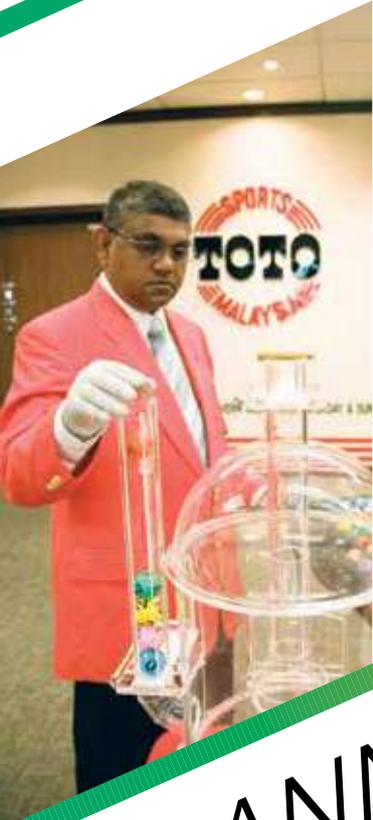




BERJAYA
BERJAYA LAND BERHAD

(Company No. 201765-A)

برجاي لاند برحد
成功置地有限公司



ANNUAL REPORT 2018



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

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

VISION

- To be an organisation which nurtures and carries on profitable and sustainable businesses in line with the Group’s diverse business development and value creation aspirations and interests of all its stakeholders.
- To also be an organisation which maximises the value of human capital through empowerment, growth and a commitment to excellence.

MISSION

We strive to generate profitable returns for our shareholders from investments in core business activities:

- By providing direction, financial resources and management support for each operating unit;
- Through dynamic and innovative management, teamwork and a commitment to excellence; and
- By providing a cross-functional environment and development and upskilling opportunities for our employees to develop their full potential for both personal and professional advancements.

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CORPORATE PROFILE

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

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

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

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

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

Today, the Group’s core activities are as follows:-

- Gaming and Lottery Management;
- Hotels, Resorts, Recreation Development and Vacation Timeshare;
- Property Investment and Development; and
- Motor Retailing.



The Link 2 at Bukit Jalil, Kuala Lumpur.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

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

Chief Executive Officer

Datuk Pee Kang Seng @ Lim Kang Seng

Executive Directors

Tan Thiam Chai
Nerine Tan Sheik Ping
Chryseis Tan Sheik Ling

Non-Independent/Non-Executive Director

Dato' Ng Sooi Lin

Independent/Non-Executive Directors

Datuk Robert Yong Kuen Loke
Datuk Kee Mustafa
John V Pridjian

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

Independent/Non-Executive Directors

Tan Sri Datuk Seri Razman Md Hashim bin
Che Din Md Hashim
Datuk Kee Mustafa
John V Pridjian

SECRETARIES

Tham Lai Heng Michelle

(MAICSA No. 7013702)

Wong Siew Guek

(MAICSA No. 7042922)

Teo Soh Fung

(MAICSA No. 7046614)

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

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

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJLAND (4219)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS



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

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

Tan Sri Datuk Seri Razman was appointed to the Board as Chairman on 3 September 2007. He is the Senior Independent Director to whom concerns relating to the Company and the Group can be conveyed. He completed his early secondary education in Australia and upon completion, pursued a study in Accounting and Banking where he became a member of the Australian Institute of Bankers.

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

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

Currently, he holds directorships in several public listed companies namely, Marine & General Berhad, Sunway Berhad and Mycron Steel Berhad. He also holds directorships in several other private limited companies.

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



DATUK PEE KANG SENG @ LIM KANG SENG

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

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

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

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

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

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

Currently, he is also a Director of Berjaya Vacation Club Berhad, Indah Corporation Berhad, Staffield Country Resort Berhad and Tioman Island Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

PROFILE OF DIRECTORS



TAN THIAM CHAI

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

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

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

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

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

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



NERINE TAN SHEIK PING

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

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

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

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

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

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

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

PROFILE OF DIRECTORS



CHRYSEIS TAN SHEIK LING

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

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

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

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

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

Presently, Ms Chryseis Tan is an Executive Director of Berjaya Assets 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 the Company's associated company namely, Berjaya Kyoto Development (S) Pte Ltd.

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



DATO' NG SOOI LIN

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

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

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

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

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

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

PROFILE OF DIRECTORS



DATUK ROBERT YONG KUEN LOKE

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

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

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

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



DATUK KEE MUSTAFA

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

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

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

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

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

PROFILE OF DIRECTORS



JOHN V PRIDJIAN

54 years of age, United States of America, Male
(Independent/Non-Executive Director)

He was appointed to the Board on 1 November 2017 as an Independent Non-Executive Director. He holds a Bachelor of Science degree in Accounting from University of Illinois in 1986 and holds a Master of Business Administration in Finance from University of Chicago in 1988. He is also a Certified Public Accountant in the State of Illinois and is a member of the State Bar of California.

He started his career as an Associate in O'Melveny & Myers L.L.P in Los Angeles, California, United States from 1991 to 1993. Subsequently, he served as a Partner and practiced law at Sidley Austin L.L.P in Los Angeles, California, United States from 1993 to 2001 and thereafter he joined Deloitte and Touche L.L.P in Los Angeles, California, United States as a Tax Partner for 3 years.

He has more than 25 years of experience in strategic decision-making, financial reporting and operations in the fields of asset and investment management, Securities and Exchange Commission regulatory reporting and compliance, financial reporting and cost analysis, vendor negotiation and management, project management, strategic business planning and cost cutting discipline.

Currently, he is the Chief Financial Officer of Old Peak Group Limited, an independent investment firm focused on the Asia Pacific region for global institutional investors.

Mr John V Pridjian is a member of the Audit Committee, Risk Management Committee and Sustainability 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 and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

HANLEY CHEW

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

Date of appointment : 1 April 2016

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

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

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

Currently, he is also a Director of Berjaya Hills Resort Berhad.

KHOR POH WAA

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

Date of appointment : 1 April 1997

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

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

He is the Chairman of the Malaysian Golf & Recreational Owners Association for the period from 2015 to 2018. He was also the Chairman of the Malaysian Holiday Timeshare Developer’s Federation from 1995 to 2015.

Currently, he is also a Director of Berjaya Golf Resort Berhad, Berjaya Vacation Club Berhad, Bukit Kiara Resort Berhad, KDE Recreation Berhad and Staffield Country Resort Berhad.

SEOW SWEE PIN

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

Date of appointment : 17 December 2007

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

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

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

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

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

KEY SENIOR MANAGEMENT

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

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

Date of appointment : 5 December 1988

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 Media Berhad, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad, Berjaya Retail Berhad, Intan Utilities Berhad, U Mobile Sdn Bhd and MOL Ventures Pte Ltd.

Currently, he is the Executive Chairman of Berjaya Corporation Berhad and Berjaya Times Square Sdn Bhd and Chairman of U Mobile Sdn Bhd, Cosway (M) Sdn Bhd and Country Farms Sdn Bhd. He is also the Managing Director/Chief Executive Officer of Sports Toto Malaysia Sdn Bhd. He also holds directorships in several other private limited companies and also in Berjaya Corporation group of companies.

He is the father of Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling who are members of the Board of the Company. He is also a major shareholder of the Company.

TAN TEE MING

42 years of age, Malaysian, Male
Senior General Manager, Property Sales & Marketing Division
Berjaya Land Berhad

Date of appointment : 18 March 2017

He was appointed Senior General Manager of Property Sales & Marketing Division on 18 March 2017.

He graduated with a Bachelor of Science Degree in Business Management from King's College London, United Kingdom in 1998. Since 2001, he has held various positions with several major Private Banks in Malaysia and Singapore including Citi Private Bank and CIMB.

His father-in-law, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company. His wife, Nerine Tan Sheik Ping, and sister-in-law Chryseis Tan Sheik Ling are members of Board of the Company.

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

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

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Berjaya Land Berhad ("B-Land"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2018.



One-Bedroom Suite at Four Seasons Hotel and Hotel Residences Kyoto, Japan.

FINANCIAL RESULTS

For the financial year ended 30 April 2018, the Group registered a revenue of RM6.36 billion which was comparable to that reported in the previous financial year. In spite of a comparable revenue, the Group registered a significantly lower pre-tax profit of RM69.85 million during the financial year under review compared to a pre-tax profit of RM576.32 million registered in the previous financial year.

The comparable revenue was primarily attributed to higher revenue reported by the property development and the hotels and resorts business segments arising from higher property progress billings and higher overall occupancy and average room rates respectively. These were off-set by the lower revenue reported by Berjaya Sports Toto Berhad mainly due to the higher project contract sales reported by International Lottery & Totalizator Systems Inc., USA in the previous financial year. Despite having lower number of draws during the financial year under review, Sports Toto Malaysia Sdn Bhd's ("Sports Toto") revenue was on par with the previous financial year.

The significantly lower pre-tax profit was mainly due to the net impairment made on certain quoted investments, assets held for sale, receivables and property, plant and equipment amounting to approximately RM180.63 million, unfavourable foreign exchange translation effect due to the strengthening of the Ringgit Malaysia and lower share of profits from its associated companies. During the year under review, Berjaya Kyoto Development (S) Pte Ltd, an associated company of the Group, reported lower number of units sold at the Four Seasons Residences, Kyoto, Japan compared to the previous financial year. These were partly mitigated by the

improved profit contribution from the main business segments of the Group resulting from lower prize payout reported by Sports Toto, higher revenue and effective project cost reduction measures by the property development business segment, higher overall average room and occupancy rates reported by the hotels and resorts business segment. Furthermore, in the previous financial year, the Group recognised a one-off gain on settlement for surrendering certain assets and lease interest by a subsidiary company to the relevant authorities which amounted to RM184.64 million.

DIVIDEND

The Board did not recommend any payment of dividend for the financial year ended 30 April 2018.

SIGNIFICANT CORPORATE DEVELOPMENTS

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

1. As announced on 18 December 2012 and pursuant to the Supplemental Agreement dated 13 August 2012 entered into between Selangor Turf Club ("STC") and Berjaya Tagar Sdn Bhd ("BTBS"), STC granted extension of time to 18 January 2019 to fulfill the remaining conditions precedent pursuant to the proposed acquisition of the Sungai Besi Land by BTBS.

SIGNIFICANT CORPORATE DEVELOPMENTS (CONT'D)

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

- On 16 December 2015, B-Land announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited ("BLCL") had entered into a Construction Project Transfer Agreement with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") for the disposal of the Berjaya (China) Great Mall Recreation Centre ("Contract") located in Sanhe City, Hebei Province, the People's Republic of China for a cash consideration of RMB2.08 billion (equivalent to about RM1.39 billion), ("Disposal"). The cash consideration was subsequently revised from RMB2.08 billion to RMB2.039 billion.

The Disposal was completed on 16 December 2016 but the balance of the revised consideration amounting to RMB974 million ("Final Instalment") which was due in November 2017 was not paid.

SkyOcean Holding Group Limited which holds 100% stake in Beijing SkyOcean, and its major shareholder, Mr. Zhou Zheng (collectively, the "Guarantors") had guaranteed the performance of the obligations by Beijing SkyOcean pursuant to the Contract.

On 7 December 2017, a notice of demand was issued to the Guarantors for the Final Instalment and accrued late payment interest. As announced on 19 January 2018, GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

The Board is confident that GMOC will prevail in the legal proceeding to fully recover the Final Instalment amount.

- On 15 February 2017, BLCL entered into a capital contribution transfer for the disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of VND333.25 billion (equivalent to about RM65.32 million). The disposal is expected to be completed by the end of 2018.
- On 4 June 2018, B-Land announced that BLCL had entered into a Capital Transfer Agreement for the proposed disposal by BLCL of the entire remaining 32.5% of the capital contribution in Berjaya Vietnam Financial Center Limited ("BVFC") to Vinhomes Joint Stock Company and Can Gio Tourist City Corporation for a cash consideration of VND884.93 billion (equivalent to about RM154.86 million) ("Proposed BVFC Disposal"). The Proposed BVFC Disposal is pending completion.

SUSTAINABILITY

In continuing the sustainability journey in line with the reporting requirements by Bursa Malaysia Berhad, the Company issued its second Sustainability Statement to share information with its stakeholders regarding the material sustainability aspects of the Group during the financial year under review. The pursuit of excellence in this area has never been easy. Nevertheless, the Company strives to continue to fulfill its social responsibility and integrate various sustainability initiatives into the core of its business operations across the Group.



Maserati Levante S distributed by H.R. Owen.



Beach-clean up activity organised by The Taaras Beach & Spa Resort, Redang, Malaysia.

CHAIRMAN'S STATEMENT



Sports Toto's Reading My Companion programme has benefitted more than 10,000 students since its inception in 2012.

Compared to the first Sustainability Statement issued in the previous financial year, the Group has expanded its reporting scope during the financial year under review to also cover material issues arising from its business activities in property investment as well as clubs and recreation business segments. With that, the scope of the Company's second Sustainability Statement now covers material issues from property development and investment; hotels and resorts; gaming as well as clubs and recreation business segments in Malaysia. The statement offers an overview of the sustainability approach and initiatives made by the five business segments in how it creates economic value, protect the environment and pursue social development in their respective industry sectors.

The Sustainability Statement is available on pages 30 to 42 of B-Land Annual Report 2018.

FUTURE OUTLOOK

The Malaysian economy registered a slower growth of 5.4% in the first quarter of 2018 from 5.9% in the preceding quarter as private investment decelerates while public spending continues to decline. Nevertheless, the outlook for the full year remains favourable, supported by healthy domestic demand, improving global growth and trade activities. Alongside this positive outlook, the current political and policy uncertainties surrounding global trade and growth are the main downside risk to the nation's growth prospects.

It is expected that the imposition of zero-rated Goods and Services Tax ("GST") effective 1 June 2018 and the three-month tax holiday before the introduction of the Sales and Services Tax

in September 2018 will increase discretionary income and boost consumer spending leading to a significant multiplier effect within the domestic economy. Against this scenario, the Company expects the hotels and resorts business segment to benefit from the positive trends within the tourism industry and make good financial progress. The hotels and resorts business segment will continue to develop its marketing strategies to further expand its market reach and enhance guests' experiences with greater levels of hospitality.

The overall local property market condition is expected to remain lukewarm. The property development business segment will continue to focus on selling the remaining units from its development projects. The division anticipates that the demand for its affordable housing projects and other residential projects will remain strong especially developments at strategically located areas in Bukit Jalil, Kuala Lumpur.

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

The Number Forecast Operators ("NFO") business under BToto is expected to remain lacklustre with continued rampant illegal gaming activities. Nonetheless, it is expected that Sports Toto would maintain its market share in the NFO sector.

Looking into the immediate future, the challenges currently faced by the Company are likely to continue. To weather the market uncertainty, the Group will continue to remain diligent and exercise a prudent approach across its business operations. Nevertheless, the Group expects to record a significant gain on aggregate upon the successful disposal of certain projects in Vietnam in the year ahead.



A Toto draw in progress.



Canal Park Apartments at Hanoi Garden City, Vietnam.



Rainforest Studio at Berjaya Langkawi Resort, Malaysia.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to welcome Mr John V Pridjian who joined the Board as an Independent Non-Executive Director on 1 November 2017.

I would also like to take this opportunity to express our heartfelt gratitude to all our valued customers, business associates, financiers and shareholders as well as the relevant government and regulatory bodies for their continued support. We also wish to extend our sincere appreciation to the management team for their leadership as well as the employees and the agents for their individual and collective contributions to the Group. To my fellow Directors, thank you for your invaluable guidance and support throughout this challenging period.

I look forward to your continued support as we navigate through the existing and emerging challenges and opportunities ahead.

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

13 August 2018

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

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

PERFORMANCE REVIEW BY BUSINESS SEGMENTS

GAMING

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

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

For the financial year under review, BToto reported a decline in revenue of 1.2% to RM5.66 billion compared to RM5.73 billion in the previous financial year mainly due to the higher revenue contribution arising from the higher project contract sales reported by ILTS in the previous financial year. Pre-tax profit increased marginally by 0.3% to RM377.23 million mainly attributed to the improved results reported by Sports Toto and H.R. Owen but was offset by impairment in value for certain available-for-sale investments and goodwill for the leasing of lottery equipment business in the Philippines as well as the lower results reported by Philippine Gaming Management Corporation (“PGMC”).

MALAYSIA

Sports Toto Malaysia Sdn Bhd (“Sports Toto”), the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 7 games namely Toto 4D, Toto 4D Jackpot, Toto 5D, Toto 6D, Star Toto 6/50, Power Toto 6/55 and Supreme Toto 6/58 which are drawn three days a week. Grand Toto 6/63 was replaced by Star Toto 6/50 during the financial year under review.

Revenue

For the financial year ended 30 April 2018, Sports Toto recorded revenue of RM3.12 billion which is on par with the previous year’s revenue despite the current year having two draws less than the previous year. The company’s revenue for the financial year under review has been stated net of Gaming Tax as well as Goods and Services Tax (“GST”) on gaming supply.

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

Profit Before Tax

Profit before tax increased by 9.2% to RM363.0 million compared to RM332.5 million in the previous financial year. The higher profit before tax was mainly due to a lower prize payout in the financial year under review. Consequently, this led to a higher profit before tax margin of 11.6% compared to 10.7% in the previous financial year.

Profit After Tax

Profit after tax increased by 9.9% to RM253.5 million compared to RM230.6 million in the previous financial year, in line with the increase in the profit before tax. The higher profit after tax margin of 8.1% compared to 7.4% in the previous financial year was due to lower prize payout in the financial year under review.

Prospects

Effective 1 June 2018, the Government zeroed the GST, while the Sales & Services Tax (“SST”) is re-introduced to replace GST from 1 September 2018. Sports Toto does not foresee this would have significant impact to its operation.

Sports Toto anticipates its business performance to be satisfactory and is confident that it will continue to maintain its market share in the NFO business for the financial year ending 30 April 2019.



A customer in a Sports Toto outlet.



A lotto sales counter in Metro Manila, Philippines.

THE PHILIPPINES

BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. ("BPI") which is listed on the Philippine Stock Exchange. BPI's major investments include wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC"), 99.3% equity interest in H.R. Owen Plc ("H.R. Owen") and wholly-owned subsidiary, Perdana Hotel Philippines Inc. ("PHPI").

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

Revenue

BPI group recorded an 8.2% increase in revenue to Peso30.8 billion from Peso28.5 billion in the previous financial year. The increase was primarily due to a higher revenue contribution from H.R. Owen in the financial year under review upon conversion to Philippine Peso.

PGMC recorded revenue of Peso1.64 billion, an increase of 2.5% from Peso1.6 billion in the previous financial year mainly due to an increase in lease rental income as a result of higher jackpots recorded in this financial year.

BPI's other subsidiary, PHPI, which operates Berjaya Makati Hotel in Makati City, recorded revenue of Peso129.4 million compared to Peso144.2 million in the previous financial year. The 10.3% decrease in revenue was mainly due to a decrease in room occupancy level compared to the previous financial year. The hotel industry continued to experience a significant oversupply in guestrooms, thereby making it challenging to increase room rates significantly.

Profit Before Tax

BPI group recorded a profit before tax of Peso1.1 billion, an increase of Peso124.7 million or 12.7% from the previous financial year, mainly due to a higher revenue in the financial year under review.

PGMC's profit before tax decreased by 4.9% to Peso755.2 million compared to Peso794.1 million in the previous financial year mainly due to the provision made for costs and expenses for an arbitration award issued by the Makati Regional Trial Court in favour of PCSO in the financial year under review. PGMC has filed a petition to appeal on the final award issued by the Court.

Excluding this one-off provision made for the costs and expenses for the arbitration award, PGMC would have registered an increase in profit before tax of 3.2%.

PHPI registered a loss before tax of Peso3.7 million compared to a profit before tax of Peso0.3 million in the previous financial year, mainly due to lower revenue from hotel rooms in the financial year under review.

Profit After Tax

BPI group's profit after tax increased by 13.1% to Peso796.4 million compared to Peso704.1 million in the previous financial year. The effective tax rate for the financial year ended 30 April 2018 was slightly lower at 28.2% compared to 28.5% in the previous financial year.



Berjaya Makati Hotel, Philippines.

MANAGEMENT DISCUSSION & ANALYSIS

Prospects

The Philippine economy is expected to moderate to 6.6 - 6.7% range in 2018-2019 from its current annual rate of 6.7% - 6.9% in 2017-2018. Investment growth hinges on the government's ability to effectively and timely implement its ambitious public investment programmes.

PGMC will continue to work with PCSO to launch new games in the coming financial year to generate more revenue to support charity activities in the Philippines.

To ensure PHPI continues to be sustainable in the changing business environment, Berjaya Makati Hotel closely monitors markets across the globe and follows key industry and business metrics. It will optimise its menu by introducing new products that are popular and widely accepted by the customers. For instance, the menu for its Indian cuisine has expanded to include favourites such as Mutton Briyani, Chicken Tikka Masala and several others. It will also continue to ensure that food in the hotel's daily operations is consistently of high quality.

THE UNITED STATES OF AMERICA

In the United States, International Lottery & Totalizator Systems, Inc. ("ILTS"), a subsidiary of BToto, provides secure, innovative and dependable gaming and voting processing systems to public and private organizations throughout the world. Its subsidiary, Unisyn Voting Solutions, Inc. ("Unisyn"), develops and markets to election jurisdictions certified end-to-end OpenElect® digital optical scan election system and a full-featured Election Management Software that provides precinct tabulation, ballot review and audio voting capability.

Revenue/Profit Before Tax

ILTS posted a lower revenue and profit before tax for the financial year ended 30 April 2018 compared to the previous financial year. This was mainly attributable to higher revenue recognition in the previous financial year due to higher contract sales recognised for deliverables completed last year with Berjaya Gia Think Investment Technology Joint Stock Company.

Prospects

ILTS will continue to explore new and emerging technologies based on the current industry developments with the intention of increasing its market share, staying competitive and exploring new markets where its core competencies can be applied. One of ILTS's corporate strategies is to pursue growth through strategic alliances to gain access to new and tactically important geographies and business opportunities, and to capitalise on existing business relationships.

UNITED KINGDOM

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

Revenue

For the financial year under review, H.R. Owen recorded revenue of £423.2 million compared to £428.2 million in the previous financial year, a decrease of 1.2%, mainly due to lower sales of new car units for Bentley and Maserati marques arising from run-out of certain models and the Government's negative view of diesel vehicles respectively, as well as lower used car units sold particularly in the Bentley franchise operations.

H.R. Owen sold a total of 1,185 new prestige cars in the financial year under review compared to 1,306 prestige cars sold in the previous financial year, a decrease of 9.3%. For pre-owned cars, the number of units sold decreased by 10.2% to 1,235 units compared to 1,375 units sold in the previous financial year.

Profit Before Tax

H.R. Owen's profit before tax increased by 104.5% to £6.0 million compared to £2.9 million in the previous financial year mainly due to lower cost of sales reported for the financial year under review.

Prospects

Further improvement in trading is expected in the financial year ending 30 April 2019, driven by the arrival of new vehicle models in the Aston Martin, Bentley, Ferrari, Lamborghini and Rolls Royce franchise operations, as well as in the used car operations. Some modest improvement is expected for the aftersales operations.



The Ferrari 812 Superfast distributed by H.R. Owen.

MANAGEMENT DISCUSSION & ANALYSIS

HOTELS AND RESORTS

The hotels and resorts business segment of Berjaya Land Group is operated via the Berjaya Hotels and Resorts Division (“BHR”). The Group owns and operates 13 hotels and resorts locally and internationally.

For the financial year under review, BHR’s total gross revenue increased to RM318.1 million from RM290.4 million in previous financial year while profit before tax increased to RM40.8 million from RM24.6 million in the previous financial year. The increase in total gross revenue was mainly due to the higher contribution from 4 properties, namely The Taaras Beach & Spa Resort, Berjaya Langkawi Resort, Berjaya Beau Vallon Bay Resort & Casino and ANSA Kuala Lumpur driven by higher room business and food & beverage operations. Whilst room occupancy grew by 3.7 percentage-points to 65.7% from 62% in the previous financial year, the marginal increase of 3.1% in Average Room Rate (“ARR”) resulted in a 9.5% increase in Revenue per Available Room (“RevPAR”) to RM218.

