



BERJAYA

BERJAYA ASSETS BERHAD

[Registration No. 196001000237 (3907-W)]



ANNUAL REPORT

2021

VISION

- ▶ To be an organisation which incorporates good governance and a commitment to excellence in our business practices and generates profitable returns in alignment with our business goals and interests of all our stakeholders.

MISSION

- ▶ To deliver quality and innovation through our products and services which will increase the strength of our brand and enhance value for our shareholders.
- ▶ To provide career development opportunities for our employees to realise their full potential within the organisation.
- ▶ To generate sustainable and profitable growth across our businesses.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Non-Independent Non-Executive Director

YAM Tunku Tun Aminah Binti
Sultan Ibrahim Ismail

Deputy Chairman/Independent Non-Executive Director

Tan Sri Dato' Seri Zulkefli Bin
Ahmad Makinudin

Executive Director

Chryseis Tan Sheik Ling

Non-Independent Non-Executive Directors

Datuk Wira Lye Ek Seang
Chan Kien Sing

Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

AUDIT AND RISK MANAGEMENT COMMITTEE

- ▶ Datuk Robert Yong Kuen Loke (Chairman)
- ▶ Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin
- ▶ Chan Kien Sing

NOMINATION COMMITTEE

- ▶ Datuk Robert Yong Kuen Loke (Chairman)
- ▶ Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin
- ▶ Chan Kien Sing

REMUNERATION COMMITTEE

- ▶ Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin (Chairman)
- ▶ Datuk Robert Yong Kuen Loke
- ▶ Chan Kien Sing

SECRETARIES

- ▶ Tham Lai Heng Michelle
(MAICSA No. 7013702)
SSM Practising Certificate No.: 202008001622
- ▶ Wong Siew Guek
(MAICSA No. 7042922)
SSM Practising Certificate No.: 202008001490

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 10-04A & 10-04B
Level 10, West
Berjaya Times Square
No. 1 Jalan Imbi, 55100 Kuala Lumpur
Tel: 03 - 2145 0533
Fax: 03 - 2145 9702

AUDITORS

Deloitte PLT
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJASSET (3239)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS



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

Chairman
Non-Independent Non-Executive Director
Malaysian | 35 years of age | Female

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

Her Highness graduated from the prestigious La Salle School of Arts in Singapore. Her Highness is the Chairman of REDtone Digital Berhad (formerly known as REDtone International Berhad). Her Highness has considerable experience in heading private organisations across a broad range of industries and is a director on the board of several other private companies, including Berjaya Waterfront Sdn Bhd, REDtone Networks Sdn Bhd, Jauhari Maksima Sdn Bhd and Ibzi Holdings Sdn Bhd. Her Highness also holds the Kentucky Fried Chicken franchise in Stulang Laut, Johor Bahru.

Her Highness is the current president of the Johor Darul Ta'zim Football Club (also known as JDT), a football club based in Johor Bahru.

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



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

Deputy Chairman
Independent Non-Executive Director
Malaysian | 70 years of age | Male

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

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

Tan Sri Dato' Seri Zulkefli had a long and distinguished career in the Malaysian judiciary. He started his legal career in year 1976 as the Deputy Public Prosecutor of the Attorney General's Chambers and later as the Deputy Public Prosecutor of the Royal Malaysian Customs Department in Kuala Lumpur. He was then appointed as a Federal Counsel of Income Tax Department

in Kuala Lumpur and thereafter acted as a Legal Advisor of the Ministry of Trade and Industry and Ministry of Housing and Local Government until year 1984. He subsequently served in various roles, amongst others, as a Senior Federal Counsel of Income Tax Department, Senior Federal Counsel of Sarawak, State Legal Advisor of Johor, State Legal Advisor of Selangor as well as the Chairman of the Advisory Board of the Prime Minister's Department.

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

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

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

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

PROFILE OF DIRECTORS



CHRYSEIS TAN SHEIK LING

Executive Director

Malaysian | 33 years of age | Female

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

Currently, she is the Chief Executive Officer of Berjaya Times Square Sdn Bhd, a wholly-owned principal subsidiary of the Company, mainly involved in the marketing and overall management of Berjaya Times Square mall.

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

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

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



DATUK WIRA LYE EK SEANG

Non-Independent Non-Executive Director

Malaysian | 56 years of age | Male

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

He is the founding member of Sunzi Association of Malaysia. He holds a Bachelor of Science (Hons) degree in Mathematics from the University of Malaya. While in University of Malaya, he was “The Sportsman of the Year” in 1989, founder and

instructor of Persatuan Taekwondo (WTF) University of Malaya. He joined the Rejimen Askar Wataniah (Reserved Officer Training Unit-ROTU) and was commissioned as Second Lieutenant by Duli Yang Maha Mulia Seri Paduka Baginda Yang Dipertuan Agong on 15 June 1989.

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

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

PROFILE OF DIRECTORS



CHAN KIEN SING

Non-Independent Non-Executive Director
Malaysian | 65 years of age | Male

Mr Chan was appointed to the Board on 9 April 2001. He is a chartered accountant by qualification and a member of the Malaysian Institute of Certified Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He has over 40 years of experience in strategic corporate planning and structuring, M&As, IPOs, audit/accountancy and managing business operations.

From 1975 to 1981, he pursued his professional MICPA articleship with Messrs Peat Marwick Mitchell (now known as KPMG), involved principally in statutory compliance audits for companies in various industries. He subsequently joined Ambank Bhd, an investment bank, for eight years specialising in corporate advisory and banking. A notable assignment in Ambank was co-leading a joint research team with Kleinwort Benson, to formulate the Privatisation Master plan (PMP) for the Government of Malaysia.

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

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

- DiGi Telecommunications Sdn Bhd
 - CEO/Executive Director of DiGi from 1995 till 2005.
 - Member of pioneer team to launch Malaysia's first fully digital cellular network operations in May 1995 and in a record period of ten months.
 - Coordinated public listing of DiGi in Dec 1997 under a new Infrastructure Project Companies category.
- 7-Eleven Malaysia Holdings Bhd ("7E")
 - Managing Director/Executive Director.
 - Instrumental in negotiating and acquiring 7E franchise in 2001.
 - Coordinated the public listing of 7E via Berjaya Retail Bhd.
 - 7E store network grew from 180 to over 2,500 stores representing the largest convenience store chain in Malaysia.
 - Currently, Mr Chan still remain on 7E Board as a Non-Executive Director.
- CEO of Berjaya Capital Berhad, the holding company of stockbroking company, Inter-Pacific Securities Sdn Bhd.
- Managing Director of the Sun Media group. Publishes theSun newspaper. Largest free daily paper distributed in Malaysia.

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



DATUK ROBERT YONG KUEN LOKE

Independent Non-Executive Director
Malaysian | 69 years of age | Male

He was appointed as a Non-Independent Non-Executive Director of the Company on 9 April 2001. He was subsequently re-designated as an Independent Non-Executive Director of the Company on 1 December 2009.

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

Currently, he is a Director of Berjaya Corporation Berhad, Berjaya Land Berhad, Berjaya Sports Toto Berhad and Berjaya Media Berhad.

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

Save as disclosed, none of the Directors have:

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

KEY SENIOR MANAGEMENT

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

Executive Chairman

Berjaya Times Square Sdn Bhd ("BTSSB")

Malaysian | 69 years of age | Male

Date of Appointment: 1 September 2002

He is a businessman and entrepreneur with more than four decades of entrepreneurial experience and has diverse interests in property development and investment, gaming, lottery management, stockbroking, motor distribution, retailing, trading, hospitality, internet related businesses, environmental and utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies namely, Berjaya Corporation group of companies, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad, Berjaya Media Berhad, Berjaya Retail Sdn Bhd, Intan Utilities Sdn Bhd, U Mobile Sdn Bhd and MOL Ventures Pte Ltd.

Currently, Tan Sri Dato' Seri Vincent Tan Chee Yioun is the Non-Executive Chairman of Berjaya Corporation Berhad and the Chairman of Berjaya Hills Resort Berhad, Berjaya Capital Berhad and U Mobile Sdn Bhd. He is also the Managing Director/CEO of Sports Toto Malaysia Sdn Bhd. He also holds directorships in several other private limited companies and also in Berjaya Corporation group of companies.

His daughter, Chryseis Tan Sheik Ling is a member of the Board. His son, Tan U-Peng is the Managing Director of Berjaya UK Investment & Development Limited.

TAN U-PENG

Managing Director

Berjaya UK Investment & Development Limited ("BIDL")

Malaysian | 29 years of age | Male

Date of Appointment: 1 November 2016

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

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

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

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

CHAN CHUN MUN

Head of Marketing & Leasing

BTSSB

Malaysian | 48 years of age | Male

Date of Appointment: 1 July 2018

He holds a Diploma in Commerce (Business Management) from Tunku Abdul Rahman University College. Additionally, he is also a graduate member of the Institute of Chartered Secretaries and Administrators (ICSA).

He has been in the shopping mall industry for the past 22 years and was involved in conducting feasibility studies for landlords/developers, market analysis, concept and retail development planning, trade and tenant mix planning, lease structure and negotiation, tenants relation management and property management for various retail projects.

Save as disclosed, none of the Key Senior Management has:

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

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Berjaya Assets Berhad (“BAssets” or “the Company”), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 June 2021.

FINANCIAL RESULTS

For the financial year ended 30 June 2021, the Group achieved a revenue of RM178.4 million compared to RM246.7 million in the previous financial year. The lower revenue reported by the property investment and hotel, recreation, jetty operations and other business segments of the Group was mainly due to the continuing adverse impact of the COVID-19 pandemic, closures of international borders and travel restrictions for local and foreign tourists.

Despite the lower revenue, the Group reported a lower pre-tax loss of RM103.8 million in the financial year under review compared to a pre-tax loss of RM121.8 million in the preceding financial year primarily due to the lower adverse fair value changes in investment properties as compared to the previous financial year.

DIVIDEND

The Board did not recommend any dividend for the financial year ended 30 June 2021.

SIGNIFICANT CORPORATE DEVELOPMENT

Reference is made to BAssets’ announcements dated 10 April 2012, 17 April 2012, 18 December 2012 and 15 March 2013 in relation to the proposed acquisition by Berjaya Waterfront Sdn Bhd (“BWF”), to acquire lease interest in a parcel of land known as Lot No. PTB 20379 measuring about 4.285 acres (“Land”) from Kelana Megah Sdn Bhd (“KMSB”) for a cash consideration of RM27.99 million (“SPA”). The SPA is still pending certain conditions precedent to be fulfilled, which include, amongst others, the alienation of the Land by the State Government of Johor (“SGOJ”) and the granting of a 99-year lease interest to KMSB (“Privatisation”). The SGOJ subsequently approved the Privatisation, subject to, amongst others, the payment of RM13.5 million as development returns (“Development Returns”) to the authority. On 8 May 2018, BWF entered into a supplemental agreement with KMSB for the inclusion of the payment of the Development Returns by BWF and extension of the completion date of the SPA to 9 April 2019. On 25 March 2021, BWF entered into a supplemental agreement with KMSB to further extend the completion date of the SPA to 9 April 2022. Upon completion of the SPA, BWF will hold a 99-year leasehold land instead of lease interest over the Land.

PROPERTY INVESTMENT AND DEVELOPMENT

Berjaya Times Square, Kuala Lumpur

Berjaya Times Square Sdn Bhd (“BTSSB”), the principal subsidiary of BAssets, is the major owner and manages the Berjaya Times Square (“BTS”) Mall in Kuala Lumpur. BTS Mall is acknowledged as Malaysia’s largest inner-city shopping cum leisure mall with a gross built-up area of 7.5 million square feet on a 10-acre piece of land. A Kuala Lumpur landmark that is very popular amongst tourists as well as locals, BTS Mall comprises a 12-level shopping mall, two 46-storey towers of service suites and hotel, 2 levels of hotel floors, 3 levels of office floors, 5 levels of basement and 10 floors of annexed car parks.

Entering its eighteenth year of operations, BTS Mall has an occupancy rate of 85% as at 30 June 2021.



LC Waikiki, a leading player in ready-to-wear industry from Turkey, is an anchor tenant on Ground Floor of BTS Mall.

The 12-level stratified shopping mall which measures approximately 3.5 million square feet houses:

- More than 1,000 units of strategically selected retail shops and food and beverage outlets;
- Berjaya Times Square Theme Park which is Malaysia’s largest indoor theme park with 12 major rides, 6 VR games, and other exciting digitally animated attractions;
- Ampang Superbowl - one of the largest bowling centres in the country with 48 lanes;
- Central Park, the shopping district at 3rd Floor Central consisting of 40 lifestyle boutiques and notable lifestyle brands in a landscaped area measuring 5,000 square feet;



SSF Home provides a wide range of home furnishing products.

- Tiny Taipei, the shopping district at 3rd Floor East measuring 6,459 square feet. It is home to 43 small lots that host a variety of fashion, knick-knacks and novelties; and 7 kiosks serving street food and snacks.

BTS Mall is the Guinness World Records™ holder for the World's Largest Capsule Vending Machine, and in 2015, won recognition by the Malaysia Book of Records™ for "Most Number of Pledges Collected in a Christmas Season Charity Campaign". Since its inception, BTS Mall has garnered over 13 Malaysia Book of Records™ and 1 Guinness World Records™. In addition, BTS Mall has been voted Malaysia's Best Mall 2018 in 2019 and The Most Innovative Shopping Mall in Malaysia 2019 in 2020 by Global Brands Awards.

BTS Mall expanded its array of food and beverage options with appetizing small bites and refreshments such as Dromme Thick Toast, Yakimo Desserts, Johnny's Restaurant and Kopitime Café.

To continuously strengthen its position as an attractive mall to visit in the Klang Valley, BTS Mall ensures its tenant mix is fresh and appealing. During the financial year under review, the mall welcomed a few new retail names, such as Magicboo Premium, Pan Sports, M:22, RCB Polo, as well as its new anchor tenant, LC Waikiki, a leading player in the ready-to-wear industry from Turkey. The mall's new mini anchor tenant, SSF Home, is a home living solutions provider in Malaysia, offering a wide range of home decorative items, furniture and more.



Magicboo Premium, a one-stop skin care and health care beauty shop offers beauty products from Europe, Australia and Korea.



Johnny's Restaurant offers a variety of fresh Thai food and steamboat.

In light of the COVID-19 pandemic, BTS Mall had actively reduced and deferred non-essential operational and capital spending to contain costs and conserve cash. In addition, BTS Mall implemented stringent standard operating procedures to contain the infection of COVID-19 in its daily operations.

Berjaya Waterfront, Johor Bahru

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

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

Berjaya Waterfront Ferry Terminal is one of the busiest international entry points for travellers from Indonesia for leisure or business. The ferry services take only 90-120 minutes to Harbour Bay and Batam Centre at Batam Island, and 150-180 minutes to Tanjung Pinang at Bintan Island at an affordable ticket fare. The ferries are spacious, fully air-conditioned, and meet international safety requirements. During the financial year under review, the ferry operations were severely impacted due to the travel restrictions and international border closures. Ferry services to Tanjung Pinang and Harbour Bay had been suspended since March 2020 and April 2020 respectively. Ferry services to Batam Island were reduced to 28 slots in the second quarter of 2021, compared to 122 slots in the previous year's corresponding quarter.

CHAIRMAN'S STATEMENT



Berjaya Waterfront Hotel.

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

During the financial year under review, the implementation of border closures by the Government had nearly halted business operations, as most of the visitors are mainly from Singapore and Indonesia. Despite that, BWF continued to maintain its operations, systems and facilities efficiently while emphasising occupational safety and health on the premises. BWF expects to recover its footfall and shopping crowd as soon as the border reopens and the pandemic subsides.



Menara MSC Cyberport.

Menara MSC Cyberport, Johor Bahru

Located in Johor Bahru, Menara MSC Cyberport is the first MSC Malaysia Cybercentre in Southern Malaysia with an ISO 9001:2000 certification. BTSSB owns 74 units of office properties amounting to approximately 281,188 square feet within the building, which is located at Jalan Bukit Meldrum in Tanjung Puteri, in the heart of Johor Bahru city centre. It is also located next to the Causeway connecting Malaysia to Singapore and just opposite the Customs, Immigration & Quarantine (CIQ) complex.

During the financial year under review, the occupancy rate for Menara MSC Cyberport dropped to 42% from 50% in the previous financial year. The reduction was due to the non-renewal of tenancies upon expiry, as a result of the economic uncertainty caused by the pandemic.

Given that most businesses were forced to adapt to work-from-home or a more agile work format, such as operating at 30% to 60% of workforce, the demand for office space at Menara MSC Cyberport had been muted and rental growth stagnant.

Nonetheless, the management is of the opinion that demand for office space will recover when the pandemic subsides as physical interactions are still vital to most businesses and industries.

GAMING

Natural Avenue Sdn Bhd

Natural Avenue Sdn Bhd ("NASB"), the exclusive agent for Sarawak Turf Club's Special Cash Sweep Number Forecast Lotteries has been in operation since 1995. The principal activities of NASB are the operation, promotion and management of the 1+3D Big/Small and 3D Big games in Sarawak with three normal draws a week. NASB currently has 3 regional offices and 73 sales outlets.

The Number Forecast Operator ("NFO") business has been severely impacted by the pandemic as the business had to be closed during the various Movement Control Orders ("MCO") during the financial year under review. The pandemic also caused hardship to some Malaysians who were affected by retrenchments, business closures and scarcity of new job opportunities. These factors contributed to the lower sales in the financial year under review. In addition, the local gaming scene continues to face challenges from the varieties of lottery games offered by other NFOs, illegal online betting and interactive gaming.



Special Cash Sweep sales outlet in Mukah, Sarawak.

FUTURE PROSPECTS

The Malaysian economy showed strong growth at 16.1% in the second quarter of 2021, compared to -0.5% during the first quarter of 2021. Nevertheless, the economic outlook during the financial year under review remained challenging due to the implementation of various phases of MCO, combined with the threat of new COVID-19 variants.

In June 2021, the Government unveiled the National Recovery Plan, that consists of four recovery stages which aims to slowly ease the movement control measures in stages. On top of this, the Group believes the rapid vaccination rollout will gradually reduce the number of COVID-19 cases and lead to the reopening of various economic sectors. The economic stimulus and financial aid packages announced by the Government will also contribute to the recovery of the economy.

In view of the above factors and the immense challenges created by the prolonged pandemic, the Group is unable to forecast with certainty, when its business operations will return to the level prior to the pandemic. Against this challenging backdrop, the Group will strive to achieve a better performance and to seize new opportunities in the next financial year.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to convey our heartfelt thanks and gratitude to Madam Koh Huey Min, who resigned as Executive Director on 30 August 2021, for all her contributions and commitment to the Group over the years.

Our thoughts and prayers are with the family of the late Mr Heng Kiah Chong, who passed away on 23 June 2021. He was an Independent Non-Executive Director of BAssets. We truly appreciate his valuable advice and contributions to the Group during his tenure on the Board.

I would also like to extend our warmest welcome to Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin, who joined us as Deputy Chairman of BAssets on 12 August 2021.

On behalf of the Board of Directors, I wish to express my gratitude to all our management team and employees for their continuous commitment, dedication and determination despite this difficult financial year.

The Board would also like to extend its sincere appreciation to all our stakeholders, including shareholders and business associates, as well as financial institutions for their unwavering support and trust to the Group amidst the challenges arising from the COVID-19 pandemic.

Last but not least, to my fellow directors, I would like to express my utmost gratitude for all your contributions throughout the years. While it has been a challenging year, I believe that through strategic planning and teamwork, the Group will be able to achieve better results in the upcoming financial year.

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail
Chairman
22 October 2021

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Berjaya Assets Berhad (“BAssets”) and its subsidiary companies operate in two major business segments, i.e. property investment and development, and gaming.

PERFORMANCE REVIEW BY BUSINESS SEGMENTS

PROPERTY INVESTMENT AND DEVELOPMENT

Revenue

For the financial year ended 30 June 2021, Berjaya Times Square Sdn Bhd (“BTSSB”) group’s revenue declined by 37.6% to RM93.0 million compared to RM149.0 million in the previous financial year. The decline was mainly due to the imposition of a Movement Control Order (“MCO”) and the enforcement of stringent Standard Operating Procedures (“SOPs”) throughout the financial year. This dampened consumer and retailing sentiments resulting in a decline in the number of shoppers as well as affected the mall’s occupancy rates. In addition, border closures and travel restrictions severely reduced the business operations of the group’s jetty and theme park businesses.

BTSSB reported a net decrease of 20% in its net rental revenue to RM56.2 million for the financial year under review. The decrease in rental revenue was mainly due to a prolonged tenant turnover period and tenancy withdrawal. Berjaya Times Square Mall (“BTS Mall”) also reported lower event area rental and monthly gross sales turnover from tenants, due to the implementation of MCO 3.0 and the Full Movement Control Order (“FMCO”) on 12 May 2021 and 1 June 2021 respectively, which affected the business operations within the mall.

Due to the challenging business environment during the financial year, BTS Car Park Sdn Bhd (“BTSCP”) recorded a decrease of 16.1% or RM1.7 million in revenue in the financial year under review due to the reduced number of visitors to BTS Mall.

Berjaya Times Square Theme Park Sdn Bhd (“BTSTP”) was severely impacted by the pandemic which resulted in a drastic decline in revenue by 67% or RM6.3 million in the financial year under review as compared to the previous financial year. This was due to the reduced number of visitors as well as limited business operation days as a result of the imposition of various stages of MCO during the financial year.

Berjaya Waterfront Sdn Bhd (“BWF”)’s shopping complex reported a decrease of 21.9% or RM5.0 million in its net rental revenue to RM17.7 million for the financial year under review. The decline was mainly due to the withdrawal of tenancy and rental support granted to eligible tenants. BWF car park division faced the same business challenges as BTSCP and reported a decrease of 72.1% or RM2.5 million in its revenue for the financial year under review. BWF jetty division recorded a huge drop in revenue of 92.9% to RM1.32 million as compared to RM18.7 million in the previous financial year. The drastic decrease was mainly attributed to business disruption caused by international border closures that saw the majority of ferry services halted, and a significant reduction in the income from port tariff and charges due to minimal ferry operations. BWF hotel division reported a decrease of 68.1% or RM9.1 million in its revenue for the financial year under review as a result of border closure, restricted domestic travel, and the prohibition of events.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss Before Tax

For the financial year ended 30 June 2021, BTSSB group recorded a loss before tax of RM99.8 million compared to RM94.3 million in previous financial year. This was due to the lower revenue generated by businesses coupled with the higher rental rebates and rental income waiver given out to build business rapport. Nevertheless, the decrease in net revenue was cushioned by lower non-cash fair value impairment on investment properties and inventory properties, lower finance costs and administrative and other operating expenses as a result of austerity drives.

Prospects

The BTS Mall and BWF management is anticipating a rebound in the hospitality and entertainment industry when the pandemic subsides, local tourism reopens and conditional international travel is allowed.

BTS Mall and BWF will continue to intensify their efforts on strengthening business rapport with their tenants by introducing more strategies and promotions to maintain occupancy rates. BTS Mall and BWF will also continue to improve cost savings by implementing various austerity measures, without compromising on operational efficiency, by embracing innovation, smart technologies and stringent SOPs.

GAMING

Revenue

Natural Avenue Sdn. Bhd. ("NASB") recorded a decrease in revenue by 7.92% to RM72.1 million for the financial year ended 30 June 2021 as compared to RM78.3 million in the previous financial year. The decrease in revenue was due to lower average sales per draw during the pandemic period and the temporary suspension of the Sibul Division's sales outlets for about 3 months. The implementation of various MCO phases resulted in a cancellation of 17 draws including 2 special draws.

Profit Before Tax

For the financial year ended 30 June 2021, NASB recorded a profit before tax of RM2.6 million compared to a loss of RM1.9 million in the previous financial year. The improvement was mainly due to lower prize payout and a reduction in operating costs.

Prospects

The local Number Forecast Operators ("NFO") were not allowed to operate from 28 May 2021. Though NFOs were eventually allowed to operate in other Malaysian states from 14 September 2021, the Sarawak-based NFOs were only permitted to resume operations on 1 October 2021 as the state advanced into Phase 3 of the National Recovery Plan.

Nonetheless, the SOPs that were implemented throughout the pandemic has affected consumers' patronage and consumption patterns at the physical outlets. NASB will continue to create and maintain a safe and hygienic environment in its daily business operations to curb the spread of the COVID-19 virus.

NASB will continue to collaborate closely with the authorities to curb unlicensed gaming. In addition, NASB will explore the possibility of introducing new game variants and mobile-betting services once permitted by the relevant authorities.

CORPORATE STRUCTURE OF MAIN OPERATING COMPANIES AS AT 22 OCTOBER 2021



BERJAYA

BERJAYA ASSETS BERHAD

[Registration No. 196001000237 (3907-W)]



* Combined Interest

GROUP FINANCIAL HIGHLIGHTS

Description	2021 RM'000	2020 RM'000 (Restated)	2019 RM'000	2018 RM'000	2017 RM'000
Revenue	178,400	246,702	330,734	312,690	356,358
(Loss)/Profit Before Tax	(103,754)	(121,818)	(14,098)	(12,560)	7,891
Loss For The Year	(108,211)	(130,518)	(82,358)	(29,568)	(12,217)
Loss Attributable To Owners Of The Parent	(107,889)	(123,762)	(81,363)	(32,961)	(11,437)
Share Capital	1,538,120	1,538,120	1,538,120	1,538,120	1,447,277
Reserves	412,005	474,354	645,488	749,626	795,378
Equity Funds	1,950,125	2,012,474	2,183,608	2,287,746	2,242,655
Non-controlling Interests	213	66	9,516	9,654	8,672
Total Equity	1,950,338	2,012,540	2,193,124	2,297,400	2,251,327
Deferred Tax Liabilities	160,773	167,521	173,926	117,365	111,126
Long Term Liabilities	818,394	811,286	820,406	872,206	920,713
Current Liabilities	255,708	284,370	326,560	308,514	236,085
Total Liabilities	1,234,875	1,263,177	1,320,892	1,298,085	1,267,924
Total Equity and Liabilities	3,185,213	3,275,717	3,514,016	3,595,485	3,519,251
Property, Plant and Equipment	249,745	267,041	279,710	291,776	303,657
Investment Properties	2,362,724	2,401,570	2,499,865	2,501,039	2,508,166
Other Non-Current Assets	293,014	308,553	352,051	378,825	322,180
Intangible Assets	11,881	12,982	16,058	36,024	57,811
Total Non-Current Assets	2,917,364	2,990,146	3,147,684	3,207,664	3,191,814
Current Assets	267,849	285,571	366,332	387,821	327,437
Total Assets	3,185,213	3,275,717	3,514,016	3,595,485	3,519,251
Net Assets Per Share (RM)#	0.76	0.79	0.86	0.91	1.01
Loss Per Share (Sen)#	(4.22)	(4.84)	(3.18)	(1.31)	(0.51)
Gross Dividend Rate (Sen)#	–	–	–	–	–

Notes:

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

The comparative figures have been adjusted for the effect of subdivision of shares.

SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

The Sustainability Statement for Berjaya Assets Berhad (“BAssets” or “the Group”) is prepared in accordance with the Sustainability Reporting Guide and Toolkits by Bursa Malaysia Securities Berhad (“Bursa Securities”). The information disclosed in this statement focuses on the operations and management of the economic, environmental and social sustainability of BAssets for the financial year ended 30 June 2021, and were derived from internal reporting processes, systems and records.

Due to the diverse nature of the Group, the scope of the statement covers material issues arising from its principal business activities in Malaysia, operating under the following subsidiaries – Berjaya Times Square Sdn Bhd (“BTSSB”), Berjaya Times Square Theme Park Sdn Bhd (“BTSTP”), BTS Car Park Sdn Bhd (“BTSCP”), Berjaya Waterfront Sdn Bhd (“BWSB”), and Natural Avenue Sdn Bhd (“NASB”).

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

The uncertainty caused by the pandemic brought about disruptive changes to the Group’s business operations during the financial year under review, with significant impacts across the three main aspects of the Group’s sustainability. While the respective businesses in the Group were able to operate during the various lockdown periods imposed by the Government, albeit at a lower capacity, several key activities planned for the year were halted/disrupted during these periods. Nevertheless, the Group implemented various initiatives to ensure business continuity in the new normal, and put in place stringent hygiene standards and operational procedures as mandated by the local government authorities to safeguard the well-being of its employees and the various stakeholder groups.

