subsequently cancelling the balance; or

(d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force." **Resolution 14**

(vi) 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 an Independent Director on the Board of the Company for a cumulative term of more than nine years." **Resolution 15**

(vii) 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 notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years." **Resolution 16**

By Order of the Board

WONG SIEW GUEK
(MAICSA 7042922)
Secretary

Kuala Lumpur
31 October 2017

NOTES:

1. **Audited Financial Statements**

   The Audited Financial Statements are meant for discussion only as it does not require shareholders' approval pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016 ("CA 2016"). Hence, this item on the Agenda is not put forward for voting.

2. **Directors' Fees**

   The quantum of the Directors' Fees for each of the Non-Executive Directors for the financial year ended 30 June 2017 is same as in the previous financial year ended 30 June 2016. Following the resignation of YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin as the Chairman/Director of the Company on 23 February 2017, the Director's fee for YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin was pro-rated from 1 July 2016 up to 23 February 2017.

3. **Directors' Remuneration**

   Section 230(1) of the CA 2016 provides that the 'fees' of the directors and 'any benefits' payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 31 January 2017 until the next AGM of the Company under Resolution 2.

   The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors for the Company comprises of meeting allowances and other emoluments.

   In determining the estimated amount of remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings.

   In the event where the payment of Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

4. **Proposed re-appointment of Director**

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

   At the previous Fifty-Sixth AGM held on 23 November 2016, Dato' Mohd Salleh Bin Ahmad, who is over seventy (70) years of age has been re-appointed as a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the Fifty-Seventh AGM in 2017.

   The proposed Resolution 8, if passed, will confirm the appointment of Dato' Mohd Salleh Bin Ahmad as a Director of the Company at this AGM without any further requirement for him to seek re-appointment in the future except that he will be subject to retirement by rotation pursuant to Article 102 of the Company's Articles of Association.

5. **Re-appointment of Auditors**

   Deloitte has converted its legal entity status from unlimited liability partnership under the Partnership Act 1961 to limited liability partnership under the Limited Liability Partnerships Act 2012 on 3 January 2017. Accordingly, the re-appointment of Deloitte as Auditors is to be made in the name of Deloitte PLT.

6. **Authority to issue and allot shares pursuant to Sections 75 and 76 of the CA 2016**

   Resolution 10 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the CA 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM 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-Sixth AGM held on 23 November 2016 and which will lapse at the conclusion of the Fifty-Seventh AGM.

   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 projects(s), working capital and/or acquisitions.

7. **Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun**

   Resolution 11, if passed, will allow the Company and its subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate I"). Detailed information on the Proposed Shareholders' Mandate I is set out under Part A of the Circular/Statement to Shareholders dated 31 October 2017 which is despatched together with the Company's 2017 Annual Report.

8. Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and Companies in which DYMM Sultan Ibrahim Johor is a Major Shareholder

Resolution 12, if passed, will allow the Company and its subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with U Mobile Sdn Bhd and REDtone International Berhad, which are persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and companies in which DYMM Sultan Ibrahim Johor is also a major shareholder respectively in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate II"). Detailed information on the Proposed Shareholders' Mandate II is set out under Part A of the Circular/Statement to Shareholders dated 31 October 2017 which is despatched together with the Company's 2017 Annual Report.

9. Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Dato' Zurainah Binti Musa

Resolution 13, if passed, will allow the Company and its subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with persons connected with Dato' Zurainah Binti Musa in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate III"). Detailed information on the Proposed Shareholders' Mandate III is set out under Part A of the Circular/Statement to Shareholders dated 31 October 2017 which is despatched together with the Company's 2017 Annual Report.

10. Proposed Renewal of Authority for the Company to Purchase its Own Shares

Resolution 14, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued share capital of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 31 October 2017 which is despatched together with the Company's 2017 Annual Report.

11. Proposed Retention of Independent Non-Executive Directors

Resolution 15 and Resolution 16 are proposed pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and if passed, will allow Heng Kiah Choong and Dato' Mohd Salleh Bin Ahmad to be retained and to continue to act as Independent Non-Executive Directors of the Company.

The full details of the Board's justifications for the retention of Heng Kiah Choong and Dato' Mohd Salleh Bin Ahmad is set out in the Statement on Corporate Governance in the Company's 2017 Annual Report.

12. Proxy and Entitlement of Attendance

(i) A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.

(ii) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.

(iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.

(iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.

(v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.

(vi) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.

(vii) Only members whose names appear in the Record of Depositors as at 21 November 2017 shall be entitled to attend and vote at the meeting.

13. Poll voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

FORM OF **PROXY**

BERJAYA
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.)

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-Seventh Annual General Meeting of the Company to be held at Manhattan III, Level 14, Berjaya Times Square Hotel, Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 28 November 2017 at 10:00 a.m. and at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an “X” in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
RESOLUTION 1 – To approve payment of Directors’ fees for financial year ended 30 June 2017.		
RESOLUTION 2 – To approve payment of Directors’ Remuneration (excluding Directors’ Fees) for the period from 31 January 2017 until the next AGM of the Company.		
RESOLUTION 3 – To re-elect Heng Kiah Choong as Director.		
RESOLUTION 4 – To re-elect Datuk Wira Lye Ek Seang as Director.		
RESOLUTION 5 – To re-elect YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail as Director.		
RESOLUTION 6 – To re-elect Chryseis Tan Sheik Ling as Director.		
RESOLUTION 7 – To re-elect Koh Huey Min as Director.		
RESOLUTION 8 – To re-appoint Dato’ Mohd Salleh Bin Ahmad as Director.		
RESOLUTION 9 – To re-appoint auditors.		
RESOLUTION 10 – To approve authority to issue and allot shares.		
RESOLUTION 11 – To renew and to seek shareholders’ mandate for Recurrent Related Party Transactions with persons connected with Tan Sri Dato’ Seri Vincent Tan Chee Yioun.		
RESOLUTION 12 – To renew and to seek shareholders’ mandate for Recurrent Related Party Transactions with persons connected with Tan Sri Dato’ Seri Vincent Tan Chee Yioun and Companies in which DYMM Sultan Ibrahim Johor is a major shareholder.		
RESOLUTION 13 – To renew and to seek shareholders’ mandate for Recurrent Related Party Transactions with persons connected with Dato’ Zurainah Binti Musa.		
RESOLUTION 14 – To renew authority for the Company to purchase its own shares.		
RESOLUTION 15 – To approve the proposed retention of Heng Kiah Choong as an Independent Non-Executive Director.		
RESOLUTION 16 – To approve the proposed retention of Dato’ Mohd Salleh Bin Ahmad as an Independent Non-Executive Director.		

No. of shares held

____
Signature(s)/Common Seal of Member(s)

Dated this ______________ day of ______________, 2017.

Notes:

1. A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
2. A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
3. An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), may appoint one (1) proxy in respect of each securities account.
4. An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), may appoint multiple proxies in respect of each of its omnibus account.
5. An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
6. The duly executed Form of Proxy must be deposited at the Company’s Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
7. Only members whose names appear in the Record of Depositors as at 21 November 2017 shall be entitled to attend and vote at the meeting.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
BERJAYA ASSETS BERHAD (3907-W)
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1 JALAN IMBI
55100 KUALA LUMPUR

2nd fold here

1st fold here

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berjayatimessquarekl.com

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Sarawak
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