MALAYSIA HOTELS & RESORTS

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

Revenue

The overall financial results for the financial year ended 30 April 2018 reflected an improvement in the operating performance across all of the Malaysian-based properties. The total gross revenue increased by 10.4% to RM239.2 million compared to RM216.6 million in the previous financial year. With the higher room night bookings from the Transient FIT, Leisure FIT and Leisure Group market segments, the combined occupancy level increased to 63.4% compared to 59.6% in the previous financial year, and the ARR improved marginally by 2.5%. As a result, the RevPAR recorded an increase of 9.5% to RM208 compared to RM190 in the previous financial year.

Profit before Tax

The Malaysian-based properties recorded an increase of 98% in profit before tax to RM36.54 million compared to RM18.45 million in the previous financial year due to higher total revenue and effective cost control measures. The profit before tax registered in the financial year under review included a net non-operating income of RM7.38 million arising from the disposal of a quoted investment.

Berjaya Langkawi Resort, Langkawi

During the financial year under review, the resort’s occupancy level increased by 6.3 percentage-point to 73.5% compared to 67.2% in the previous financial year due to the higher room night bookings from the Transient FIT, Leisure FIT and Leisure Group market segments of India, United Kingdom, China, Australia and Europe. However, the ARR dropped marginally by 3.9% mitigated by the higher occupancy levels. As a result, the resort recorded an increase in total gross revenue of 6.6% to RM81.1 million from RM76.1 million in the previous financial year, while profit before tax increased by 19% to RM28.1 million compared to RM23.6 million in the previous financial year.

Berjaya Times Square Hotel, Kuala Lumpur

During the financial year under review, the hotel’s banqueting business achieved better sales due to a rise in corporate events. The total food and beverage revenue increased by 7.0% to RM29.2 million from RM27.3 million in the previous financial year. The occupancy level remained at 63.0% but ARR increased marginally by 2.3% year-on-year. With the improvement in food and beverage and room business operations, the hotel reported a 4.5% increase in total gross revenue to RM76.5 million compared to RM73.2 million in the previous financial year, while profit before tax increased significantly to RM7.5 million compared to RM1.9 million in the previous financial year.



Club Premier Suite at Berjaya Times Square Hotel, Kuala Lumpur, Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS



Berjaya Tioman Resort, Pahang, Malaysia.

Berjaya Tioman Resort, Tioman

During this financial year under review, the resort recorded a higher total gross revenue of 11.7% to RM21.0 million compared to RM18.8 million in the previous financial year resulting from higher business levels in both rooms and food and beverage operations. The resort's occupancy level increased by 4.0 percentage-points to 44.7% from 40.7% driven by the room night bookings from the leisure and individual travel markets of Singapore, China and Europe as well as Malaysia. In line with the growth in revenue and improvement in operational efficiency, the resort managed to reduce its pre-tax loss by 30.5% to RM4.1 million from RM5.9 million in the previous financial year.

The Taaras Beach & Spa Resort, Redang

During the financial year under review, the resort delivered a record performance with total revenue increased by 35.1% to RM26.9 million compared to RM19.9 million in the previous financial year. The improvement was driven by a 12.6 percentage-points increase in room occupancy levels to 49.1% and the improved ARR which led to an increase in RevPAR of 42% to RM341. With the better revenue generated, the resort managed to reduce its pre-tax loss to RM0.6 million from RM2.1 million in the previous financial year. The growth in profitability was not in tandem with the growth in revenue mainly due to the higher expenditure incurred for repairing and replacement of certain resort facilities and equipment during the financial year under review.

ANSA Kuala Lumpur

During the financial year under review, the hotel's occupancy level increased by 6.0 percentage-points to 72.4% from 66.4% in the previous financial year supported by higher room night bookings from the Leisure FIT market segment. With the higher occupancy and growth in ARR by 8.8%, the hotel's room revenue increased by 18.9% to RM11.3 million compared to RM9.5 million in the

previous financial year. In addition, positive performance was recorded in the non-room departments as well which resulted in a 34.1% increase in the total gross revenue to RM17.3 million while profit before tax increased to RM4.5 million during the financial year under review.

Berjaya Penang Hotel

The hotel's business was affected by lower room night bookings from the Commercial Group segment. The reduction was mitigated by the higher demand from the Leisure FIT and Group bookings resulting in an increase in hotel occupancy to 71.1% from 67.2% in the previous financial year while ARR increased marginally by 2.3%. With the higher occupancy level, the hotel achieved a 5.2% increase in total gross revenue to RM14.2 million compared to RM13.5 million in the previous financial year, while profit before tax increased to RM1.6 million compared to RM0.4 million in the previous financial year.



Executive Room at ANSA Kuala Lumpur, Malaysia.



Berjaya Hotel Colombo, Sri Lanka.

OVERSEAS HOTELS & RESORTS

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

During the financial year under review, the overseas hotels and resorts' room night bookings were mainly supported by the leisure travel market. The total room occupancy levels increased to 73.9% compared to 70.7% in the previous financial year attributed to an increase in room night bookings from the Transient FIT, Leisure FIT and Commercial FIT market segments mainly from the two properties in Seychelles and Berjaya Eden Park London Hotel. In addition, the combined ARR increased by 4.9% compared to the previous financial year. With the healthy growth in occupancy and ARR, the total room revenue increased by 9.9% to RM51.3 million compared to RM46.7 million in the previous financial year.

Overall, the total gross revenue from BHR's overseas properties increased by 6.9% to RM78.9 million compared to RM73.8 million in the previous financial year mainly due to the improvement in the operating results of Berjaya Beau Vallon Bay Resort & Casino and Berjaya Praslin Resort in Seychelles. However, profit before tax decreased to RM4.2 million from RM6.1 million in the previous financial year due to the higher loan interest expense and unrealised foreign currency translation loss on the Euro dollar bank borrowing.

Berjaya Beau Vallon Bay Resort & Casino, Seychelles

During the financial year under review, the resort reported a steady progress as a result of aggressive sales and marketing initiatives to generate higher revenue. The resort's occupancy level increased by 5.0 percentage-points to 71.5% from 66.5% in the previous financial year, while ARR improved by 11.4%. With

the healthy growth in both occupancy and ARR, the resort's total gross revenue increased by 13.5% to RM38.5 million compared to RM33.9 million in the previous financial year, whilst profit before tax increased marginally by 4.3% to RM4.25 million. The increase in profit before tax reported was not in line with the growth in revenue as a result of higher loan interest expense and unrealised foreign currency translation loss on Euro dollar bank borrowing.

Berjaya Praslin Resort, Seychelles

The steady growth in leisure arrivals had enabled the resort to improve its occupancy level to 70.5% from 58.5% in the previous financial year, which resulted in higher business levels in both rooms and food and beverage operations. With the healthy growth in the occupancy and ARR improved by 7.1%, total gross revenue increased by 24.7% to RM9.24 million compared to RM7.41 million in the previous financial year. However, the resort incurred a pre-tax loss of RM457,000 during the financial year under review due to unfavorable foreign exchange effects.

Berjaya Hotel Colombo, Sri Lanka

The hotel suffered a decline in the commercial and leisure market demands of India, China and Europe mainly due to the series of setbacks experienced by Sri Lanka throughout 2017. The partial closure of the country's main airport, devastating floods and unprecedented dengue outbreak had resulted in a decreased occupancy level to 58.3% from 67.3% in the previous financial year, and a reduction in ARR by 15.2%. Total gross revenue declined by 26.3% to RM6.4 million, while profit before tax decreased to RM0.4 million from RM1.7 million in the previous financial year.

MANAGEMENT DISCUSSION & ANALYSIS



InterContinental Hanoi Westlake, Vietnam.

Berjaya Eden Park London Hotel, United Kingdom

During the financial year under review, the hotel's occupancy improved by 3.2 percentage-points to 87.2% from 84.0% in the previous financial year mainly supported by the room night bookings from the Transient FIT segment. With better occupancy and improved ARR, the hotel's total gross revenue increased by 6.3% to RM15.3 million compared to RM14.4 million in the previous financial year. However, the hotel registered a pre-tax loss of RM17,000 mainly due to the higher municipal property assessment and higher expenditure incurred in the repair and replacement of certain hotel facilities and equipment.

The Castleton Hotel, London, United Kingdom

This hotel is located in Sussex Gardens, London with total of 46 guestrooms. There are no food and beverage outlets except for a small breakfast area. For the financial year under review, the hotel recorded an occupancy level of 87.7% with total gross revenue of RM6.5 million. The room night bookings were mainly contributed by the Transient FIT market segment.

INTERESTS IN OTHER HOTELS

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

Four Seasons Hotel and Hotel Residences, Kyoto, Japan

The hotel, which was opened in October 2016, houses 123 guestrooms, 57 units of Four Seasons Hotel Residences, four dining venues, multi-purpose function rooms, an indoor pool and spa facilities. During the financial year under review, the hotel

recorded a total gross revenue of RM186.0 million compared to RM83.6 million in previous financial year mainly due to higher occupancy at 61.7% as well as the full year's revenue contribution. The hotel business recorded an operating profit of RM52.4 million compared to an operating loss of RM8.9 million registered in the previous financial year. In addition, total gross revenue generated from the sales of the Four Seasons Hotel Residences amounted to RM144.8 million during the financial year under review.

Sheraton Hanoi Hotel, Vietnam

For the financial year under review, Sheraton Hanoi Hotel recorded an occupancy level of 89.2% and ARR increased by 10.6%. As a result, the hotel's total room revenue increased by 12.8% to RM41.3 million from RM36.6 million in the previous financial year mainly supported by the increase in international arrivals and domestic vacationers. Overall, the hotel's total gross revenue rose by 5.1% to RM66.4 million from RM63.2 million in the previous financial year.

InterContinental Hanoi Westlake, Vietnam

During the financial year under review, the hotel performed well and enjoyed higher room night bookings from the commercial and wholesaler market segments. As a result, the occupancy level increased to 91.1% while ARR grew by 7.4%. The strong occupancy performance boosted the hotel's total gross revenue to RM77.5 million compared to RM73.8 million in the previous financial year.

Future Prospects

The slower market conditions will continue to cause further uncertainties and apprehension amongst businesses, resulting in further pressure on the performance of the properties, especially within the corporate segment. Focus will be redirected to the leisure market from China and India, the growing travellers within this region. While efforts will be to maintain gross revenue, BHR also strives to increase its revenue by growing its food and beverage business, especially the banqueting business for the meeting and incentive segments from Malaysia, Singapore and China which may not be maximized at this point. In addition, BHR will also continue to drive room yield through more effective yield management strategies and improve cost efficiency to maximize profitability in all areas.

CLUBS AND RECREATION

The Clubs and Recreation Division (“The Clubs”) operates four golf clubs and one equestrian club located in the Klang Valley, Mantin (Negeri Sembilan) and Batu Pahat (Johor). Golf and equestrian are the core activities provided by The Clubs supported by other services such as sport facilities, dining outlets as well as banqueting facilities and event venue.

The Clubs have a total membership of 15,086 as at 30 April 2018 of which 7,751 are golf memberships and 7,335 are non-golf memberships.

During the financial year under review, Bukit Jalil Golf & Country Resort purchased 6 units of buggies and added a new Proshop to enhance the image of the club. Bukit Kiara Equestrian & Country Resort has commenced the installation of a new Olympic size swimming and dive pool and other facilities to improve its services to its members.

Revenue

The Clubs’ revenue for the financial year ended 30 April 2018 decreased marginally to RM53.6 million from RM56.0 million in the previous financial year mainly due to the completion of The

Clubs’ exercise to terminate long defaulting members. This was further affected by the weaker business conditions and consumer sentiment that resulted in lower food and beverages sales and a drop in patronage of the Clubs by the members.

Profit Before Tax

For the financial year under review, The Clubs reported a much lower profit before tax of RM2.1 million compared to RM11.1 million in the previous financial year mainly due to lesser termination of defaulting members and higher depreciation cost from asset acquisition and renovation of club facilities.

Future Prospects

The financial year ending 30 April 2019 will remain competitive and challenging for the recreation club industry. The Clubs will continue to upgrade its golf courses to enhance its service quality and remain competitive. With a strong and stable membership base, The Clubs’ performance will remain stable.

VACATION TIMESHARE

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

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

Revenue

For the financial year under review, BVC reported a slight decrease in revenue to RM10.17 million from RM10.38 million registered in the previous financial year mainly due to lower annual resort maintenance fees received from its much lower BVC membership base coupled with a reduction in advance license fees recognised from the termination of BVC memberships.

Operating Profit

Operating profit increased to RM3.2 million from RM0.74 million in the previous financial year due to early termination of delinquent members, lower operating expenses and higher room rental income from members who required more rooms beyond their annual room entitlement.

Future Prospects

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



Bukit Kiara Equestrian & Country Resort, Kuala Lumpur.

MANAGEMENT DISCUSSION & ANALYSIS

PROPERTY DEVELOPMENT

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

The property sector remained soft and challenging throughout the financial year under review. There was an evident overhang of property particularly reflected in the huge number of unsold units in the high-end serviced apartments market segment. In the affordable home sector, an oversupply situation arose as more schemes are being developed in various locations. The rising bank interest rates, negative effects of the Goods and Services Tax (“GST”), pre-election uncertainties and rising unemployment rate dampened the property market further.

During the financial year under review, the development projects at Bukit Jalil, Kuala Lumpur, namely The Link 2 Phase 1, Lanai Residensi continued to be the main revenue contributor for the PD Division. The Link 2 Phase 1, comprising 539 units of residences, 22 units of shop offices and 222 units of street mall commercial lots, was successfully completed and handed over to purchasers progressively starting from the fourth quarter of 2017.

Over at Lanai Residensi, the construction of the PD Division’s first affordable homes project at Bukit Jalil, Kuala Lumpur progressed well as scheduled. The Lanai Residensi is also the PD Division’s first development project to embrace Industrialised Building System (IBS) precast as the preferred design and construction work method over the conventional in-situ work method, aimed at improving cost and time efficiency and consistency workmanship quality. As at 30 April 2018, the construction work has reached level five and the project is expected to be completed by the third quarter of 2019.

Various sales and marketing initiatives are also being carried out for the unsold property inventories from its Bukit Jalil development projects. As at 30 April 2018, more than 90% of the condominium units at KM1 East and KM1 West have been sold while 60% of the shoplets and 77% of the 4-storey and 6-storey shop offices have



Artist impression of The Peak at Taman TAR, Selangor.

been sold respectively. The PD Division is also working closely with numerous government bodies and cooperatives to market the bumiputra units at Lanai Residensi to bumiputra purchasers. As at 30 April 2018, 78% of the total units at Lanai Residensi have been sold with a total gross sales value of RM152 million.

The PD Division has embarked on various marketing initiatives for the remaining 16 unsold bungalow lots at The Peak @ Taman TAR. These exclusive freehold gated and guarded bungalow lots with sizes ranging from 8,831 to 27,037 square feet are averagely priced at RM321 per square foot.

At Taman Kinrara Section 4, Puchong, the construction is progressing as scheduled for the 29 units of 20 feet x 65 feet (IRIS) and 5 units of 24 feet x 97 feet superlink (JASMINE) double-storey terrace homes with built-up ranging from 1,539 to 2,573 square feet. As at 30 April 2018, 97% of the total units have been sold with a total gross sales value of RM25.4 million. The project is scheduled for completion by the third quarter of 2018.



Lanai Residensi at Bukit Jalil, Kuala Lumpur – Construction in progress.



Superlink double-storey terrace homes at Taman Kinrara, Puchong, Selangor.

MANAGEMENT DISCUSSION & ANALYSIS



Artist impression of Kensington Gardens, Penang.

In Penang, Phase 1 of Jesselton Villas, Kensington Gardens featuring 69 units of bungalow lots with sizes ranging from 5,995 to 9,634 square feet averagely priced at RM654 per square foot was affected by a major landslide incident which occurred at Tanjung Bungah in October 2017. Despite the temporary setback, sales have picked up. As at 30 April 2018, 67% of the total units have been sold with a total gross sales value of RM198 million. Construction work for infrastructure of the project is expected to be completed by the second quarter of 2019.

In Dong Nai Province, Vietnam, the Topaz Twins features 2 towers of 668 units of residential apartments and 15 units of shop units located at the administration hub of Bien Hoa City. The total estimated gross development value is VND1,300 billion (approximately RM227.5 million). As at 30 April 2018, there were 326 confirmed bookings for the apartment units and 13 confirmed bookings for the shop units for Tower A with a total sales value of VND629.0 billion (approximately RM110.0 million). The sales of Tower B has achieved 90% bookings as of July 2018.

The substructure work for the Topaz Twins commenced on 14 December 2017 and is expected to be completed by November 2018 while the super structure work is expected to commence in September 2018.

Over in Hanoi, Vietnam, the PD Division is involved in the development of Hanoi Garden City, a joint venture mixed development on 78 acres of land located at Thach Ban Ward in Long Bien district. As at 30 April 2018, 53% of the total 103 units of Arden Park Garden Villas have been sold with a total sales value of VND433.7 billion (approximately RM103.6 million). As for Canal Park Apartments, 97% of the total 148 units of residential apartments have been sold with a total sales value of VND328.5 billion (approximately RM65.2 million). Construction for Phase 3 of Hanoi Garden City comprising 72 units of shop houses and villas is expected to commence by the third quarter of 2018. The total estimated gross development value is VND585.0 billion (approximately RM102.0 million).



Artist impression of Topaz Twins at Ho Chi Minh City, Vietnam.



Artist impression of Arden Park Garden Villas at Hanoi Garden City, Vietnam.

MANAGEMENT DISCUSSION & ANALYSIS

Revenue

For the financial year under review, the PD Division recorded revenue of RM286.5 million compared to RM237.5 million reported in the previous financial year. The higher revenue was principally derived from the higher property sales recognised upon completion of several development projects at Bukit Jalil, Kuala Lumpur.

Profit Before Tax

In line with the higher revenue, PD Division reported a turnaround to profit before tax of RM44.2 million as compared to a loss before tax of RM27.2 million registered in the previous financial year. The effective project cost reduction measures undertaken by the division has also contributed to the improved results.

Profit After Tax

The PD Division reported a profit before tax of RM13.3 million as compared to a loss after tax of RM27.2 million registered in the previous financial year, due to the factors mentioned above.

Future Projects

The forthcoming financial year will see the launch of The Tropika at Bukit Jalil, Kuala Lumpur, a mixed development project based on the concept of “Live, Work and Play”. Located opposite The Link 2, the development project features 4 blocks of 868 units of residences with built-up ranging from 731 square feet to 1,317 square feet, a 23,000 square feet commercial space with 9 units of shop offices and 11 units of retail outlets. The Tropika will be designed based on a biophilic concept and the main highlights of the development includes a full-fledged 2.9 acres deck with 68 facilities and many other recreation amenities. The Tropika will be connected to The Link 2 via an elevated pedestrian bridge. The total estimated gross development value for the project is RM703 million.

The second project within Bukit Jalil, Kuala Lumpur is a wellness-cum-residential development project on a 12.24-acre elevated land. The project will feature a combination of low and high rise residential units with sizes ranging from 850 square feet to 2,200 square feet. The project is still at its planning stage.

The PD Division will be launching another high-rise residential project at Berjaya Park, Shah Alam. Timur Bayu will feature 456 units of high-rise condominiums within 3 29-storey blocks and 62 units of low-rise condominium within 8 4-storey blocks. The project is slated to be launched by the fourth quarter of 2018 with a total estimated gross development value of RM340 million.

Future Prospects

The outlook of the local property market is anticipated to be on the recovery as the new Government is set to address some of the issues that are negatively impacting the market with the key focus on affordable housing. It is anticipated that the local property landscape will start picking up pace, driven by sentiments of renewed confidence post-election and peaking interest among buyers who have been holding back on their investment.

With increased competition and demand for quick information, the PD Division acknowledges the need to avail itself on a wider platform to effectively interact and engage with its customers from the increasingly internet-savvy and empowered generation. The use of digital and social media platforms by the PD Division increases visibility and brand awareness with its target audience. While price and location are still the main decision drivers for purchasers, safety, security, connectivity and amenities are growing in importance. With this, the PD Division strives to remain steadfast in developing and delivering quality products that meet the needs and expectation of the purchasers. The PD Division endeavours to practise good corporate governance and operational excellence to ensure sustainability in the economic, environmental and social aspects.



Artist impression of the upcoming project, The Tropika at Bukit Jalil, Kuala Lumpur



Artist impression of Timur Bayu at Berjaya Park, Shah Alam, Selangor.

MANAGEMENT DISCUSSION & ANALYSIS

PROPERTY INVESTMENT

The Property Investment Division (“PI Division”) owns 3 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur and Berjaya Mega Mall in Kuantan, Pahang. Collectively, these properties achieved an average occupancy rate of 69% during the financial year under review compared to 81% in the previous financial year.

Revenue

For the financial year under review, the PI Division registered a decline in revenue to RM24.7 million compared to RM29.1 million in the previous financial year primarily attributed to the lower occupancy rates.

Profit Before Tax and Profit After Tax

For the financial year under review, the PI Division reported a decline in profit before tax and profit after tax to RM10.0 million and RM7.7 million respectively, compared to a profit before tax and profit after tax of RM17.2 million and RM13.4 million respectively in the previous financial year due to the drop in occupancy rates. Nevertheless, operating cost for the year decreased marginally as a result of the reduction in service charge and sinking fund contribution.