2. APPROACH TO SUSTAINABILITY

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

BAssets strives to conduct its business operations guided by a long-term sustainability strategy comprising 3 main aspects:-

- **Economic Sustainability**

The creation of long-term value for shareholders and added value for all the Group’s stakeholders.

- **Environmental Sustainability**

Striving towards reducing the Group’s environmental footprint by improving on efficiency of resources and supporting conservation efforts.

- **Social Sustainability**

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

3. STAKEHOLDER ENGAGEMENT

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

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

SUSTAINABILITY STATEMENT

The following are the Group's key stakeholders and engagement platforms:

STAKEHOLDER ENGAGEMENT



Government and Regulators

Meetings with the regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters that concern the customers and the general public.



Customers

A customer survey is conducted once every 3 years to keep updated on customers' needs and expectations for the Group's products and services. Regular outlet visits are a way to keep tabs on customer behaviour as well.



Employees

Open communication through Berjaya Intranet on events, activities and staff promotions.



Suppliers

Regular review of major suppliers to provide service delivery feedback and identify areas of improvement for the mutual benefit of both parties.



Communities and non-governmental organisations

Various community programmes driven through consultation and collaboration with non-governmental organisations ("NGOs") and charitable organisations.



Media

Regular engagement and updates with the mainstream media on developments within the Group and the industry in general. Media releases relating to key business developments as well as corporate social responsibility activities are made available to the media whenever necessary.



Investors and Stock Analysts

Communication via announcements to Bursa Securities, Annual Report, General Meetings, the Group's website as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.

SUSTAINABILITY STATEMENT

COMMITMENT TO STAKEHOLDERS

BAssets' commitments to its stakeholders are outlined below:

Stakeholders	Commitments
Government and Regulators	<ul style="list-style-type: none"> Ensuring that business operations are in line with regulatory requirements that ensure safety, accountability, integrity and efficiency. Providing necessary information and working hand in hand with the authorities to counter the proliferation of illegal and unregulated gambling operations. Echoing the Government's call for the private sector to play an active role in community development.
Employees and Agents	<ul style="list-style-type: none"> Evaluating the training and development needs of every level of employees to provide continuous training and up-skilling for better performance of duties and career advancement. Providing a conducive and facilitative working environment.
Customers	<ul style="list-style-type: none"> Instilling customer confidence through reliable and transparent communications via online and offline channels. Providing prompt and efficient assistance to customers.
Suppliers	<ul style="list-style-type: none"> Developing a structured procurement system that ensures fair play for all suppliers. Suppliers are regularly reviewed to ensure value creation.
Investor and Stock Analysts	<ul style="list-style-type: none"> Working to generate shareholder returns on a sustainable basis. Reporting financial results on a quarterly and annual basis, and major transactions and proposals undertaken by the Group when investor interest is at stake.
Communities and NGOs	<ul style="list-style-type: none"> Nurturing a collaborative relationship with various NGOs and charitable organisations to develop various community programmes.

4. GOVERNANCE

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

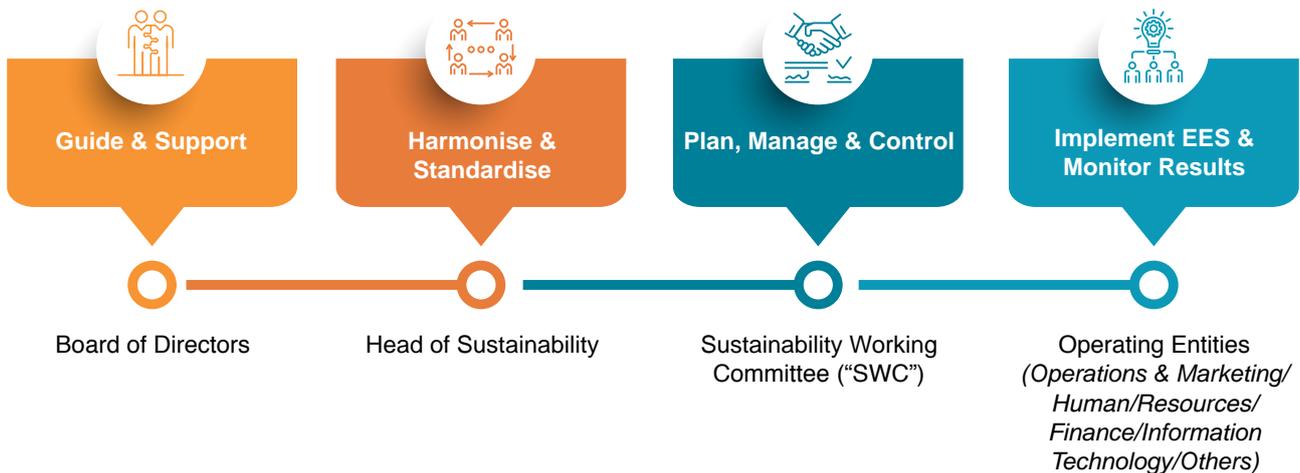
In line with the Group's belief that corporate governance and creation of value for stakeholders are mutually dependent as both are critical components for business continuity and sustainability, a Sustainability Working Committee ("SWC") was formed in February

2018. The SWC oversees the overall planning and implementation of sustainability practices and policy in a continuous and systematic manner.

All operating divisions take sustainability into consideration in their business strategy planning, operations and processes. The Group monitors the implementation of its internal control measures as well as the completeness and reliability of information regarding the financial, operational, safety, health and environmental aspects of the Group. The Board and the management are committed to continually refining and improving these processes over time.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE



Note: EES denotes Economic, Environmental and Social.

For more detailed information on the Group's Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, please refer to pages 22 to 41 of the BAssets Annual Report 2021.

5. ECONOMIC SUSTAINABILITY

i. Financial Performance

BAssets is committed to strengthening its financial position and enhancing its competitiveness through the adoption of good and ethical business practices, corporate governance, as well as effective capital management.

BAssets's financial performance highlights for the financial year ended 30 June 2021 and its comparatives for the financial year ended 30 June 2020 are as follows:

	REVENUE RM178.4 million (FY2020: RM246.7 million)
	Loss Before Tax RM103.8 million (FY2020: RM121.8 million)
	Net Assets Per Share RM0.76 (FY2020: RM0.79)

ii. Economic Impact

(a) Creating Value

Part of BAssets' pivotal growth strategy is to add value to Kuala Lumpur as the heart of shopping and tourist attractions. BTS Mall is situated strategically in what is popularly referred to as the Golden Triangle. Thus, it provides a one-stop centre for tourist and locals alike with a vibrant tenant mix, offering a range of retail, food & beverage and entertainment outlets comprising both international and home-grown brands. By supporting local retailers, it provides a platform for them to market their goods and services, as well as access to an international crowd. This allows local brands to grow their brand value beyond Malaysia. The mall hosts a wide selection of brands such as Starbucks Coffee, Baskin-Robbins, Krispy Kreme Doughnuts, Subway, Pizza Hut, Burger King, Mc Donald's, 4 Fingers, KFC and Nando's, to name a few recognisable international brands, and a mix of local brands such as Hometown Hainan Coffee, The Chicken Rice Shop, Bungkus Kaw Kaw, Empire Sushi, Ah Cheng Laksa, TeaLive and Nyonya Colors.

SUSTAINABILITY STATEMENT

BAssets understands that its retailers need to continuously evolve and adapt in response to rapidly changing consumer and retail environments. To ensure that these retailers are well-supported, BTSSB and BWSB encourage and support their retailers in the creation of online and offline marketing strategies to bolster sales. BTSSB has also taken steps to enrich the shopping experience of its customers by creating uniquely themed districts such as Central Park and Tiny Taipei which have a synergistic effect for the retailers by generating footfalls.

The COVID-19 pandemic and uncertain economic outlook have limited the tenants' ability for business expansion and reduced opportunities for new businesses to grow. BTSSB has offered more flexible rental structure options to retain and draw tenants, leveraging on its brand name and competitive advantages.

BTSSB and BWSB communicate regularly with their retailers to encourage mutual knowledge-sharing. Face-to-face meetings are scheduled throughout the year to obtain direct feedback from their retailers on issues they may be facing so that a solution can be reached.

During the financial year under review, BTSSB and BWSB provided rental rebates to its eligible tenants who were severely affected by the pandemic, to alleviate their financial burden. BTSSB and BWSB believe in having a mutually supportive partnership with their tenants to ensure long-term business relationships.



Hometown Hainan Coffee café located at Ground Floor.

(b) Procurement

BAssets creates indirect economic impact by supporting local businesses and contributing to local community development. BAssets's subsidiaries use local suppliers for all their procurement requirements and have in place various guidelines to ensure the products and services meet BAssets's services standards and product quality.

6. ENVIRONMENTAL SUSTAINABILITY

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

i. Waste Management

BAssets adopts the 3R practices of Reduce, Reuse and Recycle as part of its environmental conservation initiatives. For example, festive and seasonal decorations in its malls and hotel are recycled and reused as much as possible. Bins to segregate recyclable materials from general waste have also been placed within the premises of the malls to create awareness and encourage shoppers to recycle. Waste derived from major renovation work and the malls' rubbish bins are properly disposed of in designated areas to prevent harmful impacts on the environment.

ii. Energy Conservation

Energy is one of the largest cost components for a commercial property. As such, the subsidiaries under BAssets regularly monitor their electricity consumption and any unusual deviations are investigated and immediately addressed. Efforts to reduce energy consumption include daily monitoring of air conditioning usage and adjusting the settings to ensure optimal efficiency. Light-emitting diode ("LED") lighting and energy-efficient equipment are used where possible.

The Group has taken the initiative to reduce its energy consumption by limiting the operation of lifts and escalators and switching off non-essential lightings.

SUSTAINABILITY STATEMENT

iii Water Management

Water is one of the largest cost components of BWSB. BWSB regularly monitors its water consumption and is mindful of water conservation. Water sub-meters are installed to evaluate and monitor water consumption as well as to detect water leakage. This will enable precise planning and implementation for improvements.

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

7. SOCIAL SUSTAINABILITY

BAssets recognises the importance of social sustainability. It does so by implementing various practices in product and service compliance, responsible marketing and communications practices as well as information security and privacy. The same is extended to employees' health, safety and security, and community support, among others.

i. Marketing and Communications Practices

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

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

ii. Information Security and Privacy

BAssets acknowledges the importance of respecting and protecting the privacy of its customers and takes stringent measures to safeguard customers' confidential information at all times.

In compliance with the Personal Data Protection Act 2010, a privacy policy has been published on the respective operating companies' websites which states clearly the use of customers' personal information. Methods and purposes of personal information collected are clearly explained in the privacy policy.

iii. Information Technology

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

The implementation of the various Movement Control Orders ("MCO") announced by the Government during the financial year under review caused major disruption to business operations of the various companies under BAssets. The management teams had to strategise rapidly and put in effect new work procedures so as to switch to a 'work from home' model. Leveraging on digitalisation and online platforms such as Zoom, and video conferencing ensured business continuity and minimal disruptions to staff workflow and communications.

Moving forward, BAssets will endeavour to continue digitalising its existing manual system platforms to streamline work processes and improve workflow.

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

SUSTAINABILITY STATEMENT

iv. Health, Safety and Security

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

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

To ensure customers’ safety during the pandemic, BAssets introduced various preventive measures such as increasing the frequency of sanitization and disinfection, temperature checks, physical distancing measures, mask-wearing and provision of hand sanitizers. Stringent standard operating procedures are strictly adhered to by all employees to create and maintain a safe and hygienic shopping environment during the pandemic.

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

v. Human Capital

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

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

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

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

vi. Corporate Social Responsibility

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

SUSTAINABILITY STATEMENT



Meals and household essentials were distributed to underprivileged families and individuals.

On 11 December 2020, BTSSB hosted a “Tis The Season To Give Thanks” CSR event in conjunction with Christmas celebrations. In collaboration with Kechara Soup Kitchen Society, BTSSB’s employees prepared 150 lunch boxes for the homeless and urban poor in Kuala Lumpur. In addition, BTSSB provided basic household essentials to B40 communities at selected People’s Housing Projects (PPR) who were badly affected by the pandemic.

On 8 February 2021, BTSSB provided daily essentials to the orphans and old folks at Rumah Charis as part of its Chinese New Year “Gift of Kindness” CSR campaign. BTSSB also delivered essential supplies, festive goodies and a scrumptious meal cooked by Berjaya Times Square Hotel KL to the children at Rumah Kasih Harmoni on 5 May 2021 as part of its “Gemilang Raya” CSR campaign.

NASB continued to support local organisations such as STEC Kidney Foundation during the financial year under review. The Foundation has been receiving contributions from NASB for the past 23 years. STEC Kidney Foundation currently provides assistance to needy patients for dialysis treatment in Kuching, Sibul and Miri.

8. LOOKING AHEAD

BAssets is committed to improving its sustainability framework and practices within its businesses. The Group will continue to strengthen its commitment to sustainability by exploring more sustainable measures which can be incorporated into its various businesses, and improving its policies and systems, in order to achieve further growth for the Group.



Daily essentials supplied to an orphanage to spread Chinese New Year festive cheer.



Essential supplies, festive goodies and meals were provided to the children of Rumah Kasih Harmoni for Hari Raya.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The Board is pleased to provide an overview of the corporate governance (“CG”) practices, which made reference to the three key CG principles as set out in the MCCG throughout the financial year ended 30 June 2021 (“FYE 2021”) unless otherwise stated, which are as follows:

- (a) Principle A: Board Leadership and Effectiveness
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Overview Statement, approved by the Board, shall be read together with the CG Report 2021 (“CG Report”) of the Company which is available on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”) at www.bursamalaysia.com.

The CG Report provides details on how the Company has applied each Practice as set out in the MCCG and any departures thereof during the FYE 2021. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2021 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for the performance and affairs of the Group and to provide leadership as well as guidance for setting strategic direction for the Group. The role and responsibilities of the Board in discharging its fiduciary and leadership function has been formalised in the Board Charter.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committee

The Board has established the following Board Committees which consists of a majority of Independent Non-Executive Directors to support the Board in discharging its oversight function and to ensure that there are appropriate checks and balances in place:

- i. Audit and Risk Management Committee
- ii. Nomination Committee
- iii. Remuneration Committee
- iv. Sustainability Committee

These Committees play a significant part in reviewing matters within each Committee's terms of reference ("TOR") and facilitating the Board's discharge of its duties and responsibilities. Each of these Committees has specific TOR, scope and specific authorities to review matters and report to the Board with their recommendations. The Board may also form such other committees from time to time as dictated by business imperatives and/or to promote operational efficiency. Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board.

Company Secretaries

The Board is supported by the Company Secretaries, who are members of the professional body namely, The Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified under the Companies Act 2016. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices and ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

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

Board Meetings and Meeting Materials

In order to discharge their responsibilities effectively, the Board meets regularly on a quarterly basis. Other than quarterly Board meetings, additional Board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration. The Board members will deliberate and in the process, assess the viability of the business and corporate proposals and the principal risks that may have significant impact on the Group's business or on its financial position and the mitigating factors. All Board approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

In the intervals between Board meetings, any matters requiring urgent Board decisions or approvals will be sought via circular resolutions of the Directors and these are supported with all the relevant information and explanations required for an informed decision to be made. These circular resolutions will then be tabled at the next Board meeting for notation.

Prior to the Board and Committee Meetings, the Directors will be provided with the relevant agenda and Board papers five (5) business days' notice or such shorter period as agreed by the Board to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers include, among others, minutes of preceding meetings of the Board and Committees, summary of dealings in shares by the directors or affected persons and directors' circular resolutions, reports on the Group's financial statements, operations, any relevant corporate developments and proposals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In addition, there is also a schedule of matters reserved for Board's deliberations and decision, including among others, to review, evaluate, adopt and approve the policies and strategic plans for the Company and the Group. This is to ensure that the strategic plan of the Company and the Group supports long term value creation including strategies on economic, environmental and social considerations underpinning sustainability, as well as to review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group and approval of any new major ventures.

Access to information and advice

The Directors shall have unrestricted access to the advice and services of the Company Secretaries and Senior Management staff in the Group to assist them in carrying out their duties. They may also obtain independent professional advice at the Company's expense in furtherance of their duties whenever the need arises.

Board Charter, Ethical Standards through Code of Ethics, Code of Conduct, Whistleblowing Policy and Procedures and T.R.U.S.T. Concept

The Board has the following in place:

(a) Board Charter

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

(b) Code of Ethics for Directors

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

(c) Code of Conduct and Business Ethics

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

All employees and Directors of the Company and its subsidiaries are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its terms throughout their employment or tenure with the Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(d) Whistleblowing Policy and Procedures

The Company acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

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

The Whistleblowing Policy and Procedures also provides contact details of the Independent Director and the Chairman, to whom the whistleblowing report can be addressed.

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

The Whistleblowing Policy and Procedures, underlining its protection and reporting channels, is available on the Company's website at www.berjaya.com/berjaya-assets/.

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

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

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

Principle I: **T**op Level Commitment;

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

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

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

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

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

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

The T.R.U.S.T. Concept can be accessed on the Company's website at www.berjaya.com/berjaya-assets/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability Strategies

The Board views the commitment to promote sustainability strategies in the environment, social and governance aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Group strives to achieve a sustainable long-term balance between meeting its business goals, preserving the environment to sustain the ecosystem and improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been set out in the Sustainability Statement in this Annual Report.

Board Composition

As at the date of this statement, the Board has six (6) members comprising one (1) Executive Director, three (3) Non-Independent Non-Executive Directors (including the Chairman) and two (2) Independent Non-Executive Directors. The profiles of the Directors are set out on pages 2 to 4 of the Annual Report.

The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least one third (1/3) of its members to be Independent Directors. However, the Company is not in compliance with Practice 4.1 of the MCCG as the Board does not have a composition which comprises of 50% Independent Directors.

The presence of the Independent Directors, though not forming half (50%) of the Board members, is sufficient to provide the necessary checks and balances on the decision-making process of the Board. The significant contributions of the Independent Directors in the decision making process is evidenced in their participation as members of the various committees of the Board. They are able to carry on their duties and responsibilities and to provide an unfettered and unbiased independent judgement.

Boardroom Diversity

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity.

The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. Thus, the Company does not set any specific target for boardroom diversity but will take the necessary measures towards promoting a corporate culture that embraces gender diversity in the Boardroom.

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

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

As at the date of this statement, the Board has two (2) female Directors namely, YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail and Ms Chryseis Tan Sheik Ling and they represent 33.3% of the total Board members.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. During the FYE 2021, the Board met Six (6) times and the attendances of the Directors at the Board Meetings were as follows:

Directors	Attendance
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	6/6
Datuk Wira Lye Ek Seang	6/6
Chryseis Tan Sheik Ling	6/6
Koh Huey Min ¹	6/6
Chan Kien Sing	6/6
Datuk Robert Yong Kuen Loke [#]	6/6
Heng Kiah Choong ^{#2}	6/6

Notes:

[#] Denotes Independent Non-Executive Directors.

¹ Resigned as a Director/Executive Director on 30 August 2021.

² Demised on 23 June 2021

Subsequent to the FYE 30 June 2021, Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was appointed as an Independent Non-Executive Director and Deputy Chairman of the Company on 12 August 2021 and Koh Huey Min has resigned as a Director/Executive Director on 30 August 2021.

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

Directors' Training

Save and except for Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin, all the Directors of the Company have completed the Mandatory Accreditation Programme as required by Bursa Securities. Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was appointed to the Board on 12 August 2021 and he will schedule to attend the Mandatory Accreditation Programme to be held on 6 December 2021 to 8 December 2021.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2021, the training programmes, seminars and conferences attended by the Directors were as follows:

Director	Seminars/Conferences/Forum
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	Accelerated Digital Transformation of Legacy Companies Implementing Amendments in The Malaysian Code on Corporate Governance
Datuk Wira Lye Ek Seang	Risk Management and Risk Governance in The New Normal, Considerations for Boards
Chryseis Tan Sheik Ling	Asia-Pacific Board Leadership Centre Webinar: Board and Audit Committee Priorities 2021
Chan Kien Sing	Financial Restructuring: Focus on Debt Session 4 Unclaimed Money Act 1965 Portfolio Diversification & Year End Market Outlook The Year Ahead Conference 2021 Market Outlook 2021: Pathway to Recovery 2021 Annual Outlook
Datuk Robert Yong Kuen Loke	Companies Act 2016: Directors' Duties and Responsibilities During the Pandemic Era and Beyond Asia-Pacific Board Leadership Centre Webinar: Board and Audit Committee Priorities 2021 Towards a Comprehensive System of Corporate Reporting and Long Term Value Creation

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

Appointment to the Board

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

Datuk Robert Yong Kuen Loke	Chairman/Independent Non-Executive Director
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin [#]	Member/Independent Non-Executive Director
Chan Kien Sing	Member/Non-Independent Non-Executive Director

Note:

[#] Subsequent to the FYE 2021, Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was appointed as a member of the Nomination Committee on 12 August 2021.

The Chairman of the Nomination Committee, Datuk Robert Yong Kuen Loke is an Independent Director and has been appointed as the Senior Independent Director of the Board to whom concerns may be conveyed.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board delegates to the Nomination Committee the responsibility of recommending the appointment of any new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and also appointments are made on merits.

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

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

Annual Assessment

The Nomination Committee is responsible to carry out the necessary evaluation of the effectiveness of each Director, the Board and the Board Committees on an annual basis. During the financial year, the Committee had carried out an annual evaluation assessment as an effort to monitor the level of effectiveness of the Board, the Board Committees as well as the Board members. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and area where improvements could be considered. The criteria for the evaluation are guided by the Corporate Governance Guide issued by Bursa Securities. The evaluation process also involved a peer and self-review assessment, where each Director will assess their own performance and that of their fellow Directors. The outcome of the assessments and comments by all the Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

Based on the assessment conducted for the FYE 2021, the Nomination Committee and the Board indicated their satisfaction with the level of performance and effectiveness of the Board, the Board Committees and the Board members.

During the FYE 2021, the Nomination Committee also carried out the following activities:

- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director, independence of the Independent Directors, effectiveness of the Board and Board Committees;
- reviewed the performance of the Audit and Risk Management Committee and assessed the financial literacy of its members;
- recommended to the Board, the Directors who are retiring and being eligible, for re-election; and
- recommended the retention of Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Re-election of Directors

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

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

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

At the forthcoming Sixty-First AGM, the Directors who will retire by rotation and eligible for re-election pursuant to Clause 117 of the Company’s Constitution are Mr. Chan Kien Sing, Datuk Robert Yong Kuen Loke and Ms. Chryseis Tan Sheik Ling. Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin, who was appointed as an Independent Director on 12 August 2021, will retire as a Director of the Company at the forthcoming Sixty-First AGM and shall be eligible for re-election pursuant to Clause 107 of the Company’s Constitution.

Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee assesses the independence of the Independent Director of the Company based on the criteria set out in the Main Market Listing Requirements on an annual basis.

The current Independent Directors of the Company, namely Datuk Robert Yong Kuen Loke and Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin have fulfilled the criteria of “independence” as prescribed under Chapter 1 of the Main Market Listing Requirements of Bursa Securities. The Company has also fulfilled the requirement to have at least one-third of its Board members to be Independent Non-Executive Directors. The Board is satisfied with the level of independence demonstrated by the independent directors and their ability to act in the best interests of the Company.

Tenure of Independent Directors

The MCGG recommends that the tenure of an Independent Director should not exceed a cumulative terms of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Directors’ redesignation as a Non-Independent Director. The MCGG also sets out a recommendation that the Board must justify and seek shareholders’ approval in the event it retains an independent Director who has served in that capacity for more than nine years. If the Board continues to retain the Independent Director after the twelfth years, the Board should seek shareholders’ approval through a two-tier voting process.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years.

The calibre, qualification, experience and personal qualities, particularly of the Director’s integrity and objectivity in discharging his/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As at the date of this statement, Datuk Robert Yong Kuen Loke has served on the Board as an Independent Director for a cumulative term of more than 9 years. His tenure will exceed a cumulative term of more than 12 years after 30 November 2021. The Company had obtained shareholders' approvals at the last AGM held on 3 December 2020 to retain Datuk Robert Yong Kuen Loke as Independent Non-Executive Director of the Company notwithstanding that he had been on the Board of the Company for a cumulative term of more than nine years.

The Nomination Committee and the Board have upon their annual assessments conducted for the year 2021, concluded that Datuk Robert Yong Kuen Loke has remained independent and recommended that the approval of the shareholders be sought at the Company's forthcoming AGM to retain Datuk Robert Yong Kuen Loke as Independent Non-Executive Director of the Company based on the following justifications:

- (i) he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board.
- (ii) he has been with the Company for more than twelve years and is familiar with the Company's business operations.
- (iii) he remains objective and independent in expressing his views and participating in deliberations and decision making process of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.
- (iv) he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interests of the Company and the shareholders.

The Board takes cognizance of the recommendation of the MCGG which states that if the Board continues to retain an Independent Director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

However, the Company will seek approval of shareholders through a single tier voting process for the ordinary resolution to retain Datuk Robert Yong Kuen Loke who has served the Company for more than twelve years at the forthcoming AGM. This is in line with the general rule on voting as provided in the Companies Act 2016 which states that every shareholder has one vote for every share he holds and resolutions are to be passed by a simple majority for ordinary resolutions and 75% of votes for special resolutions through a single tier voting process.

Remuneration Policy

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

Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin [#]	Chairman/Independent Non-Executive Director
Datuk Robert Yong Kuen Loke	Member/Independent Non-Executive Director
Chan Kien Sing	Member/Non-Independent Non-Executive Director

Note:

[#] Subsequent to the FYE 2021, Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was appointed as the Chairman/member of the Remuneration Committee on 12 August 2021.

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

The Board has adopted a Remuneration Policy to support the Directors and Key Senior Management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate, retain and reward Directors and Key Senior Management who will manage and drive the Company's success.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the Executive Directors. The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The remuneration of Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and level of responsibilities. Both the remuneration of Executive Directors and Key Senior Management are structured so as to link rewards to the achievement of individual and corporate performance.

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

Details of the Directors' remuneration paid or payable to all Directors (both by the Company and the Group) and categorised into appropriate components for the FYE 2021 were as follows:

(a) Individual Directors on a named basis

Company

	RM					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive						
Datuk Wira Lye Ek Seang®	–	36,000	–	–	5,371	41,371
Chryseis Tan Sheik Ling	–	–	–	–	–	–
Koh Huey Min^	–	–	–	–	–	–
Non-Executive						
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	–	–	–	23,950	412,823	436,773
Chan Kien Sing	60,000	–	–	–	12,300	72,300
Datuk Robert Yong Kuen Loke	60,000	–	–	–	14,700	74,700
Heng Kiah Choong#	58,849	–	–	–	15,300	74,149
	178,849	36,000	–	23,950	460,494	699,293

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group

	RM					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive						
Datuk Wira Lye Ek Seang [@]	–	72,000	–	7,200	10,741	89,941
Chryseis Tan Sheik Ling	60,000	413,350	–	69,975	50,525	593,850
Koh Huey Min [^]	–	675,450	–	24,600	81,977	782,027
Non-Executive						
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	–	–	–	23,950	951,347	975,297
Chan Kien Sing	70,000	–	–	–	12,300	82,300
Datuk Robert Yong Kuen Loke	60,000	–	–	–	14,700	74,700
Heng Kiah Choong [#]	58,849	–	–	–	15,300	74,149
	248,849	1,160,800	–	125,725	1,136,890	2,672,264

Note:

[@] Redesignated as a Non-Executive Director on 12 August 2021.

[^] Resigned on 30 August 2021.

[#] Demised on 23 June 2021.

(b) The Remuneration of top two (2) Key Senior Management in bands of RM50,000 on an aggregate basis

The number of top two (2) Key Senior Management and their total remuneration from the Group categorised into the various bands are as follows:

	Number of Key Senior Management
RM200,001 – RM250,000	1
RM500,001 – RM550,000	1
	2

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

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

Datuk Robert Yong Kuen Loke*	Chairman/Independent Non-Executive Director
Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin#	Member/Independent Non-Executive Director
Chan Kien Sing	Member/Non-Independent Non-Executive Director

Note:

* *Datuk Robert Yong Kuen Loke was redesignated as the Chairman of the ARMC on 12 August 2021.*

Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin was appointed as a member of the ARMC on 12 August 2021.

The Chairman of the ARMC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the ARMC are set out under its TOR approved by the Board and is available at the Company’s website at www.berjaya.com/berjaya-assets/.

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

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

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

The performance of the ARMC is reviewed annually by the Nomination Committee. The evaluation covered aspects such as the members’ financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the ARMC meetings.