Future Prospects

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

CORPORATE STRUCTURE

OF MAIN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES AS AT 31 JULY 2018

BERJAYA LAND BERHAD

HOTELS, RESORTS, RECREATION DEVELOPMENT, VACATION TIMESHARE AND OTHERS

100% Berjaya Vacation Club Berhad

- Berjaya Penang Hotel - Malaysia

100% Berjaya Vacation Club (Cayman) Limited

- Berjaya Eden Park London Hotel - United Kingdom

100% BHR (Cayman) Limited

- The Castleton Hotel, London - United Kingdom

100% ANSA Hotel KL Sdn Bhd

- ANSA Kuala Lumpur - Malaysia

100% Berjaya Langkawi Beach Resort Sdn Bhd

- Berjaya Langkawi Resort, Kedah - Malaysia

99.5% The Taaras Beach & Spa Resort (Redang) Sdn Bhd

- The Taaras Beach & Spa Resort, Redang Island, Terengganu - Malaysia
- Redang Island Resort, Terengganu - Malaysia

86.25% Tioman Island Resort Berhad

- Berjaya Tioman Resort, Pahang - Malaysia

100% BTS Hotel Sdn Bhd

- Berjaya Times Square Hotel, Kuala Lumpur - Malaysia

100% Berjaya Beau Vallon Bay Beach Resort Limited

- Berjaya Beau Vallon Bay Resort & Casino - Seychelles

100% Berjaya Praslin Limited

- Berjaya Praslin Resort - Seychelles

100% Perdana Hotel Philippines Inc.*

- Berjaya Makati Hotel, Makati - Philippines*

92.6% Berjaya Mount Royal Beach Hotel Limited

- Berjaya Hotel Colombo - Sri Lanka

50% Berjaya Hotay Joint Venture Company Limited

- Sheraton Hanoi Hotel, Hanoi - Vietnam

75% T.P.C. Nghi Tam Village Limited

- InterContinental Hanoi Westlake, Hanoi - Vietnam

50% Kyoto Higashiyama Hospitality Assets TMK*

- Four Seasons Hotel and Hotel Residences, Kyoto - Japan

100% Bukit Kiara Resort Berhad

- Bukit Kiara Equestrian & Country Resort, Kuala Lumpur

100% KDE Recreation Berhad

- Kelab Darul Ehsan, Selangor

100% Berjaya Golf Resort Berhad

- Bukit Jalil Golf & Country Resort, Kuala Lumpur
- Arena Green Apartments, Kuala Lumpur
- Greenfields Apartments, Kuala Lumpur
- Green Avenue Condominiums, Kuala Lumpur
- Savanna Condominiums, Kuala Lumpur
- Savanna 2, Kuala Lumpur
- Covillea, Kuala Lumpur
- Jalil Link @ Bukit Jalil, Kuala Lumpur
- KM1 West Condominiums, Kuala Lumpur
- KM1 East Condominiums, Kuala Lumpur
- The Link 2 @ Bukit Jalil, Kuala Lumpur
- Lanai Residensi @ Bukit Jalil, Kuala Lumpur

80% Staffield Country Resort Berhad

- Staffield Country Resort, Negeri Sembilan

100% Indah Corporation Berhad

- Bukit Banang Golf & Country Club, Johor

100% Berjaya Air Sdn Bhd

51% Asia Jet Partners Malaysia Sdn Bhd

99.30% H.R. Owen Plc, United Kingdom*

27.09% Informatics Education Ltd, Singapore

BERJAYA LAND BERHAD

PROPERTY INVESTMENT & DEVELOPMENT

100% | Taman TAR Development Sdn Bhd

- The Peak @ Taman TAR, Ampang, Selangor

100% | Berjaya Tagar Sdn Bhd

- Seputeh Heights, Kuala Lumpur
- Vasana 25, Kuala Lumpur
- Subang Heights, Shah Alam, Selangor

80% | Pakar Angsana Sdn Bhd

- Berjaya Park, Shah Alam, Selangor

100% | Sri Panglima Sdn Bhd

- Taman Kinrara IV, Puchong, Kuala Lumpur

100% | Berjaya Land Development Sdn Bhd

- Kelang Lama New Business Center, Kuala Lumpur
- Gemilang Indah Apartments, Kuala Lumpur
- Medan Indah, Kota Tinggi, Johor
- Taman UPC, Ayer Hitam, Johor
- Bandar Banang Jaya, Batu Pahat, Johor
- Robson Condominiums, Kuala Lumpur
- Jesselton Villas, Penang

100% | Securiservices Sdn Bhd

- 1 Petaling Residences & Commerz @ Sg. Besi, Kuala Lumpur
- Petaling Indah Condominiums, Kuala Lumpur
- 3-Storey Shop Office @ Sg. Besi, Kuala Lumpur

80% | Berjaya-Handico 12 Co. Ltd

- Ha Noi Garden City, Hanoi - Vietnam

75% | Berjaya-D2D Company Limited

- Bien Hoa City Square, Dong Nai Province - Vietnam

100% | Berjaya Okinawa Development Co. Ltd

100% | Nural Enterprise Sdn Bhd

- Plaza Berjaya, Kuala Lumpur

100% | Kota Raya Development Sdn Bhd

- Kota Raya Complex, Kuala Lumpur

100% | Cempaka Properties Sdn Bhd

- Berjaya Megamall, Kuantan, Pahang
- Kuantan Perdana, Kuantan, Pahang

+

8.59% | Berjaya Assets Berhad

- Berjaya Times Square, Kuala Lumpur
- Natural Avenue Sdn Bhd
- Berjaya Waterfront Hotel, Johor Bahru, Johor
- Berjaya Waterfront Complex, Johor Bahru, Johor
- Menara MSC Cyberport, Johor Bahru, Johor
- Islington on the Green, London, United Kingdom
- Berjaya Assembly Sdn Bhd (formerly known as Oriental Assemblers Sdn Bhd)

GAMING & LOTTERY MANAGEMENT

+

92% | Berjaya International Casino Management (Seychelles) Limited

+

40.23% | Berjaya Sports Toto Berhad

100% | Sports Toto Malaysia Sdn Bhd

+

88.26% | Berjaya Philippines Inc

100% | Philippine Gaming Management Corporation

100% | International Lottery & Totalizator Systems, Inc. USA

100% | Unisyn Voting Solutions, Inc., USA

■ Listed Companies

+ Combined Interest

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

GROUP FINANCIAL SUMMARY

Description	2018 US\$'000	2018 RM'000	2017 RM'000 Restated	2016 RM'000 Restated	2015 RM'000	2014 RM'000
Revenue	1,624,205	6,361,198	6,371,366	6,283,997	5,910,163	5,021,299
Profit Before Tax	17,835	69,852	576,321	8,961	25,276	535,248
(Loss)/Profit for the Year	(30,177)	(118,188)	411,221	(165,024)	(161,828)	309,013
(Loss)/Profit Attributable To Owners of the Parent	(48,586)	(190,288)	294,738	(270,637)	(382,960)	104,620
Share Capital	638,368	2,500,168	2,500,168	2,500,168	2,500,168	2,500,168
Reserves	459,885	1,801,144	2,042,717	1,852,320	2,013,035	2,450,979
Equity Funds	1,098,253	4,301,312	4,542,885	4,352,488	4,513,203	4,951,147
Treasury Shares	(5,285)	(20,699)	(20,699)	(20,699)	(20,699)	(45,466)
Net Equity Funds	1,092,968	4,280,613	4,522,186	4,331,789	4,492,504	4,905,681
Non-controlling Interests	579,764	2,270,645	2,338,819	2,630,205	2,668,181	2,616,632
Total Equity	1,672,732	6,551,258	6,861,005	6,961,994	7,160,685	7,522,313
Long Term Loans	482,157	1,888,367	1,782,336	2,859,025	3,238,987	2,456,877
Deferred Tax Liabilities	273,488	1,071,116	1,061,021	1,218,603	1,185,069	1,231,648
Other Non-Current Liabilities	35,904	140,617	121,316	138,775	165,513	176,609
Current Liabilities	827,476	3,240,810	3,292,822	3,252,369	2,432,891	2,658,863
Total Equity and Liabilities	3,291,757	12,892,168	13,118,500	14,430,766	14,183,145	14,046,310
Property, Plant And Equipment	404,572	1,584,508	1,709,547	1,732,398	2,586,999	2,396,591
Intangible Assets	1,039,595	4,071,572	4,020,046	4,712,683	5,105,624	5,585,397
Other Non-Current Assets	967,183	3,787,974	3,805,340	3,402,592	2,634,335	2,680,652
Current Assets	823,499	3,225,234	3,540,651	3,603,311	3,798,178	3,370,139
Assets of Disposal Group/ Assets Classified As Held for Sale	56,908	222,880	42,916	979,782	58,009	13,531
Total Assets	3,291,757	12,892,168	13,118,500	14,430,766	14,183,145	14,046,310
Net Assets Per Share (US\$/RM)*	0.22	0.86	0.91	0.87	0.90	0.98
Net (Loss)/Earnings Per Share (US\$/RM)*	(0.01)	(0.04)	0.06	(0.05)	(0.08)	0.02
Dividend (cents/sen)*	-	-	-	-	-	1.00
Dividend Amount (US\$'000/RM'000)	-	-	-	-	-	49,894

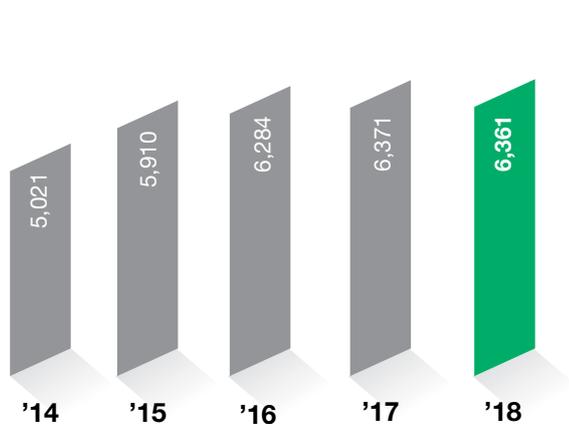
Notes:

- * Certain comparative amounts have been adjusted as a result of a prior year adjustment.
 Net assets per share represents the net equity funds divided by the number of outstanding shares with voting rights in issue.
 Where additional shares are issued, the earnings/(loss) per share are calculated based on a weighted average number of shares with voting rights in issue.

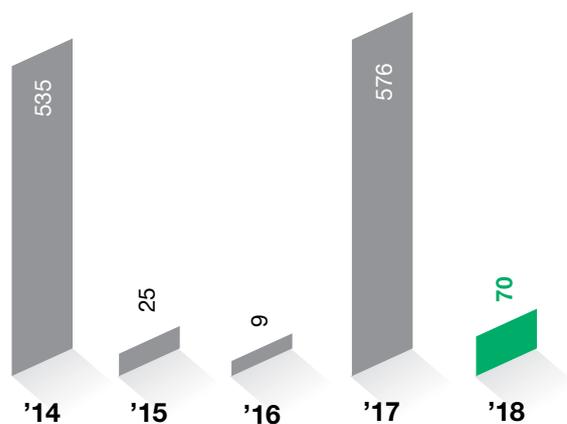
Exchange rate as at 30-4-2018: US\$1.00=RM3.9165

GROUP FINANCIAL HIGHLIGHTS

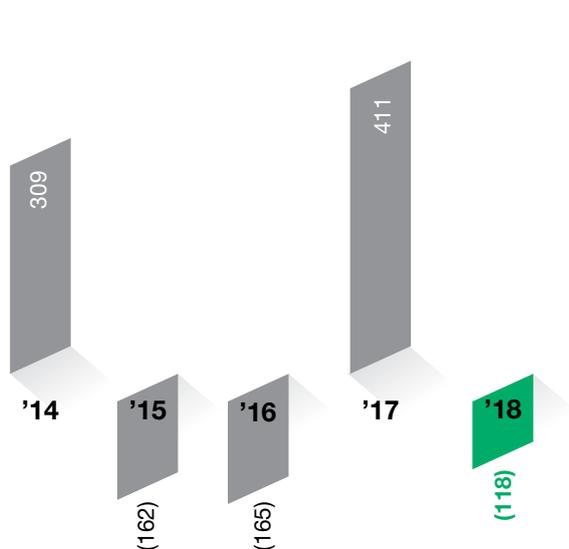
Revenue (RM' Million)



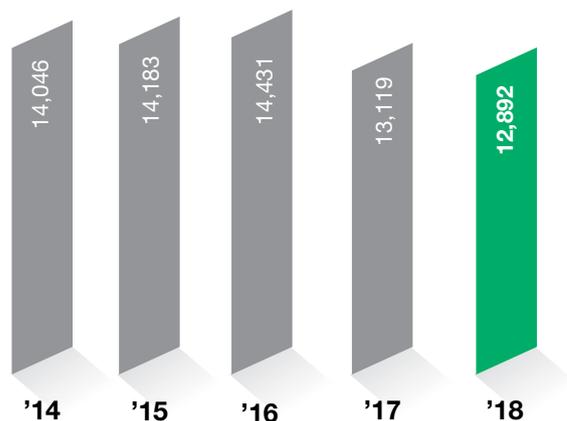
Profit Before Tax (RM' Million)



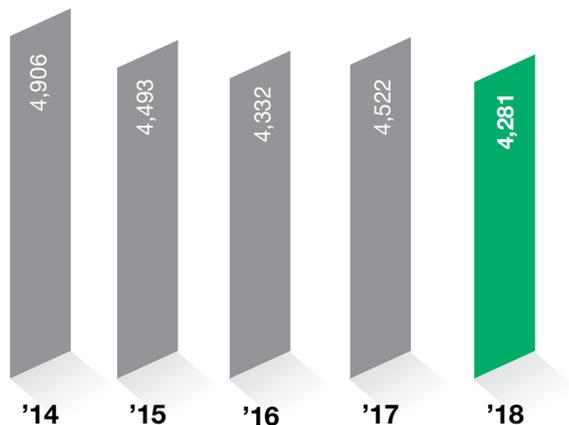
(Loss)/Profit for the Year (RM' Million)



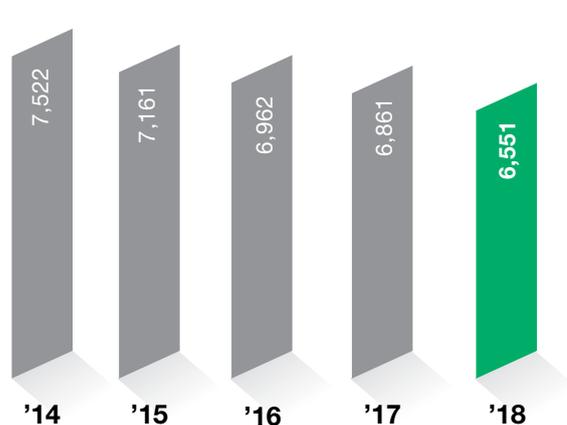
Total Assets (RM' Million)



Net Equity Funds (RM' Million)



Total Equity (RM' Million)



SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

This Sustainability Statement issued for the financial year ended 30 April 2018 continues to present the ways in which B-Land and its subsidiaries are responding to meet the requirements and challenges posed by sustainable development, as well as reflecting on the progress of the various initiatives undertaken by the Company.

The information presented in this section focuses primarily on the operations and management of economic, environmental, social sustainability of the Company. The preparation of this statement is based on the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad.

The scope of the sustainability statement covers material issues arising from its principal business activities in Malaysia namely, property development and investment; gaming; hotels and resorts; and clubs and recreation. It does not include the environmental and social sustainability aspects of the other business operations in the Philippines, Vietnam, Japan, United Kingdom and the United States of America.

The data collection remains limited to selected economic, environmental and social indicators that contribute to the sustainable development of B-Land and its subsidiaries and are of interest to its internal and external stakeholders. The information and data disclosed in this statement were derived from internal reporting processes, systems and records. The financial figures in this Sustainability Statement have been externally verified.

2. OUR APPROACH TO SUSTAINABILITY

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

ECONOMIC SUSTAINABILITY	ENVIRONMENTAL SUSTAINABILITY	SOCIAL SUSTAINABILITY
 <p>The creation of long-term value for shareholders and added value for all the Company's stakeholders.</p>	 <p>Striving towards reducing our environmental footprint by improving on efficiency of resources and supporting conservation efforts.</p>	 <p>Dealing with the customers and public according to good market practices and regulatory requirements, conducive workplace practices and community engagement through a variety of initiatives involving the Company's monetary and non-monetary resources.</p>

In 2016, the Company formalised its sustainability journey with the setting up of a Sustainability Working Committee comprising representatives from various business units and teams across the Group. Governed by the Board of Directors of B-Land, the Sustainability Working Committee oversees the overall planning and implementation of sustainability practices and risk management in a continuous and systematic manner. This is also in line with the expectation of the Board in ensuring the long-term success of the Company and the delivery of sustainable value to its stakeholders, as outlined in the Malaysian Code of Corporate Governance.

The Company conducts a materiality review on an annual basis to better understand the impacts and issues that are most relevant and of greatest concern to the Company and its stakeholders. The process enabled the effective evaluation and management of the material issues within the economic, environmental and social aspects across the Company. The findings were submitted to the Sustainability Working Committee for evaluation and subsequently, the sustainability statement was presented to the Board for review and approval.

3. STAKEHOLDER ENGAGEMENT

The Company believes that the approach of stakeholder engagement is integral to the development of its sustainability strategy and is also a pre-requisite for long-term sustainable growth. As the business landscape changes continuously, the various operating companies and subsidiaries under B-Land adopted a multi-pronged approach in engaging with their respective stakeholders on a regular basis to ensure effective communications and obtain feedback on issues that are of importance to the businesses and the stakeholders. The engagement activities are on an on-going basis, depending on the purpose and needs of the different businesses within the Company.

The Company's key stakeholders and engagement platforms are as listed below:-

Stakeholder Group		Engagement platforms
	Government and regulators	<ul style="list-style-type: none"> On-going meetings and interactions with the regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters concerning the customers and the general public.
	Customers	<ul style="list-style-type: none"> Regular networking activities (property buyers). Formal and informal meetings to collect feedback, attend to grievances and disseminate information on development projects (property buyers). Customer Service Unit which attends to calls, walk-ins and live chats from customers. Also conducts customer survey once every 3 years to better understand customers' needs and expectations on the company's products and services (Gaming customers). Guest experience surveys (hotel customers). Online reservation (hotel customers).
	Employees	<ul style="list-style-type: none"> New staff orientation. Internal engagement channels i.e. Berjaya intranet and quarterly newsletters. Training and development programmes.
	Contractors/consultants/suppliers	<ul style="list-style-type: none"> Tendering and procurement process. Regular meetings.
	Media	<ul style="list-style-type: none"> Regular engagement and updates with the mainstream media. Press conference and media releases relating to key business development as well as corporate social responsibility ("CSR") activities.
	Communities, non-governmental organisations, peer companies, industry groups	<ul style="list-style-type: none"> Focus groups and consultative meetings. Volunteering opportunities and charitable events.
	Shareholders/Investors	<ul style="list-style-type: none"> Communications via announcements to Bursa Securities, General Meetings, the Company's website as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.

4. SUSTAINABILITY GOVERNANCE

Given that sustainability continued to rise on the corporate agenda, the Company strives to maintain a high standard of governance in the management of its businesses and firmly believes in accountability and transparency to maximise economic, environmental and social returns to all its stakeholders.

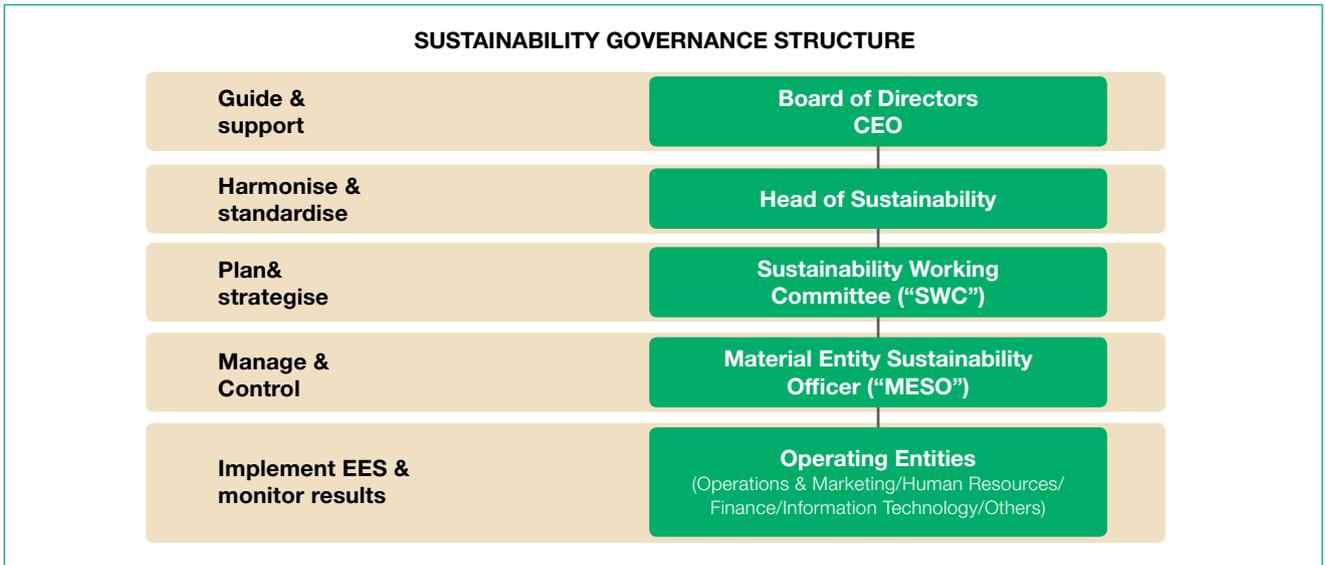
The Company has embedded sustainability-related governance into its existing corporate governance structure from the Board level right down to the operational business units, thus demonstrating its commitment to promote sustainability strategies in the economic, environmental and social aspects to all its various stakeholders and the communities in which it operates.

The overall responsibilities of the governance structure rest on the Board comprising professionals equipped with vast business experience and knowledge, enhancing the Board effectiveness and ensuring good corporate governance.

SUSTAINABILITY STATEMENT

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

Recognising that there is always room for improvement, the Board and the management are committed to continually refining and improving its existing monitoring process on the implementation of its internal control measures and sustainability initiatives.



Note: EES denotes economic, environment and social.

For more detailed information on the Company's Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, please refer to pages 43 to 58 of B-Land Annual Report 2018.

5. ECONOMIC SUSTAINABILITY

i. FINANCIAL PERFORMANCE

B-Land's financial performance highlights FYE 2018



REVENUE

RM6.36 BILLION
(FYE 2017 - RM6.37 BILLION)



RETURN ON EQUITY

(4.3%)
(FYE 2017 - 6.7%)



(LOSS)/PROFIT AFTER TAX

LOSS OF RM118.19 MILLION
(FYE 2017 - PROFIT OF RM411.22 MILLION)



NET ASSETS PER SHARE

RM0.86
(FYE 2017 - RM0.91)

i. FINANCIAL PERFORMANCE (CONT'D)

Amidst the challenging and evolving business landscape, the Company endeavours to persevere and operate effectively through stringent and prudent management of cost whilst enhancing productivity and efficiency.

For more information about the Group's financial performance, please refer to the Group Financial Summary and Highlights on pages 28 and 29 of B-Land Annual Report 2018.

ii. PROCUREMENT

The Company endeavour to create a positive impact by supporting procurement of products and services from locally established business entities in-line with its standard operating procedures for purchasing.

At the Property Development Division ("PD Division"), procurement is carried out in a transparent manner through a fair and stringent tendering process which involves evaluation of tenderers based on the past project track records, project references and company financial background. Interview sessions are conducted to clarify all grey areas in relation to design, technical, commercial and work methodology embracing buildability in terms of deployment of innovation and technology to reduce overall project costs. The PD Division has successfully achieved 100% local procurement for awarding of contractors and appointment of consultants for three of its on-going projects namely Lanai Residensi and Phase 1 of The Link 2 at Bukit Jalil, Kuala Lumpur and Kensington Gardens @ Jesselton Villas, Penang.

The other business segments namely Berjaya Hotels & Resorts ("BHR"), Clubs and Recreation ("The Clubs"), Property Investment Division ("PI Division) and Sports Toto Malaysia SdnBhd ("Sports Toto") have also adopted the same procedures for procurement giving priority to competitively priced locally produced items and responsibly-sourced products and services to support the local economy and reduce transportation-related emission.

Where local procurement is not always possible such as the specialized technical equipment for the lottery operations, the relevant business unit will look for opportunities to procure products and services from other entities within the Group. These include the lottery terminals, central system and system software procured from our subsidiary company, International Lottery & Totalizator Systems, Inc. ("ILTS"), USA.

iii. DESIGN EFFICIENCY THROUGH VALUE ENGINEERING

The PD Division is always mindful of the economic sustainability of its development projects. The PD Division's project team continuously review design concepts, material selections and work methodology with the aim of reducing the overall project costs through value engineering and alternative material selection or substitution without compromising on quality and delivery.

The PD Division's affordable homes project, Lanai Residensi at Bukit Jalil, Kuala Lumpur has consultancy teams from conceptualisation of the project to optimising the final design outputs in architectural, structural, mechanical and engineering service and landscape works. The project has intentionally embraced Industrialised Building System ("IBS") precast as the preferred design and construction work method over conventional in-situ work method to improve efficiency and repeatable workmanship quality. The adoption of the latest innovation and technologies in design, prefabrication construction, installations and building systems such as Lightweight blocks for partition walls and application of precast design software such as Planbar and Tekla have enhanced the shop drawing production with precise accuracy and mitigate human errors in back-checking works.

6. ENVIRONMENTAL SUSTAINABILITY

B-Land and its subsidiaries strives to manage and reduce the impact of its businesses on the environment by making continuous efforts to improve environmental performance as well as to inculcate environmental sustainability practices in its business operations.

i. ENVIRONMENTAL MONITORING

From the on-set of a development, the Project team within the PD Division is tasked with ensuring minimal negative environment impact to the surrounding of the development in terms of noise, water and air pollution. The commitment is carried throughout the project through continuous monitoring by the appointed consultants as evidenced at the Jesselton Villas project up north in Penang. The monthly Post Environment Impact Assessment report documented the results and findings of the environmental monitoring works submitted to the Project Team for review and necessary action.

SUSTAINABILITY STATEMENT



The annual Tioman Island Clean-up Day.

ii. EFFICIENT ENERGY MANAGEMENT

The PD Division aims to achieve optimum energy efficiency in its development projects design and layout by focussing on the optimum use of natural lighting and cross ventilation by providing sufficient glass panelled windows and glass sliding doors at the balcony for ample natural sunlight and cross ventilation. The Phase 1 of The Link 2 and Lanai Residensi at Bukit Jalil, Kuala Lumpur integrated green building features in terms of selection of energy savings light fittings, smart lighting with automated intelligent control switching features, mechanical and electrical equipment selection with emphasis on green energy and control systems such as variable voltage variable frequency or VVVF in lift drive and control. The energy efficient efforts at the Phase 1 of The Link 2, Bukit Jalil, Kuala Lumpur has successfully gained the certification of “GreenRE Bronze” for both residential and non-residential development. Other energy conservation measures include the implementation of LED street lights and compound lightings at the Jesselton Villas, Penang and the upcoming Timur Bayu at Berjaya Park, Shah Alam.

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

The PI Division also initiated the installation of low-energy LED lights at the Berjaya Mega Mall in Kuantan, Pahang as part of its effort in improving energy efficiency and consumption.

Although the energy consumption at the Group level during the financial year under review was not substantial, various energy saving initiatives were implemented to encourage employees to adopt various practices at the workplace and sustainable use of energy in their operations by minimizing energy consumption.

iii. CONSERVATION OF NATURAL ENVIRONMENT & MARINE ECOSYSTEM

In its effort to conserve the natural environment, the PD Division also advocates the preservation of natural habitats of flora and fauna on the land that it develops. During the year under review, the PD Division has successfully relocated and replanted a total of 45 matured trees at the Kensington Gardens @ Jesselton Villas in Penang. The PD Division also places great emphasis on providing ecological and functional landscaping in its development projects to encourage residents to enjoy a healthy lifestyle amidst natural and built surroundings. In line with the authorities’ requirements, the PD Division has also set aside 10% of plot area for greenery and landscape as part of its effort to main the natural green lungs.

BHR continued to spread awareness on marine ecosystem preservation through the annual Tioman World Ocean Day with activities such as a clean-up dive to remove sea debris and crown-of-thorns starfish from the sea beds and regular beach cleaning activities to manage waste and debris around its resorts. As most of the marine debris is brought in by high tides and rains, each cleaning session covers the entire resort – from beaches, walkways to the jungle and public areas. BHR also supported the “I’m FINished with FINs” campaign with the implementation of a complete ban on the sale of shark fin dishes in its hotels and resorts.

The Clubs recognises that golf courses are home to numerous wetland animals and bird species such as the Guinea fowl, White Breasted Water Hen, Egrets, Kingfishers and Yellow billed storks, to name a few. Organic wastes from golf course maintenance (“GCM”) are used to nourish the local ecosystem by feeding the fishes in the rivers and ponds with green clippings and horse manures from the stables are utilized for landscaping purpose. The GCM team works closely with the Department of Environment for any anomalies or pollutions discovered in the water source. Ancient trees are always preserved, unless the trees pose imminent danger to the public. The Clubs ensures that only approved chemical and appropriate amount of fertilizers are used to avoid harm to these century old trees. Chemical applications are done prudently on greens rather than spraying on a large scale to avoid water contamination and river pollution.

iv. WATER CONSERVATION

The PD Division’s effort to conserve water starts from the on-set of the project design and development. The development projects at Bukit Jalil, Kuala Lumpur namely Phase 1 of The Link 2 and Lanai Residensi have been utilising rain water for landscaping and construction cleaning purposes, thus reducing the consumption of treated water. To further minimise water usage, water closets with dual flush options and water taps with push-buttons were selected for the projects. At the upcoming Timur Bayu at Berjaya Park, Shah Alam, the PD Division has proposed a water mist firefighting system which is more environmental friendly and sustainable as it uses less quantity of water compared to the conventional sprinkler type system. This will substantially reduce the day water tank storage as well as the elevated break water tanks. The proposal is pending approval by the relevant authorities.



Artist impression of the entrance of Timur Bayu at Berjaya Park, Shah Alam, Selangor.

BHR continued to focus on its water conservation efforts through several measures such as installing water saving devices in guestroom bathrooms and common area washrooms, installing water sub-meters and daily sub-meters to improve monitoring of water consumption as well as early detection of leaks and providing information for guests on reusing towels and linen.

At The Clubs, rain water and water from the flowing river are being used for watering the green, landscaping and outdoor cleaning thus minimizing the usage of treated water.

v. WASTE MANAGEMENT AND RECYCLING

The Company strives to reduce and divert waste from the landfill by promoting awareness among employees through the 5R practices of Refuse, Reduce, Reuse, Repair and Recycle within the business operations.

The PD Division adopted innovative construction methods such as IBS precast system and prefabricated door frames and door leaves to reduce building waste materials. At Lanai Residensi at Bukit Jalil, Kuala Lumpur, waste materials such as rebars, BRC-wired mesh and timber are being collected and stored at designated storage area to be sold as recycled materials. To encourage recycling among its residents, colour coded waste separation bins for each different categories of household waste are placed at convenient locations to enable the residents to dispose their separated waste for recycling purpose.

BHR continues to improve the waste management in its day-to-day operations through several initiatives. These initiatives included partnering with organisations that collect used cooking oil and grease for biofuel production. BHR has also initiated the process of eliminating single-use plastic items by replacing those items with biodegradable options in a phased manner. For example, all plastic wrappers for in-room amenities have been replaced with recycled paper wrapping. Currently, BHR is moving towards replacing plastic straws with biodegradable paper straws. Two of its properties namely, Berjaya Langkawi Resort and The Taaras Beach & Spa Resort in Redang Island, Terengganu are providing filtered drinking water in recyclable glass bottles to its in-house guests. A vast majority of the cleaning products used are eco-friendly, thereby reducing potential harm to the environment. Recycle bins are also placed strategically at all common areas and recycled waste are separated accordingly.

SUSTAINABILITY STATEMENT

v. WASTE MANAGEMENT AND RECYCLING (CONT'D)

At Sports Toto, various effort have been made to reduce the amount of waste disposed such as by using recycled paper for betting slips. Obsolete promotional materials and forms are discarded responsibly through selected disposal contractors.

The PI Division has also installed Touch 'n Go system at parking sites to reduce the issuance of paper tickets. This allows the complexes, namely Berjaya Megamall in Kuantan, Pahang and Kota Raya Complex, Kuala Lumpur to transition to a paperless and convenient cashless system.

Above all, employees are encouraged to make a difference by reducing paper consumption through various simple daily practices such as reusing envelopes for internal mailing and printing on both sides of the paper.

7. SOCIAL SUSTAINABILITY

It is noteworthy to mention that the Company supports the national agenda in addressing the need for affordable housing through its investment in various affordable housing projects, which is an act of corporate citizenship in the area of social sustainability.

The Company also put in place various practices which encompass matters relating to responsible marketing and communication practices, information security and privacy, public policy and social integration and community development, among others.

RESPONSIBLE MARKETING AND COMMUNICATION PRACTICES

The Company ensures that all products and services offered to its 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.

In the process of marketing its development projects, the PD Division ensures that information such as floor plans, technical specifications and finishes, facilities and amenities are provided and properly presented across its marketing channels and promotional materials. Likewise, BHR and The Clubs also constantly review and update its marketing materials and websites to ensure that the services and offerings are accurately presented to prevent any misinformation or misrepresentation of information.

All media messages and gaming operations under Sports Toto are in compliance with the applicable regulations particularly the Pool Betting Act 1967 as well as Government laws regulated by the Ministry of Finance (“MOF”). Sports Toto also made available a reminder message - “Be A Responsible Player” on its website, www.sportstoto.com.my which clearly states that Toto players must be 21 years old and above; they should play within their financial means and that they should self-evaluate their financial status. Every Sports Toto outlet has in place a public notice to prohibit minors and Muslims from betting. Sports Toto also constantly review its customer expectations and requests. In an effort to improve the gaming experience of its customer, Sports Toto launched a new Lotto game, Star Toto 6/50 in October 2017 replacing the Grand Toto 6/63. During the launch period, promotion personnel were stationed at all sales outlets throughout the country to responsibly educate customers about the new game.



A Sports Toto poster for Star Toto 6/50.

i. INFORMATION SECURITY AND PRIVACY

The Company 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.

ii. IT INTEGRITY AND CYBER SECURITY

The exponential development and advancement of technology presents various opportunities as well as challenges for both business and operational processes. In this context, the Company takes imperative measures to prioritize information technology integrity and cyber security to ensure business continuity. Various security measures are put in place to continuously identify, evaluate, monitor, manage and respond to any IT integrity or cyber security issues.

Sports Toto has incorporated preventive measures in its operating systems to minimise to the lowest level possible any exposure to cyber security risk and constantly worked to identify potential vulnerabilities in its operating environment and ensure timely response and recovery in the event of a cyber-breach. Intensive system testing and review measures are conducted regularly to prevent unauthorised physical access to the production computer systems, keeping track of the hardware support lifecycle to ensure that the system operation is up to date to counter any new or potential threats, which may cause malicious or deliberate damage of data and information.

Recognising the importance of enhancing awareness of data security among employees, the Company organises regular training programmes conducted by industry experts to educate employees on the latest data security threats and protection measures.

iii. PUBLIC POLICY

The PD Division is constantly engaging with the relevant government agencies and regulatory bodies in matters relating to policies that governs the PD Division's business in property development. The PD Division takes heed of the policies and keep abreast of the changes to ensure that its developments conform to the stipulated requirement for sustainable planning and growth.

Sports Toto continues to work closely and maintain good relationships with the Government authorities and agencies including Bank Negara Malaysia ("BNM"), MOF, local councils and district police departments and meet with their requirements to ensure public interests are safeguarded in carrying out its daily business operations. The company ensures that it is always in compliance with relevant laws including anti-money laundering laws and pool betting laws. The successful annual renewal of gaming licences by MOF, zero negative feedback from BNM or Bursa Malaysia and unqualified reports from the external auditors are some testimonies to its constant compliance and fulfilment of Sports Toto's responsibility as a leading licensed number forecast operator ("NFO").

The Company's employees are required to adhere to the Employee Guidelines including the Code of Conduct to ensure that they observe good work practices to avoid any legal infringement or non-compliance in its business operations, which is an offence under any relevant laws including the Malaysian Anti-Corruption Commission Act 2009.

iv. ANTI-COMPETITION PRACTICE

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

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

SUSTAINABILITY STATEMENT

v. SOCIAL INTEGRATION AND COMMUNITY DEVELOPMENT

At the PD Division, social integration and community development is an aspect which is given considerable importance from the start of its project development process. The PD Division's development takes into account the pertinent criteria of delivering properties which are constructed with emphasis on safety, good accessibility and connectivity, excellence standard of workmanship as well as adequate public amenities. The PD Division also integrated convenient access to public transportation such as city buses, LRT/MRT, Grab and other ride-sharing services by providing dedicated and covered waiting areas and bus stops within a walking distance from its properties. The PD Division also collaborated with "park-and-ride" bicycle companies to encourage more bicycle users to promote a healthy lifestyle and reduce the dependency on motorised vehicles.

On a broader scope, the development projects by the PD Division are also located in locality with good connection to the network of highways and public transportation hubs with easily accessible facilities and amenities. To enhance connectivity in today's fast-paced lifestyle, the development projects are interfaced with a good backbone to support the internet network structure. The PD Division also ensures that the development projects are adequately equipped with facilities and amenities that encourage strong community spirit among the residents and the surrounding neighbourhood.

As security is a foremost priority to purchasers, the PD Division has implemented various security measures such as gated and guarded environment, sensor card access system, intercom system and 24 hours surveillance via Close-Circuit-Tele-Vision ("CCTV") in its development projects. As an added security and crime prevention measure, panic buttons have been installed at parking areas for the development projects at Bukit Jalil, Kuala Lumpur.

The PI Division has also implemented the installation of panic buttons at parking bays allocated for women drivers at Plaza Berjaya, Kuala Lumpur. This security measure will also be adopted by Kotaraya Complex, Kuala Lumpur and Berjaya Mega Mall in Kuantan, Pahang.

vi. COMMUNITY SUPPORT AND INVOLVEMENT

Beyond embedding various sustainability initiatives in its business operations, the Company also recognizes the importance of being a responsible corporate citizen. In this aspect, the Company has been providing financial and non-financial support to those in need, with a special focus on providing assistance to programmes targeted at the younger generation and the less privileged in the society.

Community

B-Land and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate groups by hosting various festive gatherings for more than 20,000 Malaysians across the country. The 31st Sports Toto Chinese New Year Ang Pow Donation Campaign was one of the biggest festive donation campaigns in the country reaching out to more than 18,000 needy senior citizens in 50 cities and towns. During the festive celebrations of Hari Raya, Deepavali and Christmas, B-Land and its subsidiaries also hosted various festive gatherings with sumptuous treats, gifts, token money as well as entertainment for the less privileged groups.

Under the "Helping Hands" Corporate Social Responsibility ("CSR") programme with its tagline – Sharing, Giving and Caring, Sports Toto has carried out numerous projects which benefitted underprivileged communities notwithstanding the challenging economic environment during the financial year under review. Efforts to engage the community were made by way of offering monetary and non-monetary aid, learning and education opportunities, community sports as well as popular entertainment and cultural activities.



KM1 East Condominiums at Bukit Jalil, Kuala Lumpur.



Sports Toto's Chinese New Year Ang Pow Donation Campaign 2018.



Sports Toto's Reading My Companion learning programme.



Blood donation drive organised by Berjaya Times Square Hotel, Kuala Lumpur.

Sports

Apart from providing substantial annual financial contributions to the National Sports Council, Sports Toto also supported numerous community sports activities such as the Go For It! – FTKLAA Cross Country 2018 and provided sponsorship for Kuching Festival's 3 on 3 Basketball Jamboree, Sports Toto High School Basketball Tournament, KRR Kenny Rogers Roasters Chicken Run 2017, Seremban Half Marathon, Sungai Petani Half Marathon, Sutera Harbour 7K Charity Run, Kota Kinabalu City Cycling Challenge 2017 and Penang Bridge International Marathon.

Education

In line with the objective of promoting literacy and education, B-Land and its subsidiaries supported the operating cost of seven community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country. During the year under review, approximately 1,500 students have benefitted from the programme.

Sports Toto continued to support the "Reading My Companion" learning programme for the 6th consecutive year with storybooks and storytelling sessions for students in 20 micro-sized Chinese primary schools in Perak, Negeri Sembilan, Melaka, Pahang and Johor. The learning programme aims to inculcate reading as a pastime of choice among the rural students who are relatively lacking in terms of recreational choices. The programme has benefitted more than 10,000 students in 86 sub-urban micro-sized Chinese primary schools in Selangor, Perak, Negeri Sembilan, Melaka, Pahang and Johor since its inception in 2012.

Arts & Culture

In the promotion of arts and culture, Sports Toto supported Pesta Tanglung in Muar, Johor, Penang Chingay Parade 2017, Hungry Ghost Month Festival and the Nine Emperor God Festival, among others.

8. HUMAN CAPITAL

The Company centres on its guiding principles of a strong foundation and the constant synergy that exists among its diverse businesses. It is these pillars that depict its past achievements and future growth.

The Company recognises that its employees are its most valuable asset who formed the foundation of the organisation. Hence, the Company strongly believes in investing and developing its human capital to support the expansion and growth of the organisation.

The Company's human capital efforts are to drive people strategies, focusing on talent acquisition and development, and employee engagement and retention programmes. The Company aims to ensure that its employees are engaged, productive and competitive, while enriching its work culture and environment, distinguishing itself as an "Employer of Choice".

DELIVERABLES

-  Attracting the Best Talents through Talent Acquisition Strategies
-  Building a Talent Pipeline
-  Developing a Performance Driven Culture
-  Progressively Review and Improve Human Resource Policies, Work Environment and Work Systems
-  Creating an Employee Engagement Culture
-  Capitalising on HR Technology

SUSTAINABILITY STATEMENT

i. Workplace

To meet its strategic objectives, attracting and retaining the right people, developing their potential skills and knowledge and nurturing a high performance driven culture are of the utmost importance for the Company.

The Company's employment practices uphold its beliefs for fair employment, diversity and inclusion, rewarding our employees appropriately and helping them to achieve their current and future career aspirations and goals through customised training and development programmes.

Talent Acquisition

The Company aims to strike a balance among its many diverse industries and their human capital needs and requirements. Thus, it is important for the Group Human Resource Division to consider the many business units and the different positions within those units. The Company aims to gain a thorough understanding of each company's business objectives, and the skills, knowledge, experiences and competencies that each position requires for success.

The Company seeks proactive, talented and highly motivated people thus its recruitment selection process takes into consideration the candidates' skills and experience through a competency-based interview process and online assessments to short-list the "right people for the right job", ensuring the best fit.

Talent Attraction

Berjaya's employer brand also helps to convey to internal and external talents what distinguishes the organisation from its competitors. In November 2017, B-Land's parent company, Berjaya Corporation Berhad won a Gold Award in the prestigious "Employer of Choice" Award, conferred by the Malaysian Institute of Human Resource Management ("MIHRM"). Winning this award further propels the Berjaya brand locally as well as globally.



The Awards won by Berjaya Corporation Berhad are testimony of the strength of the Berjaya brand.

"Striving for Excellence" – Awards won by Berjaya Corporation Berhad



Diversity and Inclusion

The Company embraces and values diversity and inclusion, leading to a better understanding and engagement with the employees, customers and the communities in which the Company operates. Furthermore, a diverse workforce and an inclusive workplace culture are attractive to potential talents and provide the Company with a competitive edge in its talent attraction and retention initiatives.

The Company also encourages an inclusive workplace where employees feel safe and confident to contribute their views to delivering more innovative and effective business outcomes.

In the recent years, the Company has implemented various workplace improvements measures such as the Staggered Work Hours Arrangement ("SWHA") and a nursing room for returning mothers.

ii. Employee Engagement

Employee engagement is an important indicator in gauging work satisfaction. Maintaining a high level of employee engagement is increasingly important for the Company in order to attract and retain talented employees and, ultimately, deliver business success.

The Company strongly believes in driving better local communication among its business units as well as functional units through synergy meetings and capitalizing on communication channels which aims to keep employees informed of the latest happenings across the Group.



Graduates of the Berjaya Executive Development Programme 2017.

During the year under review, the engagement initiatives organised by the various business units continue to focus on celebrating diversity, bringing together employees from varied backgrounds and levels and building camaraderie through activities that celebrate the major festivals in Malaysia, health-related activities and sports tournaments.

Culture of Volunteerism

The Company strongly believes in giving back to society and fosters the spirit of volunteerism by encouraging its employees to participate in the many corporate social responsibility projects such as blood donation drive, visitations and festive celebrations with the less fortunate. The Company also regularly organises and participates in various community-based programmes and activities which aims to create awareness issues related to community, health and environmental protection. As at 30 April 2018, a total of 1,338 employees from BHR, The Clubs and Sports Toto participated in various CSR events across the country.

iii. Training and Development

The Company continues to foster a learning and knowledge development culture among its employees to forge the path for continuous learning and timely career progression within the organisation.

Talent Management

The Company has a formal talent management framework across the Company that focuses on providing the appropriate learning and development opportunities and support for all employees, especially future leaders.

The Berjaya's Talent Management Programmes focuses on meeting the needs of future talents and building opportunities for the growth of its current talents. These programmes are targeted to address the following areas:

Succession Planning

- Ensures that all senior critical roles have a succession plan in place for the sustainability of Berjaya's significant business functions. It is essential that the Company proactively identifies its potential leadership and develops them in the capability areas required.

Building a Talent Pipeline

- Aims to identify key talents ready for a new or expanded role in the career development.

Leadership Development Programmes

- A competency-based learning approach offered to executives, middle and senior management levels respectively to equip them with the right tools and knowledge for their career success.

Development Programmes

With the track record of success of the Berjaya Group's very own leadership development programmes - Berjaya Advanced Leadership Programme ("B.ALP"), Berjaya Manager Development Programme ("B.MDP") and Berjaya Executive Development Programme ("B.EDP"), the Company continues to enrol its talents in these programmes to help them develop and reach their full potential. During the year under review, a total of 44 employees graduated from the various development programmes.



Sports Toto provides various training programmes for employees and agents' frontline staff.

SUSTAINABILITY STATEMENT

Individual Development Plans

Upon graduation, graduates are required to provide a short term and long term individual development plan to enable the Company to develop and deliver customised learning and development programmes that meet their development needs.

On top of the development programmes, various learning programmes and customised training sessions such as language classes, grooming workshops, customer service programmes and food handling trainings were conducted throughout the year. In line with the Company's objective to enhance service quality and performance, a total of 1,546 employees from BHR and The Clubs attended various training programmes such as English language classes, grooming workshops, upselling and customer service programmes and food handling trainings.

To continue improving its customer service levels, Sports Toto provides product and service upselling trainings to its employees and agents' frontline staff. The objective of the training is to equip them with product knowledge, customer handling and selling skills. As at 30 April 2018, Sports Toto had conducted 19 product training sessions and 20 service upselling training sessions for 932 employees as well as agents' frontline staff who play a vital role of being direct points of contact with customers.

iv. Employee Wellbeing

B-Land provides a range of initiatives aimed to create awareness and encourage employees to make informed choices that will enhance their overall health and wellbeing.

Health promotion and prevention

Employees are the Company's valuable asset and their health is as important as ever. To inculcate healthy lifestyle among employees and to promote health and wellness at the workplace, employees are given the privilege to utilise a full facility gym, Sports Toto Fitness Centre which is conveniently located at Berjaya Times Square, Kuala Lumpur.

To increase health awareness among employees, informative health talks on various health issues and prevention measures are organised during the lunch hour. For the prevention and early detection of any sicknesses, employees are encouraged to get yearly health screenings by utilising the balance of their yearly clinical outpatient entitlement at selected panel clinics which offer special staff rates.

Employee Benefits

As a caring employer, the Company strives to provide better benefits and welfare to its employees. Thoughtful consideration is given to employees' needs, starting from their basic needs such as health care to their lifestyle needs such as hotel stay privileges.

During the year under review, the Company increased the daily room and board rate for the Group Hospitalisation and Surgical Insurance policy and continue to offer special staff rates for stays in Berjaya Hotels and Resorts.

The Company also conducts periodic benefits survey to enhance and align our existing benefits and employees' needs.

Staff Welfare Fund

The Company continues to provide financial assistance to employees and their immediate family members to alleviate their financial burden in time of crisis, i.e. to cover medical expenses incurred by employees or their immediate family members or in the event the residence of an employee is affected by fire or a natural disaster.

v. Employee Health and Safety

Occupational health, safety at the workplace

The Company strives to continuously improve and fully integrate health, safety and environmental sustainability in all aspects of its operations.

In ensuring compliance with the legal requirements and its commitment to provide employees, contractors and others a healthy and safe environment, the Company promotes a proactive safety, occupational, health and environment philosophy and adopt the best practices in building and maintaining a safe working environment.

Various initiatives have been taken in communicating the importance of health, safety and environmental awareness for employees through trainings and briefing sessions which included topics such as prevention of fire, first aid, cardiopulmonary resuscitation and emergency response.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Berjaya Land Berhad (or “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 Group carries out its business operations within the required standards of corporate governance as set out in the new 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 April 2018 (“FYE 2018”) 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 2018 (“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 the details on how the Company has applied each Practice, any departures thereof and the alternative measures being in place within the Company during the FYE 2018. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2018 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

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

Chairman and Chief Executive Officer

The Board is led by the Chairman, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, an Independent Non-Executive Director of the Company. The Chairman is responsible to ensure that he will preside at all Board meetings and general meetings of the Company. The Chairman is also responsible for providing leadership as well as to ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

The Board has delegated the day-to-day affairs of the Group’s business to the Chief Executive Officer (“CEO”) of the Company, Datuk Pee Kang Seng @ Lim Kang Seng. The CEO holds the primary executive responsibility for the Group’s business performance and to manage the Group in accordance with the strategies and policies approved by the Board. The CEO will focus on the business and leads the Senior Management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. The CEO may delegate appropriate functions to any member of the Senior Management reporting to the CEO.

The CEO and Management meet regularly to review and monitor the performance of the Group’s operating divisions. The CEO briefs the Board on the Group’s business operations and Management’s initiatives during the quarterly Board meetings.

Separation of Positions of the Chairman and Chief Executive Director

The Chairman and the CEO are held by two different individuals. The distinct and separate roles of the Chairman and CEO with clear division of responsibilities have ensured the balance of the power and authority and that no one has unfettered control of the Board. The roles and responsibilities of the Chairman and CEO have been formalised in the Board Charter of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Non-Executive Directors

The Non-Executive Directors of the Company 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.