Based on the evaluation, the Nomination Committee concluded that the ARMC has been effective in its performance and has carried out its duties in accordance with its TOR during FYE 2021.

Assessment of External Auditors

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has delegated to the ARMC to perform an annual assessment of the quality of audit which encompassed the performance and calibre of the External Auditors and their independence, objectivity and professionalism. The ARMC has put in place an External Auditors Policy which outlines the policies and procedures for the ARMC to review, assess and monitor the performance, suitability, objectivity and independence of the External Auditors. The assessment process involves identifying the areas of assessment, setting the minimum standards and devising tools to obtain the relevant data. The areas of assessment include among others, the External Auditors' calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees. Assessment questionnaires were used as a tool to obtain input from the Company's personnel who had constant contact with the external audit team throughout the year.

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

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

During the FYE 2021, the amount of statutory audit fees and non-audit fees paid/payable to the External Auditors and its affiliates by the Company and the Group respectively for the FYE 2021 were as follows:

	Company		Group	
	FYE2021	FYE2020	FYE2021	FYE2020
	RM	RM	RM	RM
Statutory audit fees paid/payable to:				
• Deloitte PLT Malaysia	103,000	103,000	327,925	382,950
• Affiliates of Deloitte PLT Malaysia	–	–	–	–
Total (a)	103,000	103,000	327,925	382,950
Non-audit fees paid/payable to:-				
• Deloitte PLT Malaysia	5,000	5,000	5,000	5,000
• Affiliates of Deloitte PLT Malaysia	–	–	–	–
Total (b)	5,000	5,000	5,000	5,000
% of non-audit fees (b/a)	4.85%	4.85%	1.52%	1.31%

In considering the nature and scope of non-audit fees, the ARMC was satisfied that they were not likely to create any conflict or impair the independence and objectivity of the External Auditors.

Upon completion of the assessment, the ARMC will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk Management and Internal Control Framework

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

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

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

Internal Audit Function

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

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

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

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

Communication with Stakeholders

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

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

Conduct at General Meetings

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In view of the COVID-19 pandemic, the Company had leverage on technology by conducting the 60th AGM of the Company held on 3 December 2020 on a virtual basis through live streaming from broadcast venue and online remote voting using the Remote Participation and Electronic Voting facilities (“RPV Facilities”) provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd. With the RVP Facilities, all shareholders were allowed to participate and vote remotely as well as pose questions to the Board via real time submission of typed texts during the AGM. Detailed registration and voting procedures on the remote participation and online voting were provided in the Administrative Guide which was sent to the shareholders together with the Notice of AGM and published on the Company’s website prior to the AGM. The Company’s Annual Report and Circular to Shareholders can be viewed and downloaded from the website of the Company and Bursa Malaysia Securities Berhad.

All the Directors (including all members of the Board Committees), Senior Management and External Auditors of the Company attended the 60th AGM and provided responses to shareholders’ queries during the said AGM.

The Company despatches its notice of AGM at least twenty-eight (28) days before the AGM to the shareholders of the Company. The Notice of the 60th AGM was sent to the shareholders and published on the Company’s website on 28 October 2020 while the notice for the 61st AGM in 2021 scheduled to be held on 2 December 2021 will be sent out on 27 October 2021. The long notice period provides shareholders with ample time to review the annual report, to consider the resolutions that will be discussed at the AGM for them to make an informed decision in exercising their voting rights and to make the necessary arrangements to attend and participate personally at the AGM or through a proxy or a corporate representative. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate a better understanding and evaluation of issues involved.

In view of the ongoing COVID-19 pandemic, the forthcoming 61st AGM of the Company will also be held on a fully virtual basis through live streaming from the broadcast venue using the RPV Facilities provided by SS E Solutions Sdn Bhd via Securities Services ePortal’s platform at <https://sshsb.net.my/>.

Poll voting

All the resolutions passed by the shareholders at the 60th AGM were conducted by poll pursuant to Paragraph 8.29(1) of the Main Market Listing Requirements of Bursa Securities.

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

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

This CG Overview Statement was approved by the Board of Directors of the Company on 15 October 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITY

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

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

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

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

MANAGEMENT STYLE

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

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

The Board does not regularly review the internal control system of its joint ventures, as the Board does not have any direct control over their operations. The Group has appointed representatives to the respective board of these joint ventures which hold regular meetings to oversee and manage their operations. These representatives provide the Board with information for timely decision making on the continuity of the Board’s investments based on the performance of the joint ventures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL PROCESS

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

- The operating units identify the areas of control relevant to their business, design the internal control procedures and document the procedures in manuals.
- The internal auditors of the Group establish the annual audit plan and table the plan to the Audit and Risk Management Committee (“ARMC”) for approval.
- The internal auditors perform the audit and present their audit reports to the ARMC, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

ASSURANCE MECHANISM

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

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

The Board also reviews the minutes of meetings of the ARMC. The Report of the ARMC is set out on pages 42 to 46 of the Annual Report.

KEY ELEMENTS OF INTERNAL CONTROL

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

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

WHISTLEBLOWING POLICY

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ANTI-BRIBERY AND CORRUPTION POLICY

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

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

RISK MANAGEMENT

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

The members of the ARMC as at 30 June 2021 are Mr Chan Kien Sing and Datuk Robert Yong Kuen Loke. The late Mr Heng Kiah Choong who was the Chairman passed away on 23 June 2021. On 12 August 2021, Datuk Robert Yong Kuen Loke was re-designated as the Chairman of ARMC and Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin was appointed to ARMC.

The ARMC terms of reference include, inter alia:

- To ensure that the strategic context of risk management strategy is complete
- To determine the overall risk management processes
- To ensure that the short and long term risk management strategy, framework and methodology are implemented and consistently applied by all business units
- To ensure that risk management processes are integrated into all core business processes
- To establish risk reporting mechanism
- To establish business benefits
- To ensure alignment and coordination of assurance activity across the organisation

The key aspects of the risk management process are as follows:

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control (“SRMIC”) pursuant to the scope set out in Audit and Assurance Practice Guidance (“AAPG”) 3 (previously the Recommended Practice Guide 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the year ended 30 June 2021, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. AAPG 3 does not require the auditors to consider whether the Directors’ SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

CONCLUSION

The Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Group’s system of internal control.

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Berjaya Assets Berhad (“the Company”) is pleased to present the report of the Audit and Risk Management Committee (“ARMC”) for the financial year ended 30 June 2021.

MEMBERS AND MEETING ATTENDANCES

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

Datuk Robert Yong Kuen Loke

Chairman/Independent Non-Executive Director

Chan Kien Sing

Member/Non-Independent Non-Executive Director

Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin

Member/Independent Non-Executive Director

The ARMC held six (6) meetings during the financial year ended 30 June 2021. The details of attendance of the members are as follows:

Name	Attendance
Datuk Robert Yong Kuen Loke ¹	6/6
Chan Kien Sing	6/6
Heng Kiah Choong ²	6/6
Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin ³	– / –

¹ Subsequent to the financial year ended 30 June 2021, Datuk Robert Yong Kuen Loke was redesignated as the Chairman of the ARMC on 12 August 2021.

² Demised on 23 June 2021.

³ Subsequent to the financial year ended 30 June 2021, Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin was appointed as a member of the ARMC on 12 August 2021.

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

The Executive Directors of the Company, the General Manager of Group Internal Audit, the Senior General Manager of Group Accounts and Budgets of Berjaya Corporation Berhad and the General Manager of Natural Avenue Sdn Bhd were also invited to attend the ARMC meetings. The external auditors were also invited to attend four (4) of these meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES AND WORK OF THE ARMC

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

Financial Reporting

- a. reviewed the quarterly financial statements including the draft announcements pertaining thereto and made recommendations to the Board for approval of the same as follows:

Date of Meetings	Review of Quarterly Financial Statements
19 August 2020	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 June 2020
17 November 2020	First quarter results for the financial year ended 30 June 2021
22 February 2021	Second quarter results for the financial year ended 30 June 2021
19 May 2021	Third quarter results for the financial year ended 30 June 2021

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

- b. reviewed the audited financial statements of the Company and the Group for the financial year ended 30 June 2020 together with the Management and the External Auditors at its meetings held on 6 October 2020 and 26 October 2020 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and is in compliance with all disclosure and regulatory requirements before recommending the audited financial statements to the Board for approval.

External Audit

- a. discussed and considered the significant accounting and auditing issues arising from the interim audit as well as the final audit with the External Auditors including the following key audit matters raised in the external auditors' report for the financial year ended 30 June 2020:

1. Valuation of Investment Properties; and
2. Additional Assessment raised by the Inland Revenue Board of Malaysia.

The ARMC also had a private discussion with the External Auditors on 26 October 2020 without the presence of Management during the review of the audited financial statements for the year ended 30 June 2020 to discuss any problems/issues arising from the audit review.

- b. evaluated the performance of the External Auditors for the financial year ended 30 June 2020 covering areas such as calibre, quality processes, audit team, audit scope, audit communications, audit governance and independence as well as the audit fees of the External Auditors. The ARMC, having been satisfied with the independence, suitability and performance of Messrs Deloitte PLT ("Deloitte PLT"), had recommended to the Board for approval of the re-appointment of Deloitte PLT as External Auditors for the ensuing financial year of 30 June 2021 at its meeting held on 26 October 2020.
- c. reviewed with the External Auditors at the meeting held on 19 May 2021, their audit plan in respect of the financial year ending 30 June 2021, outlining the auditors' responsibilities, materiality, scoping of components, significant risks and areas of audit focus, internal control plan, involvement of internal auditors and internal specialists, involvement of audit data analytics, timing of audit and technical updates.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Audit

- a. reviewed ten (10) Internal Audit Reports on various non-listed operating subsidiaries of the Group that are involved in the different activities such as:
 - i. Operation of hotel;
 - ii. Operation of complex and car park;
 - iii. Management of ferry terminal;
 - iv. Management and operations of theme park; and
 - v. Investment holding, property investment and property development.

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

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

The ARMC also reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective Management's responses thereto. The Internal Auditors monitored the implementation of Management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

- b. reviewed and approved the Internal Audit Plan for financial year ending 30 June 2021 to ensure there is adequate scope and comprehensive coverage over the activities of the non-listed operating subsidiaries of the Company and the Group and that all the risk areas are audited annually.

Recurrent Related Party Transactions

- a. reviewed the Circular to Shareholders in connection with the recurrent related party transactions ("RRPT") that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

The framework set up for identifying and monitoring the RRPT includes inter-alia, the following:

- i. The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- ii. The related parties and interested Directors will be notified of the method and/or procedures of the RRPT of the Group;
- iii. Records of RRPT will be retained and compiled by accountant for submission to the auditors and the ARMC for review;
- iv. The ARMC is to provide a statement that it has reviewed the terms of the RRPT to ensure that such transactions are undertaken based on terms not more favourable to the related party than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- v. Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any person connected with them will also abstain from voting on the resolution at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and
- vi. Disclosures will be made in the annual report on the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:
 - (a) the type of the RRPT made; and
 - (b) the names of the Related Parties involved in each type of the RRPT made and their relationships with the Group.

Related Party Transactions

- a. reviewed transactions with related parties and/or interested persons to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Company's business practices and policies, not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Securities).

During the financial year ended 30 June 2021, the ARMC had reviewed among others, the following related party transactions, prior to their recommendation to the Board for approval and to make the relevant announcement thereof:

- i. proposed disposal by the Company's subsidiary company of its entire 0.22% equity interest comprising 2,967,142 ordinary shares in Berjaya Sports Toto Berhad via direct business transactions or in the open market over a period of 12 months based on the prevailing market prices during the time of transactions;
- ii. proposed disposal by the Company's subsidiary company of up to 13.39 million ordinary shares in Berjaya Food Berhad via direct business transactions for a total cash consideration of about RM15.09 million; and
- iii. proposed disposal by the Company's subsidiary company of up to 21.0 million ordinary shares in 7-Eleven Malaysia Holdings Berhad via direct business transactions for a total cash consideration of about RM28.98 million.

Risk Management Activities

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

Other Activities

- a. Reviewed and recommended to the Board for approval, the ARMC Report, Corporate Governance Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report.
- b. Reviewed the performance evaluation of the internal audit function.
- c. Reviewed the financial literacy of the members of ARMC.

In order to discharge the above duties and responsibilities of ARMC effectively, the ARMC had undertaken continuous professional development by attended various seminars, training programs and conferences during the financial year. They were also briefed by the External Auditors of the latest accounting and auditing standards applicable to the Group and topics on changes in regulatory environment. The list of training attended is disclosed in the Corporate Governance Overview Statement as set out in this Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF THE WORKS OF THE INTERNAL AUDIT FUNCTION

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

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

The activities undertaken by the Internal Audit Division during the financial year ended 30 June 2021 included the following:

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

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

The cost incurred for the Internal Audit function in respect of the financial year ended 30 June 2021 was approximately RM317,700.

TERMS OF REFERENCE OF THE ARMC

The terms of reference of the ARMC can be viewed on the Company's website at www.berjaya.com/berjaya-assets/.



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

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

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable;
- ensured that applicable accounting standards have been complied with; and
- applied the going concern basis.

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

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

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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 2021.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

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

The information on the name, place of incorporation, principal activities and percentage of issued capital held by the holding company in each subsidiary and associated companies are as disclosed in Note 51 to the financial statements.

RESULTS

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

	Group RM'000	Company RM'000
Loss for the year	(108,211)	(16,803)
Attributable to:		
Owners of the Parent	(107,889)	(16,803)
Non-controlling interests	(322)	-
	<u>(108,211)</u>	<u>(16,803)</u>

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 35 and 37 to the financial statements respectively.

DIRECTORS' REPORT

RESERVES AND PROVISIONS

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

DIVIDEND

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

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

ISSUE OF SHARES AND DEBENTURES

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

SHARE OPTIONS AND WARRANTS

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

As of 30 June 2021, there were no unissued shares of the Company under options and there was a total of 1,279,135,359 Warrants 2018/2023 outstanding. None of the Warrants 2018/2023 were exercised during the financial year.

The main features of the Warrants 2018/2023 are disclosed in Note 19 to the financial statements.

DIRECTORS

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

YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail
Datuk Wira Lye Ek Seang
Chryseis Tan Sheik Ling
Chan Kien Sing
Datuk Robert Yong Kuen Loke
Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin (Appointed on 12 August 2021)
Heng Kiah Choong (Demised on 23 June 2021)
Koh Huey Min (Resigned on 30 August 2021)

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

DIRECTORS' REPORT

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 34 to the financial statements or the fixed salary of a full-time employee of the Company), by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 43 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 RM53,381.

DIRECTORS' INTERESTS IN SHARES

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

The Company

	<u>Number of Ordinary Shares</u>			
	<u>As of</u> <u>1.7.2020</u>	<u>Bought</u>	<u>Sold</u>	<u>As of</u> <u>30.6.2021</u>
Berjaya Assets Berhad				
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	200,000	-	-	200,000

	<u>Number of Warrants 2018/2023</u>			
	<u>As of</u> <u>1.7.2020</u>	<u>Bought</u>	<u>Sold</u>	<u>As of</u> <u>30.6.2021</u>
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	100,000	-	-	100,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (CONTD.)

Subsidiary Company

Jauhari Maksima Sdn Bhd	Number of Ordinary Shares			As of 30.6.2021
	As of 1.7.2020	Bought	Sold	
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	380,000	-	-	380,000

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position, statements of profit or loss and statements of other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTD.)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.



DIRECTORS' REPORT

AUDITORS

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

The amount payable as remuneration of the auditors for the financial year ended 30 June 2021 is as disclosed in Note 37 to the financial statements.

INDEMNIFICATION OF AUDITORS

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

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

CHRYSEIS TAN SHEIK LING
22 October 2021

DATUK ROBERT YONG KUEN LOKE

STATEMENT BY DIRECTORS

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

We, CHRYSEIS TAN SHEIK LING and DATUK ROBERT YONG KUEN LOKE, being two of the Directors of BERJAYA ASSETS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2021 and of their financial performance and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 22 October 2021.

CHRYSEIS TAN SHEIK LING

DATUK ROBERT YONG KUEN LOKE

STATUTORY DECLARATION

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

I, CHRYSEIS TAN SHEIK LING, being the Director primarily responsible for the financial management of BERJAYA ASSETS BERHAD, do solemnly and sincerely declare that the accompanying financial statements are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed CHRYSEIS TAN SHEIK LING
at Kuala Lumpur in the Federal Territory
on 22 October 2021.

CHRYSEIS TAN SHEIK LING

Before me,

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

STATEMENTS OF FINANCIAL POSITION

AS OF 30 JUNE 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	5	249,745	267,041	29	41
Right-of-use assets	6	12,533	13,548	-	-
Investment properties	7	2,362,724	2,401,570	-	-
Inventories -					
land held for property development	8	101,470	98,270	-	-
Prepaid lease payments	9	-	-	-	-
Subsidiary companies	10	-	-	1,285,737	1,287,010
Associated companies	11	10,698	10,933	-	-
Joint ventures	12	8,938	10,075	-	-
Other investments	13	155,711	168,238	6	280
Deferred tax assets	14	974	5,242	-	-
Intangible assets	15	11,881	12,982	-	-
Receivables	16	2,690	2,247	36,863	66,069
		<u>2,917,364</u>	<u>2,990,146</u>	<u>1,322,635</u>	<u>1,353,400</u>
CURRENT ASSETS					
Inventories - others	17	190,346	194,195	-	-
Other investments	13	1,000	-	-	-
Receivables	16	41,748	38,412	116,560	119,398
Tax recoverable		433	547	-	123
Cash and bank balances	18	34,322	52,417	1,753	1,475
		<u>267,849</u>	<u>285,571</u>	<u>118,313</u>	<u>120,996</u>
TOTAL ASSETS		<u>3,185,213</u>	<u>3,275,717</u>	<u>1,440,948</u>	<u>1,474,396</u>

STATEMENTS OF FINANCIAL POSITION

AS OF 30 JUNE 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
EQUITY					
Share capital	19	1,538,120	1,538,120	1,538,120	1,538,120
Fair value through other comprehensive income ("FVTOCI") reserve	20	(120,257)	(167,890)	(68)	(158)
Foreign currency translation reserve	21	14,303	6,866	-	-
Retained earnings/ (Accumulated losses)	22	517,959	635,378	(200,386)	(183,505)
Equity funds		1,950,125	2,012,474	1,337,666	1,354,457
Non-controlling interests		213	66	-	-
TOTAL EQUITY		1,950,338	2,012,540	1,337,666	1,354,457
NON-CURRENT LIABILITIES					
Bank borrowings	23	504,890	481,691	29,555	24,455
Senior medium term notes	24	138,896	138,647	-	-
Hire purchase liabilities	25	844	1,725	13	20
Long term liabilities	26	164,635	179,903	-	-
Lease liabilities	27	9,129	9,320	-	-
Deferred tax liabilities	14	160,773	167,521	4	7
		979,167	978,807	29,572	24,482
CURRENT LIABILITIES					
Bank borrowings	23	63,162	112,543	-	5,092
Senior medium term notes	24	19,931	19,911	-	-
Hire purchase liabilities	25	907	1,392	4	2
Lease liabilities	27	252	357	-	-
Payables	28	170,156	146,771	73,459	90,363
Provisions	29	88	88	-	-
Tax payable		1,212	3,308	247	-
		255,708	284,370	73,710	95,457
Total liabilities		1,234,875	1,263,177	103,282	119,939
TOTAL EQUITY AND LIABILITIES		3,185,213	3,275,717	1,440,948	1,474,396

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

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	30	178,400	246,702	725	725
Cost of sales	31	(66,098)	(82,017)	-	-
Gross profit		112,302	164,685	725	725
Fair value changes					
on investment properties	7	(60,445)	(98,904)	-	-
Other income	32	13,281	15,408	8,877	9,334
Distribution and marketing expenses		(3,321)	(4,611)	-	-
Administrative expenses		(102,633)	(104,169)	(1,747)	(2,032)
Other expenses	35	(4,217)	(16,886)	(18,728)	(67,774)
		(45,033)	(44,477)	(10,873)	(59,747)
Finance costs	36	(55,986)	(74,301)	(3,890)	(5,015)
Share of results of associated companies		(235)	(66)	-	-
Share of results of joint ventures		(2,500)	(2,974)	-	-
Loss before tax	37	(103,754)	(121,818)	(14,763)	(64,762)
Income tax expense	38	(4,457)	(8,700)	(2,040)	(1,385)
Loss for the year		(108,211)	(130,518)	(16,803)	(66,147)
Attributable to:					
Owners of the Parent		(107,889)	(123,762)	(16,803)	(66,147)
Non-controlling interests		(322)	(6,756)	-	-
		(108,211)	(130,518)	(16,803)	(66,147)
Loss per share attributable to owners of the Parent (sen)					
Basic	39	(4.22)	(4.84)		

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss for the year	(108,211)	(130,518)	(16,803)	(66,147)
Other comprehensive income:				
<u>Item that may be subsequently reclassified to profit or loss</u>				
Currency translation difference	7,906	365	-	-
<u>Items that will not be subsequently reclassified to profit or loss</u>				
- Changes in fair values of investment at fair value through other comprehensive income ("FVTOCI"):				
- Quoted investments	38,103	(47,680)	12	(115)
- Unquoted investment	-	(21)	-	-
	38,103	(47,701)	12	(115)
Total comprehensive income for the year	(62,202)	(177,854)	(16,791)	(66,262)
Attributable to:				
Owners of the Parent	(62,349)	(171,134)	(16,791)	(66,262)
Non-controlling interests	147	(6,720)	-	-
	(62,202)	(177,854)	(16,791)	(66,262)

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share Capital RM'000	FVTOCI Reserve RM'000	Accumulated Losses RM'000	Total RM'000
As of 1 July 2020	1,538,120	(158)	(183,505)	1,354,457
Transfer of reserves upon disposal (Note 20)	-	78	(78)	-
Total comprehensive income	-	12	(16,803)	(16,791)
As of 30 June 2021	<u>1,538,120</u>	<u>(68)</u>	<u>(200,386)</u>	<u>1,337,666</u>
As of 1 July 2019	1,538,120	(43)	(117,358)	1,420,719
Total comprehensive income	-	(115)	(66,147)	(66,262)
As of 30 June 2020	<u>1,538,120</u>	<u>(158)</u>	<u>(183,505)</u>	<u>1,354,457</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		156,974	234,267
Payments to suppliers, prize winners and other operating expenses		(120,051)	(170,577)
Payments for pool betting duties, gaming tax, royalties and other government contributions		(14,354)	(15,513)
Tax refund		584	708
Payment of taxes		(8,938)	(7,668)
Other receipts/(payments)		1,796	(2,204)
Net cash generated from operating activities		16,011	39,013
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		198	72
Proceeds from disposal of investment properties		1,845	-
Acquisition of property, plant and equipment	(a)	(788)	(2,522)
Acquisition of properties	(b)	(34)	(237)
Sale of other investments		52,360	24,710
Acquisition of investment in an associated company		-	(2,000)
Interest received		1,811	2,746
Dividends received		416	4,353
Net cash generated from investing activities		55,808	27,122

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of borrowings and loans		-	20,000
Repayment of borrowings and loans		(39,445)	(74,420)
Interest paid		(49,784)	(50,398)
Payment of hire purchase liabilities		(1,409)	(1,058)
Payment of principal portion of lease liabilities		(299)	(1,233)
Withdrawals from monies held in debt service reserve accounts		20,226	21,676
Net cash used in financing activities		<u>(70,711)</u>	<u>(85,433)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		1,108	(19,298)
EFFECTS OF EXCHANGE RATE CHANGES		88	14
OPENING CASH AND CASH EQUIVALENTS		11,768	31,052
CLOSING CASH AND CASH EQUIVALENTS	(c)	<u>12,964</u>	<u>11,768</u>
 (a) The additions to property, plant and equipment consist of the following:			
Payment by cash		788	2,522
Other payable and accruals		43	5
Financed by hire purchase		-	2,369
Total (Note 5)		<u>831</u>	<u>4,896</u>
 (b) The additions to properties consist of the following:			
Payment by cash		34	237
Other payables and accrued expenses		3,200	4,437
Total (Notes 7 and 8)		<u>3,234</u>	<u>4,674</u>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	RM'000	RM'000
(c) The closing cash and cash equivalents consist of:		
Deposits with licensed banks (Note 18)	15,188	11,147
Cash on hand and at banks (Note 18)	19,134	41,270
	34,322	52,417
Less:		
Bank overdraft (Note 23)	(9,994)	(9,059)
Cash and cash equivalents restricted in usage	(11,364)	(31,590)
	12,964	11,768

(d) Reconciliation of liabilities arising from financing activities:

	Senior medium term notes RM'000	Bank borrowings (excluding bank overdraft) RM'000	Hire purchase liabilities RM'000	Total RM'000
2021				
As of 1 July 2020	158,558	585,175	3,117	746,850
Adjustment due to change in valuation method	-	-	81	81
Exchange differences	-	12,775	-	12,775
Charge out of deferred transaction costs	390	1,000	-	1,390
Unamortised transaction costs	(121)	(1,447)	-	(1,568)
Repayment of hire purchase liabilities	-	-	(1,409)	(1,409)
Reclassification of prepaid instalment	-	-	(38)	(38)
Repayment of borrowings	-	(39,445)	-	(39,445)
As of 30 June 2021	158,827	558,058	1,751	718,636

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

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

	Senior medium term notes RM'000	Bank borrowings (excluding bank overdraft) RM'000	Hire purchase liabilities RM'000	Total RM'000
2020				
As of 1 July 2019	158,172	640,956	1,806	800,934
Drawdown of borrowings	-	20,000	-	20,000
Additional hire purchase liabilities	-	-	2,369	2,369
Exchange differences	-	442	-	442
Charge out/(Reversal) of deferred transaction costs	386	(1,561)	-	(1,175)
Unamortised transaction costs	-	(242)	-	(242)
Repayment of hire purchase liabilities	-	-	(1,058)	(1,058)
Repayment of borrowings	-	(74,420)	-	(74,420)
As of 30 June 2020	<u>158,558</u>	<u>585,175</u>	<u>3,117</u>	<u>746,850</u>

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

	Group	
	2021 RM'000	2020 RM'000
Payment for principal portion of lease liabilities	299	1,233
Interest paid on lease liabilities	556	563
Payment of expenses relating to short term lease	8	8
Variable payments for lease	-	187
	<u>863</u>	<u>1,991</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 RM'000	2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Payments for operating expenses		(1,139)	(1,140)
Payment of taxes		(1,672)	(2,067)
Net cash used in operating activities		<u>(2,811)</u>	<u>(3,207)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of plant and machinery		-	67
Sale of other investments		296	-
Inter-company receipts/(payments)		4,249	(1,326)
Interest received		28	-
Dividends received		11	-
Net cash generated from/(used in) investing activities		<u>4,584</u>	<u>(1,259)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and loans		-	(3,400)
Interest paid		(1,490)	(1,989)
Payment of hire purchase liabilities		(5)	(16)
Net cash used in financing activities		<u>(1,495)</u>	<u>(5,405)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		278	(9,871)
OPENING CASH AND CASH EQUIVALENTS		1,475	11,346
CLOSING CASH AND CASH EQUIVALENTS	(a)	<u><u>1,753</u></u>	<u><u>1,475</u></u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020	
	RM'000	RM'000	
(a) The closing cash and cash equivalents consist of:			
Deposits with licensed banks (Note 18)	1,297	1,113	
Cash on hand and at banks (Note 18)	456	362	
	<u>1,753</u>	<u>1,475</u>	
(b) Reconciliation of liabilities arising from financing activities:			
	Bank	Hire	
	borrowings	purchase	
	RM'000	liabilities	Total
		RM'000	RM'000
2021			
As of 1 July 2020	29,547	22	29,569
Charge out of deferred transaction costs	8	-	8
Repayment of hire purchase liabilities	-	(5)	(5)
As of 30 June 2021	<u>29,555</u>	<u>17</u>	<u>29,572</u>
2020			
As of 1 July 2019	32,938	38	32,976
Charge out of deferred transaction costs	9	-	9
Repayment of hire purchase liabilities	-	(16)	(16)
Repayment of borrowings	(3,400)	-	(3,400)
As of 30 June 2020	<u>29,547</u>	<u>22</u>	<u>29,569</u>

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

1 GENERAL INFORMATION

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

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

The principal activities of the subsidiary companies consist of:

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

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

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

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

The financial statements were authorised for issue in accordance with a resolution of the Directors on 22 October 2021.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

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

2.1 Adoption of New and Amendments to Malaysian Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and amendments to MFRSs and IC Interpretations issued by Malaysian Accounting Standards Board that are relevant to its operations and effective for annual financial periods beginning on or after 1 July 2020.

Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139: Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108: Definition of Material
Amendments to References to the Conceptual Framework in MFRSs

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

2.2 MFRSs and Amendments to MFRSs issued but not yet effective

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

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

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: Interest Rate Benchmark Reform - Phase 2

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

Amendments to MFRS 16: COVID-19 - Related Rent Concessions beyond 30 June 2021

Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020

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

MFRS 17: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

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

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

Effective for financial periods beginning on or after 1 January 2023: (contd.)

Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Disclosure of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Effective date yet to be determined:

Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The 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 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.1 Basis of Accounting (contd.)

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

The contingent consideration to be transferred by the acquirer will be recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with MFRS 9 or MFRS 137 as appropriate with the corresponding gain or loss being recognised in the statements of profit or loss.

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

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

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 statements of financial position within equity, separately from the equity of the owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest at the date when control is lost;

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(2) Associated Companies and Joint Ventures

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

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

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

Upon loss of significant influence over the associated company or loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associated company or joint venture upon loss of significant influence or loss of joint control and the fair value of the retained investment and proceeds from the disposals is recognised in the statements of profit or loss.

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

(3) Affiliated Companies

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

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

(5) Investment Properties

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

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

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

When an item of investment property carried at fair value is transferred to property, plant and equipment following a change in its use, the property's deemed cost for subsequent accounting in accordance with MFRS 116 shall be its fair value at the date of change in use.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in other comprehensive income. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statements of profit or loss. Upon disposal of the investment property, any surplus previously recorded in other comprehensive income is transferred to retained earnings.

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(6) Prepaid Lease Payments

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

Leasehold land is amortised in equal instalments over the remaining lease period of 13 years.

(7) Intangible Assets

(i) Goodwill

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

(ii) Other Intangible Assets

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

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

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

Rights	28 years
Franchise fees	5 years

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(8) Inventories

Land held for property development

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

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

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

Others

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(9) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(9) Fair Value Measurement (contd.)

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

(10) Impairment of Non-financial Assets

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

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

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

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

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

(11) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

With the exception of trade receivables that do not contain a significant financing component, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statements of profit or loss.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(11) Financial Assets (contd.)

Classification and subsequent measurement

Classification of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

The classification of financial assets is as follows:

(i) Amortised cost and effective interest method

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

Financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statements of profit or loss. Any gain or loss on derecognition is recognised in the statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(11) Financial Assets (contd.)

Classification and subsequent measurement (contd.)

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

(ii) Fair value through other comprehensive income

Debt instruments

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

Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(11) Financial Assets (contd.)

Classification and subsequent measurement (contd.)

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

(iii) Fair value through profit or loss

All financial assets not classified as amortised cost or fair value through other comprehensive income as described above are classified as fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be classified as amortised cost or as fair value through other comprehensive income as fair value through profit or loss, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets classified as fair value through profit or loss are subsequently measured at their fair values. Net gains or losses, including any interest or dividend income, are recognised in the statements of profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (i) The contractual rights to receive cash flows from the asset have expired; or
- (ii) The Group or the Company has transferred its rights to receive the cash flows from the assets and has transferred substantially all risks and rewards; or
- (iii) The Group or the Company has assumed an obligation to pay the cash flows in full from the assets without material delay to a third party under a 'pass-through' arrangement; or
- (iv) The Group or the Company has transferred its rights to receive the cash flows from the assets, has not transferred substantially all risk and rewards but has not retained control of the assets.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(12) Impairment of Financial Assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables.

ECLs are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are part of the contractual terms.

ECLs are recognised in two stages. For credit exposures where there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures where there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply the simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group and the Company recognise impairment loss in the statements of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in the statements of profit or loss and accumulated in the fair value reserve.

(13) Statements of Cash Flows

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(14) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

The Group and the Company initially measure a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Classification and subsequent measurement

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

(i) Amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense at a constant rate over the term of the financial liability. The effective interest rate is the rate that discounts estimated future cash payments (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability (where appropriate).

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

(ii) Fair value through profit or loss

The fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated as fair value through profit or loss to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The changes in fair value of these financial liabilities are recognised in the statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(14) Financial Liabilities (contd.)

Derecognition

A financial liability is derecognised when the obligation under the liability expires, or is discharged or cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such a replacement or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

(15) Offsetting of Financial Instruments

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

(16) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

At the end of each subsequent reporting period, financial guarantees are measured at the higher of:

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(17) Provisions

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

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

(i) Provision for On-line Repairs

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

(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 subsidiary company's factory. It is based on historical sludge disposal charges incurred.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases

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

(i) The Group As Lessee

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

Right-of-use assets

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

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

Plant and machinery	2 years
Photocopier	3 years
Land use right	1.5 to 30 years
Building use right	2 years
Prepaid lease payments	13 years

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases (contd.)

(i) The Group As Lessee (contd.)

Right-of-use assets (contd.)

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

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

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

Lease liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases (contd.)

(i) The Group As Lessee (contd.)

Lease liabilities (contd.)

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

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

Short-term leases and leases of low-value assets

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

(ii) The Group As Lessor

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(18) Leases (contd.)

(ii) The Group As Lessor (contd.)

Operating lease

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

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

Finance lease

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes

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

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes (contd.)

(ii) Deferred Tax (contd.)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

(iii) Gaming and Sales Tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(19) Taxes (contd.)

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

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

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

(20) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(20) Foreign Currencies (contd.)

(ii) Foreign Currency Transactions (contd.)

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

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

(iii) Foreign Operations

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

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

The principal closing rates used in translation are as follows:

Foreign currency	Currency code	2021 RM	2020 RM
1 Great Britain Pound	GBP	5.744	5.266
1 Singapore Dollar	SGD	3.087	3.072
1 United States Dollar	USD	4.152	4.280

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(21) Borrowing Costs

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

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

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

(22) Share Capital

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

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

(23) Contingencies

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group and the Company recognise revenue from contracts with customers based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. A contract falls within the scope of MFRS 15 if it meets all the criteria sets out in this standard.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group or the Company expect(s) to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group or the Company need(s) to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.
- (v) Recognise revenue when the Group or the Company satisfy(s) a performance obligation or as the Group or the Company is satisfying a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition (contd.)

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

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

(i) Gaming activities

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

(ii) Gaming equipment sale

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

(iii) Hotel operation income

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

(iv) Sale of goods or properties

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition (contd.)

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

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

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

(vi) Sales of food and beverage

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

(vii) Assembly charges

Revenue is recognised when work has been performed.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(24) Revenue Recognition (contd.)

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

(i) Dividend income

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

(ii) Interest income

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

(iii) Lease income

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

(iv) Other income

All other income is recognised on accrual basis.

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

A contract asset is presented when the Group or the Company performs by transferring goods or services to a customer. Contract asset is the excess of cumulative revenue earned over cumulative billings to-date.

A contract liability is presented when a customer pays consideration or the Group and the Company recognises a receivable (i.e. has a right to an amount of consideration that is unconditional) before the Group or the Company transfers goods or services to the customer.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(25) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

(26) Segment Information

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

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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

3 SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.2 Summary of Significant Accounting Policies (contd.)

(26) Segment Information (contd.)

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

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

(27) Current and Non-current Classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

4.1 Critical Judgements Made in Applying Accounting Policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

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

(2) Classification of car parks as investment properties

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

(3) Determination of lease term

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

(4) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

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

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

(5) Deferred taxation on investment properties

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

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

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

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

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

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

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

As for the status of Tax Appeal 3 at the SCIT, the case mention date of Tax Appeal 3 at the SCIT was held on 19 March 2021 after several postponements due to movement control orders. The SCIT directed both parties to file cause papers by 27 May 2021 and to attend the next case mention date on 27 May 2021. Subsequently, the next case mention date of SCIT was fixed on 17 November 2021.

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

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

(7) Sale and buyback agreements

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

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

4.2 Key Sources of Estimation Uncertainty

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

(1) Impairment of goodwill

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

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

Details of goodwill are disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

4.2 Key Sources of Estimation Uncertainty (contd.)

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

The Group and the Company conduct an annual impairment review of their investments in subsidiary companies, associated companies and joint ventures. The Group and the Company carried out the impairment test based on the assessment of the fair value less costs to sell of the investees' assets or CGUs or based on the estimation of the VIUs of the CGUs of the investees. 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 Group and the Company recognising an impairment loss in respect of its investment in subsidiary companies. Details of the impairment loss recognised are disclosed in Notes 10 and 35.

The carrying amounts of investments in associated companies and joint ventures of the Group are disclosed in Notes 11 and 12 respectively whilst the carrying amounts of investments in subsidiary companies of the Company are disclosed in Note 10.

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

4.2 Key Sources of Estimation Uncertainty (contd.)

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

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

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

The information about the ECLs on the Group's trade and other receivables is disclosed in Note 16.

(5) Income tax

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

(6) 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 14.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

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

4.2 Key Sources of Estimation Uncertainty (contd.)

(7) Fair values of investment properties

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

(8) Properties held for sale

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

(9) Lease liabilities - Estimating the incremental borrowing rate

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

5 PROPERTY, PLANT AND EQUIPMENT

Group	Net carrying amount as of	Net carrying amount as of	Write off/ Disposal	Impairment Loss	Depreciation	Net carrying amount as of
	1.7.2020	30.6.2021				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As of 30 June 2021						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold building	134,498	-	-	-	(4,107)	130,391
Long term leasehold land and buildings	93,101	-	-	-	(3,437)	89,664
Short term leasehold land and buildings	25,172	-	-	-	(2,356)	22,816
Plant, machinery and equipment	2,228	-	(32)	-	(800)	1,396
Computer equipment	1,663	73	(1)	(184)	(263)	1,288
Renovation	700	202	(19)	(58)	(385)	347
Furniture, fittings and office equipment	4,692	258	(35)	(1,979)	(988)	1,637
First aid, theme park equipment and lifts	3,656	-	-	(135)	(686)	1,519
Motor vehicles	974	298	(159)	(20)	(430)	663
Capital work-in-progress	312	-	-	(312)	-	-
Others	45	-	(1)	-	(20)	24
	267,041	831	(247)	(2,688)	(13,472)	249,745

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group	Net carrying amount as of 1.7.2019		Additions	Transfer to investment properties	Write off/ Disposal	Impairment Loss	Depreciation	Net carrying amount as of 30.6.2020
	RM'000	RM'000						
As of 30 June 2020								
Freehold building	138,605	-	-	-	-	-	(4,107)	134,498
Long term leasehold land and buildings	96,539	-	-	-	-	-	(3,438)	93,101
Short term leasehold land and buildings	27,532	-	-	-	-	-	(2,360)	25,172
Plant, machinery and equipment	3,029	33	33	-	-	-	(834)	2,228
Computer equipment	1,539	1,409	1,409	-	(30)	-	(1,255)	1,663
Renovation	2,593	20	20	-	(693)	-	(1,220)	700
Furniture, fittings and office equipment	5,634	846	846	-	(649)	-	(1,139)	4,692
First aid, theme park equipment and lifts	2,414	2,588	2,588	-	(626)	-	(720)	3,656
Motor vehicles	1,422	-	-	-	(14)	-	(434)	974
Capital work-in-progress	312	-	-	-	-	-	-	312
Others	91	-	-	-	-	-	(46)	45
	<u>279,710</u>		<u>4,896</u>		<u>(2,012)</u>		<u>(15,553)</u>	<u>267,041</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

As of 30 June 2021

	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Net carrying amount RM'000
Freehold building	195,485	65,094	-	130,391
Long term leasehold land and buildings	118,310	28,646	-	89,664
Short term leasehold land and buildings	57,321	34,505	-	22,816
Plant, machinery and equipment	24,004	22,608	-	1,396
Computer equipment	15,504	14,032	184	1,288
Renovation	3,796	3,391	58	347
Furniture, fittings and office equipment	15,253	11,637	1,979	1,637
First aid, theme park equipment and lifts	41,655	40,001	135	1,519
Cinema fixtures, fittings and equipment	500	500	-	-
Motor vehicles	4,056	3,373	20	663
Capital work-in-progress	312	-	312	-
Others	861	837	-	24
	477,057	224,624	2,688	249,745

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment loss RM'000	Net carrying amount RM'000
As of 30 June 2020				
Freehold building	195,485	60,987	-	134,498
Long term leasehold land and buildings	118,310	25,209	-	93,101
Short term leasehold land and buildings	57,321	32,149	-	25,172
Plant, machinery and equipment	24,037	21,809	-	2,228
Computer equipment	15,397	13,734	-	1,663
Renovation	12,835	12,135	-	700
Furniture, fittings and office equipment	15,722	11,030	-	4,692
First aid, theme park equipment and lifts	43,305	39,649	-	3,656
Cinema fixtures, fittings and equipment	500	500	-	-
Motor vehicles	4,675	3,701	-	974
Capital work-in-progress	312	-	-	312
Others	906	861	-	45
	<u>488,805</u>	<u>221,764</u>	<u>-</u>	<u>267,041</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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

	Group	
	2021 RM'000	2020 RM'000
Renovation	-	44
Motor vehicles	62	188
Furniture, fittings and office equipment	-	218
First aid, theme park equipment and lifts	1,013	2,893
	1,075	3,343

- (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 23 are as follows:

	Group	
	2021 RM'000	2020 RM'000
Freehold building	4,040	4,150
Computer equipment	196	196
Renovation	247	104
Furniture, fittings and office equipment	677	798
Motor vehicles	535	697
	5,695	5,945

Company

	Net carrying amount as of 1.7.2020 RM'000	(Disposal)/ Additions RM'000	Depreciation RM'000	Net carrying amount as of 30.6.2021 RM'000
As of 30 June 2021				
Computer equipment	12	-	(5)	7
Motor vehicles	29	-	(7)	22
	41	-	(12)	29

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

5 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

	Net carrying amount as of 1.7.2019 RM'000	(Disposal)/ Additions RM'000	Depreciation RM'000	Net carrying amount as of 30.6.2020 RM'000
As of 30 June 2020				
Computer equipment	19	-	(7)	12
Motor vehicles	51	(14)	(8)	29
Handphone	2	-	(2)	-
	72	(14)	(17)	41

	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
As of 30 June 2021			
Computer equipment	93	86	7
Motor vehicles	37	15	22
	130	101	29

As of 30 June 2020

Computer equipment	93	81	12
Motor vehicles	37	8	29
Handphone	4	4	-
	134	93	41

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

	Company	
	2021 RM'000	2020 RM'000
Motor vehicles	22	29

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

6 RIGHT-OF-USE ASSETS

Group	Plant and equipment RM'000	Photocopier RM'000	Land use right RM'000	Building use right RM'000	Prepaid lease payments RM'000	Total RM'000
Cost						
As of 1 July 2019	-	-	-	-	-	-
Initial application of MFRS 16	33	95	11,458	144	8,510	20,240
Additions during the year	-	-	4	-	-	4
Write off	(7)	-	(1,507)	-	-	(1,514)
As of 30 June 2020/1 July 2020	26	95	9,955	144	8,510	18,730
Additions during the year	-	20	-	-	-	20
Write off	(26)	(3)	(334)	-	-	(363)
Adjustment	-	-	(5)	-	-	(5)
As of 30 June 2021	-	112	9,616	144	8,510	18,382
Accumulated Depreciation						
As of 1 July 2019	-	-	-	-	-	-
Initial application of MFRS 16	-	-	-	-	(4,035)	(4,035)
Depreciation charge for the year (Note 37)	(22)	(28)	(2,222)	(62)	(327)	(2,661)
Write off	7	-	1,507	-	-	1,514
As of 30 June 2020/1 July 2020	(15)	(28)	(715)	(62)	(4,362)	(5,182)
Depreciation charge for the year (Note 37)	(3)	(29)	(560)	(22)	(408)	(1,022)
Write off	18	3	334	-	-	355
As of 30 June 2021	-	(54)	(941)	(84)	(4,770)	(5,849)
Net Carrying Amount						
As of 30 June 2021	-	58	8,675	60	3,740	12,533
As of 30 June 2020	11	67	9,240	82	4,148	13,548

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

7 INVESTMENT PROPERTIES

	Group	
	2021	2020
	RM'000	RM'000
At fair value:		
As of 1 July 2020/2019	2,401,570	2,499,865
Fair value changes	(60,445)	(98,904)
Transfer from property, plant and equipment	1,720	-
Additions during the year	34	237
Disposal during the year	(1,955)	-
Exchange differences	21,822	888
Reclassification	(22)	(516)
As of 30 June 2021/2020	<u>2,362,724</u>	<u>2,401,570</u>

In 2016, BTSSB has entered into Sale and Purchase Agreements ("SPAs") with an independent third party, Datuk Bandar Kuala Lumpur ("DBKL") to dispose of two parcels of commercial premise ("Properties") with carrying amount of RM82,650,000 for a total cash consideration of RM150.0 million. The said transaction is regarded as a financing arrangement as disclosed in Note 26(a)(ii).

During the financial year, the Group recognised a negative fair value changes of RM60,445,000 (2020: RM98,904,000) on investment properties due to the softer property market following the global COVID-19 pandemic.

Investment properties amounting to RM2,082,161,000 (2020: RM2,111,264,000) have been pledged to financial institutions for credit facilities as referred to in Notes 23 and 24.

Included in the investment properties are RM474,026,000 (2020: RM454,417,000) representing investment properties held under lease terms.

The fair values of the Group's investment properties at 30 June 2021 have been arrived at on the basis of a valuation carried out by independent valuers which have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined primarily based on Investment, Comparison, Cost and Discounted cash flow Methods. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

8 INVENTORIES - LAND HELD FOR DEVELOPMENT

	Group	
	2021 RM'000	2020 RM'000
As of 1 July 2020/2019		
Freehold land - at cost	98,270	93,833
Additions during the year: Development cost	3,200	4,437
As of 30 June 2021/2020	101,470	98,270

9 PREPAID LEASE PAYMENTS

	Group	
	2021 RM'000	2020 RM'000
Cost		
As of 1 July 2020/2019	-	8,510
Effect of initial application of MFRS 16	-	(8,510)
As of 30 June 2021/2020	-	-
Accumulated amortisation		
As of 1 July 2020/2019	-	4,035
Effect of initial application of MFRS 16	-	(4,035)
As of 30 June 2021/2020	-	-
Net carrying amount		
As of 30 June 2021/2020	-	-

10 SUBSIDIARY COMPANIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	1,626,439	1,626,439
Less: Accumulated impairment (Note 35)	(340,702)	(339,429)
	1,285,737	1,287,010

The Group's equity interest in the subsidiary companies, details of their respective principal activities and countries of incorporation are shown in Note 51.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

10 SUBSIDIARY COMPANIES (CONTD.)

As of 30 June 2021, the Company conducted an impairment review of the investments in certain subsidiary companies, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair values of these subsidiary companies.

The review gave rise to recognition of an impairment loss of investment in subsidiary companies of RM1,273,000 (2020: RM53,434,000) as disclosed in Note 35.

(a) The changes to the composition of the Group for the financial year ended 30 June 2021 are as follows:

- (i) the incorporation of Berjaya Industrial Park Sdn Bhd ("BIPSB") which is a wholly-owned subsidiary of the Company. The principal activity of BIPSB is property development, property management and leasing of properties.

(b) The changes to the composition of the Group for the previous financial year ended 30 June 2020 are as follows:

- (i) On 2 August 2019, Jubli Mentari Sdn Bhd ("JMSB") issued 2.5 million new ordinary shares. Berjaya Assets Alliance Sdn Bhd ("BAASB"), a wholly-owned subsidiary of the Group, only subscribed 1.0 million new ordinary shares in JMSB for a total cash subscription price of RM2.0 million. Consequently, the Group's equity interest in JMSB was diluted from 65% to 56.9%.

Subsequently, on 16 October 2019, JMSB issued an additional 6.0 million new ordinary shares. BAASB did not subscribe for any of these new ordinary shares in JMSB. Consequently, the Group's equity interest in JMSB was diluted from 56.9% to 31.97%, thus making JMSB an associated company of the Group.

The effects of the dilution of JMSB to an associated company on cash flows were as follows:

2020	RM'000
Group	
Net assets disposed	5,939
Add: Reversal of fair value on remeasurement (Note 35)	(780)
Less: Reclassification to associated company at fair value	(7,922)
	<u>(2,763)</u>
Excluding: Cash and cash equivalents of a subsidiary company deemed disposed	(102)
Add: Gain on deemed disposal (Note 32)	865
Net cash outflow from deemed disposal of a subsidiary company	<u><u>(2,000)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

10 SUBSIDIARY COMPANIES (CONTD.)

(c) 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			
	2021 %	2020 %		
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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
BIDL	(127)	(4,879)	5,496	5,155
NASB	677	(556)	4,215	3,537
Individually immaterial subsidiary companies with non-controlling interests	(872)	(1,321)	(9,498)	(8,626)
	<u>(322)</u>	<u>(6,756)</u>	<u>213</u>	<u>66</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

10 SUBSIDIARY COMPANIES (CONTD.)

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

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

Group	BIDL	NASB	Total
	RM'000	RM'000	RM'000
As of 30 June 2021			
Non-current assets	263,698	4,723	268,421
Current assets	6,428	11,727	18,155
Non-current liabilities	(147,756)	(287)	(148,043)
Current liabilities	(104,051)	(4,120)	(108,171)
Net assets	<u>18,319</u>	<u>12,043</u>	<u>30,362</u>
Equity attributable to:			
- owners of the parent	12,823	7,828	20,651
- non-controlling interests	5,496	4,215	9,711
Total equity	<u>18,319</u>	<u>12,043</u>	<u>30,362</u>
As of 30 June 2020			
Non-current assets	239,070	6,118	245,188
Current assets	6,203	8,422	14,625
Non-current liabilities	(135,213)	(118)	(135,331)
Current liabilities	(92,878)	(4,316)	(97,194)
Net assets	<u>17,182</u>	<u>10,106</u>	<u>27,288</u>
Equity attributable to:			
- owners of the parent	12,027	6,569	18,596
- non-controlling interests	5,155	3,537	8,692
Total equity	<u>17,182</u>	<u>10,106</u>	<u>27,288</u>

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- 30 JUNE 2021

10 SUBSIDIARY COMPANIES (CONTD.)

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

Group	BIDL RM'000	NASB RM'000	Total RM'000
Year ended 30 June 2021			
Revenue	9,183	72,070	81,253
(Loss)/Profit for the year	(412)	1,937	1,525
Other comprehensive income	(12)	-	(12)
Total comprehensive income	(424)	1,937	1,513
(Loss)/Profit for the year attributable to:			
- owners of the parent	(288)	1,260	972
- non-controlling interests	(124)	677	553
	(412)	1,937	1,525
Total comprehensive income attributable to:			
- owners of the parent	(297)	1,260	963
- non-controlling interests	(127)	677	550
	(424)	1,937	1,513
Net cash generated from/(used in):			
- operating activities	5,364	2,480	7,844
- investing activities	(79)	218	139
- financing activities	(5,553)	(19)	(5,572)
Net change in cash and cash equivalents	(268)	2,679	2,411
Dividends paid to non-controlling interests	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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10 SUBSIDIARY COMPANIES (CONTD.)

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

Group	BIDL RM'000	NASB RM'000	Total RM'000
Year ended 30 June 2020			
Revenue	11,339	78,303	89,642
Loss for the year	(16,368)	(1,587)	(17,955)
Other comprehensive income	104	-	104
Total comprehensive income	<u>(16,264)</u>	<u>(1,587)</u>	<u>(17,851)</u>
Loss for the year attributable to:			
- owners of the parent	(11,458)	(1,031)	(12,489)
- non-controlling interests	(4,910)	(556)	(5,466)
	<u>(16,368)</u>	<u>(1,587)</u>	<u>(17,955)</u>
Total comprehensive income attributable to:			
- owners of the parent	(11,385)	(1,031)	(12,416)
- non-controlling interests	(4,879)	(556)	(5,435)
	<u>(16,264)</u>	<u>(1,587)</u>	<u>(17,851)</u>
Net cash generated from/(used in):			
- operating activities	9,314	(3,849)	5,465
- investing activities	(228)	(914)	(1,142)
- financing activities	(12,283)	(64)	(12,347)
Net change in cash and cash equivalents	<u>(3,197)</u>	<u>(4,827)</u>	<u>(8,024)</u>
Dividends paid to non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>

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11 ASSOCIATED COMPANIES

	Group	
	2021	2020
	RM'000	RM'000
Unquoted shares, at cost	10,398	10,398
Share of post acquisition reserves	1,723	1,958
	<u>12,121</u>	<u>12,356</u>
Less: Accumulated impairment loss (Note 35)	(923)	(923)
Less: Intragroup adjustments	(500)	(500)
	<u><u>10,698</u></u>	<u><u>10,933</u></u>

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

The details of the associated companies are set out in Note 51.

The changes to the composition of the Group for the previous financial year ended 30 June 2020 are as follows:

- (i) On 16 October 2019, as disclosed in Note 10(b)(i), JMSB issued 6.0 million new ordinary shares. BAASB did not subscribe for any of these new ordinary shares in JMSB. Consequently, the Group's equity interest in JMSB was diluted from 56.9% to 31.97%, thus making JMSB an associated company of the Group.

During the financial year, the Group conducted an impairment review of the investment in associated companies and no impairment loss was recognised.

In the previous financial year, the Group recognised an impairment loss of RM923,000 as disclosed in Note 35.

Summarised financial information in respect of the associated companies of the Group which are JMSB, Megaquest Sdn Bhd ("Megaquest") and Mantra Design Sdn Bhd ("Mantra Design") are set out below. The summarised financial information presented below represents the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

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- 30 JUNE 2021

11 ASSOCIATED COMPANIES (CONTD.)

Group	JMSB RM'000	Megaquest RM'000	Mantra Design RM'000	Total RM'000
As of 30 June 2021				
Non-current assets	-	24	273	297
Current assets	27,147	1,796	8,225	37,168
Non-current liabilities	-	-	(110)	(110)
Current liabilities	(2,372)	(8)	(2,721)	(5,101)
Net assets	<u>24,775</u>	<u>1,812</u>	<u>5,667</u>	<u>32,254</u>
Equity attributable to:				
- owners of the parent	7,921	906	2,777	11,604
- non-controlling interests	16,854	906	2,890	20,650
Total equity	<u>24,775</u>	<u>1,812</u>	<u>5,667</u>	<u>32,254</u>
As of 30 June 2020				
Non-current assets	-	26	215	241
Current assets	27,235	1,783	11,189	40,207
Non-current liabilities	-	-	-	-
Current liabilities	(2,457)	(9)	(5,259)	(7,725)
Net assets	<u>24,778</u>	<u>1,800</u>	<u>6,145</u>	<u>32,723</u>
Equity attributable to:				
- owners of the parent	7,922	900	3,011	11,833
- non-controlling interests	16,856	900	3,134	20,890
Total equity	<u>24,778</u>	<u>1,800</u>	<u>6,145</u>	<u>32,723</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

11 ASSOCIATED COMPANIES (CONTD.)

Group	JMSB RM'000	Megaquest RM'000	Mantra Design RM'000	Total RM'000
Year ended 30 June 2021				
Revenue	-	1	11,725	11,726
(Loss)/Profit for the year	(3)	12	(478)	(469)
Other comprehensive income	-	-	-	-
Total comprehensive income	(3)	12	(478)	(469)
(Loss)/Profit for the year, representing total comprehensive income attributable to owners of the associated companies	(3)	12	(478)	(469)
Dividends received from the associated companies during the year	-	-	-	-
Year ended 30 June 2020				
Revenue	-	2	19,973	19,975
(Loss)/Profit for the year	(3)	25	(135)	(113)
Other comprehensive income	-	-	-	-
Total comprehensive income	(3)	25	(135)	(113)
(Loss)/Profit for the year, representing total comprehensive income attributable to owners of the associated companies	(3)	25	(135)	(113)
Dividends received from the associated companies during the year	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

11 ASSOCIATED COMPANIES (CONTD.)

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

Group 2021	JMSB RM'000	Megaquest RM'000	Mantra Design RM'000	Total RM'000
Attributable to the owners of associated companies:				
Net assets at 1 July 2020	24,778	1,800	6,145	32,723
(Loss)/Profit for the year	(3)	12	(478)	(469)
Net assets at 30 June 2021	<u>24,775</u>	<u>1,812</u>	<u>5,667</u>	<u>32,254</u>
Group's equity interest	31.97%	50%	49%	
Interest in net assets of associated companies	7,921	906	2,777	11,604
Less: Intragroup adjustments	-	(906)	-	(906)
Carrying value of Group's interest in the associated companies	<u>7,921</u>	<u>-</u>	<u>2,777</u>	<u>10,698</u>
2020				
Attributable to the owners of associated companies:				
Net assets at 1 July 2019	7,781	1,775	6,280	15,836
(Loss)/Profit for the year	(3)	25	(135)	(113)
Net assets at 30 June 2020	<u>7,778</u>	<u>1,800</u>	<u>6,145</u>	<u>15,723</u>
Issuance of new shares	17,000	-	-	17,000
Net assets at 30 June 2020	<u>24,778</u>	<u>1,800</u>	<u>6,145</u>	<u>32,723</u>
Group's equity interest	31.97%	50%	49%	
Interest in net assets of associated companies	7,922	900	3,011	11,833
Less: Intragroup adjustments	-	(900)	-	(900)
Carrying value of Group's interest in the associated companies	<u>7,922</u>	<u>-</u>	<u>3,011</u>	<u>10,933</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

12 JOINT VENTURES

	Group	
	2021 RM'000	2020 RM'000
Unquoted investment, at cost:		
Ordinary shares	3,845	3,845
Share of post acquisition reserves	4,779	7,279
Exchange differences	314	(40)
	8,938	11,084
Less: Accumulated impairment losses (Notes 32 and 35)	-	(1,009)
	8,938	10,075

Details of the joint ventures are as follows:

Name of Joint Ventures	Paid-up Capital	Proportion of Ownership Interest Held by the Group		Principal Activities
		2021 %	2020 %	
Berjaya - GSC Sdn Bhd ("BGSB")	RM5,000,000	50	50	Cinema operations
Cardiff City (House of Sport) Limited	GBP500,000 (approximately RM2,480,000)	50	50	Development and running of a sports and leisure academy
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.