The Independent Non-Executive Directors are 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 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.

In addition, the Non-Independent Non-Executive Director on the Board will also help to provide views and contributions from a different perspective as he is not involved in the day to day operations of the Group.

Board Committees

The Board has established and is supported by the following Board Committees which consist of a majority of Independent Non-Executive Directors to provide independent oversights of management and to ensure that there are appropriate checks and balances in discharging its oversight function: -

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

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

The Board may form such other committees from time to time as dictated by business imperatives and/or to promote operational efficiency.

Notwithstanding the above, the ultimate responsibility for decision making and oversight still lies with the Board.

Company Secretary

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 Terms of Reference 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 forums 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Meeting and Meeting Materials

In order to discharge their responsibilities effectively, the Board meet regularly on a quarterly basis. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters under their purview and which requires the Board's expeditious review or consideration. Such meetings will enable the Board members to effectively 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.

Prior to the Board Meeting, the Directors will be provided with the relevant agenda and Board papers five (5) business days' notice 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 provide, among others the minutes of preceding meetings of the Board and Board 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.

In addition, there is 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. The Board will ensure that the strategic plans 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 any new major ventures.

Access to information and advice

The Directors 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 and Whistleblowing Policy and Procedures

The Board has the following in place:-

(a) Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board. The Board Charter is subject to review by the Board annually to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. The Board Charter was recently reviewed on 20 June 2018 and a copy is available on the Company's website at www.berjaya.com.

(b) Code of Ethics for Director

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

(c) Code of Conduct and Business Ethics

The Group has established and adopted a Code of Conduct covering Business Ethics, workplace safety and employees' personal conduct for all employees of the Company and all of its subsidiaries and associates. This is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation. All employees and Directors of the Company 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 Company.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(d) Whistleblowing Policy and Procedures

The Group 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 Group has in place a Whistleblowing Policy which serves as an internal disclosing channel in relation to whistleblowing at work place to enable employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis and pursuant to the Malaysian Whistleblower Protection Act 2010 or other similar law prevailing in other countries where the subsidiary companies are located, without fear of any form of victimization, harassment, retribution or retaliation.

Employees also have free access to the Senior Independent Director and the Chief Executive Officer of the Company and may raise concerns of non-compliance to them.

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

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 long term sustainable balance between meeting its business goals, preserving the environment to sustain the ecosystem and the welfare of its employees and the communities in which it operates. The Group's efforts to promote sustainability initiatives for the communities in which it operates, the environment and the employees is set out in Sustainability Statement in this Annual Report.

Board Composition

The Board composition of the Company represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently has nine (9) members comprising the CEO, three (3) Executive Directors, four (4) Independent Non-Executive Directors (including the Chairman) and a Non-Independent Non-Executive Director. The profiles of the Directors are set out in pages 3 to 7 of this Annual Report.

The present composition of the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities which requires at least one-third (1/3) of its members to be Independent Directors.

The Board noted that Practices 4.1 and 4.2 of the MCCG has recommended for at least half of the Board members to be independent directors and the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. For Large Companies, the Board shall comprise a majority of Independent Directors.

Based on the review of the Board's composition and assessment of individual Directors, the Board is satisfied that the current Independent Directors are able to exercise independent and objective judgement and act in the best interests of the Company even though they do not form a majority of the Board members and with one (1) of them having served the Board for more than nine (9) years.

Boardroom Diversity

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 work place environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

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

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

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 FYE 2018, the Board met seven (7) times and the attendance record of the Directors at the Board meetings were as follows:-

Directors	Attendance
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim #	7/7
Datuk Pee Kang Seng @ Lim Kang Seng	7/7
Tan Thiam Chai	7/7
Nerine Tan Sheik Ping	6/7
Chryseis Tan Sheik Ling	5/7
Dato' Ng Sooi Lin	7/7
Datuk Robert Yong Kuen Loke #	7/7
Datuk Kee Mustafa #	6/7
John V Pridjian # (appointed on 1 November 2017) ®	3/3*

Notes:

® *During the financial year ended 30 April 2018, John V Pridjian was appointed as an Independent Non-Executive Director of the Company.*

Independent Non-Executive Director.

* *Reflects the attendance and the number of Meetings held during the financial year since the Director held office.*

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

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

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

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

The Board is also regularly updated by the Company Secretaries on the latest update/amendments to the relevant regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Director	Title of Programmes/Seminars/Courses/Forums
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	- Briefing by Wong & Partners on Companies Act 2016
Datuk Pee Kang Seng @ Lim Kang Seng	- Bursa Fraud Risk Management Workshop - Corporate Governance Breakfast Series with Directors: - Integrating An Innovation Mindset With Effective Governance
Tan Thiam Chai	- The New Malaysian Code on Corporate Governance 2016 - LHAG Tax, GST & Customs Seminar 2017 - Advocacy Session to Enhance Quality of Management Discussion & Analysis for MD & A - Corporate Governance Breakfast Series with Directors: - Integrating an Innovation Mindset with Effective Governance - Corporate Governance Breakfast Series with Directors: - Malaysian Code of Corporate Governance Reporting and Corporate Governance Guide
Nerine Tan Sheik Ping	- Corporate Governance Breakfast Series with Directors: - Thought leadership session for Directors "Leading Change @ The Brain"
Chryseis Tan Sheik Ling	- Forbes Global CEO Conference 2017
Dato' Ng Sooi Lin	- Corporate Governance Breakfast Series with Directors - "Board Excellence: How to Engage and Enthuse Beyond Compliance with Sustainability" - Bursa Fraud Risk Management Workshop
Datuk Robert Yong Kuen Loke	- Datuk Robert Yong kept himself abreast with the latest developments on the various accounting, finance and business issues both locally and globally through his extensive networking, reading of various magazines and journals and serving as a council member of the Malaysian Institute of Certified Public Accountants.
Datuk Kee Mustafa	- National Seminar on Malaysian Code on Corporate Governance (New) "An Overview" - One Day Conference – Governance Culture in Your Organisation
John V Pridjian	- Mandatory Accreditation Programme for Directors of Public Listed Companies

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 Company has a Nomination Committee ("NC"), which comprises exclusively Non-Executive Directors and all of whom are Independent Non-Executive Directors. The members are as follows:-

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

The Chairman of the NC, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim is an Independent Director and has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

The composition, authority as well as the duties and responsibilities of the NC are set out in its Terms of Reference, which is available on the Company's website at www.berjaya.com.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. The candidate identified upon the recommendation by the existing Directors, Senior Management staff, major shareholders, independent search firms and/or other independent sources;
2. In evaluating the suitability of candidates for appointment to the Board, the NC considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates' independence;
3. Recommendation shall then be made by NC 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 NC reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluation are guided by the Corporate Governance Guide issued by Bursa Securities. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the NC meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the NC in the discharge of its duties are properly documented.

During FYE 2018, the NC 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; the independence of the Independent Directors; the effectiveness of the Board and the Board Committees;
- recommending Directors who are retiring and being eligible for re-election;
- reviewed the performance of the Audit Committee and its members;
- reviewed the Board Diversity Policy; and
- recommended to the Board, the appointment of John V Pridjian as an Independent Non-Executive Director of the Company.

Re-election of Directors

The NC also conducted an assessment of the Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM") in accordance with the provisions of the Articles of Association of the Company and the relevant provisions of the Companies Act 2016.

The Company's Articles of Association provides that at least one-third 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. The Articles of Association 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 appointment.

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

At the forthcoming Twenty-Eighth AGM, the Directors who will retire by rotation and eligible for re-election pursuant to Article 101 of the Company's Articles of Association are Mr Tan Thiam Chai, Datuk Kee Mustafa and Ms Nerine Tan Sheik Ping. The new Director namely, Mr John V Pridjian who was appointed on 1 November 2017, will also retire and be eligible for re-election at the forthcoming AGM pursuant to Article 106 of the Company's Articles of Association.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years. However, the retention of Independent Directors who have served a cumulative term of nine (9) years shall be subject to annual shareholders' approval in line with the best practice of the MCCG.

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 judgment during Board deliberations and decision making.

The Independent Director of the Company, namely Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim who is also the Chairman of the Company, was appointed as an Independent Non-Executive Director of the Company on 3 September 2007. Hence, he would have served the Company for a cumulative term of more than nine (9) years but less than twelve (12) years at the date of the forthcoming AGM.

The Board has decided to retain him as an Independent Director notwithstanding his service tenure as an Independent Director has exceeded nine (9) years but less than twelve (12) years by September 2018 after the assessment and recommendation by the NC.

In line with Practice 4.2 of the MCCG, the Board will seek approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director of the Company when his tenure has exceeded the nine (9) years based on the following justifications:-

- i. he has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and being independent, he will be able to function as a check and balance, bring an element of objectivity to the Board;
- ii. he has been with the Company for more than nine (9) years and is familiar with the Company's business operations which enable him to participate objectively in deliberations and decision making process of the Board and Board Committees; and
- iii. he has exercised due care during his tenure as an Independent Non-Executive Director as well as the Chairman of the Company and he has carried out his duties proficiently in the interest of the Company and the shareholders.

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 NC, has assessed the independence of its Independent Non-Executive Directors namely, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Datuk Robert Yong Kuen Loke, Datuk Kee Mustafa and Mr John V Pridjian based on criteria set out in the Main Market Listing Requirements of Bursa Securities.

The Independent Directors of the Company 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.

Remuneration Policies and Procedures

The Company has a Remuneration Committee which comprises exclusively Non-Executive Directors with a majority of them being Independent Directors. The members are as follows:-

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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.

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

The remuneration of Key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and level of responsibilities.

Both the remuneration of Executive Directors and Key Senior Management are structured 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 to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommended that the level of remuneration should 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.

The Board will periodically review the Remuneration Policy and a copy is available on the Company's website at www.berjaya.com.

Details of Directors' remuneration paid or payable to all Directors of the Company (both the Company and the Group) and categorised into appropriate components for FYE 2018 are as follows:-

Company

	RM					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
<u>Executive</u>						
Datuk Pee Kang Seng @ Lim Kang Seng	-	700,000	110,000	22,100	49,193	881,293
Tan Thiam Chai	-	164,000	26,000	17,100	23,628	230,728
Nerine Tan Sheik Ping	-	-	-	-	-	-
Chryseis Tan Sheik Ling	-	-	-	-	-	-
<u>Non-Executive</u>						
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	84,000	-	-	-	15,400	99,400
Datuk Robert Yong Kuen Loke	36,000	-	-	-	14,500	50,500
Dato' Ng Sooi Lin	36,000	-	-	24,600	11,000	71,600
Datuk Kee Mustafa	36,000	-	-	-	13,000	49,000
John V Pridjian <i>(Appointed on 1 November 2017)</i>	18,000	-	-	-	3,000	21,000
	210,000	864,000	136,000	63,800	129,721	1,403,521

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group

	RM					
	Fees	Salaries	Bonus	Benefits in-kind	Other Emoluments	Total
Executive						
Datuk Pee Kang Seng @ Lim Kang Seng	-	700,000	110,000	22,100	49,193	881,293
Tan Thiam Chai	-	879,296	171,882	17,100	188,079	1,256,357
Nerine Tan Sheik Ping	-	960,000	225,000	14,200	143,060	1,342,260
Chryseis Tan Sheik Ling	-	320,000	20,000	-	42,520	382,520
Non-Executive						
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	84,000	-	-	7,200	111,993	203,193
Datuk Robert Yong Kuen Loke	81,000	-	13,000	18,300	190,386	302,686
Dato' Ng Sooi Lin	36,000	-	-	24,600	11,000	71,600
Datuk Kee Mustafa	36,000	-	-	-	13,000	49,000
John V Pridjian <i>(Appointed on 1 November 2017)</i>	18,000	-	-	-	3,000	21,000
	255,000	2,859,296	539,882	103,500	752,231	4,509,909

Remuneration of Key Senior Management

The number of top five (5) Key Senior Management and their total remuneration from the Group categorised into the various bands are as follows:-

Range of Remuneration	Number of Key Senior Management
RM350,001 - RM400,000	1
RM500,001 - RM550,000	1
RM1,200,001 - RM1,250,000	1
RM1,500,001 - RM1,550,000	1
RM10,350,001 - RM10,400,000	1
	5

Although the MCCG provides that the Company should disclose the detailed remuneration of the top five (5) 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 Senior Management due to the sensitivity of their remuneration package, privacy, competition and the issue of staff poaching.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee of the Company comprises four (4) members, all of whom are Independent Non-Executive Directors. The members are as follows:-

Datuk Robert Yong Kuen Loke	- Chairman/ Independent Non-Executive Director
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	- Independent Non-Executive Director
Datuk Kee Mustafa	- Independent Non-Executive Director
John V Pridjian <i>(appointed on 22 March 2018)</i>	- Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Chairman of the Audit Committee 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 Audit Committee are set out in its Terms of Reference (“TOR”) and a copy is available on the Company’s website at www.berjaya.com.

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

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

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group’s financial performance and prospects and ensure that the financial statements reviewed and recommended by the Audit Committee for Board’s approval are prepared in accordance with the provisions of the Companies Act 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company. In addition, the Audit Committee reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

Besides overseeing the Group’s accounting and financial reporting process, Audit Committee is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, to oversee and monitor the Group internal audit functions, reviews any related party transactions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. A full Audit Committee Report detailing its composition and a summary of activities during the financial year is set out in pages 59 to 62 of this Annual Report.

The performance of the Audit Committee is reviewed annually by the NC. 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 Audit Committee meetings.

Based on the evaluation, the NC concluded that the Audit Committee has been effective in its performance and has carried out its duties in accordance with its TOR during FYE 2018.

Assessment of External Auditors

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

During the financial year, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for FYE 2018 were as follows: -

	Company		Group	
	FYE2018 RM'000	FYE2017 RM'000	FYE2018 RM'000	FYE2017 RM'000
Statutory audit fees paid/payable to:-				
- Ernst & Young ("EY") Malaysia	150	150	1,458	1,379
- Affiliates of EY Malaysia	-	-	214	180
Total (a)	150	150	1,672	1,559
Non-audit fees paid/payable to:-				
- EY Malaysia	396	366	471	438
- Affiliates of EY Malaysia	8	8	228	219
Total (b)	404	374	699	657
% of non-audit fees (b/a)	269%	249%	42%	42%

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

Upon completion of the assessment, the Audit Committee will make recommendation for the re-appointment of the External Auditors to the Board. The Board upon acceptance of the recommendation, will then seek approval from the shareholders on the re-appointment of the External Auditors at the AGM.

Risk Management and Internal Control

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

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

The internal audit function of the Company is outsourced to the Group Internal Audit Division of the ultimate holding company, Berjaya Corporation Berhad and they are free from any relationships or conflict of interest that could impair their objectivity and independence. The Internal Auditors report regularly to the Audit Committee provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of the risk management process is carried out by the Risk Management Committee of the Group.

The Company has a Risk Management Committee, which comprises exclusively Non-Executive Directors and majority of whom are Independent Non-Executive Directors. The members are as follows:-

Datuk Robert Yong Kuen Loke	- Chairman/ Independent Non-Executive Director
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	- Independent Non-Executive Director
Datuk Kee Mustafa	- Independent Non-Executive Director
John V Pridjian (appointed on 22 March 2018)	- Independent Non-Executive Director
Dato' Ng Sooi Lin	- Non-Independent Non-Executive Director

A Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal controls within the Group is set out on pages 56 to 58 of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Communication with Stakeholders

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

Currently, the Company's various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, general meetings of shareholders and through the Company's website at www.berjaya.com where shareholders can have easy access to the Company's corporate information such as the Board Charter, Terms of Reference of the Board Committees, Company Policies, press releases, financial information, Company announcements and others.

The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.

Conduct of General Meetings

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

The Chairman as well as the Chief Executive Officer will respond to shareholders' questions at the AGM. The Executive Directors and other Directors present will also respond when required. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Poll Voting

All the resolutions passed by the shareholders at the previous AGM held on 23 October 2017 were voted by way of a poll in accordance with the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities. The shareholders were briefed on the voting procedures by the Share Registrar namely, Berjaya Registration Services Sdn Bhd while the results of the poll were verified and announced by the independent scrutineer, Messrs LT Lim & Associates.

The Company Secretaries will announce the poll results of the AGM with details on the number of votes cast for and against for each resolution and the respective percentage on the same day to Bursa Securities. The minutes of the AGM will also made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM.

The Company may consider adopting the electronic voting moving forward to facilitate a more efficient voting process and to ensure that the voting results are transparent and accurate. Pursuant to Practice 12.3 of the MCCG, the Company will also explore the use of technology to facilitate the voting in absentia and/or remote shareholders' participation at general meetings, taking into consideration the number of shareholders, the accuracy and stability of such technologies, applicable laws and regulations and the cost and resources required vis-à-vis the benefits.

This CG Overview Statement was approved by the Board of Directors of the Company on 13 August 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Berjaya Land Berhad (“BLand” 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 BLand recognises that it is responsible for the Group’s system of internal control and for reviewing its adequacy and integrity. The Board’s responsibility in relation to the system of internal control extends to all the subsidiaries of the Group. In view of the limitations that are inherent in any system of internal control, the Group’s internal control system is designed to manage and achieve business objectives. As such, the system can only provide reasonable assurance against material misstatement or loss.

The Board’s primary objective and direction in managing the Group’s principal business risks are to enhance the Group’s ability to achieve its business objectives. In order to achieve these objectives, the Board has identified, evaluated and managed the significant risks being faced by the Group by monitoring the Group’s performance and profitability at its Board meetings.

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

MANAGEMENT STYLE

The Group’s businesses which are operated by its subsidiaries are categorised into three main divisions:

- Gaming and Lottery Management (“Gaming Division”);
- Hotels, Resorts and Recreation (“Hotels & Resorts Division”); and
- Property Development and Investment (“Property Division”).

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

The Executive Directors and the management team, 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 Chief Executive Officer, Executive Directors and the management. These provide the platform for timely identification of the Group’s risks and systems to manage risks.

Where the Group’s business locations are dispersed, operations are divided into regions and areas. Regional and area offices are staffed by experienced personnel to ensure that the operations of the businesses are well controlled and in line with the operating procedures. Similarly, the overseas operations are being managed by experienced personnel in their respective country offices. Regular reporting on performance of their businesses is provided to the Chief Executive Officer and Executive Directors who are assigned to manage the respective overseas operations. In addition, the Executive Directors in charge also made field visits to these overseas operations as well as to conduct periodic performance review meetings with the management personnel, thus ensuring the business plans and targets are met.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL PROCESSES

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

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

ASSURANCE MECHANISM

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

The Internal Audit function furnishes the Audit Committee with independent and objective reports from visits conducted at various operating units. The reports comprise the observations from internal audits together with management's responses and proposed action plans. The action plans are then followed up during subsequent internal audits with implementation status reported to the Audit Committee. The Internal Audit function is outsourced to the Group Internal Audit Division of Berjaya Corporation Berhad.

The Board also reviews the minutes of meetings of the Audit Committee. The Report of the Audit Committee is set on pages 59 to 62 of the Annual Report.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

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

- Clear organisation structure and delineated reporting lines
- Defined levels of authority
- Monitoring mechanisms in the form of timely financial and operations reports, and scheduled management meetings
- Capable workforce with ongoing training
- Centralised human resource function which outlines procedures for recruitment, training, appraisal, the reward system and succession planning
- Centralised procurement function that ensures approval procedures are adhered to, as well as to leverage on the Group's purchasing power
- Payment functions controlled at Head Office
- Regular visits to the operating units of the Group's businesses by the Executive Directors and senior management personnel
- Independent assurance on the system of internal control from regular internal audit visits
- Physical security and systems access controls
- Business continuity planning

WHISTLEBLOWING POLICY

The Group has in place a whistleblowing policy, designed to enable all its employees (including Directors) with the appropriate mechanisms to confidentially provide information in an independent and unbiased manner, on any genuine concerns, without fear of recrimination so as to enable prompt corrective action to be taken where appropriate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

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

The members of the RMC during the financial year ended 30 April 2018 are Datuk Robert Yong Kuen Loke (Chairman), Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Datuk Kee Mustafa, Mr. John V Pridjian and Dato’ Ng Sooi Lin.

The RMC terms of reference include, inter alia:

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

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

- The business units are required to identify the risks relevant to their businesses.
- The risks are then assessed based on the probability of their occurrence and are evaluated as Low, Medium or High. The level of residual risk is determined after evaluating the effectiveness of controls and mitigating measures.
- The business units develop control procedures or action plans to either prevent the occurrence or reduce the impact upon its occurrence.
- The business units are required to update their risk profiles and review their processes in monitoring the risks periodically.
- 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 RMC for review and deliberation.

For the financial year ended 30 April 2018, the RMC held four meetings where it reviewed risk management reports of two unlisted operating subsidiary companies and a joint venture (i.e. The Taaras Beach & Spa Resort (Redang) Sdn Bhd, Berjaya-D2D Co Ltd and Berjaya-Handico12 Co Ltd), as well as risk assessment for several proposed projects and recommended certain measures to be adopted to mitigate their business risks.

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 Guide (“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 April 2018, 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 Listing Requirements of Bursa Malaysia 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. The Board, in striving for continuous improvement will put in place appropriate action plans, when necessary, to further enhance the Group’s system of internal control.

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

AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Land Berhad (“BLand”) is pleased to present the report of the Audit Committee for the financial year ended 30 April 2018.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprises the following:-

Datuk Robert Yong Kuen Loke

- Chairman/Independent/Non-Executive Director

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

- Independent/Non-Executive Director

Datuk Kee Mustafa

- Independent/Non-Executive Director

John V Pridjian

- Independent/Non-Executive Director

The Audit Committee held five (5) meetings during the financial year ended 30 April 2018. The details of attendance of the Audit Committee members are as follows:-

Name	Attendance
Datuk Robert Yong Kuen Loke	5/5
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	5/5
Datuk Kee Mustafa	4/5
John V Pridjian	*

* *Mr. John V Pridjian did not attend any Audit Committee meeting held during the financial year ended 30 April 2018 as he was appointed as a member of the Audit Committee on 22 March 2018, i.e. the last Audit Committee meeting of the Company for the financial year ended 30 April 2018.*

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

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

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee are set out in its Terms of Reference, a copy of which is available on the Company’s website at www.berjaya.com.

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

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	Quarterly Financial Statements Reviewed
22 June 2017	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 April 2017
25 September 2017	First quarter results for financial year ended 30 April 2018
20 December 2017	Second quarter results for financial year ended 30 April 2018
22 March 2018	Third quarter results for financial year ended 30 April 2018

AUDIT COMMITTEE REPORT

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

- (b) Reviewed the audited financial statements of the Company and the Group for the financial year ended 30 April 2017 together with the Management and the External Auditors at its meeting held on 2 August 2017 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) Evaluated the performance of the External Auditors for the financial year ended 30 April 2017 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The Audit Committee, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year end of 30 April 2018 at its meeting held on 2 August 2017.
- (b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had a private discussion with EY on 2 August 2017 without the presence of Management during the review of the audited financial statements for the year ended 30 April 2017 to discuss any problems/issues arising from the final audit and the assistance given by the employees during the course of audit by EY.
- (c) Reviewed with the External Auditors at the meeting held on 22 March 2018, their audit plan in respect of the financial year end of 30 April 2018, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override and also the new and revised auditors' reporting standards.

Internal Audit

- (a) Reviewed twelve (12) Internal Audit reports on the various non-listed operating subsidiaries of the Group during the financial year under review. Areas covered by the Internal Audit included the following :-
- Management and internal controls
 - Finance and cash handling management
 - Human Resource related matters
 - Project Management
 - Club memberships
 - Sales, Marketing and Tenancy Management
 - Information Technology
 - Building Maintenance and Safety & Security Controls Management
 - Refurbishment/Renovation exercise
 - Purchasing, inventories & maintenance
 - Administrative and control issue

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

- (b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2019 to ensure that the scope and coverage of the internal audit on the operations of the BLand Group is adequate and comprehensive and that all the risk areas are audited annually.

Recurrent Related Party Transactions

- (a) Reviewed the Circular to Shareholders in connection with the Recurrent Related Party Transactions that arose within the Group to ensure that the transactions are fair and reasonable to, and are not to the detriment of, the minority shareholders.