During the financial year, the Group conducted an impairment review of the investment in joint ventures and which resulted in the reversal of impairment loss of RM1,009,000 as disclosed in Note 32.

In the previous financial year, the Group recognised an impairment loss of RM1,009,000 as disclosed in Note 35.

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.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

12 JOINT VENTURES (CONTD.)

Group	TREC	BGSB	Total
As of 30 June 2021	RM'000	RM'000	RM'000
Non-current assets	39,059	-	39,059
Current assets	12,915	2,166	15,081
Non-current liabilities	(30,518)	(900)	(31,418)
Current liabilities	(7,138)	(189)	(7,327)
Net assets	<u>14,318</u>	<u>1,077</u>	<u>15,395</u>
The above amounts of assets and liabilities including the following:			
Cash and cash equivalents	5,301	1,764	7,065
Current financial liabilities (excluding trade and other payables and provision)	-	(75)	(75)
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(30,131)</u>	<u>-</u>	<u>(30,131)</u>
As of 30 June 2020			
Non-current assets	29,410	2,018	31,428
Current assets	15,061	4,063	19,124
Non-current liabilities	(17,564)	(900)	(18,464)
Current liabilities	(8,559)	(1,698)	(10,257)
Net assets	<u>18,348</u>	<u>3,483</u>	<u>21,831</u>
The above amounts of assets and liabilities including the following:			
Cash and cash equivalents	8,382	3,543	11,925
Current financial liabilities (excluding trade and other payables and provision)	-	(699)	(699)
Non-current financial liabilities (excluding trade and other payables and provision)	<u>(30,518)</u>	<u>-</u>	<u>(30,518)</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

12 JOINT VENTURES (CONTD.)

Group Year ended 30 June 2021	TREC RM'000	BGSB RM'000	Total RM'000
Revenue	9,202	386	9,588
Loss for the year, representing total comprehensive income for the year	(4,030)	(2,406)	(6,436)
The above loss for the year includes the following:			
Depreciation and amortisation	2,354	2,069	4,423
Finance costs	1,113	-	1,113
Interest income	111	34	145
Dividends paid by the joint venture during the year	-	-	-
Year ended 30 June 2020			
Revenue	21,914	3,580	25,494
Loss for the year, representing total comprehensive income for the year	(1,050)	(1,068)	(2,118)
The above loss for the year includes the following:			
Depreciation and amortisation	2,364	892	3,256
Finance costs	983	-	983
Interest income	284	114	398
Dividends paid by the joint venture during the year	6,000	-	6,000

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

12 JOINT VENTURES (CONTD.)

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

Group 2021	TREC RM'000	BGSB RM'000	Total RM'000
Net assets as of 1 July 2020	18,348	3,483	21,831
Loss for the year, representing total comprehensive income for the year	(4,030)	(2,406)	(6,436)
Net assets as of 30 June 2021	<u>14,318</u>	<u>1,077</u>	<u>15,395</u>
Group's equity interest (%)	30	50	
Interests in joint ventures	<u>4,295</u>	<u>539</u>	<u>4,834</u>
2020			
Net assets as of 1 July 2019	25,398	5,716	31,114
Effects of adoption of MFRS 16	-	(1,165)	(1,165)
Profit/(Loss) for the year, representing total comprehensive income for the year	(1,050)	(1,068)	(2,118)
Net assets as of 30 June 2020	<u>24,348</u>	<u>3,483</u>	<u>27,831</u>
Dividends paid	(6,000)	-	(6,000)
Less: Impairment of non-current assets	-	(2,018)	(2,018)
	<u>18,348</u>	<u>1,465</u>	<u>19,813</u>
Group's equity interest (%)	30	50	
Interests in joint ventures	<u>5,504</u>	<u>732</u>	<u>6,236</u>

Aggregate information of a joint venture that is not individually material

	Group	
	2021 RM'000	2020 RM'000
The Group's share of (loss)/profit for the year, representing total comprehensive income for the year	(88)	258
Aggregate carrying amount of the Group's interest in the joint venture	<u>4,104</u>	<u>3,839</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

13 OTHER INVESTMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:				
- Quoted shares in Malaysia at fair value	146,458	158,871	-	278
- Quoted loan stocks in Malaysia at fair value	5,178	4,519	-	-
- Quoted warrants in Malaysia at fair value	344	115	6	2
- Unquoted loan stocks outside Malaysia at fair value	3,731	3,731	-	-
- Malaysian Government Securities at amortised cost	-	1,002	-	-
Total non-current investments	155,711	168,238	6	280
Current:				
- Malaysian Government Securities at amortised cost	1,000	-	-	-
Market value of: Malaysian Government Securities	1,000	1,022	-	-

As of 30 June 2021, 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 Sports Toto Berhad and 7-Eleven Malaysia Holdings Berhad with carrying amounts of RM93,068,000 (2020: RM62,808,000), RM573,000 (2020: RM15,059,000), RM33,832,000 (2020: RM23,754,000), RM3,834,000 (2020: RM6,498,000) and RM20,288,000 (2020: RM50,366,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

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13 OTHER INVESTMENTS (CONTD.)

Certain quoted investments of the Group with fair value of RM128,959,000 (2020: RM147,114,000) have been pledged to financial institutions for credit facilities granted to certain of its subsidiary companies.

As of 30 June 2021, quoted loan stocks in Malaysia designated as FVTOCI 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 fair value through profit or loss ("FVTPL") debt investments comprise investment in 3% Redeemable Convertible Unsecured Loan Stock ("RCULS") issued by a joint venture, Cardiff City (House of Sport) Limited ("Cardiff"). The 3% RCULS of GBP1.00 each are constituted by a deed dated 30 November 2010 between Cardiff and the holders of 3% RCULS. The main features of 3% RCULS are as follows:

- (a) The 3% RCULS 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;
- (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.

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13 OTHER INVESTMENTS (CONTD.)

In the current financial year, the Group and the Company accounted for the changes in fair value of its investments designated as FVTOCI financial assets amounting to RM38,103,000 (2020: RM47,701,000) and RM12,000 (2020: RM115,000) respectively in the FVTOCI reserve.

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

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

14 DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As of 1 July 2020/2019	162,279	160,863	7	9
Recognised in the statements of profit or loss (Note 38)	(2,480)	1,416	(3)	(2)
As of 30 June 2021/2020	<u>159,799</u>	<u>162,279</u>	<u>4</u>	<u>7</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(974)	(5,242)	-	-
Deferred tax liabilities	160,773	167,521	4	7
	<u>159,799</u>	<u>162,279</u>	<u>4</u>	<u>7</u>

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

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14 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 2020	(4,977)	(6,011)	(10,988)
Recognised in the statements of profit or loss	1,786	978	2,764
	<u>(3,191)</u>	<u>(5,033)</u>	<u>(8,224)</u>
Less: Set-off of deferred tax liabilities			7,250
As of 30 June 2021			<u>(974)</u>
As of 1 July 2019	(19,076)	(7,995)	(27,071)
Recognised in the statements of profit or loss	14,099	1,984	16,083
	<u>(4,977)</u>	<u>(6,011)</u>	<u>(10,988)</u>
Less: Set-off of deferred tax liabilities			5,746
As of 30 June 2020			<u>(5,242)</u>

Deferred Tax Liabilities of the Group

	Property, plant and equipment, investment properties and other RM'000	Accelerated capital allowances RM'000	Total RM'000
As of 1 July 2020	102,097	71,170	173,267
Recognised in the statements of profit or loss	(4,444)	(800)	(5,244)
	<u>97,653</u>	<u>70,370</u>	<u>168,023</u>
Less: Set-off of deferred tax assets			(7,250)
As of 30 June 2021			<u>160,773</u>
As of 1 July 2019	112,429	75,505	187,934
Recognised in the statements of profit or loss	(10,332)	(4,335)	(14,667)
	<u>102,097</u>	<u>71,170</u>	<u>173,267</u>
Less: Set-off of deferred tax assets			(5,746)
As of 30 June 2020			<u>167,521</u>

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

Deferred Tax Liabilities of the Company

	Property, plant and equipment RM'000
As of 1 July 2020	7
Recognised in the statements of profit or loss	(3)
As of 30 June 2021	<u>4</u>
As of 1 July 2019	9
Recognised in the statements of profit or loss	(2)
As of 30 June 2020	<u>7</u>

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

	Group	
	2021 RM'000	2020 RM'000
Unused tax losses	68,997	43,343
Unabsorbed capital allowances	83,008	38,868
Unutilised investment tax allowance	116,147	116,147
Other deductible temporary differences	24,924	19,876
	<u>293,076</u>	<u>218,234</u>

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.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, any accumulated unused tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. Upon expiry of the 7 years, the unused tax losses will be disregarded.

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

Pursuant to the relevant tax authorities, the unrecognised tax credits as at end of financial year will expire are as follows:

	Group	
	2021 RM'000	2020 RM'000
With no expiry	199,155	155,015
Within 12 months	-	-
More than 12 months	93,921	63,219
	293,076	218,234

15 INTANGIBLE ASSETS

Group	Goodwill on consolidation RM'000	Rights RM'000	Franchise fees RM'000	Total RM'000
Cost				
As of 1 July 2019	202,956	28,243	823	232,022
Disposal during the year	(1,700)	-	-	(1,700)
Written off	-	-	(823)	(823)
As of 30 June 2020	201,256	28,243	-	229,499
Written off	-	-	-	-
As of 30 June 2021	201,256	28,243	-	229,499
Accumulated amortisation and impairment				
As of 1 July 2019	198,135	17,281	548	215,964
Impairment (Note 35)	-	-	124	124
Amortisation (Note 37)	-	1,101	151	1,252
Written-off	-	-	(823)	(823)
As of 30 June 2020	198,135	18,382	-	216,517
Amortisation (Note 37)	-	1,101	-	1,101
As of 30 June 2021	198,135	19,483	-	217,618
Net carrying amount				
As of 30 June 2021	3,121	8,760	-	11,881
As of 30 June 2020	3,121	9,861	-	12,982

NOTES TO THE FINANCIAL STATEMENTS

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15 INTANGIBLE ASSETS (CONTD.)

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.

Franchise fees

Comprises the fees paid in respect of the opening of "Greyhound" Cafe. The intangible asset is amortised over the period of the agreement of 5 years from the date when the respective cafe commences operations. The franchise fees were fully impaired during the previous financial year due to cessation of the food and beverage business operations in March 2020.

Impairment test for goodwill on consolidation

Goodwill on consolidation of RM3,094,000 (2020: RM3,094,000) and RM27,000 (2020: RM27,000) have been allocated to the Group's CGUs identified to the gaming and related activities and the property investment business segments respectively.

Key assumptions used in value-in-use calculations

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

(a) Budgeted gross margins

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

(b) Growth rate

The long term annual growth rate of 2.00% (2020: 2.00%) used is consistent with the average long term annual growth rate for the relevant industries.

(c) Discount rate

The pre-tax discount rate used for identified CGUs of 18.81% (2020: 18.81%) is on a basis that reflect specific risks relating to the CGU.

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15 INTANGIBLE ASSETS (CONTD.)

Sensitivity to changes in assumptions

Management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying amount of the CGUs relating to goodwill and rights to materially exceed their recoverable assets.

16 RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>NON-CURRENT</u>				
Other receivables (Note a)				
Amounts due from a joint venture	2,690	2,247	-	-
Amounts due from subsidiary companies	-	-	72,800	91,379
	<u>2,690</u>	<u>2,247</u>	<u>72,800</u>	<u>91,379</u>
Less: Allowance for impairment	-	-	(35,937)	(25,310)
Total non-current receivables	<u>2,690</u>	<u>2,247</u>	<u>36,863</u>	<u>66,069</u>
<u>CURRENT</u>				
Trade receivables				
Third parties (Note b)	48,451	35,516	-	-
Less: Allowance for impairment	(29,808)	(18,590)	-	-
Trade receivables, net	<u>18,643</u>	<u>16,926</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

16 RECEIVABLES (CONTD.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>CURRENT (CONTD.)</u>				
Other receivables (Note a)				
Sundry receivables	15,427	14,798	41	43
Contract assets	1,000	1,428	-	-
Deposits	2,193	2,826	-	-
Amounts due from:				
- affiliated companies	4,424	2,328	-	-
- subsidiary companies	-	-	153,028	149,036
GST recoverable	77	81	-	-
	23,121	21,461	153,069	149,079
Less: Allowance for impairment	(3,019)	(3,373)	(36,509)	(29,681)
	20,102	18,088	116,560	119,398
Other current assets (Note c)				
Deposits for acquisition of assets	560	560	-	-
Prepayments	2,443	2,838	-	-
	3,003	3,398	-	-
Total current receivables	41,748	38,412	116,560	119,398

(a) Other receivables

- (i) 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.

NOTES TO THE FINANCIAL STATEMENTS

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16 RECEIVABLES (CONTD.)

(a) Other receivables (contd.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Movement in allowance account:				
Balance as of 1 July 2020/2019	3,373	2,736	54,991	40,658
Charge for the year (Note 35)	-	848	17,455	14,333
Reversal of impairment (Note 37)	(354)	(183)	-	-
Bad debts written off (Note 37)	-	(28)	-	-
As of 30 June 2021/2020	<u>3,019</u>	<u>3,373</u>	<u>72,446</u>	<u>54,991</u>

Management estimated the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the relevant customer's industry. None of the amounts due from customers as of the end of the reporting period is past due.

- (ii) Contract assets comprise unbilled revenue and other recoverable from customers for which the Company has performed work as of the end of the reporting period, but the agreed billing milestones have not been reached. Such unbilled revenue and recoverable arise from assembly work. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

(b) Trade receivables

The Group's trade receivables are non-interest bearing with credit terms ranging from 1 to 30 (2020: 1 to 30) days. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

16 RECEIVABLES (CONTD.)

(b) Trade receivables (contd.)

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Group 2021		
	Gross RM'000	Impaired RM'000	Net RM'000
Current	291	-	291
1 to 30 days	6,029	1,541	4,488
31 to 60 days	2,765	1,031	1,734
61 to 90 days	2,670	1,006	1,664
91 to 120 days	1,976	557	1,419
More than 120 days	34,720	25,673	9,047
	<u>48,160</u>	<u>29,808</u>	<u>18,352</u>
	<u>48,451</u>	<u>29,808</u>	<u>18,643</u>

	Group 2020		
	Gross RM'000	Impaired RM'000	Net RM'000
Current	281	-	281
1 to 30 days	7,593	957	6,636
31 to 60 days	5,516	1,667	3,849
61 to 90 days	3,524	1,786	1,738
91 to 120 days	771	347	424
More than 120 days	17,831	13,833	3,998
	<u>35,235</u>	<u>18,590</u>	<u>16,645</u>
	<u>35,516</u>	<u>18,590</u>	<u>16,926</u>

NOTES TO THE FINANCIAL STATEMENTS

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16 RECEIVABLES (CONTD.)

(b) Trade receivables (contd.)

Receivables that are impaired

	Group	
	2021 RM'000	2020 RM'000
Balance as of 1 July 2020/2019	18,590	10,464
Charge for the year (Note 37)	17,785	9,368
Reversal of impairment (Note 37)	(6,567)	(1,209)
Write off	-	(33)
As of 30 June 2021/2020	29,808	18,590

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtors and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

During the financial year, an amount of RM2,222,000 bad debts was written off from trade receivables.

(c) Other current assets

Included in the deposits for acquisition of asset is:

- (i) an amount of RM560,000 (2020: RM560,000) being part payment of a leasehold land of the Group.

During the previous financial year, the Group has charged the deposit forfeited and liquidated ascertained damages amounting to RM10,400,000 to the statement of profit or loss upon rescission of the share sale agreement in relation to the proposed acquisition of the remaining 50% equity interest in Megaquest Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

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17 INVENTORIES - OTHERS

	Group	
	2021	2020
	RM'000	RM'000
At cost:		
Raw materials	38	-
Finished goods and consumables	328	494
Ticket inventories	200	329
Gaming equipment	446	434
Work-in-progress	120	-
Spare parts and supplies	14	38
	1,146	1,295
At net realisable value :		
Properties held for sale	189,200	192,900
	190,346	194,195

During the financial year the Group recognised the cost of inventories as an expense amounting RM3,593,000 (2020: RM10,954,000) and impairment in value of properties held for sale amounting to RM3,700,000 (2020: RM2,006,000) as disclosed in Note 37.

Properties held for sale are pledged to financial institutions for credit facilities as referred to in Notes 23 and 24.

18 CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	15,188	11,147	1,297	1,113
Cash on hand and at banks	19,134	41,270	456	362
	34,322	52,417	1,753	1,475

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

- (a) deposits pledged to bank for bank guarantee facilities granted to certain subsidiary companies of the Group amounting to RM16,000 (2020: RM116,000); and
- (b) monies held in debt service reserve accounts amounting to RM11,348,000 (2020: RM31,474,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

18 CASH AND BANK BALANCES (CONTD)

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	
	2021 %	2020 %	2021 Days	2020 Days
Licensed banks	0.11 - 3.00	1.40 - 3.90	6 - 180	1 - 365

19 SHARE CAPITAL

	Group and Company Ordinary shares			
	No. of shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
Issued and fully paid:				
As of beginning/end of financial year	2,558,270	2,558,270	1,538,120	1,538,120

Ordinary shares

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

Warrants

The salient terms of Warrants 2018/2023 are:

- Each Warrant 2018/2023 entitles the holder to subscribe for one new ordinary share of the Company at a price of RM0.35 per new ordinary share.
- The Warrants 2018/2023 may be exercised at any time up to 9 June 2023.

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19 SHARE CAPITAL (CONTD)

- (c) The shares arising from the exercise of Warrants 2018/2023 shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments or distributions, unless the exercise of warrants is effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions.

The number of outstanding Warrants 2018/2023 are 1,279,135,359 (2020: 1,279,135,359).

20 FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RESERVE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As of 1 July 2020/2019	(167,890)	(124,538)	(158)	(43)
Transfer to retained earnings upon disposal	9,530	4,349	78	-
Changes in fair value of FVTOCI financial assets during the year:				
- Quoted investment	38,103	(47,680)	12	(115)
- Unquoted investment *	-	(21)	-	-
	38,103	(47,701)	12	(115)
As of 30 June 2021/2020	(120,257)	(167,890)	(68)	(158)

Fair value through other comprehensive income reserve ("FVTOCI") represents the cumulative fair value changes of FVTOCI financial assets until they are disposed of. The information on the other investments are disclosed in Note 13.

* Represents the fair value changes of unquoted shares outside Malaysia.

21 FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2021 RM'000	2020 RM'000
As of 1 July 2020/2019	6,866	6,537
Current year movement	7,437	329
As of 30 June 2021/2020	14,303	6,866

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22 RETAINED EARNINGS/(ACCUMULATED LOSSES)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As of 1 July 2020/2019	635,378	763,489	(183,505)	(117,358)
Transfer from FVTOCI reserve	(9,530)	(4,349)	(78)	-
Total loss for the year	(107,889)	(123,762)	(16,803)	(66,147)
As of 30 June 2021/2020	<u>517,959</u>	<u>635,378</u>	<u>(200,386)</u>	<u>(183,505)</u>

23 BANK BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short term borrowings				
Secured:				
Term loans	18,526	46,313	-	5,092
Revolving credit facility	4,475	4,849	-	-
Margin account	30,167	52,322	-	-
Bank overdraft	9,994	9,059	-	-
	<u>63,162</u>	<u>112,543</u>	<u>-</u>	<u>5,092</u>
Long term borrowings				
Secured:				
Term loans	504,890	481,691	29,555	24,455
	<u>504,890</u>	<u>481,691</u>	<u>29,555</u>	<u>24,455</u>
Total borrowings				
Secured:				
Term loans	523,416	528,004	29,555	29,547
Revolving credit facility	4,475	4,849	-	-
Margin account	30,167	52,322	-	-
Bank overdraft	9,994	9,059	-	-
	<u>568,052</u>	<u>594,234</u>	<u>29,555</u>	<u>29,547</u>

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- 30 JUNE 2021

23 BANK BORROWINGS (CONTD.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Maturity of borrowings				
Not later than 1 year	63,162	112,543	-	5,092
Later than 1 year and not later than 2 years	46,870	74,474	8	6,792
Later than 2 years and not later than 5 years	436,067	235,921	11,467	17,663
More than 5 years	21,953	171,296	18,080	-
	<u>568,052</u>	<u>594,234</u>	<u>29,555</u>	<u>29,547</u>

The interest rates per annum for borrowings are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Term loans	3.60 to 6.75	6.10 to 7.15	4.55 to 6.10	6.10 to 6.65
Revolving credit facility	4.90 to 5.24	5.24 to 6.15	-	-
Margin account	7.25 to 8.25	7.36 to 9.10	-	-
Bank overdraft	<u>7.40 to 7.65</u>	<u>8.15 to 9.15</u>	<u>-</u>	<u>-</u>

The borrowings are secured by the following:

- investment properties (as disclosed in Note 7) and debenture over assets of certain subsidiary companies of the Group;
- the assignment of sales proceeds, future rental and insurance policies by Berjaya Times Square Sdn Bhd ("BTSSB") for the entire development project;
- a guarantee from a director of BTSSB and major shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun;
- certain quoted investments (as disclosed in Note 13) of the Group;
- legal charge over BTSSB's Debt Service Reserve Account and Designated Rental Collection Account (as disclosed in Note 18); and
- corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

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24 SENIOR MEDIUM TERM NOTES

On 1 June 2018, a subsidiary company issued a series of serial fixed rate medium term notes amounting to RM160.0 million nominal value comprising the following series ("Senior MTNs"):

Series	Maturity	Interest rate p.a. (%)	Group			
			Nominal value		At amortised cost	
			2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
1	1 June 2021	5.30	-	20,000	-	19,911
1	1 June 2023	5.30	20,000	-	19,869	-
2	1 June 2022	5.60	20,000	20,000	19,931	19,859
3	31 May 2024	5.90	40,000	40,000	39,705	39,616
4	30 May 2025	6.00	80,000	80,000	79,322	79,172
			<u>160,000</u>	<u>160,000</u>	<u>158,827</u>	<u>158,558</u>

Maturity of Senior MTNs

Not later than 1 year
 Later than 1 year and not later than 2 years
 Later than 2 years and not later than 5 years

Group	
At amortised cost	
2021 RM'000	2020 RM'000
19,931	19,911
19,869	19,859
119,027	118,788
<u>158,827</u>	<u>158,558</u>

The Senior MTNs are secured by:

- 5 levels of basement car park and 13 levels of annexed car park located at Berjaya Times Square, No. 1, Jalan Imbi, Kuala Lumpur (as disclosed in Note 7);
- legal assignment of the put option agreement entered into by the subsidiary company and BTSSB, whereby the subsidiary has the right to sell back the car park to BTSSB at the outstanding amount of the Senior MTNs upon its maturity or on the occurrence of an event of default;
- corporate guarantees by the Company and BTSSB;
- a first fixed legal charge over a unit of bungalow granted by a subsidiary company, TS Service Suites Sdn Bhd ("TSSSB") located at No. 60A, Jalan Bukit Raja, Off Jalan Klang Lama, Kuala Lumpur (as disclosed in Note 7);
- a first fixed legal charge over a retail lot granted by BTSSB located at Lot 06-16, Berjaya Times Square, No. 1, Jalan Imbi, Kuala Lumpur (as disclosed in Note 7);
- deeds of assignment of certain rights, interest and benefits under the insurance related to BTSSB and TSSSB; and
- certain quoted investments of BTSSB (as disclosed in Note 13).

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– 30 JUNE 2021

25 HIRE PURCHASE LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Minimum lease payments:				
Not later than 1 year	1,036	1,695	7	7
Later than 1 year and not later than 2 years	452	1,008	13	7
Later than 2 years and not later than 5 years	476	932	-	13
	1,964	3,635	20	27
Less: Future finance charges	(213)	(518)	(3)	(5)
Present value of hire purchase liabilities	1,751	3,117	17	22

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Present value of hire purchase liabilities:				
Not later than 1 year	907	1,392	4	2
Later than 1 year and not later than 2 years	389	875	7	7
Later than 2 years and not later than 5 years	455	850	6	13
	1,751	3,117	17	22
Analysed as:				
Due within 12 months	907	1,392	4	2
Due after 12 months	844	1,725	13	20
	1,751	3,117	17	22

The hire purchase liabilities bear interest from 4.75% to 5.35% (2020: 4.75% to 5.35%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

26 LONG TERM LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Other long term liabilities (Note a)	173,246	179,247
Less: Current portion included in payables (Note 28)	(16,525)	(15,550)
	156,721	163,697
Rental deposits	6,470	13,975
Other deferred income (Note b)	1,444	2,231
	164,635	179,903

(a) Other long term liabilities relate to:

- (i) the portion of purchase consideration for the acquisition of two parcels of properties which will be recognised as rental income from a tenant over a period of 10 years; and
- (ii) the sale and buyback agreements as disclosed in Note 4.1(7), which represent a financing arrangement that bears interest at the effective interest rate of 5.67% per annum.

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

27 LEASE LIABILITIES

The following tables summarises the carrying amount of the Group's lease liabilities arising from right-of-use assets and the movements during the financial year:

	Group	
	2021 RM'000	2020 RM'000
Representing:		
Current	252	357
Non-Current	9,129	9,320
	9,381	9,677

NOTES TO THE FINANCIAL STATEMENTS

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27 LEASE LIABILITIES (CONTD.)

	Group	
	2021 RM'000	2020 RM'000
As of 1 July 2020/2019	9,677	-
Recognition of lease liabilities upon MFRS 16 adoption on 1 July 2019	-	11,675
Repayment of lease liabilities	(299)	(1,233)
COVID-19 related rent concessions	-	(131)
Addition during the year	20	-
Adjustment	(4)	-
	9,394	10,311
Reclassification to amount owing to affiliated company	-	(635)
Reclassification to other payables	-	(3)
	9,394	9,673
Non-cash item :		
Addition during the year	-	4
De-recognition during the year	(13)	-
As of 30 June 2021/2020	9,381	9,677

Maturity analysis for lease liabilities of the Group at year end are as follows:

	Group	
	2021 RM'000	2020 RM'000
Maturity analysis:		
Not later than 1 year	795	895
Later than 1 year and not later than 2 years	697	750
Later than 2 years and not later than 5 years	2,105	2,099
Later than 5 years	13,132	13,823
	16,729	17,567
Less: Future finance charges	(7,348)	(7,890)
	9,381	9,677

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- 30 JUNE 2021

28 PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>CURRENT</u>				
Trade payables	9,872	8,618	-	-
Refundable deposits	32,711	26,763	-	-
Other payables and accruals	102,578	90,244	763	910
Amounts due to affiliated companies	8,413	5,539	-	-
Amounts due to subsidiary companies	-	-	72,696	89,453
	153,574	131,164	73,459	90,363
Advance rental received	57	57	-	-
Current portion of other long term liabilities (Note 26)	16,525	15,550	-	-
	170,156	146,771	73,459	90,363

The normal trade credit terms granted to the Group and the Company ranges from 1 to 90 days (2020: 1 to 90 days).