The framework set up for identifying and monitoring the Recurrent Related Party Transactions includes inter-alia, the following:-

- (i) The transaction prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (ii) The Related Parties and interested Directors will be notified of the method and/or procedures of the Group;
- (iii) Records of Recurrent Related Party Transactions will be retained and compiled by the Group accountant for submission to the Audit Committee for review;
- (iv) The Audit Committee is to provide a statement that it has reviewed the terms of the Recurrent Related Party Transactions to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;
- (v) The Audit Committee also reviewed the procedures and processes with regards to the Recurrent Related Party Transactions on a half yearly basis to ensure that the transactions are within the approved mandate;
- (vi) Directors who have any interest in any Recurrent Related Party Transaction shall abstain from Board deliberations and voting and will ensure that they and any Person Connected with them will also abstain from voting on the resolution at the extraordinary general meeting or annual general meeting to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of the Recurrent Related Party Transactions during the financial year, amongst others, based on the following information:-
 - the type of the Recurrent Related Party Transactions made; and
 - the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationships with the Group.

Related Party Transactions

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

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

- (i) Proposed acquisition of up to 7.5 million ordinary shares representing 0.56% equity interest in Berjaya Sports Toto Berhad ("BToto") in the open market and/or via direct business transactions with non-related parties based on the then prevailing market prices, which had resulted in an increase of BLand Group equity interest in BToto from 40.05% to 40.61%.
- (ii) Proposed acquisition of additional 20,000 ordinary shares of HK\$1.00 each, representing the remaining 20% of the issued and paid-up share capital of Berjaya International Casino Management (HK) Limited ("BICM (HK)") not then held by Berjaya Vacation Club Berhad ("BVC") from the then shareholder namely, Berjaya Group (Cayman) Limited for a total cash consideration of HKD30,549/- (equivalent to RM16,816/-), to enable the BLand Group to streamline BICM (HK)'s operations under BVC.
- (iii) Proposed disposals of up to 40.0 million ordinary shares in Berjaya Assets Berhad ("BAssets Shares") via direct business transactions, to enable the BLand Group to utilize the gross proceeds from the proposed disposals to repay its bank borrowings.
- (iv) Proposed further disposals of up to 30.0 million ordinary shares in BAssets Shares via direct business transactions, to enable for the BLand Group to utilize the gross proceeds from the proposed disposals to meet its working capital requirement and repayment of its certain bank borrowings.
- (v) Proposed disposals of up to a total of 16.50 million ordinary shares representing up to its entire 1.49% equity interest in 7-Eleven Malaysia Holdings Berhad ("SEM") via direct business transactions, to enable for the BLand Group to utilize the gross proceeds from the proposed disposals to repay its bank borrowings.
- (vi) Proposed acquisitions of up to a total of 10.00 million ordinary shares representing about 0.90% equity interest in SEM in the open market or via direct business transactions based on the then prevailing market prices, to enable the BLand Group to increase its investment in SEM.

AUDIT COMMITTEE REPORT

Other Activities

- (a) Reviewed and recommended to the Board for approval, the Audit Committee Report, Statement on Corporate Governance and Statement of Risk Management and Internal Control for inclusion in the 2017 Annual Report.
- (b) Reviewed and recommended to the Board for approval the revised Terms of Reference of the Audit Committee following the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which took effect from 2 January 2018 and the new Malaysian Code on Corporate Governance ("MCCG") as follows:-
 - (i) Inclusion of a statement that requires a former key audit partner to observe a cooling-off period of at least two-year before being appointed as a member of the Audit Committee.
 - (ii) Inclusion of responsibilities of the Chairman of the Audit Committee.
 - (iii) Enhancement of authority and duties of Audit Committee.
- (c) Reviewed and took note of the changes and amendments to the Companies Act 2016, the new MCCG, Malaysian Financial Reporting Standards and other regulatory requirements tabled by the Company Secretary and External Auditors.
- (d) Reviewed the analysis of the MCCG prepared by the Company Secretary on the Practices of the MCCG which related to the roles and responsibilities of the Audit Committee in carrying out their duties in preparing the Corporate Governance Report and the action plan to improve the gap of the Practices of MCCG.
- (e) Reviewed and approved the External Auditors Policy of the Company which encompassed the appointment of External Auditors, assessment of External Auditors, independence of the External Auditors, non-audit services, annual reporting, rotation of external audit engagement partner and appointment of a former key audit partner as a member of Audit Committee and/or Director in order to govern the assessment and monitor the External Auditors.

SUMMARY OF THE WORK OF THE INTERNAL AUDIT FUNCTION

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

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

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2018 included the following:

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

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

The cost incurred for the Internal Audit function of the Group in respect of the financial year ended 30 April 2018 was approximately RM1,296,938.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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

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 of 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 Group and 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 April 2018.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

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

RESULTS

	GROUP RM'000	COMPANY RM'000
Loss for the year	<u>(118,188)</u>	<u>(138,160)</u>
Loss attributable to:		
Owners of the Parent	(190,288)	(138,160)
Non-controlling interests	72,100	-
	<u>(118,188)</u>	<u>(138,160)</u>

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

In the opinion of the Directors, the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 30 and 31 to the financial statements.

DIVIDENDS

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

The Board does not recommend any final dividend for the current financial year ended 30 April 2018.

DIRECTORS' REPORT

DIRECTORS

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

Tan Sri Datuk Seri Razman Md Hashim bin Che Din Md Hashim
Datuk Pee Kang Seng @ Lim Kang Seng
Tan Thiam Chai
Nerine Tan Sheik Ping
Chryseis Tan Sheik Ling
Datuk Robert Yong Kuen Loke
Datuk Kee Mustafa
Dato' Ng Sooi Lin
John V Pridjian (Appointed on 1 November 2017)

The names of 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' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the Employees' Share Scheme granted by a related corporation as disclosed under Directors' Interests.

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

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

DIRECTORS' INTERESTS

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

DIRECTORS' INTERESTS (CONT'D)

THE COMPANY

Berjaya Land Berhad	Number of Ordinary Shares			
	At 1.5.2017	Bought	Sold	At 30.4.2018
Tan Thiam Chai	40,000	-	-	40,000
Nerine Tan Sheik Ping	2,000,000	-	-	2,000,000
Chryseis Tan Sheik Ling	5,000,000	-	-	5,000,000
Datuk Robert Yong Kuen Loke	360,808	-	-	360,808
Dato' Ng Sooi Lin	224,000	-	-	224,000

ULTIMATE HOLDING COMPANY

Berjaya Corporation Berhad	Number of Ordinary Shares			
	At 1.5.2017	Bought	Sold	At 30.4.2018
Tan Thiam Chai	126,992	-	-	126,992
	107,288 [^]	-	-	107,288 [^]
Chryseis Tan Sheik Ling	202,910	-	-	202,910
Datuk Robert Yong Kuen Loke	1,051,545	-	-	1,051,545
Dato' Ng Sooi Lin	136,681	-	-	136,681

**Number of 5% Irredeemable Convertible Unsecured
Loan Stocks 2012/2022 of RM1.00 nominal value**

	At 1.5.2017	Bought	Converted	At 30.4.2018
Tan Thiam Chai	20,600	-	-	20,600
	17,400 [^]	-	-	17,400 [^]
Nerine Tan Sheik Ping	132,000	-	-	132,000
Chryseis Tan Sheik Ling	275,000	-	-	275,000
Datuk Robert Yong Kuen Loke	2,516,508	-	-	2,516,508
Dato' Ng Sooi Lin	16,666	-	-	16,666

**Number of 2% Irredeemable Convertible Unsecured
Loan Stocks 2016/2026 of RM1.00 nominal value**

	At 1.5.2017	Bought	Converted	At 30.4.2018
Tan Thiam Chai	1,000	-	-	1,000
Dato' Ng Sooi Lin	1,000	-	-	1,000

Number of Warrants 2012/2022

	At 1.5.2017	Bought	Converted	At 30.4.2018
Tan Thiam Chai	20,600	-	-	20,600
	17,400 [^]	-	-	17,400 [^]
Datuk Robert Yong Kuen Loke	170,108	-	-	170,108
Dato' Ng Sooi Lin	16,666	-	-	16,666

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

ULTIMATE HOLDING COMPANY (CONT'D)

Berjaya Corporation Berhad (Cont'd)

	Number of Warrants 2016/2026			At 30.4.2018
	At 1.5.2017	Bought	Converted	
Tan Thiam Chai	1,000	-	-	1,000
Dato' Ng Sooi Lin	1,000	-	-	1,000

RELATED COMPANIES

Berjaya Sports Toto Berhad	Number of Ordinary Shares			At 30.4.2018
	At 1.5.2017	Bought	Sold	
Tan Thiam Chai	172,284	-	-	172,284
	133,165 [^]	-	-	133,165 [^]
Datuk Robert Yong Kuen Loke	123,667	-	-	123,667

Berjaya Food Berhad	Number of Ordinary Shares			At 30.4.2018
	At 1.5.2017	Bought	Sold	
Tan Thiam Chai	325,800	132,000	-	457,800

ESS Options	Number of Ordinary Shares under Employees' Share Scheme ("ESS")			At 30.4.2018
	At 1.5.2017	Granted	Vested	
Tan Thiam Chai	320,000	-	-	320,000

ESS Shares	Number of Ordinary Shares under Employees' Share Scheme ("ESS")			At 30.4.2018
	At 1.5.2017	Granted	Exercised	
Tan Thiam Chai	80,000	-	12,000	68,000

	Number of Warrants			At 30.4.2018
	At 1.5.2017	Bought	Converted	
Tan Thiam Chai	120,000	-	120,000	-

Note

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

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

SHARE CAPITAL AND TREASURY SHARES

During the financial year, the Company did not purchase or sell any treasury shares. The number of treasury shares brought forward and held in hand as at 30 April 2018 was as follows:

	Average price per share (RM)	Number of shares '000	Amount RM'000
Balance as at 30 April 2018/2017	1.89	10,943	20,699

As at 30 April 2018, the number of ordinary shares in issue and fully paid with voting rights was 4,989,394,000 ordinary shares (30 April 2017 : 4,989,394,000 ordinary shares).

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

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

OTHER STATUTORY INFORMATION

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

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

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

AUDITORS

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

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

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during the financial year and since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 13 August 2018.

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

DATUK PEE KANG SENG @ LIM KANG SENG

STATEMENT BY DIRECTORS

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

We, TAN SRI DATUK SERI RAZMAN MD HASHIM BIN CHE DIN MD HASHIM and DATUK PEE KANG SENG @ LIM KANG SENG, being two of the Directors of BERJAYA LAND BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 73 to 219 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2018 and their financial performance and 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 13 August 2018.

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

DATUK PEE KANG SENG @ LIM KANG SENG

STATUTORY DECLARATION

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

I, TAN THIAM CHAI, being the Director primarily responsible for the financial management of BERJAYA LAND BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 73 to 219 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed TAN THIAM CHAI at
Kuala Lumpur in the Federal Territory
on 13 August 2018.

TAN THIAM CHAI
MIA NO. 4719

Before me,

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2018

	Note	2018 RM'000	GROUP 2017 RM'000 Restated	1.5.2016 RM'000 Restated
NON-CURRENT ASSETS				
Property, plant and equipment	3	1,584,508	1,709,547	1,732,398
Investment properties	4	760,737	740,057	621,903
Land held for development	5	793,759	962,501	957,788
Associated companies	7	533,094	593,567	484,462
Joint ventures	8	55,590	60,161	45,310
Investments	9	106,399	110,020	93,618
Intangible assets	10	4,071,572	4,020,046	4,712,683
Receivables	13	1,504,788	1,300,381	1,154,163
Deferred tax assets	24	33,607	38,653	45,348
		<u>9,444,054</u>	<u>9,534,933</u>	<u>9,847,673</u>
CURRENT ASSETS				
Property development costs	11	316,287	347,379	245,383
Inventories	12	554,481	494,513	585,356
Receivables	13	1,461,416	1,913,106	1,097,204
Tax recoverable		15,675	32,029	12,348
Short term investments	14	9,206	9,006	9,302
Deposits	15	431,549	425,993	529,328
Cash and bank balances	16	436,620	318,625	1,124,390
		<u>3,225,234</u>	<u>3,540,651</u>	<u>3,603,311</u>
Assets of disposal group/ Assets classified as held for sale	17	222,880	42,916	979,782
		<u>3,448,114</u>	<u>3,583,567</u>	<u>4,583,093</u>
TOTAL ASSETS		<u><u>12,892,168</u></u>	<u><u>13,118,500</u></u>	<u><u>14,430,766</u></u>

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	Note	2018 RM'000	GROUP 2017 RM'000 Restated	1.5.2016 RM'000 Restated
EQUITY				
Share capital	18	2,500,168	2,500,168	2,500,168
Reserves	19	1,801,144	2,042,717	1,852,320
Equity funds		4,301,312	4,542,885	4,352,488
Treasury shares	20	(20,699)	(20,699)	(20,699)
Net equity funds		4,280,613	4,522,186	4,331,789
Non-controlling interests		2,270,645	2,338,819	2,630,205
Total Equity		6,551,258	6,861,005	6,961,994
NON-CURRENT LIABILITIES				
Long term borrowings	21	1,888,367	1,782,336	2,859,025
Long term liabilities	22	113,858	111,282	129,100
Retirement benefit obligations	23	5,460	10,034	9,675
Provisions	27	21,299	-	-
Deferred tax liabilities	24	1,071,116	1,061,021	1,218,603
		3,100,100	2,964,673	4,216,403
CURRENT LIABILITIES				
Payables	25	1,672,557	1,343,899	1,978,660
Short term borrowings	26	1,531,096	1,931,997	1,253,730
Retirement benefit obligations	23	153	126	15
Provisions	27	2,593	2,359	1,418
Tax payable		31,452	11,666	18,546
		3,237,851	3,290,047	3,252,369
Liabilities directly associated to assets of disposal group classified as held for sale	17	2,959	2,775	-
		3,240,810	3,292,822	3,252,369
Total Liabilities		6,340,910	6,257,495	7,468,772
TOTAL EQUITY AND LIABILITIES		12,892,168	13,118,500	14,430,766

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	Note	COMPANY	
		2018 RM'000	2017 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,452	1,743
Subsidiary companies	6	2,643,695	2,645,550
Associated companies	7	40,591	40,591
Investments	9	15,708	23,671
Receivables	13	1,111,983	1,017,819
		<u>3,813,429</u>	<u>3,729,374</u>
CURRENT ASSETS			
Receivables	13	1,539,411	1,830,941
Tax recoverable		-	1,609
Deposits	15	33,893	27,402
Cash and bank balances	16	3,076	5,206
		<u>1,576,380</u>	<u>1,865,158</u>
TOTAL ASSETS		<u><u>5,389,809</u></u>	<u><u>5,594,532</u></u>
EQUITY			
Share capital	18	2,500,168	2,500,168
Reserves	19	602,745	742,067
Equity funds		<u>3,102,913</u>	<u>3,242,235</u>
Treasury shares	20	(20,699)	(20,699)
Net equity funds		<u>3,082,214</u>	<u>3,221,536</u>
NON-CURRENT LIABILITIES			
Long term borrowings	21	749,495	596,232
Long term liabilities	22	297,018	-
		<u>1,046,513</u>	<u>596,232</u>
CURRENT LIABILITIES			
Payables	25	678,079	1,024,082
Short term borrowings	26	578,374	752,682
Tax payable		4,629	-
		<u>1,261,082</u>	<u>1,776,764</u>
Total Liabilities		<u>2,307,595</u>	<u>2,372,996</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,389,809</u></u>	<u><u>5,594,532</u></u>

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

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 APRIL 2018

	Note	GROUP		COMPANY	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	28	6,361,198	6,371,366	54,316	70,392
Cost of sales		(4,745,556)	(4,844,073)	-	-
Gross profit		1,615,642	1,527,293	54,316	70,392
Other income	29	106,303	176,845	1,434	28,430
Administrative expenses		(937,418)	(922,962)	(58,501)	(39,684)
Selling and marketing expenses		(320,250)	(292,230)	-	-
		464,277	488,946	(2,751)	59,138
Investment related income	30	96,721	268,196	48,129	98,170
Investment related expenses	31	(298,872)	(51,042)	(50,964)	(83,958)
Finance costs	32	(194,410)	(211,369)	(121,317)	(119,776)
Share of results of associated companies		2,658	85,588	-	-
Share of results of joint ventures		(522)	(3,998)	-	-
Profit/(Loss) before tax	33	69,852	576,321	(126,903)	(46,426)
Taxation	36	(188,040)	(165,100)	(11,257)	(212)
(Loss)/Profit for the year		(118,188)	411,221	(138,160)	(46,638)
Attributable to:					
Owners of the Parent		(190,288)	294,738	(138,160)	(46,638)
Non-controlling interests		72,100	116,483	-	-
		(118,188)	411,221	(138,160)	(46,638)
(Loss)/Earnings per share attributable to owners of the Parent (sen)	37				
Basic		(3.81)	5.91		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2018

	GROUP		COMPANY	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(Loss)/Profit for the year	(118,188)	411,221	(138,160)	(46,638)
Other comprehensive income:				
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>				
Net change on available-for-sale ("AFS") reserve:				
- (Loss)/Gain on fair value changes	(13,756)	(803)	(183)	1,874
- Transfer to profit or loss upon disposal	3,161	(141)	(979)	-
- Transfer to profit or loss upon impairment	19,260	-	-	-
Share of associated companies' changes in fair values of AFS investments	(2,627)	(782)	-	-
Currency translation differences				
- Movement during the year	(176,111)	152,174	-	-
- Transfer to profit or loss upon deemed disposal of interests in subsidiary companies	31,710	-	-	-
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>				
Change in fair value reserve:				
- Reversal of impairment/ (Impairment) of gaming rights	95,080	(642,991)	-	-
- (Recognition)/reversal of deferred tax liabilities on reversal of impairment/ impairment of gaming rights	(22,819)	154,318	-	-
Fair value gain of land and building prior to transfer to investment properties	2,952	-	-	-
Actuarial gain/(loss) recognised in defined benefit pension scheme	3,534	(699)	-	-
Tax effect relating to fair value gain of land and building	(502)	-	-	-
Tax effect relating to defined benefit pension scheme	(759)	180	-	-
Share of associated companies' other comprehensive income	2	-	-	-
Total comprehensive income for the year	(179,063)	72,477	(139,322)	(44,764)
Attributable to:				
Owners of the Parent	(241,450)	210,664	(139,322)	(44,764)
Non-controlling interests	62,387	(138,187)	-	-
	(179,063)	72,477	(139,322)	(44,764)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2018

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

COMPANY	Share capital RM'000	Available- for-sale reserve RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
At 1 May 2017	2,500,168	1,874	740,193	(20,699)	3,221,536
Total comprehensive income	-	(1,162)	(138,160)	-	(139,322)
At 30 April 2018	2,500,168	712	602,033	(20,699)	3,082,214
At 1 May 2016	2,500,168	-	786,831	(20,699)	3,266,300
Total comprehensive income	-	1,874	(46,638)	-	(44,764)
At 30 April 2017	2,500,168	1,874	740,193	(20,699)	3,221,536

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	GROUP	
	2018	2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers/operating revenue	6,882,107	6,651,628
Payment to prize winners, suppliers and other operating expenses	(5,509,796)	(5,399,241)
Payment for pool betting duties, gaming tax, goods and services tax and other government contributions	(634,292)	(653,854)
Expenditure incurred on disposal of development project	-	(244,016)
Payment of development expenditure	(134,104)	(183,816)
Payment of taxes	(154,098)	(183,700)
Refund of taxes	542	50
Other receipts	7,943	15,392
Net cash generated from operating activities	458,302	2,443
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property, plant and equipment and other non-current assets	4,366	29,804
Sale of investments	31,730	13,204
Sale of partial equity interest in an associated company	58,891	-
Partial disposal of equity interest in a subsidiary company	-	40,842
Sale of short term investments	1,150	3,799
Proceeds from settlement of surrendering certain assets and lease interests to relevant authorities	-	218,309
Acquisition of property, plant and equipment (Note a)	(65,793)	(129,587)
Acquisition of properties and other non-current assets	(25,396)	(132,105)
Acquisition of treasury shares by subsidiary companies	(2,259)	-
Acquisition of equity interest in a subsidiary company	-	(22)
Acquisition of equity interest in a subsidiary company regarded as business combination (Note b)	-	(1,365)
Acquisition of additional equity interest in a subsidiary company	(7,401)	(85,268)
Net cash outflow from disposal of a subsidiary company (Note c)	(768)	-
Net cash outflow from deemed disposal of subsidiary companies (Note d)	(410)	-
Acquisition of equity interest in associated companies	(22,492)	(30,377)
Subscription of shares in a joint venture	(5,461)	(10,264)
Acquisition of investments	(59,836)	(26,832)
Acquisition of computer software classified as intangible assets	(1,272)	(161)
Interest received	29,943	23,320
Dividends received	7,023	1,424
Net advances from/(repayment to) related companies	1,387	(60,161)
Net repayment from joint ventures	13,455	16,317
Net withdrawals/(placements) with fund managers	26,060	(22,223)
Deposits received for the proposed disposals of foreign ventures	225,510	35,020
Other receipts/(payments) arising from investments	26,614	(57,150)
Net cash generated from/(used in) investing activities	235,041	(173,476)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2018

	GROUP	
	2018 RM'000	2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of medium term notes	505,000	80,000
Drawdown of bank borrowings and other loans	563,893	511,248
Repayment of bank borrowings and other loans	(798,811)	(931,288)
Redemption of medium term notes	(530,000)	(105,000)
Interest paid	(187,824)	(187,329)
Payment of hire purchase/lease liabilities	(8,240)	(8,047)
Dividends paid to non-controlling interests	(88,776)	(129,296)
Withdrawals of securities pledged for borrowings from banks	12,595	722,878
Net cash used in financing activities	<u>(532,163)</u>	<u>(46,834)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	161,180	(217,867)
EFFECTS OF EXCHANGE RATE CHANGES	(27,484)	33,578
OPENING CASH AND CASH EQUIVALENTS	653,844	838,133
CLOSING CASH AND CASH EQUIVALENTS (Note e)	<u><u>787,540</u></u>	<u><u>653,844</u></u>

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

	GROUP	
	2018 RM'000	2017 RM'000
Cash	65,793	129,587
Hire purchase and leasing	2,310	1,677
	<u>68,103</u>	<u>131,264</u>

- (b) The analysis of the effects of the acquisition of equity interest in a subsidiary company regarded as business combination on cash flows in the previous financial year is disclosed in Note 6.
- (c) The analysis of the effects of the disposal of a subsidiary company on cash flows in the current financial year is disclosed in Note 6.
- (d) The analysis of the effects of the deemed disposals of subsidiary companies which were retained as an associated company and an investment respectively on cash flows in the current financial year are disclosed in Note 6.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2018

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

	GROUP	
	2018 RM'000	2017 RM'000
Deposits (Note 15)	431,549	425,993
Cash and bank balances	436,620	318,625
Bank overdrafts (Note 26)	(10,147)	(7,816)
	858,022	736,802
Less: Cash and cash equivalents restricted in usage		
- Deposits (Note 15)	(64,373)	(59,166)
- Cash and bank balances (Note 16)	(6,153)	(23,955)
	787,496	653,681
Including: Cash and cash equivalents classified as held for sale (Note 17)	44	163
	787,540	653,844

(f) Reconciliation of liabilities arising from financing activities:

	Medium term notes RM'000	Term loans and other loans RM'000	Hire purchase liabilities RM'000	Total RM'000
At 1 May 2017	1,423,700	2,192,275	90,542	3,706,517
Drawdown of borrowings	505,000	563,893	-	1,068,893
Additional hire purchase liabilities	-	-	2,310	2,310
Repayment of borrowings	(530,000)	(798,811)	(8,240)	(1,337,051)
Reduction upon disposal of a subsidiary company	-	(12,408)	(365)	(12,773)
Charge out of deferred transaction costs	521	4,698	-	5,219
Exchange differences	-	(13,809)	(9,990)	(23,799)
At 30 April 2018	1,399,221	1,935,838	74,257	3,409,316

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	COMPANY	
	2018 RM'000	2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	50,703	172,432
Payment for operating expenses	(48,325)	(44,087)
Payment for taxes	(5,019)	-
Refund of taxes	-	24
Other receipts	1,175	850
Net cash (used in)/generated from operating activities	<u>(1,466)</u>	<u>129,219</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property, plant and equipment	-	252
Disposal of partial equity interest in a subsidiary company	-	35,142
Return on capital upon dissolution of an associated company	1	-
Disposal of other investments	14,883	-
Acquisition of property, plant and equipment (Note a)	(342)	(294)
Subscription of additional shares in subsidiary companies	-	(52,500)
Acquisition of investments	(8,916)	(14,026)
Interest received	2,026	1,534
Inter-company receipts	298,035	286,891
Inter-company advances	(259,350)	(360,202)
Other receipts/(payments) arising from investments	61,335	(54,054)
Net cash generated from/(used in) investing activities	<u>107,672</u>	<u>(157,257)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings and term loans	295,687	294,026
Issuance of medium term notes	225,000	-
Interest paid	(77,861)	(71,728)
Payment of hire purchase liabilities	(396)	(822)
Repayment of bank borrowings and other loans	(270,031)	(195,871)
Repayment of medium term notes	(275,000)	-
Placements of securities pledged for borrowings with banks	(4,330)	(1,940)
Net cash (used in)/generated from financing activities	<u>(106,931)</u>	<u>23,665</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(725)	(4,373)
OPENING CASH AND CASH EQUIVALENTS	(1,057)	3,316
CLOSING CASH AND CASH EQUIVALENTS (Note b)	<u>(1,782)</u>	<u>(1,057)</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2018

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

	COMPANY	
	2018 RM'000	2017 RM'000
Cash	342	294
Hire purchase	164	134
	506	428

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

	COMPANY	
	2018 RM'000	2017 RM'000
Deposits (Note 15)	33,893	27,402
Cash and bank balances	3,076	5,206
Bank overdrafts (Note 26)	(2,206)	(1,450)
	34,763	31,158
Less: Cash and cash equivalents restricted in usage		
- Deposits (Note 15)	(33,893)	(27,402)
- Cash and bank balances (Note 16)	(2,652)	(4,813)
	(1,782)	(1,057)

(c) Reconciliation of liabilities arising from financing activities:

	Medium term notes RM'000	Term loans and other loans RM'000	Hire purchase liabilities RM'000	Total RM'000
At 1 May 2017	648,700	697,934	830	1,347,464
Drawdown of borrowings	225,000	295,687	-	520,687
Additional hire purchase liabilities	-	-	164	164
Repayment of borrowings	(275,000)	(270,031)	(396)	(545,427)
Charge out of deferred transaction costs	521	3,400	-	3,921
Exchange differences	-	(1,146)	-	(1,146)
At 30 April 2018	599,221	725,844	598	1,325,663

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

1 CORPORATE INFORMATION

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

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur. The principal place of business of the Company is located at Level 12, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 August 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Consolidation

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(1) Basis of Consolidation (Cont'd)

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

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

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

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

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

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in FRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT"). The CT is the sum of fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree on the date of acquisition, and any contingent consideration. For an acquisition that is not a business combination, the acquisition-related costs can be capitalised as part of the cost of acquisition. If it is a business combination, the cost of acquisition (or specifically, the cost of business combination) consists of CT, and the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(1) Basis of Consolidation (Cont'd)

The contingent consideration to be transferred by the acquirer will be recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with FRS 139 or FRS 137 as appropriate with the corresponding gain or loss being recognised in profit or loss.