Included in other payables and accruals of the Group is the balance purchase consideration for the acquisition of several parcels of land amounting to RM40,750,000 (2020: RM41,643,000). This balance payment bears interest at 9.0% (2020: 9.0%) per annum.

In the previous financial year, the Group has rescinded the share sale agreement in relation to the acquisition of remaining 50% equity interest in Magaquest Sdn Bhd. Therefore the other payables only comprised the balance of liquidated ascertained damages payable of RM400,000.

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.

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29 PROVISIONS

	On-line repairs RM'000	Additional EPF entitlement RM'000	Sludge disposal RM'000	Total RM'000
As of 1 July 2020	-	88	-	88
(Reversal)/Charge during the year	-	-	-	-
As of 30 June 2021	<u>-</u>	<u>88</u>	<u>-</u>	<u>88</u>
As of 1 July 2019	18	77	34	129
(Reversal)/Charge during the year	(18)	11	(34)	(41)
As of 30 June 2020	<u>-</u>	<u>88</u>	<u>-</u>	<u>88</u>

(a) On-line repairs

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

(b) 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.

(c) Sludge disposal

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

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30 REVENUE

The main categories of revenue are as follows:

Group	2021 RM'000	2020 RM'000
Revenue from contract with customers recognised at a point in time:		
Gaming ticket sales net of gaming tax	72,070	78,303
Sale of theme park tickets	3,127	9,468
Revenue from jetty operations	1,322	18,720
Revenue from hotel operations	4,283	13,412
Revenue from food and beverage business	-	2,880
Revenue from assembly charges	2,682	3,739
	<u>83,484</u>	<u>126,522</u>
Other revenue:		
Lease income from investment properties	94,916	120,180
	<u>178,400</u>	<u>246,702</u>
	2021 RM'000	2020 RM'000
Other revenue:		
Management fees from subsidiary companies	725	725
	<u>725</u>	<u>725</u>

31 COST OF SALES

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

NOTES TO THE FINANCIAL STATEMENTS

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32 OTHER INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dividend income from:				
- quoted investments in Malaysia	3,068	2,553	11	-
- unquoted associated company	-	1,800	-	-
Interest income:				
- fixed and other deposits	464	1,440	28	53
- subsidiary companies	-	-	8,810	9,140
- others	1,214	1,267	-	-
Gain on disposal of property, plant and equipment	64	58	-	53
Gain on dilution of subsidiary to associated company (Note 10 (b)(i))	-	865	-	-
Finance income - other liabilities at amortised costs	-	1	-	-
Gain on foreign exchange - unrealised	2,181	328	28	38
Rental rebate on COVID-19 rent concession	-	131	-	-
Reversal of impairment in investments in joint ventures (Note 12)	1,009	-	-	-
Miscellaneous	5,281	6,965	-	50
	<u>13,281</u>	<u>15,408</u>	<u>8,877</u>	<u>9,334</u>

33 STAFF COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages and salaries	20,988	26,270	545	591
Bonus	15	1,087	15	56
EPF contributions	2,677	3,151	98	104
Social security organisation contributions	273	617	14	14
Short term accumulating compensated absences	2	(207)	2	-
Other staff related expenses	1,514	1,567	22	17
	<u>25,469</u>	<u>32,485</u>	<u>696</u>	<u>782</u>

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

34 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive:				
Fees	60	60	-	-
Salary and other emoluments	1,304	1,287	41	62
Bonus	-	143	-	-
Benefits-in-kind	102	32	-	-
	<u>1,466</u>	<u>1,522</u>	<u>41</u>	<u>62</u>
Non-Executive:				
Fees	189	216	179	206
Bonus	-	40	-	-
Other emoluments	994	996	455	452
Benefits-in-kind	24	24	24	24
	<u>1,207</u>	<u>1,276</u>	<u>658</u>	<u>682</u>
Directors of the subsidiary companies				
Fees	108	85	-	-
Salary and other emoluments	1,062	1,257	-	-
Bonus	-	81	-	-
	<u>1,170</u>	<u>1,423</u>	<u>-</u>	<u>-</u>
Total	<u>3,843</u>	<u>4,221</u>	<u>699</u>	<u>744</u>

NOTES TO THE FINANCIAL STATEMENTS

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35 OTHER EXPENSES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment of investment in subsidiary companies (Note 10)	-	-	-	-
Impairment of goodwill	-	-	1,273	53,434
Allowances of doubtful debts on amounts owing from subsidiary companies (Note 16)	-	-	17,455	14,333
Allowances of doubtful debts on other receivables (Note 16)	-	848	-	-
Deposit forfeited and liquidated ascertained damages in respect of rescission of share sale agreement	-	10,800	-	-
Loss on foreign exchange - unrealised	244	252	-	7
Loss on disposal of property, plant and equipment	74	5	-	-
Loss on disposal of investment properties	110	-	-	-
Reversal of fair value gain on remeasurement from dilution of equity investment in a subsidiary to an associated company (Note 10)	-	780	-	-
Impairment of franchise fee	-	124	-	-
Impairment of investments in joint venture	-	1,009	-	-
Impairment of unquoted associated company	-	923	-	-
Impairment of property, plant and equipment (Note 5)	2,688	-	-	-
Amortisation of Rights (Note 15)	1,101	1,101	-	-
Miscellaneous	-	1,044	-	-
	<u>4,217</u>	<u>16,886</u>	<u>18,728</u>	<u>67,774</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

36 FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense:				
- borrowings	40,581	48,589	1,490	1,984
- hire purchase liabilities	305	320	2	4
- lease liabilities	542	611	-	-
- subsidiary companies	-	-	2,390	3,018
- loan related expenses	2,388	(84)	8	9
- other finance costs	3,596	3,626	-	-
- unwinding of discount	8,574	21,239	-	-
	<u>55,986</u>	<u>74,301</u>	<u>3,890</u>	<u>5,015</u>

37 LOSS BEFORE TAX

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax is stated after charging/(crediting):				
Direct operating expenses of investment properties:				
- revenue generating during the year	9,120	10,351	-	-
- non-revenue generating during the year	17,811	14,896	-	-
Gaming royalty	397	432	-	-
Depreciation of property, plant and equipment (Note 5)	13,472	15,553	12	17
Depreciation of right-of-use assets (Note 6)	1,022	2,661	-	-
Directors' remuneration (Note 34):				
- fees	357	361	179	206
- salary and other emoluments	3,360	3,804	496	514
Auditors' remuneration:				
- statutory audit	483	482	103	103
- underprovision in prior years	(3)	(5)	-	-
- other services	5	5	5	5

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

37 LOSS BEFORE TAX (CONTD.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax is stated after charging/(crediting): (contd.)				
Management fee	96	96	-	-
Amortisation of other intangible assets (Note 15)	1,101	1,252	-	-
Reversal of impairment of other receivables (Note 16)	(354)	(183)	-	-
Reversal of impairment of trade receivables (Note 16)	(6,567)	(1,209)	-	-
Reversal of interest charged	-	(23,160)	-	-
Right-of-use assets written off (Note 6)	8	-	-	-
Impairment of trade receivables (Note 16)	17,785	9,368	-	-
Expenses relating to variable lease payment and not included in the measurement of lease liability	32	187	-	-
Impairment loss on amount due from an affiliated company	578	354	-	-
Bad debts recovered	(43)	-	-	-
Impairment of inventories - others (Note 17)	3,700	2,006	-	-
Staff costs (Note 33)	25,469	32,485	696	782
Property, plant and equipment written off	39	1,998	-	-
Bad debts written off	2,222	28	-	-
Reversal of provisions (Note 29)	-	(41)	-	-
Short term leases and low value assets	100	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

38 INCOME TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current income tax:				
Malaysian income tax	7,178	7,402	2,027	1,544
(Over)/Underprovision in prior years	(241)	(118)	16	(157)
	<u>6,937</u>	<u>7,284</u>	<u>2,043</u>	<u>1,387</u>
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	5,341	1,654	(3)	(2)
Overprovision in prior years	(7,821)	(238)	-	-
	<u>(2,480)</u>	<u>1,416</u>	<u>(3)</u>	<u>(2)</u>
Total income tax expense	<u>4,457</u>	<u>8,700</u>	<u>2,040</u>	<u>1,385</u>

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss before tax	(103,754)	(121,818)	(14,763)	(64,762)
Taxation at Malaysian statutory tax rate of 24%	(24,901)	(29,236)	(3,543)	(15,543)
Effect of different tax rates in other countries	18	12	-	-
Effect of expenses not deductible for tax purposes	24,484	30,481	5,567	17,085
Effect of income not subject to tax	(4,504)	(1,610)	-	-
Effect of reversal of deferred tax liabilities				
real property gains tax	(540)	(1,619)	-	-
Deferred tax assets not recognised during the year	17,962	11,028	-	-
Overprovision of deferred tax in prior years	(7,821)	(238)	-	-
(Over)/Underprovision of income tax in prior years	(241)	(118)	16	(157)
Income tax expense for the year	<u>4,457</u>	<u>8,700</u>	<u>2,040</u>	<u>1,385</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

38 INCOME TAX EXPENSE (CONTD.)

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

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

The hearing at the SCIT has been fixed from 7 December 2021 to 9 December 2021 for the determination of BTSSB's appeal against the additional tax assessments for YAs 2011 to 2014 with tax liabilities totalling RM180.73 million (inclusive of further tax penalties amounted to RM72.81 million) which had been disclosed as contingent liabilities since the prior years.

Other than the RM180.73 million taxes in dispute, the IRB had on 11 January 2019, issued notices of additional tax assessment of RM69.6 million to BTSSB for YA 2015 and YA 2016. Consequently, BTSSB had made an application for judicial review at the KL High Court to apply for leave and stay order against the aforesaid additional tax assessments. On 9 April 2019, the presiding KL High Court judge dismissed BTSSB's application for leave for judicial review with costs. BTSSB informed the KL High Court that it wished to appeal to the Court of Appeal ("COA"). An interim stay was subsequently granted by the KL High Court pending BTSSB's appeal to the COA.

At a hearing held on 10 May 2019, the COA unanimously granted an interim stay order pending the disposal of BTSSB's appeal against the dismissal of leave by the KL High Court. Subsequently, the COA fixed the hearing of the appeal on 15 February 2021. The additional tax assessments of RM69.9 million is also disclosed as contingent liabilities.

Further to the above, IRB had on 9 January 2020, issued Forms JA for YAs 2015 to 2018 being additional tax assessments of:

- (i) RM16.309 million arising from disallowable unabsorbed tax losses;
- (ii) RM7.34 million being tax penalties on item (i); and
- (iii) RM3.08 million relating to interest income arising from early redemption of Junior Bonds.

BTSSB did not agree to IRB's basis of disallowing the unabsorbed tax losses. IRB has arbitrarily regarded the unabsorbed tax losses to be no longer available as they have been fully absorbed in the previous years against the gains from the disposal of investment assets, notwithstanding the ongoing unconcluded Tax Appeal 1 and Tax Appeal 2 related litigations.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

38 INCOME TAX EXPENSE (CONTD.)

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

Consequently, on 17 January 2020, BTSSB made an application to the High Court for judicial review. The hearing date for BTSSB's judicial review application has been set on 30 April 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. In addition, BTSSB had on 7 February 2020, submitted an official appeal through submission of Forms Q to SCIT ("Tax Appeal 3"). SCIT has fixed 10 November 2020 as case management date.

Due to the imposition of MCO, the hearing date for BTSSB's judicial review application was postponed to 1 June 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. Subsequently, the hearing date on 1 June 2020 was vacated and fixed as a case management date instead.

On 1 June 2020, the High Court has extended the interim stay until the next hearing date which was fixed on 9 July 2020. The hearing date was subsequently vacated and instead a case management was fixed. On 9 July 2020, the High Court has directed that the hearing date of the application for judicial review be fixed on 12 August 2020, and the Court has granted BTSSB an interim stay until 12 August 2020.

On 12 August 2020, the High Court adjourned the hearing and a case management was conducted instead. The new hearing date is now fixed on 7 October 2020 and the interim stay continued to be granted to BTSSB until then.

On 7 October 2020, the High Court adjourned the hearing and fixed a mention date on 16 February 2021 and extended the interim stay until 16 February 2021.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

38 INCOME TAX EXPENSE (CONTD.)

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

As for the status of Tax Appeal 3 at the SCIT, the case mention date of the Tax Appeal 3 at the SCIT was held on 19 March 2021 after several postponements due to movement control orders. The SCIT directed both parties to files cause papers by 27 May 2021 and to attend the next case mention date on 27 May 2021. Subsequently, the next case mention date of SCIT was fixed on 17 November 2021.

On 2 February 2021, BTSSB wrote to the Ministry of Finance ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
- (b) to grant an exemption under Section 127(3A) of the ITA 1967; with regards to Tax Appeal 2 and Tax Appeal 3, by 9 February 2021.

As MOF did not respond to BTSSB's request, BTSSB has filed an application to the High Court for judicial review against MOF on 11 February 2021 ("MOF Judicial Review"). The High Court fixed 4 March 2021 for the first hearing of the MOF Judicial Review. The first hearing date was then vacated by the High Court and a new hearing date was fixed on 6 May 2021. The High Court also granted an interim stay for Tax Appeal 3 up to 6 May 2021.

On 16 April 2021, IRB filed an application to the High Court to intervene in the MOF Judicial Review. At the first hearing on 6 May 2021, the High Court was informed that BTSSB has filed the affidavit in reply in response to IRB's application to intervene. IRB responded with a request for the right to file another affidavit in reply. The High Court has fixed 7 July 2021 as the hearing date for IRB's application to intervene and as the case management date for BTSSB's MOF Judicial Review. The Court also granted an interim stay for Tax Appeal 3 until 7 July 2021.

The hearing date has subsequently been rescheduled to 1 March 2022 and the interim stay was granted till then.

As of the date of the reporting period, the litigations are still on-going.

The details of the litigations are disclosed in Note 41 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

39 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 with voting rights during the financial year.

	Group	
	2021	2020
	RM'000	RM'000
Loss attributable to owners of the Parent	(107,889)	(123,762)
	'000	'000
Weighted average number of ordinary shares in issue	2,558,270	2,558,270
	Sen	Sen
Basic loss per share	(4.22)	(4.84)

Fully diluted loss per share is not presented as Warrants 2018/2023 have an anti-dilutive effect on the loss per share in 2021 and 2020 respectively. The basic and diluted loss per share are the same as the Company has no dilutive potential ordinary shares.

40 FINANCIAL GUARANTEES

The Company provided corporate guarantees to certain financial institutions for credit facilities granted to its subsidiary companies. The Company has assessed and regarded that the credit enhancements provided by these guarantees are minimal as the credit facilities granted to its subsidiary companies are secured against the properties, investment properties, investments and inventories as disclosed in Notes 23 and 24.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATION

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

BTSSB did not agree with the basis applied by the IRB and has filed an official appeal against the additional assessments for the said years of assessment through submission of the prescribed Forms Q to the Special Commissioners of Income Tax ("SCIT")("Tax Appeal 1"). In accordance with Section 103(2) of the Income Tax Act 1967, BTSSB is liable and required to pay the additional taxes of RM156.48 million, inclusive of tax penalties, pending the outcome of the appeals. At the same time, BTSSB has also submitted applications to the Ministry of Finance and the IRB for the deferment of payment of the said additional taxes until the decision of the appeal is determined by the court of law. The IRB did not accede to the application for deferment of payment of the additional taxes from BTSSB and had commenced civil proceedings against BTSSB for the disputed tax assessments. IRB subsequently imposed further penalties which increased the amount of tax in dispute to RM180.73 million.

On 8 February 2017, BTSSB was informed by the IRB, that the Forms Q tax appeal filed by BTSSB, has been referred to the SCIT for a determination. The next mention date of the tax appeal case before the SCIT was fixed on 14 December 2018.

Subsequently, on 3 April 2017, the High Court judge granted an order for a stay of civil proceedings in favour of BTSSB, pending the full and final determination of the tax appeal case of BTSSB by the SCIT.

On 25 April 2017, the IRB filed to the Putrajaya Court of Appeal of Malaysia ("Court of Appeal"), a notice of appeal to challenge the stay of civil proceedings granted by the High Court in favour of BTSSB ("IRB Appeal"). The Court of Appeal had unanimously dismissed the IRB Appeal at the hearing held on 13 April 2018. IRB had on 8 May 2018, filed an application for leave to appeal against the Court of Appeal's decision to preserve the stay order granted by the High Court at the Federal Court.

Subsequently on 6 September 2018, IRB filed a Notice of Discontinuance at the Federal Court to withdraw their application for leave to appeal. As such, the stay order on tax payment granted by the High Court will stay until the full and final determination of the tax appeal case at the SCIT.

On 10 July 2019, the presiding High Court judge has ordered the stay order application case be struck out with liberty to file afresh. IRB may re-file the action after the determination of the appeal at SCIT. The stay order remained effective until the disposal of the case at SCIT.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATION (CONTD.)

The hearing date at SCIT for Tax Appeal 1 had been fixed from 11 August 2021 to 13 August 2021.

Other than the RM180.73 million tax in dispute, the IRB had on 11 January 2019, issued notices of additional assessment with additional taxes totalling RM69.6 million to BTSSB for YA 2015 and YA 2016, inclusive of tax penalties of RM21.60 million. IRB had regarded that the gains from the disposals of investment properties should be subject to business income tax under Section 4(a) of the ITA 1967. Consequently, BTSSB had made an application for judicial review at the High Court to apply for leave and stay order against the aforesaid additional tax assessments.

BTSSB did not agree with the basis applied by the IRB and has filed an official appeal against the second additional assessments for the said years of assessment through submission of the prescribed Forms Q to SCIT ("Tax Appeal 2").

On 9 April 2019, the presiding High Court judge dismissed BTSSB's application for judicial review with costs. BTSSB informed the High Court that it wished to appeal to the Court of Appeal. An interim stay was subsequently granted by the High Court pending BTSSB's appeal to the Court of Appeal.

At a hearing held on 10 May 2019, the Court of Appeal unanimously granted an interim stay order pending the disposal of BTSSB's appeal against the dismissal of leave by the High Court. Subsequently, the Court of Appeal fixed the hearing of the appeal on 18 February 2020.

At the SCIT case management held on 19 September 2019, BTSSB requested the SCIT to consolidate both the Tax Appeal 1 and Tax Appeal 2 and that both appeals be heard at the same hearing dates which were already fixed for Tax Appeal 1. The SCIT acceded to BTSSB's requests and both Tax Appeal 1 and Tax Appeal 2 will now be heard at the SCIT hearing from 11 August 2021 to 13 August 2021.

The hearing date at SCIT for Tax Appeal 1 and Tax Appeal 2 had been adjourned to 7 December 2021 to 9 December 2021.

The Court of Appeal had earlier fixed the hearing of BTSSB's appeal against the dismissal of its application for leave for judicial review of Tax Appeal 2 by the High Court on 18 February 2020.

The hearing date of 18 February 2020 was subsequently vacated and instead fixed for case management, pending the Federal Court's decision on a case involving another taxpayer on similar issues ("Similar Case"). On 18 February 2020, the Court of Appeal directed that both parties to attend a case management vide e-Review on 2 June 2020 and to further update the Court of Appeal on 10 June 2020 (if the Federal Court has made a decision on the aforementioned similar case prior to that date).

On 2 June 2020, the Court of Appeal was informed that the hearing date of the Similar Case was vacated and a case management date is now fixed on 9 June 2020. Hence, the Court of Appeal fixed the next case management date for Tax Appeal 2 to be on 20 July 2020.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATION (CONTD.)

On 20 July 2020, The Court of Appeal was informed that the hearing date for Similar Case at the Federal Court has been fixed on 26 August 2020. After deliberation, the Court of Appeal decided that both parties to submit necessary documents for trial and fixed 15 February 2021 as a case management date to update the Court of Appeal on the status of the submission of trial documents and the status of Similar Case.

Further to the above, IRB had on 9 January 2020, issued Forms JA for YAs 2015 to 2018 being additional tax assessments of:

- (i) RM16.31 million arising from disallowable unabsorbed tax losses;
- (ii) RM7.34 million being tax penalties on item (i); and
- (iii) RM3.08 million relating to interest income arising from early redemption of Junior Bonds.

BTSSB did not agree to IRB's basis of disallowing the unabsorbed tax losses. IRB has arbitrarily regarded the unabsorbed tax losses to be no longer available as they have been fully absorbed in the previous years against the gains from the disposal of investment assets, notwithstanding the ongoing unconcluded Tax Appeal 1 and Tax Appeal 2 related litigations.

Consequently, on 17 January 2020, BTSSB made an application to the High Court for judicial review. The hearing date for BTSSB's judicial review application has been set on 30 April 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. In addition, BTSSB had on 7 February 2020, submitted an official appeal through submission of Forms Q to SCIT ("Tax Appeal 3"). SCIT has fixed 10 November 2020 as case management date.

Due to the imposition of MCO, the hearing date for BTSSB's judicial review application was postponed to 1 June 2020 and the High Court has granted BTSSB an interim stay on payment of additional tax assessments until then. Subsequently, the hearing date on 1 June 2020 was vacated and fixed as a case management date instead.

On 1 June 2020, the High Court has extended the interim stay until the next hearing date which was fixed on 9 July 2020. The hearing date was subsequently vacated and instead a case management was fixed. On 9 July 2020, the High Court has directed that the hearing date of the application for judicial review be fixed on 12 August 2020, and the Court has granted BTSSB an interim stay until 12 August 2020.

On 12 August 2020, the High Court adjourned the hearing and a case management was conducted instead. The new hearing date is now fixed on 7 October 2020 and the interim stay continued to be granted to BTSSB until then.

On 7 October 2020, the High Court adjourned the hearing and fixed a mention date on 16 February 2021 and extended the interim stay until 16 February 2021.

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

NOTES TO THE FINANCIAL STATEMENTS

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41 CONTINGENT LIABILITIES AND MATERIAL LITIGATION (CONTD.)

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

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

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

As for the status of Tax Appeal 3 at the SCIT, the case mention date of Tax Appeal 3 at the SCIT was held on 19 March 2021 after several postponements due to movement control orders. The SCIT directed both parties to file cause papers by 27 May 2021 and to attend the next case mention date on 27 May 2021. Subsequently, the next case mention date of SCIT was fixed on 17 November 2021.

On 2 February 2021, BTSSB wrote to the Ministry of Finance ("MOF"), requesting MOF:

- (a) to give a general character direction to Director General of Inland Revenue ("DGIR") as to the exercise of the functions of the DGIR under Section 135 of the ITA 1967 and for the DGIR to give effect to the direction so given; or
- (b) to grant an exemption under Section 127(3A) of the ITA 1967; with regards to Tax Appeal 2 and Tax Appeal 3, by 9 February 2021.

As MOF did not respond to BTSSB's request, BTSSB has filed an application to the High Court for judicial review against MOF on 11 February 2021 ("MOF Judicial Review"). The High Court fixed 4 March 2021 for the first hearing of the MOF Judicial Review. The first hearing date was then vacated by the High Court and a new hearing date was fixed on 6 May 2021. The High Court also granted an interim stay for Tax Appeal 3 up to 6 May 2021.

On 16 April 2021, IRB filed an application to the High Court to intervene in the MOF Judicial Review. At the first hearing on 6 May 2021, the High Court was informed that BTSSB has filed the affidavit in reply in response to IRB's application to intervene. IRB responded with a request for the right to file another affidavit in reply. The High Court has fixed 7 July 2021 as the hearing date for IRB's application to intervene and as the case management date for BTSSB's MOF Judicial Review. The Court also granted an interim stay for Tax Appeal 3 until 7 July 2021.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

41 CONTINGENT LIABILITIES AND MATERIAL LITIGATION (CONTD.)

The hearing date has subsequently been rescheduled to 1 March 2022 and the interim stay was granted until then.

As of the date of the reporting period, the litigations are still on-going.

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

NOTES TO THE FINANCIAL STATEMENTS

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42 COMMITMENTS

(a) Other Commitments

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure approved and contracted for	57,778	57,778

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

	Group	
	2021 RM'000	2020 RM'000
Future minimum payments on short term leases:		
Not later than 1 year	21	37
Later than 1 year and not later than 5 years	16	18
	<u>37</u>	<u>55</u>

The Group has entered into non-cancellable short term operating lease agreements which represent rental payable for the use of land and building for a period of only 1 to 2 years.

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

	Group	
	2021 RM'000	2020 RM'000
Future minimum rental payments:		
Not later than 1 year	39,086	51,406
Later than 1 year and not later than 5 years	53,210	64,887
Later than 5 years	142,451	154,173
	<u>234,747</u>	<u>270,466</u>

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 (2020: 6 months and 30 years). The future minimum rental receivable of certain subsidiary companies are pledged to financial institutions for credit facilities as referred to in Notes 23 and 24.

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43 SIGNIFICANT RELATED PARTY TRANSACTIONS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Management fees charged to subsidiary companies		-	-	(725)	(725)
Rental income and other related income charged to/(from):					
- Berjaya Hotels & Resorts (M) Sdn Bhd	a	-	(60)	-	-
- Berjaya Registration Services Sdn Bhd	a	(265)	(245)	-	-
- Berjaya Higher Education Sdn Bhd	a	(1,093)	(1,181)	-	-
- Berjaya Krispy Kreme Doughnuts Sdn Bhd	a	(94)	(125)	-	-
- Berjaya EnviroParks Sdn Bhd	a	(251)	(231)	-	-
- Berjaya Enviro Holdings Sdn Bhd	a	(104)	(23)	-	-
- Cosway (M) Sdn Bhd	a	(496)	(517)	-	-
- Berjaya Food Trading Sdn Bhd	a	(16)	-	-	-
- Berjaya College Sdn Bhd	a	(569)	(526)	-	-
- BPJ - Berjaya Sdn Bhd	a	(20)	(37)	-	-
- Mantra Design Sdn Bhd	a	(114)	(107)	-	-
- Caring Pharmacy Retail Management Sdn Bhd	b	(331)	(368)	-	-
- 7-Eleven Malaysia Sdn Bhd	b	(1,183)	(1,124)	-	-
- U Mobile Sdn Bhd	c	(3,942)	(3,555)	-	-
- Ascot Sports Sdn Bhd	i	(661)	(610)	-	-
- Berjaya Roasters (M) Sdn Bhd	a	(650)	(680)	-	-
- Berjaya Starbucks Coffee Company Sdn Bhd	a	(852)	(906)	-	-
- Ansat Broadcast Sdn Bhd	e	(9)	(92)	-	-
- Roasters Asia Pacific (M) Sdn Bhd	a	(145)	(134)	-	-
		(10,795)	(10,521)	-	-

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43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income and other related income (charged)/rebate to/(from):					
- Berjaya - GSC Sdn Bhd	h	272	(1,403)	-	-
- Marvel Fresh Sdn Bhd	a	(38)	(35)	-	-
- Sports Toto Fitness Sdn Bhd	a	(516)	(563)	-	-
- Sports Toto Malaysia Sdn Bhd	a	(92)	(85)	-	-
- REDtone Digital Berhad and its subsidiary companies (Formerly known as REDtone International Berhad)	f	(70)	(75)	-	-
		(444)	(2,161)	-	-
Rental payable to					
- ANSA Hotel KL Sdn Bhd	a	10	657	-	-
Parking charges charged to:					
- Berjaya Land Berhad and its unlisted subsidiaries	a	(125)	(157)	-	-
- Berjaya Corporation Berhad and its unlisted subsidiaries	a	(440)	(485)	-	-
- Berjaya Sports Toto Berhad and its unlisted subsidiaries	a	(399)	(435)	-	-
- 7-Eleven Malaysia Sdn Bhd	b	(147)	(64)	-	-
- U Mobile Sdn Bhd	c	(736)	(739)	-	-
- Berjaya Food Berhad and its unlisted subsidiaries	a	(102)	(106)	-	-
		(1,949)	(1,986)	-	-
Promotion, advertisement and publishing expenses charged by Sun Media Corporation Sdn Bhd	g	77	68	77	68
Receipt of share registration services and related expenses charged by Berjaya Registration Services Sdn Bhd	a	56	84	56	84

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43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Receipt of information technology consultancy and management services by					
- Qinetics Services Sdn Bhd	d	47	320	-	-
- Qinetics MSP Sdn Bhd	d	5	27	1	27
Procurement of computerised lottery system and related services from International Lottery & Totalizator Systems, Inc	a	692	1,846	-	-
Purchase of stationery products and printing services charged by Inter-Pacific Trading Sdn Bhd	a	6	8	-	-
Receipt of leasing and hire purchase facilities charged by Prime Credit Leasing Berhad	a	1,566	1,398	-	-
Provision of vehicle assembly related services charged by Berjaya China Motor Sdn Bhd	a	1,625	1,414	-	-
Receipt of security guard services charged by Berjaya Guard Services Sdn Bhd	a	10	51	-	-
Purchase of consumer products charged by JL Morison (Malaya) Sdn Bhd	a	26	76	-	-

The nature of the related party relationships are as follows:

- (a) Subsidiary companies of Berjaya Corporation Berhad ("BCorp")
Deemed a related party by the virtue of the interests of Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") who is a shareholder of both the Company and BCorp, TSVT, the Non-executive Chairman of BCorp is the father of Chryseis Tan Sheik Ling ("CTSL"), an Executive Director of the Company.