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

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(1) Basis of Consolidation (Cont'd)

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

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

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

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

(2) Associated Companies and Joint Ventures

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

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

Investments in unquoted associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and supplemented by management accounts of the associated companies and the joint ventures made up to the Group's financial year-end.

Investments in quoted associated companies which have the same financial year-end as the Group's financial year are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements announced in the respective stock exchanges.

Investments in quoted associated companies which have a different financial year-ends from the Group's financial year are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and latest quarterly financial statements made up to a period-end of no more than one month difference with the Group's financial year-end, announced in the respective stock exchanges.

Uniform accounting policies are adopted for like transactions and events of similar circumstances upon applying equity method of accounting.

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 which is included in the carrying amount of the investment and such goodwill is not amortised.

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

Under the equity method, the investment in an associated company or a joint venture is recognised at cost on initial recognition, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associated company or the joint venture after the date of acquisition, less impairment losses.

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

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

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

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

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

(3) Property, Plant and Equipment and Depreciation

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

Leasehold land	Ranging from 50 to 99 years
Buildings	1.25% - 3%
Plant and equipment	10% - 33%
Computer equipment	10% - 50%
Renovation	10% - 33%
Furniture and fittings	5% - 20%
Office equipment	10% - 67%
Motor vehicles	20% - 33%
Aircraft	Ranging from 5 to 20 years or based on flying hours
Golf course development expenditure	1% - 2%
Others	10% - 25%

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

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

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

(4) Investment Properties

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(4) Investment Properties (Cont'd)

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

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

(5) Land Held for Development and Property Development Costs

(i) Land Held for Development

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

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

(ii) Property Development Costs

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(6) Intangible Assets

(i) Goodwill

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

(ii) Gaming Rights

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

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

The Licence has been renewed annually since 1985.

The Gaming Rights - Licence with indefinite useful life is not amortised but tested for impairment, annually or more frequently, when indications of impairment are identified. The useful life of Gaming Rights - Licence is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. The Gaming Rights - ELA has a finite useful life and is amortised on a straight-line basis over its useful life and tested for impairment when indications of impairment are identified. Further details of the ELA status are disclosed in Note 40(d).

(iii) Dealership Rights

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(6) Intangible Assets (Cont'd)

(iv) Customer Relationships

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

(v) Other Intangible Assets

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

(7) Inventories

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

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

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

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

(8) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than investment properties, property development costs, inventories, deferred tax assets and non-current assets (or disposal group) held for sale are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 profit or loss in the period in which it arises, except for an asset which is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for other asset other than goodwill is recognised in profit or loss, unless the assets is carried at revalued amount, in which case, such reversal in treated as a revaluation increase.

(9) Fair Value Measurement

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(9) Fair Value Measurement (Cont'd)

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 43.

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

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

(10) Financial Assets

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(10) Financial Assets (Cont'd)

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

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

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

(ii) Loans and Receivables

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

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

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

(iii) Held-To-Maturity Investments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(10) Financial Assets (Cont'd)

(iv) Available-For-Sale Financial Assets

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

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

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

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

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

(11) Impairment of Financial Assets

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

(ii) Unquoted Equity Securities Carried at Cost

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

(iii) Available-For-Sale Financial Assets

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

The Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost and determines that "significant" decline in fair value is a decline that is greater than 20% and prolonged period is a period greater than 12 months.

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

(12) Cash and Cash Equivalents

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

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

(13) Financial Liabilities

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

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

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

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

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

(ii) Other Financial Liabilities

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(13) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities (Cont'd)

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

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

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

Offsetting of financial instruments

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

(14) Financial Guarantee Contracts

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

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

(15) Borrowing Costs

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(16) Equity Instruments

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

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

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

(17) Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(18) Leases

(i) As Lessee

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(18) Leases (Cont'd)

(ii) As Lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

When the assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

(19) Income Taxes

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(19) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(20) Goods and Services Tax ("GST") or Value Added Tax ("VAT")

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(21) Employee Benefits

(i) Short Term Benefits

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

(ii) Defined Contribution Plans

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

(iii) Defined Benefit Plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary.

a) Funded Defined Benefit Plan

Certain foreign subsidiary companies of the Group provides funded pension benefits to its eligible employees.

The legal obligation for any benefits from this kind of pension plan remains with the Group even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long term benefit fund, as well as qualifying insurance policies.

The Group's net obligations in respect of defined benefit plans for certain foreign subsidiary companies are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The liability recognised in the consolidated statement of financial position for defined benefit plan is the discounted present value of the defined benefit obligation using prudent and appropriate discount factor at the reporting date less the fair value of plan assets. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The calculation is performed by independent actuaries using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(21) Employee Benefits (Cont'd)

(iii) Defined Benefit Plans (Cont'd)

a) Funded Defined Benefit Plan (Cont'd)

Re-measurements, comprising actuarial gains and losses, the effect of limiting a net defined benefit asset to the asset ceiling (excluding net interest, if applicable) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- i) the date of the plan amendment or curtailment; and
- ii) the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs and net interest expense or income in profit or loss.

b) Unfunded Defined Benefit Plan

Certain local subsidiary companies within the Group operate unfunded defined Retirement Benefit Schemes ("Scheme") for their eligible employees. The obligation recognised in the consolidated statement of financial position under the Scheme is calculated by independent actuaries using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- i) the date of the plan amendment or curtailment; and
- ii) the date that the Group recognises restructuring-related costs.

The present values of the obligations under the Scheme are determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post-employment benefit obligation.

(22) Foreign Currencies

(i) Functional and Presentation Currencies

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(22) Foreign Currencies (Cont'd)

(ii) Foreign Currency Transactions

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

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

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

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

(iii) Foreign Operations

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

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 May 2006 are treated as assets or liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiary companies before 1 May 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(23) Contingencies

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

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

(24) Revenue Recognition

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

(i) Investment Income

Dividend income is recognised when the shareholders' rights to receive the dividend payment are established.

Interest income from short term deposits and advances are recognised on the effective interest method.

(ii) Development Properties

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold.

(iii) Enrolment Fees

Entrance fees for members joining the golf and recreational club are recognised as revenue upon the admission of the applicants to the membership register. Advance licence fees which are deferred are recognised as income over the membership period.

Membership fees for members joining the fitness centre are recognised on a straight line basis over the membership period. Membership fees received in advance are only recognised when they are due.

(iv) Rental Income

Rental income, including those from investment properties and hotel operations, is recognised on a straight-line basis over the lease term unless recoverability is in doubt, in which case, it is recognised on a receipt basis.

(v) Revenue from Casino Operations

Revenue from casino operations is recognised on a receipt basis and is stated net of gaming tax.

(vi) Management Fee Income

Management fee income is recognised on an accrual basis.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(24) Revenue Recognition (Cont'd)

(vii) Sale of Goods, Property Inventories and Services

Revenue is recognised when significant risks and rewards of ownership of the goods and property inventories have been passed to the buyer. Revenue from services is recognised when rendered. Both revenues are recognised net of GST, and discount where applicable.

(viii) Toto Betting

Revenue from toto betting is recognised based on ticket sales, net of gaming tax and GST relating to draw days within the financial year.

(ix) Lease of Lottery Equipment

Revenue from the lease of lottery equipment is recognised based on certain percentage of gross receipts from lottery ticket sales, excluding foreign VAT and trade discount.

(x) Lottery and Voting Product Sales, Services and Licensing Income

Revenue from lottery and voting product sales, services and licensing income are recognised on the basis of shipment of products, performance of services and percentage of completion method for long term contracts. The percentage of completion is estimated by comparing the cost incurred to date against the estimated cost to completion. Revenue relating to the sale of certain assets, when the ultimate total collection is not reasonably assured, are being recorded under the cost recovery method.

(xi) Sales of Vehicles, Parts and Accessories

Revenue on sales of vehicles are recognised when substantially all the risks and rewards of ownership have been transferred to the customer, generally deemed at the time of delivery to the customer. Revenue on sales of parts and accessories are recognised on delivery to the customer. Revenue in relation to commission on vehicle sales as an agent is recognised on the completion of the related transaction. Revenue is recognised net of foreign VAT and discounts, where applicable.

(xii) Servicing, Repair, Bodyshop Sales and Insurance Income

Revenue is recognised on completion of the agreed work, net of foreign VAT and discounts, where applicable. Revenue in relation to commission on insurance sales as a broker is recognised on the completion of the related transaction.

(xiii) Other Income

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

(25) Non-Current Assets Held For Sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(25) Non-Current Assets Held For Sale (Cont'd)

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Thereafter on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefit assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(26) Segmental Information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

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

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets.

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

(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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 CHANGES IN ACCOUNTING POLICIES

On 1 May 2017, the Group and the Company adopted the following Amendments to FRS and Annual Improvements to FRSs:

Effective for financial periods beginning on or after 1 January 2017

Amendments to FRS 107: Statement of Cash Flows – Disclosure Initiative

Amendments to FRS 112: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to FRSs 2014-2016 Cycle : Amendments to FRS 12 - Disclosure of Interests in Other Entities

Adoption of the above Amendments to FRS and Annual Improvements to FRSs did not have any effect on the financial performance or position of the Group and the Company except as discussed below:

(i) Amendments to FRS 107: Statement of Cash Flows – Disclosure Initiative

The amendments to MFRS 107 Statement of Cash Flows require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of these amendments, entities are not required to provide comparative information for preceding periods. Apart from the additional disclosures in statement of cash flows, the application of these amendments has had no impact on the Group and on the Company.

(ii) Amendments to FRS 112 Income taxes – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restrict the sources of taxable profits against which it may make deductions on the reversal of the deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The application of these amendments had no impact on the Group and on the Company as the Group and the Company already assessed the sufficiency of future profits in a way that is consistent with these amendments.

2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Malaysian Financial Reporting Standards ("MFRS")

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 April 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

The Group has established a project team to plan and manage the adoption of the MFRS Framework. This project consists of the following phases:

(a) Assessment and planning phase

This phase involves the following:

- (i) high level identification of the key differences between Financial Reporting Standards and accounting standards under the MFRS Framework and disclosures that are expected to arise from the adoption of MFRS Framework;
- (ii) evaluation of any training requirements; and
- (iii) preparation of a conversion plan.

The Group considers the assessment and planning phase to be completed as at the date of these financial statements. The Group does not plan to apply any exemptions from other MFRSs provided under MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards except for exemptions for business combinations.

(b) Implementation and review phase

This phase aims to:

- (i) develop training programs for the staff;
- (ii) formulate new and/or revised accounting policies and procedures for compliance with the MFRS Framework;
- (iii) identify potential financial effects as at the date of transition, arising from the adoption of the MFRS Framework; and
- (iv) develop disclosures required by the MFRS Framework.

The Group is in the midst of finalising its assessment of the financial effects of the differences between FRSS and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 30 April 2018 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 April 2019.

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) **Critical Judgements Made in Applying Accounting Policies**

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

(i) Useful lives of Gaming Rights, Dealerships and Customer Relationships

The Gaming Rights consist of Licence for the Toto betting operations in Malaysia and ELA for the Philippines.

The Group considers that the Licence and Dealerships have indefinite useful lives because they are expected to contribute to the Group's net cash inflows indefinitely. The Group intends to continue the annual renewal of the Licence and to maintain the Dealerships indefinitely. Historically, there has been no compelling challenge to the Licence and Dealership renewals. The technology used in the gaming activities is supplied and support is provided by a subsidiary company of the Group and is not expected to be replaced by another technology at any time in the foreseeable future.

The Group previously recognised Gaming Rights - ELA as an intangible asset with indefinite life as there was no compelling challenge to the ELA extension by Prime Gaming Management Corporation ("PGMC") since 1995. Each extension then was for a tenure of at least 5 years. On 13 August 2015, PGMC and Philippine Charity Sweepstakes Office ("PCSO") entered into a supplemental and status quo agreement to extend ELA for a period of 3 years to August 2018. Currently, PGMC is in discussion with PCSO where PCSO is requesting to extend the status quo to August 2020. Hence, the useful life of the Gaming Rights - ELA is assessed to remain at 5 years.

The Customer Relationships are recognised separably from goodwill on acquisition of a subsidiary company. The useful lives of the Customer Relationships are estimated to be 10 years, determined based on customer attrition from the acquired relationships. The estimated useful lives of customer relationships are reviewed periodically.

(ii) Recoverability by Berjaya Jeju Resort Limited ("BJR") of its project costs ("Jeju Project")

As disclosed in Note 40(a), the Group through its subsidiary company BJR, had initiated legal proceedings against Jeju Free International City Development Center ("JDC") seeking compensation for damages incurred which include the costs incurred by BJR in developing the Jeju Project. The outcome of the legal proceedings will determine whether BJR is able to recover the costs of RM593,253,000 (2017 : RM604,255,000) incurred up to the reporting date on this development as disclosed in Note 13(b)(ii).

Based on the legal opinion obtained from its lawyers, BJR has determined that it is able to recover the costs incurred on Jeju Project in full as BJR has the legal right to claim for damages under the Land SPA, Korean Civil Code and case precedents established in the Korean Courts.

(iii) Recoverability of balance cash consideration for the disposal of project by Berjaya (China) Great Mall Co Ltd ("GMOC")

As disclosed in Note 40(c), GMOC has initiated arbitration proceedings at Hong Kong International Arbitration Court ("HKIAC") to seek the recovery the Final Instalment and accrued late payment interests as well as other reliefs from Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") and the Guarantors who are SkyOcean Holdings Group Limited and Mr Zhou Zheng.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

- (iii) Recoverability of balance cash consideration for the disposal of project by Berjaya (China) Great Mall Co Ltd ("GMOC") (Cont'd)

Based on the legal opinion obtained from its lawyers, it is highly probable that GMOC will prevail against Beijing SkyOcean before the HKIAC. The duration of the arbitration proceedings and the enforcement of arbitral award in the People's Republic of China is estimated to be about 3 years. Hence, in accordance to FRS 139 : Financial Instruments: Recognition and Measurement, GMOC has made a provision for impairment of RMB243.51 million (equivalent to approximately RM152.65 million) to account for the passage of time to recover the Final Instalment. The amount has been reclassified as a non-current receivable as disclosed in Note 13(b)(i).

- (iv) Significant influence over Berjaya Assets Berhad ("BAssets")

Although the Group holds less than 20% of the voting shares in BAssets, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of BAssets through representation on the board of directors of BAssets. Therefore, the Group continues to regard BAssets as an associated company.

- (v) Recoverability of prepayments for the relocation of turf club project

A subsidiary company, Berjaya Tagar Sdn Bhd ("BTSB") had in 2004, entered into a sale and purchase agreement ("SPA") to acquire several parcels of land from a related company, BerjayaCity Sdn Bhd ("BCity") for the relocation of turf club project as disclosed in Note 40(b). The transaction relating to the relocation of the turf club is still not completed, pending the fulfillment of several of the conditions precedent which are detailed in the same note, of which several of the conditions precedent affect the SPA with BCity.

The amount prepaid is disclosed in Note 13(c). In the event the SPA with BCity is not completed due to non-performance by BCity, BTSB has legal recourse under the SPA to seek relief and/or recover the prepayments made.

(b) Key Sources of Estimation Uncertainty

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

- (i) Recoverability of amounts owing by subsidiary companies, joint ventures and associated companies

During the current financial year, the Company has recognised an impairment loss in respect of the amounts owing by certain subsidiary companies as there were objective evidences that these amounts were impaired. Further details of the impairment are disclosed in Note 31.

The Group did not recognise any impairment loss on the amounts owing by the joint ventures and associated companies in the current financial year, as the Directors have assessed the repayment ability of these investees and determined that these amounts are recoverable as there are no objective evidences that an impairment loss has been incurred on these balances.

The amounts owing by the subsidiary companies, joint ventures and associated companies are disclosed in Note 13.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(ii) Impairment of property, plant and equipment

During the current financial year, the Group has recognised an impairment loss in respect of certain subsidiary companies' property, plant and equipment. The Group estimated the recoverable amounts of the property, plant and equipment based on the respective assets' or cash generating units' ("CGU") fair value less costs to sell or based on the estimated value-in-use ("VIU") of the CGU. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the impairment loss recognised are disclosed in Note 3(a). The carrying amount of property, plant and equipment of the Group as at 30 April 2018 is disclosed in Note 3.

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

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

The annual impairment review resulted in the following:

- a) the Company recognising an impairment loss in respect of its investment in a subsidiary company as disclosed in Note 31; and
- b) the Group recognising impairment loss in respect of its investment in an associated company which is quoted outside Malaysia as disclosed in Note 31.

The carrying amounts of investments in associated companies and joint ventures of the Group are disclosed in Notes 7 and 8 respectively whilst the carrying amounts of investments in subsidiary companies of the Company are disclosed in Note 6.

(iv) Impairment of Gaming Rights, Dealerships, Customer Relationships and goodwill

The Group performs an impairment test on its Gaming Rights, Dealerships, Customer Relationships and goodwill at least on an annual basis or when there is evidence of impairment. This requires an estimation of the VIU of the CGU to which the Gaming Rights, Dealerships, Customer Relationships and goodwill are allocated. Estimating a VIU amount requires the management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

During the current financial year, the Group recognised the reversal of impairment loss in respect to Gaming Rights - Licence as the VIU of the CGU was assessed to be in excess of its carrying amount as disclosed in the other comprehensive income of the Group.

The carrying amounts of Gaming Rights, Dealerships, Customer Relationships and goodwill of the Group as at 30 April 2018 are disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(v) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to perform valuations on its investment properties as at 30 April 2018. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties. The details of the investment properties are disclosed in Note 4 whilst the valuation techniques and key assumptions applied on the determination of the fair values are disclosed in Note 43(a).

(vi) Property development

The Group recognises property development revenue and expenses in the income statement by applying the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Details of property development costs are disclosed in Note 11.

(vii) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Details of impairment of loans and receivables are disclosed in Note 13.

(viii) Inventory valuations

The Group holds significant inventories of used cars in the United Kingdom. Trade guides and other publications are used to assist in the assessment of the carrying values of these cars at the reporting date and write-downs taken as necessary. The carrying amount of the inventories of used cars are disclosed in Note 12.

(ix) Land value appreciation taxes and other related taxes

During the previous financial year, the Group has completed the disposal of Berjaya (China) Great Mall Recreation Centre ("Great Mall Project"), as disclosed in Note 40(c). Consequently, the Group has estimated that the land value appreciation tax and other related tax liabilities in relation to the disposal of the project to be RMB72.74 million (equivalent to approximately RM44.98 million) ("LVAT Estimate"). As of the reporting date, the LVAT Estimate has yet to be agreed with the relevant tax authorities. Where the final outcome of LVAT Estimate is different from the amount initially recognised, such difference will impact profit or loss in the period in which such determination is made.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 PRIOR YEAR ADJUSTMENT

Berjaya Jeju Resort Limited ("BJR"), a 72.6% owned subsidiary company of the Group, entered into the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") with Jeju Free International City Development Center ("JDC"), a company incorporated in the Republic of Korea to acquire a parcel of land, for the proposed mixed development of an international themed village known as "Jeju Airst City" in Jeju Island, Republic of Korea. The land was acquired by JDC from the former land owners by way of purchase or expropriation and was subsequently sold to BJR under the Land SPA. After the completion of the acquisition of land under the Land SPA, BJR commenced the development of Phase 1 ("Jeju Project") of this mixed development project on the land.

However, several former landowners filed lawsuits against JDC seeking a revocation of the expropriation of their lands that were acquired by JDC via the land expropriation process. On 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the implementation plan approval and the land expropriation process undertaken by JDC was invalid and therefore nullified. As such, JDC did not obtain a good title to the land that it sold to BJR under the Land SPA.

Following the Korean Supreme Court decision in March 2015 and as consequence thereof, certain other former owners of the said lands had also filed lawsuits against JDC and BJR, seeking cancellation of the registration of their land titles ("Landowners Lawsuits"), which were transferred to and registered by BJR. Further as a result of the Korean Supreme Court decision, BJR had suspended the development of Phase 1 of the Jeju Project in July 2015. On 6 November 2015, the Group announced that BJR had instituted legal proceedings against JDC in the Republic of Korea for breach of certain terms and conditions of the Land SPA to claim for losses and damages suffered by BJR as a result of JDC's failure to pass good title of the land to BJR pursuant to the Land SPA.

During the financial year ended 30 April 2018, the Korean courts have ruled in favour some of the former landowners in the Landowners Lawsuits. The Court's judgement in an Administrative Lawsuit rendered all the development approvals issued in connection to the Jeju Project null and void. Under the circumstances, the Group has re-assessed the appropriateness of the classification of land cost and development cost for the Jeju Project as land held for development and concluded that, since March 2015 it is deemed more appropriate to re-classify the land held for development as a non-current receivable and to apply the reclassification retrospectively. The prior year adjustment has no impact on the Group's statements of profit or loss and cash flows.