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43 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

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

- (b) Subsidiary companies of 7-Eleven Malaysia Holdings Berhad ("SEM"). TSVT is a major shareholder of SEM by virtue of his direct and indirect interests in SEM. Chryseis Tan Sheik Ling, an Executive Director of the Company is the daughter of TSVT.
- (c) Deemed a related party by virtue of TSVT's deemed interests in U Mobile Sdn Bhd ("UMSB"). TSVT is also the Chairman of UMSB.
- (d) A company in which TSVT has direct and indirect interests.
- (e) Subsidiary company of U Telemedia Sdn Bhd ("UTelemedia") and deemed a related party by virtue of TSVT's direct and indirect interests in UTelemedia.
- (f) DYMM Sultan Ibrahim Johor is a major shareholder of REDtone Digital Berhad. His Majesty is the father of YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail who is the Chairman of the Company and REDtone Digital Berhad. TSVT also has direct and indirect interest in REDtone Digital Berhad.
- (g) Subsidiary company of Berjaya Media Berhad, a company in which BCorp and TSVT have substantial interests.
- (h) A joint venture of the Company.
- (i) A company in which TSVT has direct interests.

The compensation of the key management personnel of the Group and of the Company other than Directors of the subsidiary companies and of the Company as disclosed in Note 34 are disclosed as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short term employee benefits	676	693	-	-
Post-employment benefits:				
Defined contribution plan	81	86	-	-
	<u>757</u>	<u>779</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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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:

	<-----2021----->			<-----2020----->		
	External RM'000	Inter- segment RM'000	Total RM'000	External RM'000	Inter- segment RM'000	Total RM'000
Revenue						
Gaming and related activities	72,070	1,393	73,463	78,303	1,510	79,813
Property development and property investment	94,916	-	94,916	153,091	-	153,091
Recreation and others	11,414	-	11,414	15,308	-	15,308
Inter-segment eliminations	-	(1,393)	(1,393)	-	(1,510)	(1,510)
	178,400	-	178,400	246,702	-	246,702

NOTES TO THE FINANCIAL STATEMENTS

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44 SEGMENT INFORMATION (CONTD.)

(a) Business segments: (contd.)

Results	2021 RM'000	2020 RM'000
Gaming and related activities	3,677	(946)
Property development and property investment	24,217	67,194
Recreation and others	(19,543)	(22,318)
	8,351	43,930
Unallocated corporate income/(expenses)	(2,003)	11,975
	6,348	55,905
Fair value changes on investment properties	(60,445)	(98,904)
Other income		
- gaming and related activities	3,700	4,144
- property development and property investment	6,333	8,162
- recreation and others	1,251	1,890
- unallocated	1,997	1,212
	13,281	15,408
Other expenses		
- gaming and related activities	(1,118)	(1,106)
- property development and property investment	(2,321)	(3,098)
- recreation and others	(536)	(1)
- unallocated	(242)	(12,681)
	(4,217)	(16,886)
Operating loss	(45,033)	(44,477)
Finance costs	(55,986)	(74,301)
Share of results of associated companies	(235)	(66)
Share of results of joint venture	(2,500)	(2,974)
Loss before tax	(103,754)	(121,818)
Income tax expense	(4,457)	(8,700)
Loss for the year	(108,211)	(130,518)
Non-controlling interests	322	6,756
Loss attributable to owners of the Parent	(107,889)	(123,762)

NOTES TO THE FINANCIAL STATEMENTS

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44 SEGMENT INFORMATION (CONTD.)

(a) Business segments: (contd.)

Assets and liabilities	2021		2020	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Gaming and related activities	25,423	6,104	24,004	5,178
Property development and property investment	2,762,194	283,046	2,705,283	229,863
Recreation and others	212,082	41,879	207,712	34,010
	<u>2,999,699</u>	<u>331,029</u>	<u>2,936,999</u>	<u>269,051</u>
Investment in associated companies	10,698	-	10,933	-
Investment in joint ventures	8,938	-	10,075	-
Unallocated corporate assets/liabilities	165,878	903,846	317,710	994,126
Consolidated assets/liabilities	<u>3,185,213</u>	<u>1,234,875</u>	<u>3,275,717</u>	<u>1,263,177</u>

Other information	<-----2021----->			<-----2020----->		
	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non-cash expenses RM'000	Capital expenditure RM'000	Depreciation/ Amortisation RM'000	Other non-cash expenses RM'000
Gaming and related activities	37	1,490	17	1,254	2,424	5
Property development and property investment	3,994	7,071	17,798	8,255	8,187	10,023
Recreation and others	34	7,022	9	61	8,838	1,338
Unallocated	-	12	-	-	17	-
	<u>4,065</u>	<u>15,595</u>	<u>17,824</u>	<u>9,570</u>	<u>19,466</u>	<u>11,366</u>

Capital expenditure consists of additions to property, plant and equipment, investment properties and land held for property development as disclosed in Notes 5, 7 and 8.

Impairment	2021 RM'000	2020 RM'000
Property development and property investment	5,852	3,015
Recreation and others	536	124
Unallocated	-	923
	<u>6,388</u>	<u>4,062</u>

NOTES TO THE FINANCIAL STATEMENTS

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44 SEGMENT INFORMATION (CONTD.)

(b) Geographical locations:

	<-----2021----->			<-----2020----->		
	Revenue RM'000	Segment assets RM'000	Capital expenditure RM'000	Revenue RM'000	Segment assets RM'000	Capital expenditure RM'000
Malaysia	169,217	2,729,573	3,997	235,363	2,691,699	9,344
Outside Malaysia	9,183	270,126	68	11,339	245,300	226
	<u>178,400</u>	<u>2,999,699</u>	<u>4,065</u>	<u>246,702</u>	<u>2,936,999</u>	<u>9,570</u>

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

45 FAIR VALUE MEASUREMENT

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Investment Properties

Group As of 30 June 2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Commercial properties	-	2,054,711	-	2,054,711
Residential properties	-	-	263,663	263,663
Other properties	-	44,350	-	44,350
	<u>-</u>	<u>2,099,061</u>	<u>263,663</u>	<u>2,362,724</u>

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45 FAIR VALUE MEASUREMENT (CONTD.)

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

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

Investment Properties (contd.)

Group As of 30 June 2020	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Commercial properties	-	2,115,666	-	2,115,666
Residential properties	-	-	239,054	239,054
Other properties	-	46,850	-	46,850
	<u>-</u>	<u>2,162,516</u>	<u>239,054</u>	<u>2,401,570</u>

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

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. Investment properties valued under the comparison method, with 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 11% and -30% (2020: 11% and -30%) of the respective properties' fair value. Larger properties of the Group which are owned en-bloc may contain adjustment factors outside this range.

Discounted cash flow 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).

NOTES TO THE FINANCIAL STATEMENTS

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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 flow method * (contd.)

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.

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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.)

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.

* 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
2021				
Group				
<u>Financial assets</u>				
Other investments	151,980	-	3,731	155,711
Company				
<u>Financial assets</u>				
Other investments	6	-	-	6
2020				
Group				
<u>Financial assets</u>				
Other investments	163,505	-	3,731	167,236
Company				
<u>Financial assets</u>				
Other investments	280	-	-	280

NOTES TO THE FINANCIAL STATEMENTS

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45 FAIR VALUE MEASUREMENT (CONTD.)

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

	2021 RM'000	2020 RM'000
<u>Non financial assets</u>		
As of 1 July 2020/2019	239,054	2,411,715
Additions during the year	34	228
Fair value changes	2,753	(14,571)
Exchange differences	21,822	888
Reclassification to Level 2	-	(2,159,206)
As of 30 June 2021/2020	<u>263,663</u>	<u>239,054</u>

During the previous financial year, an amount of RM2,159,206,000 was transferred from Level 3 in the fair value hierarchy to level 2, as the Group has now measured these investment properties using the comparison method rather than the discounted cash flow method as per professional valuers' report.

The change of valuation method was due to the absence of comparable transactions to derive the gross development value resulting from the softer property market due to COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

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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	2021	2020	Inter-relationship
<u>Investment properties</u>				
Investment method	Estimated value per month: - rental value per square foot	RM236	RM212	Higher estimated rental, higher fair value
	Capitalisation rate	4.5%	4.5%	Higher range of inputs, lower fair value
Cost method	Estimated replacement cost per square foot	RM240	RM240	Higher range of inputs, lower fair value
	Estimated accrued depreciation per square foot	RM137	RM140	Higher range of inputs, lower fair value

NOTES TO THE FINANCIAL STATEMENTS

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46 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

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

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Financial assets</u>					
<u>FVTOCI</u>					
Other investments	13	151,980	163,505	6	280
<u>FVTPL</u>					
Other investments	13	3,731	3,731	-	-
<u>Amortised costs</u>					
Other investments	13	1,000	1,002	-	-
Receivables	16	41,358	37,180	153,423	185,467
Deposits with licensed banks	18	15,188	11,147	1,297	1,113
Cash on hand and at banks	18	19,134	41,270	456	362
		76,680	90,599	155,176	186,942
Total financial assets		232,391	257,835	155,182	187,222
<u>Financial liabilities</u>					
<u>Amortised costs</u>					
Bank borrowings	23	568,052	594,234	29,555	29,547
Senior medium term notes	24	158,827	158,558	-	-
Hire purchase liabilities	25	1,751	3,117	17	22
Long term liabilities	26	163,191	177,672	-	-
Lease liabilities	27	9,381	9,677	-	-
Payables	28	170,099	146,714	73,459	90,363
Total financial liabilities		1,071,301	1,089,972	103,031	119,932

NOTES TO THE FINANCIAL STATEMENTS

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46 FINANCIAL INSTRUMENTS (CONTD.)

(b) Fair values

(i) Financial instruments that are measured at fair value

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

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

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

	Note
Receivables	16
Bank borrowings	23
Senior medium term notes	24
Hire purchase liabilities	25
Long term liabilities	26
Lease liabilities	27
Payables	28

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

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

The carrying amounts of the amounts due from subsidiary companies disclosed in Note 16 are reasonable approximation of fair values as they are repayable on demand.

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

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

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47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

(a) Market risk

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

(i) Interest rate risk

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

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

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

The carrying amounts, the range of applicable interest rates during the year and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk are disclosed in Notes 13, 16, 18, 23, 24, 25, 27 and 28.

NOTES TO THE FINANCIAL STATEMENTS

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47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market risk (contd.)

(i) Interest rate risk (contd.)

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Fixed rate instruments</u>				
Financial assets	8,121	7,594	1,297	1,113
Financial liabilities	169,959	171,352	17	22
<u>Floating rate instruments</u>				
Financial assets	17,912	11,505	153,382	185,424
Financial liabilities	568,052	594,234	102,251	119,000

Fair value sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the loss before tax of the Group to higher by RM1,375,000 (2020: RM1,457,000) and the loss before tax of the Company to be lower by RM128,000 (2020: RM304,000) respectively. This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

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47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(a) Market risk (contd.)

(ii) Foreign currency risk

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

The Group mainly transacts in Ringgit Malaysia. However, certain of the Group's purchases are in foreign currencies and as such, the Group is exposed to exchange rate fluctuation between Ringgit Malaysia and foreign currencies such as 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 impact of changes in foreign currency rates is not material to the Group.

(iii) Equity price risk

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

The Group 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 FVTOCI financial assets based on the purpose for which the quoted equity instruments were acquired. The Group and the Company do not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the quoted equity instrument prices had been 1% higher/lower, with all other variables held constant, the Group's FVTOCI reserve would have been RM1,520,000 (2020: RM1,635,000) higher/lower, arising as a result of an increase/decrease in the fair values of equity instruments designated as FVTOCI 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.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(b) Liquidity risk (contd.)

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

Analysis of undiscounted financial instruments by remaining contractual maturities

Group	On demand	Two to five	Over five	Total
<u>Financial liabilities</u>	or within	years	years	RM'000
	one year	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
2021				
Payables	155,678	-	-	155,678
Long term liabilities	-	33,467	171,750	205,217
Senior medium term notes	29,248	159,491	-	188,739
Lease liabilities	795	2,802	13,132	16,729
Bank borrowings	87,640	634,933	23,517	746,090
Hire purchase liabilities	1,036	928	-	1,964
	<u>274,397</u>	<u>831,621</u>	<u>208,399</u>	<u>1,314,417</u>
2020				
Payables	132,853	-	-	132,853
Long term liabilities	-	40,975	178,500	219,475
Senior medium term notes	29,253	166,706	-	195,959
Lease liabilities	895	2,849	13,823	17,567
Bank borrowings	131,899	369,161	179,622	680,682
Hire purchase liabilities	1,695	1,940	-	3,635
	<u>296,595</u>	<u>581,631</u>	<u>371,945</u>	<u>1,250,171</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(b) Liquidity risk (contd.)

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

Company	On demand or within	Two to five	Over five	Total
<u>Financial liabilities</u>	one year	years	years	RM'000
	RM'000	RM'000	RM'000	RM'000
2021				
Payables	73,459	-	-	73,459
Hire purchase liabilities	7	13	-	20
Bank borrowings	1,523	16,976	19,508	38,007
	<u>74,989</u>	<u>16,989</u>	<u>19,508</u>	<u>111,486</u>
2020				
Payables	90,363	-	-	90,363
Hire purchase liabilities	7	20	-	27
Bank borrowings	6,501	26,538	-	33,039
	<u>96,871</u>	<u>26,558</u>	<u>-</u>	<u>123,429</u>

(c) Credit risk

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

The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. The Group 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.

All deposits and bank balances are assessed to have low credit risk. The Group and the Company do not expect any counterparty fails to meets its obligations. As of the reporting date, there was no impairment required for investments, deposits and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

47 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTD.)

(c) Credit risk (contd.)

The Group and the Company are also exposed to low credit risk from amounts due from related companies, a joint venture and subsidiary companies. The Group and the Company monitor on ongoing basis the results of the companies and repayments made by the companies. As of 30 June 2020, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position and financial guarantees given to bank for credit facilities granted to subsidiaries.

Management has taken reasonable steps to ensure that intercompany receivables are the realisable values and made necessary provision for impairment for the unrecoverable amounts as mentioned in Note 16(a).

48 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 2021 and 2020.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's total debt includes borrowings, senior medium term notes, hire purchase liabilities, lease liabilities and long term liabilities. Total equity represents net equity attributable to the owners of the Parent plus non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

48 CAPITAL MANAGEMENT (CONTD.)

The gearing ratios as of 30 June 2021 and 30 June 2020 were as follows:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bank borrowings	23	568,052	594,234	29,555	29,547
Senior medium term notes	24	158,827	158,558	-	-
Hire purchase liabilities	25	1,751	3,117	17	22
Long term liabilities	26	164,635	179,903	-	-
Lease liabilities	27	9,381	9,677	-	-
Total debt		<u>902,646</u>	<u>945,489</u>	<u>29,572</u>	<u>29,569</u>
Total equity		<u>1,950,338</u>	<u>2,012,540</u>	<u>1,337,666</u>	<u>1,354,457</u>
Gearing ratio (%)		46	47	2	2

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

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 10 April 2012, Berjaya Waterfront Sdn Bhd ("BWF"), a 100%-owned subsidiary of Berjaya Times Square Sdn Bhd ("BTSSB"), had entered into an agreement to acquire lease interest in a parcel of land known as Lot No. PTB Lot PTB 20379 measuring about 4.285 acres ("Land") from Kelana Megah Sdn Bhd ("KMSB") for a cash consideration of RM27.99 million ("Agreement").

The Agreement is still pending certain conditions precedent to be fulfilled, which include, among others, the alienation of the Land by the State Government of Johor ("SGOJ") and the granting of a 99-year lease interest to KMSB ("Privatisation").

The SGOJ subsequently approved the Privatisation, subject to, among others, the payment of RM13.5 million as development returns ("Development Returns") for the Land to be alienated as a 99-year leasehold land. Hence, on completion date BWF will hold a 99-year leasehold Land instead of lease interest over the Land.

On 8 May 2018, BWF entered into a supplemental agreement with KMSB for the inclusion of the payment of the Development Returns and extension of the completion date of the Agreement to 9 April 2019.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

49 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

Subsequently on 3 April 2019, BWF entered into a supplemental agreement with KMSB to further extend the completion date of the Agreement to 9 April 2021. The completion date was further extended to 9 April 2022.

- (b) The World Health Organisation had on 11 March 2020 declared COVID-19 a pandemic and since then, the Malaysian government had imposed the various phases of Movement Control Orders ("MCOs") as preventive measures to curb the pandemic. The imposition of MCOs had resulted in closure of the business operations of the Group for varying periods of time during the current financial year. Hence, the Group's financial performance was adversely impacted as the Group's revenue was reduced significantly.

The gaming business operated by Natural Avenue Sdn Bhd recorded the cancellation of 15 normal draws and 2 special draws resulting from business closures during the current financial year. The property development and property investment business segment reported lower rental income, mainly due to the rental relief granted to its eligible tenants. The hotel and recreation business segments were affected by lower tourist arrivals from the international borders closures. In addition, the adverse economy impact which resulted from the COVID-19 pandemic and the uncertain pace of economy recovery also resulted in impairment of the investment properties of the Group.

Most of the Group's business operations have resumed business operations with strict adherence to social distancing rules and other guidelines under the Standard Operating Procedures ("SOPs") issued by the relevant authorities.

On 15 June 2021, the Malaysian government has announced the implementation of National Recovery Plan ("NRP") as an exit strategy from the Covid-19 crisis. The NRP coupled with the rapid National Covid-19 Immunisation Programme is expected to drive the recovery of the Malaysian economy in due course.

As the COVID-19 pandemic continues to evolve, it may be challenging to ascertain the full extent and duration of its impact. Nevertheless, the management will continue to monitor the development of COVID-19 pandemic and its impact to the Group's operations and financial performance.

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

50 COMPARATIVE FIGURES

Certain comparative information has been reclassified to conform to the current financial year's presentation adopted in the financial statements:

Group	As previously reported RM'000	Reclassi- fication RM'000	As reclassified RM'000
Statement of financial position as of 30 June 2020			
Inventories - land held for property development	79,130	19,140	98,270
Receivables	57,552	(19,140)	38,412
	<u>57,552</u>	<u>(19,140)</u>	<u>38,412</u>

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

51 SUBSIDIARY AND ASSOCIATED COMPANIES

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2021 %	2020 %
Subsidiary companies				
^ Aroma Kiara Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Ascend Asap Sdn Bhd	Malaysia	Investment holding	100.00	100.00
BA Properties (Cayman) Limited	Cayman Islands	Investment holding	100.00	100.00
^ Berjaya Assets Alliance Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Berjaya Consulting Services Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Berjaya Assets Food (BAF) Sdn Bhd	Malaysia	Operation of food and beverage business, ceased operation	100.00	100.00
^ Berjaya Assets Pte Ltd	Singapore	Investment holding	100.00	100.00
Berjaya Bright Sdn Bhd	Malaysia	Provision of lottery consultancy and related services and investment holding	100.00	100.00
^ Berjaya Industrial Park Sdn Bhd	Malaysia	Property development, property management and leasing of properties	100.00	-
Berjaya Times Square Sdn Bhd	Malaysia	Property investment, property development and investment holding	100.00	100.00
BTS (Cayman) Limited	Cayman Islands	Investment holding	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2021

51 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2021 %	2020 %
Subsidiary companies (contd.)				
^ Bumisuci Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Dayadil Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Fasa Budaya Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Ishandal Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Jernih Wiramas Sdn Bhd	Malaysia	Property investment and property development	100.00	100.00
* Natural Avenue Sdn Bhd	Malaysia	Number forecast lotteries in Sarawak	65.00	65.00
^ Rentas Padu Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Sapphire Transform Sdn Bhd	Malaysia	Property investment	100.00	100.00
# Sempurna Bahagia Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Sunrise Bonanza Sdn Bhd	Malaysia	Property investment and property development	70.00	70.00
Subsidiary of Aroma Kiara Sdn Bhd				
Berjaya Assembly Sdn Bhd	Malaysia	Vehicle assembly and the manufacturing and sales of engines and transmissions	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

51 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2021 %	2020 %
Subsidiary companies (contd.)				
Subsidiaries of Berjaya Times Square Sdn Bhd				
^ Berjaya TS Management Sdn Bhd	Malaysia	Dormant	100.00	100.00
Berjaya Times Square Theme Park Sdn Bhd	Malaysia	Operations of theme park and leasing of theatre	100.00	100.00
Berjaya Waterfront Sdn Bhd	Malaysia	Property and investment holdings, operation of a hotel, and management of ferry terminal	100.00	100.00
^ BTS Entertainment Sdn Bhd	Malaysia	Dormant	100.00	100.00
BTS Car Park Sdn Bhd	Malaysia	Car park operator	100.00	100.00
^ Danau Laris Sdn Bhd	Malaysia	Dormant	60.00	60.00
^ Shasta Supermarket Sdn Bhd	Malaysia	Dormant	100.00	100.00
^ TS Service Suites Sdn Bhd	Malaysia	Property investment	100.00	100.00
^ 10th Avenue Food Mall Sdn Bhd	Malaysia	Dormant	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

51 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2021 %	2020 %
Subsidiary companies (contd.)				
Subsidiary of BTS (Cayman) Limited				
^ Berjaya UK Investment & Development Limited	United Kingdom	Property investment	70.00	70.00
Subsidiary of Dayadil Sdn Bhd				
^ Imej Jasa Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Subsidiaries of Imej Jasa Sdn Bhd				
^ Bahagia Jiwa Sdn Bhd	Malaysia	Investment holding	100.00	100.00
^ Muara Tebas Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Subsidiary of Natural Avenue Sdn Bhd				
Petekat Sdn Bhd	Malaysia	General trading and commission agent	100.00	100.00
Subsidiary of Rentas Padu Sdn Bhd				
Tropicfair Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Subsidiary of Berjaya Waterfront Sdn Bhd				
Jauhari Maksima Sdn Bhd	Malaysia	Property development	52.00	52.00

NOTES TO THE FINANCIAL STATEMENTS

– 30 JUNE 2021

51 SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership and voting power held by the Group	
			2021 %	2020 %
Associated Companies				
^ Jubli Mentari Sdn Bhd	Malaysia	Dormant	31.97	31.97
^ Mantra Design Sdn Bhd	Malaysia	Provision of interior design and consulting services for land & building development projects	49.00	49.00
Megaquest Sdn Bhd	Malaysia	Investment holding	50.00	50.00

* Effective interest

67% held by Bumisuci Sdn Bhd and 33% held by Ishandal Sdn Bhd.

^ Audited by a firm other than Deloitte PLT.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berjaya Assets Berhad, which comprise the statements of financial position as of 30 June 2021 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 56 to 205.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as of 30 June 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

(forward)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

<i>Key audit matters</i>	<i>How the scope of our audit responded to the key audit matters</i>
<p>Valuation of Investment Properties and Properties Held for Sale</p> <p>As of 30 June 2021, the carrying values of the investment properties and properties held for sales amounted to RM2,362,724,000 and RM189,200,000 representing 74% and 6% respectively of the Group's total assets.</p> <p>Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. Properties held for sale are stated at the lower of cost and net realisable value.</p> <p>The Group has appointed an independent professional firm of valuers ("Valuers") to perform valuations on its investment properties and properties held for sales. As a result of the Novel Coronavirus (COVID-19) the Valuers had advised that the valuations of the investment properties and properties held for sales should be treated with high degree of caution and less degree of certainties than would normally be the case. The Valuers' selection of an appropriate valuation method to determine the market values of the investment properties and properties held for sales is a matter of significant judgement and the application of the method involved sensitive underlying estimates and assumptions.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> Assessed the objectivity, professional qualifications, independence, reputation and expertise of the Valuers; Reviewed the valuation reports and noted that the Valuers' valuations are in accordance with Malaysian Valuation Standards; Obtained an understanding of the methodology adopted by the Valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; Interviewed the Valuers, discussed and challenged the significant estimates and assumptions used in their valuation process; Evaluated the appropriateness of the assumptions used by the Valuers as inputs in their valuations; and Engaged our Deloitte's valuation specialist as part of the audit process. <p>We have also assessed the adequacy and appropriateness of the disclosures requirements in relation to valuation of investment properties and properties held for sales in the financial statements.</p>

(forward)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (contd.)

<i>Key audit matters</i>	<i>How the scope of our audit responded to the key audit matters</i>
<p>Valuation of Investment Properties and Properties Held for Sale (cont)</p> <p>Refer to "Key Sources of Estimation Uncertainty" in Notes 4.2 (7) and (8) respectively to the financial statements.</p>	
<p>Additional Assessments Raised by the Inland Revenue Board of Malaysia ("IRB")</p> <p>As disclosed in Note 41 to the financial statements, the IRB had challenged Berjaya Times Square Sdn Bhd ("BTSSB"), a wholly owned subsidiary of the Group in relation to the gains from disposal of investment properties. Management had regarded the gains as real property gains and had paid the real property gain taxes accordingly. IRB had regarded that the disposal of investment properties to be in the ordinary course of business of BTSSB as a property developer and the gains should be subjected to business income taxes which are substantially at a higher rate. IRB had initiated legal actions to recover additional tax assessments of RM250,334,000 which is inclusive tax penalties of RM94,410,000.</p> <p>Further, the IRB had disallowed the deduction of unabsorbed tax losses on the revised income tax submission of bond interest income that resulted in additional tax assessment of RM19,390,000 and tax penalties of RM7,340,000. Management had also lodged an objection to the court on these additional taxes.</p> <p>Based on the legal opinions of their tax lawyers, management had an arguable case to content that the IRB had no legal and factual bases to raise those additional taxes and penalties.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> • Assessed the objectivity, professional, qualifications, independence, reputation and expertise of the external tax lawyer. • Reviewed all available relevant tax documents furnished by the management and the external tax lawyer. • Discussed with management, external tax lawyer and our internal tax specialist on the potential tax exposure. • Obtained external legal confirmations in relation to the tax issue. <p>We have also assessed the adequacy and appropriateness of the disclosures in the financial statements.</p>

(forward)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (contd.)

Key audit matters	How the scope of our audit responded to the key audit matters
<p>Additional Assessments Raised by the Inland Revenue Board of Malaysia ("IRB") (cont)</p> <p>Accordingly, management had accounted for the total additional tax assessment together with the penalties of RM 277,064,000 as contingent liabilities in the financial statements at year end. To-date the legal case is till on-going.</p> <p>Refer to "Critical Judgements Made in Applying Accounting Policies" in Note 4.1 (6) to the financial statements.</p>	

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (cont)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the financial statements of the Group and of the Company. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 51 to the financial statements.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA ASSETS BERHAD (INCORPORATED IN MALAYSIA)

Other Matter

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

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

SOO WAI THONG
Partner - 03097/12/2021 J
Chartered Accountant

22 October 2021

LIST OF PROPERTIES

AS OF 30 JUNE 2021

LOCATION	TENURE	SIZE	DESCRIPTION/ EXISTING USE	ESTIMATED AGE OF BUILDING	DATE OF ACQUISITION	NET CARRYING AMOUNT RM'000
No. Geran 56069, Lot 2001, Section 52, Town and District of Kuala Lumpur (Berjaya Times Square, Jalan Imbi, Kuala Lumpur)	Freehold	39,591 sq meter	Shopping-cum-leisure mall	>18 years	08.07.1994	2,040,924
No. Geran 56068, Lot 2000, Section 52, Town and District of Kuala Lumpur (No. 1, Jalan Imbi, Kuala Lumpur)	Freehold	3,901 sq meter	Office building	>28 years	08.07.1994	
H.S. (D) 156049, P.T. No. 3338, Mukim Damansara, District of Petaling, Selangor Darul Ehsan	Freehold	513 sq meter	Bungalow	> 39 years	15.03.2011	1,850
No. Geran 33664, Lot 165, Seksyen 94, Bandar Kuala Lumpur, Wilayah Persekutuan	Freehold	125 sq meter	Shop lot	> 49 years	10.01.2012	2,600
No. Geran 49297, Lot 52, Seksyen 94, Bandar Kuala Lumpur, Wilayah Persekutuan	Freehold	1,694 sq meter	Bungalow	> 49 years	31.12.2011	4,700
Lots PTB 10707, PTB 20006, PTB 20380, PTB 20438, PTD 146378 & PTD 148062, Bandar Johor Bahru Daerah Johor Bahru, Negeri Johor. (Berjaya Waterfront, Johor Bahru)	Freehold with 99 years lease interest expiring on 30.10.2092	57,355 sq meter	5-level shopping complex	24 years	10.04.2012	175,163
			12-level 400 rooms hotel, a ferry terminal, a custom & immigration building	24 years	10.04.2012	106,163
Lots PTB 24317 & PTB 24318, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor. (Berjaya Waterfront, Johor Bahru)	Freehold with 99 years lease interest expiring on 30.10.2092	19,826 sq meter	Vacant land	N/A	10.04.2012	35,200

LIST OF PROPERTIES AS OF 30 JUNE 2021

LOCATION	TENURE	SIZE	DESCRIPTION/ EXISTING USE	ESTIMATED AGE OF BUILDING	DATE OF ACQUISITION	NET CARRYING AMOUNT RM'000
No. Geran 102261, Lot 21393, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor.	Freehold	5,377 sq meter	76 office units on a purpose built office tower	23 years	29.04.2015	105,445
Lots G-09, G-10, G-11 and G-12, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	Freehold	2,011 sq meter	Retail lots for rent	>18 years	28.06.2012	36,260
Lot 8189 & 8190, Town East, Jalan Pending, Kuching, Sarawak	Leasehold 60 years	245 sq meter	4-storey shop house/ office building	32 years	13.07.1996	477
No. 273 & 274, Lots 2545 & 2546 Centraland Commercial Park, Off Jalan Rock, Kuching, Sarawak	Leasehold 60 years expiring on 5.5.2054	484.2 sq meter	4-storey shop house/ office building used as office and draw hall	26 years	31.08.2002	2,364
The Collins Theatre 1 Essex Road, London N1 2SE	999 years	Approximately 13,272 sq feet	Vacant for development of theatre/restaurants/ retail lots	25 years	23.08.2012	22,976
1-17 Essex Road, London N1 2SE and 12A Islington Green, London N1 2XN London N12 SE	150 years	45,983 sq feet	70 fully furnished residential units	25 years	15.08.2014	240,674
Lot PTB 24119, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor.	Leasehold 99 years expiring on 18.1.2114	25.034 hectares	Sea bed for reclamation	N/A	09.11.2014	82,330
99 & 99A-C, Jalan Tampoi, 81200 Johor Bahru, Johor.	Leasehold 60 years expiring on 2031	217,183 sq feet 424,658 sq feet	Multi-storey car park	24 years	01.11.1997	23,336
			Assembly plant & administrative office	53 years	22.04.1968	



OTHER INFORMATION

MATERIAL CONTRACTS

Other than as disclosed in Notes 23, 24, 26, 27, 28, 34, 42, 43 and 49 of the financial statements for the financial year ended 30 June 2021 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 2021 amounted to RM5,000.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	440
Inter-Pacific Trading Sdn Bhd	BAssets Group	Purchase of stationery products and printing services	6
Berjaya Registration Services Sdn Bhd ("BRegistration")	BAssets	Receipt of share registration services	56
	BTSSB	Rental income receivable for renting of office premises at Lot 10-02A, 10th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	265
Berjaya Higher Education Sdn Bhd	BTSSB	Rental income receivable for renting of premises at Lot 14-01, 14th Floor, and shoplots at Lots 09-23, 09-24, 09-25, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	1,093
Berjaya College Sdn Bhd	BTSSB	Rental income receivable for renting of office 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
Prime Credit Leasing Berhad	BAssets Group	Receipt of leasing and hire purchase facilities by BAssets Group	1,566
Cosway (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplots at LG-12 & LG-20, Lower Ground Floor, and renting of office premises at Lots 08-52 & 08-53, 8th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	482
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplot at Lot 2.40, Level 2, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	14
BPJ-Berjaya Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 09-37 & 09-39, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	20
Berjaya Enviro Holdings Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 08-65, 08-66 & 08-67, 8th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	104

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 kiosk at Lot LG-19C, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	94
Berjaya EnviroParks Sdn Bhd	BTSSB	Rental income receivable for renting of office premises 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 premises at Lot 07-24, 7th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	145
BLoyalty Sdn Bhd	BAssets Group	Loyalty reward fees payable to BLoyalty Sdn Bhd for managing the loyalty card program	1
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
JL Morison (Malaya) Sdn Bhd	BAssets Group	Purchase of consumer products	26
Berjaya China Motor Sdn Bhd	Berjaya Assembly Sdn Bhd	Provision of vehicle assembly related services	1,625
Berjaya Land Berhad (“BLand”) and/or its unlisted subsidiary companies:-			
BLand and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	125
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 Guard Services Sdn Bhd	BAssets Group	Receipt of security guard services	10
ANSA Hotel KL Sdn Bhd	Berjaya Assets Food (BAF) Sdn Bhd	Rental expense payable for renting of store room at Lot No B-06, Basement Floor, 101, Jalan Bukit Bintang, Kuala Lumpur	10
Mantra Design Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lots 09-13A, 09-14 & 09-15, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	114

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
Berjaya Sports Toto Berhad ("BToto") and/or its unlisted subsidiary companies:-			
BToto and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	399
International Lottery & Totalizator Systems, Inc	Natural Avenue Sdn Bhd	Procurement of computerised lottery system, hardware and related services	692
Sports Toto Fitness Sdn Bhd	BTSSB	Rental income receivable for renting of shoplot at Lot 06-11, 6th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	516
Sports Toto Malaysia Sdn Bhd	BTSSB	Rental income receivable for renting of office premises at Lots 08-29, 08-30, 08-32 & 08-33, 8th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	92
Berjaya Food Berhad ("BFood") and/or its unlisted subsidiary companies:-			
BFood and its unlisted subsidiary companies	BTS Car Park Sdn Bhd	Parking charges receivable	102
Berjaya Roasters (M) Sdn Bhd	BTSSB	Rental income receivable for renting of shoplot at Lot 03-85, renting of walkway area at Lot 03-85A, 3rd Floor and office at Lots 09-06 to 09-13, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	633
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplots at Lots 1.29 to 1.30, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	17
Berjaya Food Trading Sdn Bhd	BTSSB	Rental income receivable for renting of office at Lot 09-06, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	16
Berjaya Starbucks Coffee Company Sdn Bhd	BTSSB	Rental income receivable for renting of walkway area at Lot G-09C, D, E & G, Ground Floor, shoplot at Lot 01-01-28, 1st Floor, office at Lot 10-01E, 10-01F, Lot 10-02 & 10-02C, 10th Floor, and store room at 10-10E, 10th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	752
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplots at Lot 1.31 to 1.33, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	100

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 walkway at Lot G-13A, Ground Floor, office at Lot 08-77A-2, 8th Floor, storage at Lot G-37B, Ground Floor, and shoplot Lots 01-16 & 01-22, 1st Floor, Lot 03-96C, 3rd Floor, and Lot 05-92, 5th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	1,168
	BTS Car Park Sdn Bhd	Parking charges receivable	147
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoplot at Lot 1.28, Level 1, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	15
Caring Pharmacy Retail Management Sdn Bhd (a)	BTSSB	Rental income receivable for renting of shoplot at Lots LG-30 & LG-40, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	331
Other related parties:-			
Ascot Sports Sdn Bhd (“Ascot”) (b)	BTSSB	Rental income receivable for renting of office premises at Lots 10-01 & 10-01A, 10th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	661
Qinetics Services Sdn Bhd (c)	BAssets Group	Receipt of information technology consultancy and management services	47
Qinetics MSP Sdn Bhd (c)	BAssets Group	Receipt of information technology consultancy and management services	5
Intan Utilities Sdn Bhd (d)	BTS Car Park Sdn Bhd	Parking charges receivable	5
Roda Indah Motors Sdn Bhd (d)			2
Wilayah Motor Sdn Bhd (d)			9
UPC Management Services Sdn Bhd (d)			2

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Berjaya Assets Berhad ("BAssets") Group with the following Related Parties	BAssets and/or its subsidiary companies	Nature of transactions	Amount transacted RM'000
U Mobile Sdn Bhd ("UMSB") (e)	BTSSB	Rental income receivable for renting of kiosk at Lot G-17A, Ground Floor, renting of shoptlot at Lot 01-09A, 1st Floor, office premises at Lots 08-06 to 08-13A, renting of shoptlot at 08-75, 8th Floor, renting of office at Lots 09-15A to 09-19, 9th Floor, renting of showroom and office at Lot 10-01C & 10-01D, 10th Floor, broadcasting facility at TB-Roof 04, 09-CP-01, and L-CPA, Lot No B1 to B5 at carpark of Berjaya Times Square, Jalan Imbi, Kuala Lumpur	3,908
	Berjaya Waterfront Sdn Bhd	Rental income receivable for renting of shoptlot at Lot L2G2, Level 2, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	34
	BTS Car Park Sdn Bhd	Parking charges receivable	736
Ansar Broadcast Sdn Bhd (f)	BTSSB	Rental income receivable for renting of shoptlot at Lot 06-19, 6th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	9
REDtone Digital Berhad ("REDtone") and/or its unlisted subsidiary company (g) (Formerly known as REDtone International Berhad)	BTSSB	Rental receivable for renting of rooftop space at Lot No. TB-Roof-02B & TB-Roof-02D, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	70
Sun Media Corporation Sdn Bhd (h)	BAssets Group	Procurement of promotion, advertising and publishing services	77
Grand Total			17,610

Notes:

- (a) Subsidiary companies of 7-Eleven Malaysia Holdings Berhad ("SEM"). TSVT is a major shareholder of SEM by virtue of his direct and indirect interests in SEM. Chryseis Tan Sheik Ling, an Executive Director of the Company, is the daughter of TSVT.
- (b) A company in which TSVT has direct interests.
- (c) A company in which TSVT has direct and indirect interests.
- (d) A company in which TSVT has deemed interests.
- (e) Deemed a related party by virtue of TSVT's direct and deemed interests in U Mobile Sdn Bhd ("UMSB"). TSVT is also the Chairman of UMSB.
- (f) Subsidiary company of U Telemedia Sdn Bhd ("UTelemedia") and deemed a related party by virtue of TSVT's direct and deemed interests in UTelemedia.
- (g) DYMM Sultan Ibrahim Johor is a major shareholder of BAssets and REDtone. His Majesty is the father of YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail who is also the Chairman of BAssets and REDtone. TSVT also has direct and indirect interests in REDtone.
- (h) Subsidiary company of Berjaya Media Berhad, a company in which BCorp and TSVT have substantial interests.

STATISTICS ON SHARES AND WARRANTS

AS AT 1 OCTOBER 2021

ANALYSIS OF SHAREHOLDINGS IN ORDINARY SHARES

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	376	10.50	9,825	0.00
100 – 1,000	628	17.55	175,171	0.01
1,001 – 10,000	1,219	34.06	7,388,370	0.29
10,001 – 100,000	1,041	29.09	35,353,998	1.38
100,001 – 127,913,535	313	8.74	2,062,548,354	80.62
127,913,536* and above	2	0.06	452,795,000	17.70
Total	3,579	100.00	2,558,270,718	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	315,900,000	12.35
2	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	136,895,000	5.35
3	BBL Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for B & B Enterprise Sdn. Bhd.	116,300,700	4.55
4	Berjaya Sampo Insurance Berhad	110,585,000	4.32
5	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	104,100,000	4.07
6	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	77,500,000	3.03
7	Fabulous Channel Sdn. Bhd.	72,100,000	2.82
8	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (EDG&CBD)	66,100,000	2.58
9	Abd Rahman Bin Soltan	60,038,000	2.35
10	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00820-000)	60,000,000	2.34
11	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00856-003)	60,000,000	2.34
12	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hotel Resort Enterprise Sdn. Bhd.	51,398,600	2.01
13	Portal Access Sdn. Bhd.	49,704,836	1.94

STATISTICS ON SHARES AND WARRANTS AS AT 1 OCTOBER 2021

No.	Name of Shareholders	No. of Shares	%
14	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	47,130,000	1.84
15	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fabulous Channel Sdn. Bhd. (AF0010)	47,000,000	1.84
16	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Third Party)	46,960,000	1.84
17	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Berjaya Land Bhd (BBB)	45,660,000	1.78
18	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for B & B Enterprise Sdn. Bhd.	42,662,300	1.67
19	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hotel Resort Enterprise Sdn. Bhd.	41,015,200	1.60
20	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for B & B Enterprise Sdn. Bhd. (MY3764)	40,305,000	1.58
21	BBL Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	40,000,000	1.56
22	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pantai Cemerlang Sdn. Bhd.	38,000,000	1.49
23	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Arsam Bin Damis (IPM)	32,147,000	1.26
24	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Singer CBM)	32,000,000	1.25
25	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MY3309)	31,500,000	1.23
26	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Berjaya VTCY Sdn. Bhd. (01-00856-001)	31,164,492	1.22
27	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. Berjaya Philippines Inc	29,350,000	1.15
28	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. IPM for Ong Kar Beau	28,500,000	1.11
29	Ambilan Imej Sdn. Bhd.	27,073,054	1.06
30	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Margin)	26,500,000	1.04
		1,907,589,182	74.57

STATISTICS ON SHARES AND WARRANTS AS AT 1 OCTOBER 2021

ANALYSIS OF HOLDINGS IN WARRANTS (“WARRANT 2018/2023”)

Size of Warrant Holdings	No. of Warrant 2018/2023 Holders	%	No. of Warrants 2018/2023	%
Less than 100	492	15.68	14,524	0.00
100 – 1,000	559	17.81	235,146	0.02
1,001 – 10,000	1,072	34.16	5,484,934	0.43
10,001 – 100,000	686	21.86	27,356,535	2.14
100,001 – 63,956,767	325	10.36	791,331,370	61.86
63,956,768* and above	4	0.13	454,712,850	35.55
Total	3,138	100.00	1,279,135,359	100.00

Note:

* Denotes 5% of the Warrants 2018/2023 outstanding.

LIST OF THIRTY (30) LARGEST WARRANT 2018/2023 HOLDERS

No.	Name of Warrants 2018/2023 Holders	No. of Warrants 2018/2023	%
1	DYMM Sultan Ibrahim Johor	156,800,000	12.26
2	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (M3764A)	138,800,000	10.85
3	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for B & B Enterprise Sdn. Bhd. (MY3764)	90,665,350	7.09
4	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	68,447,500	5.35
5	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Malayan Banking Berhad (MBB2 SWAP-M)	55,000,000	4.30
6	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	47,500,000	3.71
7	Berjaya VTCY Sdn. Bhd.	42,207,246	3.30
8	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Third Party)	37,000,000	2.89
9	Berjaya Land Berhad	33,264,135	2.60
10	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	33,000,000	2.58
11	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-UTS0001M)	30,800,000	2.41

STATISTICS ON SHARES AND WARRANTS AS AT 1 OCTOBER 2021

No.	Name of Warrants 2018/2023 Holders	No. of Warrants	
		2018/2023	%
12	Abd Rahman Bin Soltan	30,000,000	2.35
13	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	26,000,000	2.03
14	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hotel Resort Enterprise Sdn. Bhd.	25,699,300	2.01
15	RHB Nominees (Tempatan) Sdn. Bhd. Bank of China (Malaysia) Berhad Pledged Securities Account for Portal Access Sdn. Bhd.	24,950,000	1.95
16	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hotel Resort Enterprise Sdn. Bhd.	20,507,600	1.60
17	Portal Access Sdn. Bhd.	19,632,418	1.53
18	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun (Singer CBM)	16,000,000	1.25
19	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. IPM for Ong Kar Beau	13,700,000	1.07
20	Ambilan Imej Sdn. Bhd.	13,536,527	1.06
21	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Arsam Bin Damis (IPM)	12,840,000	1.00
22	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Seri Vincent Tan Chee Yioun	12,800,000	1.00
23	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Chee Sing (514057695025)	12,000,000	0.94
24	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fabulous Channel Sdn. Bhd. (AF0010)	11,000,000	0.86
25	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Warisan Jutamas Sdn. Bhd.	10,953,000	0.86
26	Magna Mahsuri Sdn. Bhd.	10,936,251	0.86
27	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. Berjaya Philippines Inc	10,000,000	0.78
28	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Arsam Bin Damis (AA0023)	9,155,000	0.72
29	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Sie Kuong (Kuching)	8,800,000	0.69
30	Berjaya Capital Berhad	8,425,000	0.66
		1,030,419,327	80.56

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 1 OCTOBER 2021

THE COMPANY

Name of Director	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	200,000	0.01	–	–

Name of Director	No. of Warrants 2018/2023			
	Direct Interest	%	Deemed Interest	%
YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail	100,000	0.01	–	–

SUBSIDIARY COMPANY – JAUHARI MAKSIMA SDN BHD

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

Save as disclosed, none of the other Directors of the Company had any interests in the shares and warrants of the Company or its related corporations as at 1 October 2021.

SUBSTANTIAL SHAREHOLDERS

AS AT 1 OCTOBER 2021

Names of Substantial Shareholders	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	840,200,000	32.84	829,817,036 ^(a)	32.44
Berjaya Land Berhad	76,500,000	2.99	166,080,424 ^(b)	6.49
Teras Mewah Sdn Bhd	–	–	242,580,424 ^(c)	9.48
Berjaya Capital Berhad	17,950,000	0.70	144,658,054 ^(d)	5.65
Juara Sejati Sdn Bhd	–	–	405,188,478 ^(e)	15.84
Berjaya Group Berhad	–	–	405,188,478 ^(f)	15.84
Berjaya Corporation Berhad	–	–	405,188,478 ^(g)	15.84
DYMM Sultan Ibrahim Johor	315,900,000	12.35	–	–
B & B Enterprise Sdn Bhd	199,268,000	7.79	221,250 ^(h)	0.01

Notes:

- (a) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, Hotel Resort Enterprise Sdn Bhd, B & B Enterprise Sdn Bhd (the holding company of Auto Tulin Sdn Bhd), Berjaya VTCY Sdn Bhd, MOL.com Sdn Bhd (the ultimate holding company of Lim Kim Hai Sales & Services Sdn Bhd), U Telemedia Sdn Bhd, Prime Realty Holdings Sdn Bhd, Jitumaju Sdn Bhd and his deemed interests in Berjaya Infrastructure Sdn Bhd and Berjaya Retail Sdn Bhd.
- (b) Deemed interested by virtue of its 100% interests in Portal Access Sdn Bhd, Immediate Capital Sdn Bhd, BTS Hotel Sdn Bhd and Nada Embun Sdn Bhd as well as its interest in Berjaya Sports Toto Berhad (the holding company of Magna Mahsuri Sdn Bhd and Berjaya Philippines Inc.) and KDE Recreation Berhad.
- (c) Deemed interested by virtue of its 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 Sampo 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.
- (h) Deemed interested by virtue of its interest in Auto Tulin Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-First Annual General Meeting of the Company will be conducted on a fully virtual basis through live streaming from the broadcast venue (“Broadcast Venue”) at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 2 December 2021 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 June 2021 and the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of Directors’ fees amounting to RM178,850.00 to the Non-Executive Directors of the Company for the financial year ended 30 June 2021. **Ordinary 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 RM654,000.00 for the period from 3 December 2021 until the next Annual General Meeting of the Company to be held in 2022. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire pursuant to Clause 117 of the Company’s Constitution and who being eligible, offer themselves for re-election:-
 - (a) Chan Kien Sing **Ordinary Resolution 3**
 - (b) Datuk Robert Yong Kuen Loke **Ordinary Resolution 4**
 - (c) Chryseis Tan Sheik Ling **Ordinary Resolution 5**
5. To re-elect Tan Sri Dato’ Seri Zulkefli Bin Ahmad Makinudin who retires pursuant to Clause 107 of the Company’s Constitution and who being eligible, offer himself for re-election. **Ordinary Resolution 6**
6. To re-appoint Messrs Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

As Special Business

7. To consider and, if thought fit, pass the following Ordinary Resolutions:-
 - (i) **Authority to Issue and Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

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

Ordinary Resolution 8

NOTICE OF ANNUAL GENERAL MEETING

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

"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 27 October 2021 ("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."

Ordinary Resolution 9

(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 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 27 October 2021 ("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:-

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

Ordinary Resolution 10

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

“THAT, subject always to the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“BAssets Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of central depositories accounts under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
3. the authority shall commence immediately upon passing of this ordinary resolution until:-
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

NOTICE OF ANNUAL GENERAL MEETING

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.”

Ordinary Resolution 11

(v) Proposed Retention of Independent Non-Executive Director

“THAT Datuk Robert Yong Kuen Loke 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 twelve years.”

Ordinary Resolution 12

By Order of the Board

WONG SIEW GUEK
(MAICSA 7042922)
(SSM Practising Certificate No.: 202008001490)
Secretary

Kuala Lumpur
27 October 2021

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 2021 is same as in the previous financial year ended 30 June 2020. The Director's fee for the late Mr. Heng Kiah Choong was pro-rated from 1 July 2020 until his demise on 23 June 2021.

3. Directors' Remuneration (excluding Directors' Fees)

Section 230(1) of the CA 2016 provides that the ‘fees’ of the directors and ‘any benefits’ payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Accordingly, shareholders' approval shall be sought at this Annual General Meeting (“AGM”) for the payment of Directors' Remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 3 December 2021 until the next AGM of the Company to be held in 2022 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.

NOTICE OF ANNUAL GENERAL MEETING

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

In the event where the payment of 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. Authority to issue and allot shares pursuant to Sections 75 and 76 of the CA 2016

Resolution 8 is proposed for the purpose of granting a renewed general mandate (“General Mandate”) and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the CA 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

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 Sixtieth AGM held on 3 December 2020 and which will lapse at the conclusion of the Sixty-First 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 current and/or future investment/project(s), working capital and/or acquisitions or issuance of shares for such other application(s) as the Directors may deem fit and in the best interest of the Company.

5. 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 9, 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 27 October 2021 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-assets/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

6. 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 10, 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 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 27 October 2021 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-assets/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

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

Resolution 11, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the total number of issued shares of the Company (“Proposed Share Buy-Back Renewal”). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 27 October 2021 which can be viewed and downloaded from the website of the Company at www.berjaya.com/berjaya-assets/ and/or Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

NOTICE OF ANNUAL GENERAL MEETING

8. Proposed Retention of Independent Non-Executive Director

Resolution 12 is proposed pursuant to the Malaysian Code on Corporate Governance and if passed, will allow Datuk Robert Yong Kuen Loke to be retained and to continue to act as an Independent Non-Executive Director of the Company.

The full detail of the Board's justifications for the retention of Datuk Robert Yong Kuen Loke is set out in the Corporate Governance Overview Statement in the Company's 2021 Annual Report.

9. Proxy and Entitlement of Attendance

- (i) As a precautionary measure amid COVID-19 pandemic and having regard to the well-being of the safety of the Company's shareholders, employees and Directors, the Sixty-First AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at <https://sshb.net.my/>. Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via the RPV Facilities.
- (ii) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.
- (iii) Shareholders/proxy(ies)/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.
- (iv) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV Facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (v) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- (vi) 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.
- (vii) An exempt authorised nominee, as defined under SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- (viii) 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.
- (ix) 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 AGM of the Company.
- (x) Only members whose names appear in the Record of Depositors as at 25 November 2021 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV Facilities.

10. Poll voting

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

FORM OF PROXY



I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos.)

of _____
(Address)

being a member/members of BERJAYA ASSETS BERHAD hereby appoint:

_____ I.C. No. _____
(Name in full) (New and Old I.C. Nos.)

of _____
(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Sixty-First Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming from the broadcast venue ("Broadcast Venue") at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 2 December 2021 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
ORDINARY RESOLUTION 1	To approve payment of Directors' Fees.		
ORDINARY RESOLUTION 2	To approve payment of Directors' Remuneration (excluding Directors' Fees) for the period from 3 December 2021 until the next Annual General Meeting of the Company.		
ORDINARY RESOLUTION 3	To re-elect Chan Kien Sing as Director.		
ORDINARY RESOLUTION 4	To re-elect Datuk Robert Yong Kuen Loke as Director.		
ORDINARY RESOLUTION 5	To re-elect Chryseis Tan Sheik Ling as Director.		
ORDINARY RESOLUTION 6	To re-elect Tan Sri Dato' Seri Zulkefli Bin Ahmad Makinudin as Director.		
ORDINARY RESOLUTION 7	To re-appoint Auditors.		
ORDINARY RESOLUTION 8	To approve authority to issue and allot shares.		
ORDINARY RESOLUTION 9	To renew and to seek shareholders' mandate for Recurrent Related Party Transactions with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun.		
ORDINARY RESOLUTION 10	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.		
ORDINARY RESOLUTION 11	To renew authority for the Company to purchase its own shares.		
ORDINARY RESOLUTION 12	To approve the proposed retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director.		

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

No. of shares held

Dated this _____ day of _____, 2021.

NOTES:

- (i) As a precautionary measure amid COVID-19 pandemic and having regard to the well-being of the safety of the Company's shareholders, employees and Directors, the Sixty-First Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services e-Portal's platform at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via the RPV Facilities.
- (ii) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.
- (iii) Shareholders/proxy(ies)/corporate representatives from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the AGM of the Company.
- (iv) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV Facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (v) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- (vi) 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.
- (vii) An exempt authorised nominee, as defined under SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- (viii) 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.
- (ix) 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 AGM of the Company.
- (x) Only members whose names appear in the Record of Depositors as at 25 November 2021 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV Facilities.

Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
BERJAYA ASSETS BERHAD
[Registration No. 196001000237 (3907-W)]
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1 JALAN IMBI
55100 KUALA LUMPUR

2nd fold here

1st fold here

GROUP ADDRESSES

BERJAYA TIMES SQUARE SDN BHD

Corporate Office:

Lot 08-16, P.O Box. 08-23
Level 8, Berjaya Times Square
No. 1 Jalan Imbi 55100 Kuala Lumpur
Tel : 03-2144 9821
Fax: 03-2143 3055
berjayatimesquarekl.com

BERJAYA TIMES SQUARE THEME PARK SDN BHD

No. 09-103 (Lot No. 09-98)
Level 9, Berjaya Times Square
No. 1 Jalan Imbi 55100 Kuala Lumpur
Tel : 03-2117 3118
Fax: 03-2143 2380
www.berjayatimesquarethemeparkkl.com

BERJAYA WATERFRONT SDN BHD

88, Jalan Ibrahim Sultan
Stulang Laut
80300 Johor Bahru
Johor Darul Takzim
Tel : 07-221 8000
Fax: 07-221 9000
www.berjayawaterfront.com.my

BERJAYA ASSEMBLY SDN BHD

99 & 99A-C, Jalan Tampoi
81200 Johor Bahru
Johor Darul Takzim
Tel : 07-236 1400
Fax: 07-237 2166

NATURAL AVENUE SDN BHD

Head Office:

Lot 8189 & 8190
Town East, Jalan Pending
93450 Kuching
Sarawak
Tel : 082-333 666
Fax: 082-552 294

Regional Office:

Kuching Regional Office

No. 273-274, Lot 2545-2546
Centraland Commercial Park
Off Jalan Rock
93200 Kuching
Sarawak
Tel : 082-233 466
Fax: 082-523 399

Sibu Regional Office

No. 7, 1st Floor, Lorong Wong King Huo 1D
96000 Sibu
Sarawak
Tel : 084-320 202
Fax: 084-231 514

Miri Regional Office

Lot 627, 1st Floor
Jalan Sim Chieng Kay
Off North Yu Seng Road
98000 Miri
Sarawak
Tel : 085-415 331
Fax: 085-326 064

BERJAYA UK INVESTMENT & DEVELOPMENT LIMITED

12A Islington on the Green Angel
London N1 2XN

berjayatimesquarekl.com
www.cashsweep.com.my