As a result of the above, certain comparative amounts as at 30 April 2017 and 1 May 2016 have been adjusted as disclosed below:

Group Statement of Financial Position At 30 April 2017	As previously reported RM'000	Prior year adjustment RM'000	As restated RM'000
Receivables: Non-current	696,126	604,255	1,300,381
Land held for development	1,566,756	(604,255)	962,501
At 1 May 2016			
Receivables: Non-current	612,198	541,965	1,154,163
Land held for development	1,499,753	(541,965)	957,788

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

3 PROPERTY, PLANT AND EQUIPMENT GROUP

	Net carrying amount at 1.5.2017 RM'000	Reclassification RM'000	Transfers/ Adjustments RM'000	Additions RM'000	Fair value gain prior to investment properties RM'000	Acquisition of subsidiary company RM'000	Disposal of subsidiary companies RM'000	Impairment losses net of reversals RM'000	Write-off/ Disposals RM'000	Depreciation and amortisation RM'000	Exchange differences RM'000	Net carrying amount at 30.4.2018 RM'000
At 30 April 2018												
Freehold land	154,221	-	-	6,392	-	-	-	-	-	-	(4,369)	156,244
Long leasehold land	52,119	-	-	-	-	-	-	-	-	(690)	-	51,429
Short leasehold land	45,999	-	-	-	-	-	-	-	-	(1,228)	-	44,771
Buildings	1,052,235	9,382	(20,852)	7,231	2,952	-	(43,445)	1,463	(469)	(28,673)	(16,783)	963,041
Plant and equipment	39,420	342	-	10,294	-	-	-	-	(190)	(11,532)	(677)	37,657
Computer equipment	21,568	891	-	3,900	-	-	(3)	-	(61)	(7,866)	(346)	18,083
Renovation	62,038	10	-	16,824	-	-	-	-	(10)	(12,274)	(1,043)	65,545
Furniture and fittings	26,446	1,180	(141)	3,657	-	-	-	-	(450)	(7,080)	(1,133)	22,479
Office equipment	8,574	14	-	2,333	-	-	-	-	(40)	(2,204)	(77)	8,600
Motor vehicles	26,702	15	-	10,694	-	-	(695)	-	(1,374)	(7,276)	(251)	27,815
Aircraft	115,610	-	-	-	-	-	-	(11,818)	-	(7,608)	(1,197)	94,987
Golf course development expenditure	70,759	2	-	-	-	-	-	-	(40)	(1,152)	-	69,569
Capital work-in-progress	30,142	(9,729)	-	6,158	-	-	-	-	(1,529)	-	(2,367)	22,675
Others	3,714	(2,107)	-	620	-	-	-	-	(8)	(424)	(182)	1,613
	1,709,547	-	(20,993)	68,103	2,952	-	(44,143)	(10,355)	(4,171)	(88,007)	(28,425)	1,584,508

	Net carrying amount at 1.5.2016 RM'000	Reclassification RM'000	Transfers/ Adjustments RM'000	Additions RM'000	Fair value gain prior to investment properties RM'000	Acquisition of subsidiary company RM'000	Disposal of subsidiary company RM'000	Impairment losses net of reversals RM'000	Write-off/ Disposals RM'000	Depreciation and amortisation RM'000	Exchange differences RM'000	Net carrying amount at 30.4.2017 RM'000
At 30 April 2017												
Freehold land	107,157	-	-	46,938	-	-	-	-	-	-	126	154,221
Long leasehold land	52,587	-	-	-	-	-	-	-	-	(468)	-	52,119
Short leasehold land	47,258	-	-	-	-	-	-	-	-	(1,259)	-	45,999
Buildings	1,114,220	6,792	(39,484)	11,197	-	-	-	-	(17,364)	(34,879)	11,753	1,062,235
Plant and equipment	38,063	3,635	(505)	11,929	-	-	-	-	(188)	(13,142)	(372)	39,420
Computer equipment	19,062	157	(159)	8,995	-	-	-	-	(46)	(6,517)	73	21,568
Renovation	75,583	(964)	(129)	6,415	-	3	-	-	(5,798)	(12,537)	(532)	62,038
Furniture and fittings	28,627	1,429	(1,009)	3,695	-	-	-	-	(145)	(7,242)	1,091	26,446
Office equipment	8,316	241	-	2,389	-	-	-	-	(173)	(2,232)	33	8,574
Motor vehicles	28,317	-	-	6,776	-	-	-	-	(184)	(6,709)	130	26,702
Aircraft	128,918	(125)	-	-	-	34	-	(7,070)	(1,846)	(8,239)	2,126	115,610
Golf course development expenditure	71,913	-	-	-	-	-	-	-	-	(1,154)	-	70,759
Capital work-in-progress	10,804	(11,290)	(16)	30,124	-	-	-	-	-	-	-	30,142
Others	1,573	125	(334)	2,806	-	-	-	-	-	(468)	12	3,714
	1,732,398	-	(41,636)	131,264	-	37	-	(7,070)	(25,560)	(94,846)	14,960	1,709,547

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Net carrying amount RM'000
At 30 April 2018				
Freehold land	159,356	-	3,112	156,244
Long leasehold land	64,373	12,944	-	51,429
Short leasehold land	65,213	20,442	-	44,771
Buildings	1,384,917	417,313	4,563	963,041
Plant and equipment	184,763	147,090	16	37,657
Computer equipment	142,182	124,099	-	18,083
Renovation	163,599	98,054	-	65,545
Furniture and fittings	127,934	105,455	-	22,479
Office equipment	47,143	38,543	-	8,600
Motor vehicles	95,600	67,785	-	27,815
Aircraft	302,245	130,221	77,037	94,987
Golf course development expenditure	105,586	22,180	13,837	69,569
Capital work-in-progress	26,677	-	4,002	22,675
Others	14,844	10,383	2,848	1,613
	2,884,432	1,194,509	105,415	1,584,508
At 30 April 2017				
Freehold land	157,333	-	3,112	154,221
Long leasehold land	64,373	12,254	-	52,119
Short leasehold land	65,213	19,214	-	45,999
Buildings	1,455,400	397,139	6,026	1,052,235
Plant and equipment	189,152	149,716	16	39,420
Computer equipment	148,704	127,136	-	21,568
Renovation	166,338	104,300	-	62,038
Furniture and fittings	127,568	101,122	-	26,446
Office equipment	45,636	37,062	-	8,574
Motor vehicles	94,296	67,594	-	26,702
Aircraft	306,260	123,763	66,887	115,610
Golf course development expenditure	105,631	21,035	13,837	70,759
Capital work-in-progress	34,144	-	4,002	30,142
Others	19,581	13,019	2,848	3,714
	2,979,629	1,173,354	96,728	1,709,547

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) During the current financial year, the Group conducted a review of the recoverable amount of certain subsidiary companies' assets. The review has led to the recognition of an impairment loss of RM11,818,000 (2017 : RM7,070,000) of certain asset as disclosed in Note 31.

The impairment loss of RM11,818,000 (2017 : RM7,070,000) recognised in profit or loss, represents the write-down in value of 2 units of aircraft, as a result of a decline in their market values. The recoverable amounts of these aircraft were RM75,706,000 (categorised as Level 2 in the fair value hierarchy) (2017 : RM12,990,000) based on the estimated selling price less costs to sell.

- (b) The transfers/adjustments of property, plant and equipment of the current financial year comprise:
- the transfer of a unit of property amounting to RM22,412,000 (after fair value gain of RM2,952,000) to investment property as disclosed in Note 4;
 - the transfer of a unit of property amounting to RM1,560,000 from investment property as disclosed in Note 4; and
 - the transfer of computer software amounting to RM141,000 to intangible assets.

The transfers/adjustments of property, plant and equipment of the previous financial year comprised the transfer of hotel properties of a foreign subsidiary company to disposal group classified as held for sale as the Group had entered into an agreement to dispose of its entire stake in this subsidiary company as disclosed in Note 17.

- (c) Properties and aircraft of the Group with carrying amounts totalling RM674,234,000 (2017 : RM771,304,000) are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.
- (d) Carrying amounts of property, plant and equipment of the Group held under finance lease and hire purchase arrangements are as follows:

	Group	
	2018 RM'000	2017 RM'000
Motor vehicles	5,945	5,562
Aircraft	66,581	80,879
	72,526	86,441

COMPANY	Net carrying amount at				Net carrying amount at
	1.5.2017	Additions	Disposals	Depreciation	
At 30 April 2018	RM'000	RM'000	RM'000	RM'000	RM'000
Furniture and fittings	82	10	-	(12)	80
Office equipment	512	301	-	(217)	596
Renovation	359	10	-	(100)	269
Motor vehicles	790	185	-	(468)	507
	1,743	506	-	(797)	1,452

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	Net carrying amount at 1.5.2016 RM'000	Additions RM'000	Disposals RM'000	Depreciation RM'000	Net carrying amount at 30.4.2017 RM'000
At 30 April 2017					
Furniture and fittings	32	62	-	(12)	82
Office equipment	505	191	(2)	(182)	512
Renovation	454	23	-	(118)	359
Motor vehicles	1,567	152	(188)	(741)	790
	<u>2,558</u>	<u>428</u>	<u>(190)</u>	<u>(1,053)</u>	<u>1,743</u>

At 30 April 2018	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
Furniture and fittings	2,115	2,035	80
Office equipment	7,497	6,901	596
Renovation	3,222	2,953	269
Motor vehicles	6,683	6,176	507
	<u>19,517</u>	<u>18,065</u>	<u>1,452</u>

At 30 April 2017	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
Furniture and fittings	2,105	2,023	82
Office equipment	7,196	6,684	512
Renovation	3,212	2,853	359
Motor vehicles	6,498	5,708	790
	<u>19,011</u>	<u>17,268</u>	<u>1,743</u>

Motor vehicles of the Company with carrying amounts totalling RM507,000 (2017 : RM723,000) are held under hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS

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4 INVESTMENT PROPERTIES

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	740,057	621,903
Additions during the year	3,179	102,301
Net transfer from property, plant and equipment during the year (Note 3(b))	20,852	-
Disposals during the year	(1,480)	-
Net fair value adjustments (Notes 30 and 31)	(1,599)	15,853
Exchange differences	(272)	-
At 30 April 2018/2017	760,737	740,057

Investment properties comprise a number of commercial and other properties leased under operating leases to third and related parties.

Investment properties with carrying amounts totalling RM35,500,000 (2017 : RM35,500,000) are held under lease terms.

The application for transfer of titles of the freehold land of a subsidiary company with carrying amount of RM3,400,000 (2017 : RM2,350,000) have been submitted to the relevant authority for processing upon successful conversion of leasehold to freehold status.

The carrying amounts of the investment properties were derived based on valuations by independent qualified valuers, who hold recognised qualifications and has relevant experience in valuing these type of properties. Fair value is determined primarily based on the comparison method.

Fair value hierarchy disclosures for investment properties have been provided in Note 43.

Investment properties with carrying amounts totalling RM603,850,000 (2017 : RM494,263,000) are pledged to financial institutions for credit facilities granted to the Company and certain subsidiary companies.

5 LAND HELD FOR DEVELOPMENT

	2018 RM'000	Group	
		2017 RM'000 Restated	2016 RM'000 Restated
At cost:			
At 1 May 2017/2016/2015:			
- freehold land	606,986	610,831	149,423
- long leasehold land	25,042	25,042	33,844
- land use rights/land lease premium	172,608	177,623	174,175
- development costs	158,211	151,819	119,462
	962,847	965,315	476,904

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

5 LAND HELD FOR DEVELOPMENT (CONT'D)

	2018 RM'000	Group 2017 RM'000 Restated	2016 RM'000 Restated
Additions:			
- freehold land	15,467	18,924	33,715
- development costs	43,487	11,558	3,271
	<u>58,954</u>	<u>30,482</u>	<u>36,986</u>
Transfers/Adjustments during the year:			
- freehold land	(5,149)	(27,766)	418,759
- long leasehold land	-	-	(8,802)
- land use rights/land lease premium	6,950	(19,774)	(7,742)
- development costs	(20,409)	(3,569)	23,152
	<u>(18,608)</u>	<u>(51,109)</u>	<u>425,367</u>
Disposal/Write off:			
- freehold land	(21)	-	(681)
- long leasehold land	(101)	-	-
- development costs	(949)	(7,181)	(388)
- deemed disposal of subsidiary companies - land use rights	(178,836)	-	-
	<u>(179,907)</u>	<u>(7,181)</u>	<u>(1,069)</u>
Exchange differences:			
- freehold land	(5,587)	4,997	9,615
- land use rights/land lease premium	(16,728)	14,759	11,190
- development costs	(6,866)	5,584	6,322
	<u>(29,181)</u>	<u>25,340</u>	<u>27,127</u>
Total costs at 30 April 2018/2017/2016	<u>794,105</u>	<u>962,847</u>	<u>965,315</u>
Accumulated impairment losses:			
At 1 May 2017/2016/2015	(346)	(7,527)	(16,329)
Write off/Reversal of impairment loss	-	7,181	8,802
Accumulated impairment loss at 30 April 2018/2017/2016	<u>(346)</u>	<u>(346)</u>	<u>(7,527)</u>
Carrying amount at 30 April 2018/2017/2016	<u>793,759</u>	<u>962,501</u>	<u>957,788</u>

Land held for development with carrying amounts totalling RM105,037,000 (2017: RM534,004,000) are pledged to a licensed bank for credit facility granted to the Company.

NOTES TO THE FINANCIAL STATEMENTS

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6 SUBSIDIARY COMPANIES

	Company	
	2018 RM'000	2017 RM'000
Quoted shares, at cost	236,559	236,559
Unquoted shares, at cost	2,690,800	2,690,800
	<u>2,927,359</u>	<u>2,927,359</u>
Less: Accumulated impairment losses of unquoted shares	(283,664)	(281,809)
	<u>2,643,695</u>	<u>2,645,550</u>
Market value of quoted shares	<u>381,580</u>	<u>511,208</u>

Details of the subsidiary companies are set out in Note 49.

At the reporting date, the Company conducted an impairment review of its investments in certain subsidiary companies, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

The review gave rise to the recognition of a impairment loss of investment in a subsidiary company of RM1,855,000 (2017 : RM43,582,000) as disclosed in Note 31 based on recoverable amount of RM2,563,000 (categorised as Level 2 of the fair value hierarchy) (2017 : RM4,418,000). In the previous financial year, the Company also wrote off investment cost amounting to RM2,000,000 as disclosed in Note 31 due to the cessation of business of a subsidiary company.

Certain quoted shares in subsidiary companies of the Group and of the Company with carrying amounts totalling RM1,197,181,000 and RM216,257,000 (2017 : RM1,203,859,000 and RM230,191,000) respectively are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

a) Acquisition of subsidiary companies

- (i) Berjaya Philippines Inc. ("BPI"), a subsidiary company of BToto, acquired an additional 230,516 ordinary shares of GBP0.50 each in its direct subsidiary company, H.R. Owen Plc ("HR Owen"), representing additional 0.92% equity interest in HR Owen for a consideration of GBP394,000 (equivalent to approximately RM2.18 million). Consequently, BPI's equity interests in HR Owen increased from 98.38% to 99.3%.
- (ii) Several other new subsidiary companies were acquired or incorporated during the financial year. None of these acquisitions are material to the Group.
- (iii) There is no business combination during the financial year.

During the previous financial year, the Group completed the acquisition of 70% equity interest in Hotel Integrations Sdn Bhd for a total cash consideration of RM1.36 million by Berjaya Vacation Club Berhad.

6 SUBSIDIARY COMPANIES (CONT'D)

a) Acquisition of subsidiary companies (Cont'd)

The fair values of the identifiable assets and liabilities of the acquisition which qualified as a business combination were as follows:

Group	2017 RM'000
Property, plant and equipment	37
Current assets	890
Current liabilities	(73)
Total net assets acquired	854
Less: Non-controlling interests	(256)
Net assets acquired	598
Goodwill on acquisition	767
Total cost of acquisition, representing net cash outflow on date of acquisition	1,365

The above acquisition was not material to the Group.

b) Acquisition of subsidiary company subsequent to the financial year

No subsidiary company was acquired subsequent to the financial year.

c) Disposal of subsidiary companies

- (i) Berjaya Leisure (Cayman) Limited ("BLCL") disposed its 100% equity interest in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advance Medicine Holdings Pte Ltd ("SIAMH") for a consideration of SGD2.97 million (equivalent to approximately RM9.02 million) satisfied via an issuance of new SIAMH shares. SIAMH is an existing associated company of BLCL. Further details of this disposal are disclosed in Note 47(b).
- (ii) BLCL's equity interest in Berjaya Vietnam Financial Center Limited ("BVFC") was diluted from 100% to 32.5% after the injection of fresh capital contribution amounting to VND2,008.69 billion (equivalent to approximately RM352 million) into BVFC by Vinhomes Joint Stock Company Limited ("Vinhomes") following the conditions imposed by the Vietnamese authorities. Further details are disclosed in Note 48.
- (iii) BLCL's equity interest in Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT") was diluted from 100% to 0.8% after the injection of fresh capital contribution amounting to VND11,904 billion (equivalent to approximately RM2.0 billion) into BVIUT by Vinhomes and its affiliates following the conditions imposed by the Vietnamese authorities. Further details are disclosed in Note 48.
- (iv) the dissolution of Berjaya Nhon Trach New City Center ("BNTC"), previously a wholly subsidiary of BLCL was dissolved. BNTC was a dormant company. The dissolution is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

6 SUBSIDIARY COMPANIES (CONT'D)

c) Disposal of subsidiary companies (Cont'd)

(i) The effects of the disposal of BIH on cash flows were as follows:

2018 Group	RM'000
Property, plant and equipment	43,445
Net other liabilities disposed	(46,418)
	<u>(2,973)</u>
Excluding: Cash and cash equivalents of disposed subsidiary company	(768)
Gain on disposal recognised in profit or loss (Note 30)	11,994
Disposal proceeds	(9,021)
Net cash outflow from disposal of a subsidiary company	<u>(768)</u>

(ii) The effects of the dilution of BVFC to an associated company on cash flows were as follows:

2018 Group	RM'000
Property, plant and equipment	698
Net other assets disposed	135,889
Add: Loss on remeasurement (Note 31)	(10,172)
Less: Reclassification to associated company at fair value	(145,373)
	<u>(18,958)</u>
Excluding: Cash and cash equivalents of a subsidiary company deemed disposed	(393)
Add: Gain on deemed disposal (Note 30)	18,958
Net cash outflow from deemed disposal of a subsidiary company	<u>(393)</u>

(iii) The effects of the dilution of BVIUT to an investment on cash flows were as follows:

2018 Group	RM'000
Net other assets disposed	9,194
Add: Loss on remeasurement (Note 31)	(11,202)
Less: Reclassification to investment at fair value	(5,376)
	<u>(7,384)</u>
Excluding: Cash and cash equivalents of a subsidiary company deemed disposed	(17)
Add: Gain on deemed disposal (Note 30)	7,384
Net cash outflow from deemed disposal of a subsidiary company	<u>(17)</u>

d) Disposal of subsidiary company subsequent to the financial year

The Proposed BVFC Disposal is pending completion as disclosed in Note 48.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

6 SUBSIDIARY COMPANIES (CONT'D)

e) Subsidiary companies with material non-controlling interests

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

Name	Equity interest held by non-controlling interests	
	2018 %	2017 %
BToto (on a consolidated basis)	59.77	59.95
Berjaya (China) Great Mall Co Ltd ("GMOC")	49.00	49.00
Berjaya Jeju Resort Limited ("BJeju")	27.40	27.40

Summarised financial information in respect of material subsidiary companies of the Group is set out below. These financial information are the amounts before inter-company elimination and after fair value adjustments arising from business combination, where applicable.

Group At 30 April 2018	BToto RM'000	GMOC RM'000	BJeju RM'000	Total RM'000
Non-current assets	4,603,651	474,008	595,711	5,673,370
Current assets	1,319,922	3,882	1,953	1,325,757
Non-current liabilities	(1,494,656)	-	-	(1,494,656)
Current liabilities	(1,288,467)	(107,631)	(101,958)	(1,498,056)
Net assets	3,140,450	370,259	495,706	4,006,415
Equity attributable to:				
- owners of the Parent	1,240,182	188,818	359,883	1,788,883
- non-controlling interests	1,900,268	181,441	135,823	2,217,532
Total equity	3,140,450	370,259	495,706	4,006,415
At 30 April 2017				
Non-current assets	4,552,163	239	607,076	5,159,478
Current assets	1,288,592	614,354	4,409	1,907,355
Non-current liabilities	(1,499,529)	-	-	(1,499,529)
Current liabilities	(1,219,753)	(116,339)	(90,170)	(1,426,262)
Net assets	3,121,473	498,254	521,315	4,141,042
Equity attributable to:				
- owners of the Parent	1,229,579	250,120	378,475	1,858,174
- non-controlling interests	1,891,894	248,134	142,840	2,282,868
Total equity	3,121,473	498,254	521,315	4,141,042

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

6 SUBSIDIARY COMPANIES (CONT'D)

e) Subsidiary companies with material non-controlling interests (Cont'd)

Group Year ended 30 April 2018	BToto RM'000	GMOC RM'000	BJeju RM'000	Total RM'000
Revenue	5,660,587	-	-	5,660,587
Profit/(Loss) for the year	219,435	(120,248)	(5,057)	94,130
Other comprehensive income	5,987	1,621	684	8,292
Total comprehensive income	225,422	(118,627)	(4,373)	102,422
Profit/(Loss) for the year attributable to:				
- owners of the Parent	85,773	(61,326)	(3,671)	20,776
- non-controlling interests	133,662	(58,922)	(1,386)	73,354
	219,435	(120,248)	(5,057)	94,130
Total comprehensive income attributable to:				
- owners of the Parent	86,722	(60,500)	(3,175)	23,047
- non-controlling interests	138,700	(58,127)	(1,198)	79,375
	225,422	(118,627)	(4,373)	102,422
Net cash generated from/(used in):				
- operating activities	309,518	(846)	(744)	307,928
- investing activities	(66,758)	98	(608)	(67,268)
- financing activities	(188,888)	(6,836)	1,488	(194,236)
Net change in cash and cash equivalents	53,872	(7,584)	136	46,424
Dividends paid to non-controlling interests	120,789	-	-	120,789
Year ended 30 April 2017				
Revenue	5,731,396	-	-	5,731,396
Profit/(Loss) for the year	226,580	(22,917)	(7,036)	196,627
Other comprehensive income	(460,163)	(51)	(188)	(460,402)
Total comprehensive income	(233,583)	(22,968)	(7,224)	(263,775)
Profit/(Loss) for the year attributable to:				
- owners of the Parent	87,975	(11,688)	(5,108)	71,179
- non-controlling interests	138,605	(11,229)	(1,928)	125,448
	226,580	(22,917)	(7,036)	196,627

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

6 SUBSIDIARY COMPANIES (CONT'D)

e) Subsidiary companies with material non-controlling interests (Cont'd)

Group Year ended 30 April 2017	BToto RM'000	GMOC RM'000	BJeju RM'000	Total RM'000
Total comprehensive income attributable to:				
- owners of the Parent	(91,557)	(11,714)	(5,245)	(108,516)
- non-controlling interests	(142,026)	(11,254)	(1,979)	(155,259)
	<u>(233,583)</u>	<u>(22,968)</u>	<u>(7,224)</u>	<u>(263,775)</u>
Net cash generated from/(used in):				
- operating activities	283,771	(250,517)	(4,589)	28,665
- investing activities	(162,369)	639,780	(820)	476,591
- financing activities	(276,223)	(380,489)	139	(656,573)
Net change in cash and cash equivalents	<u>(154,821)</u>	<u>8,774</u>	<u>(5,270)</u>	<u>(151,317)</u>
Dividends paid to non-controlling interests	<u>129,296</u>	<u>-</u>	<u>-</u>	<u>129,296</u>

7 ASSOCIATED COMPANIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Quoted shares in Malaysia, at cost	120,664	168,990	40,591	40,591
Quoted shares outside Malaysia, at cost	101,490	101,490	-	-
Unquoted shares, at cost	279,636	210,847	-	1,000
Exchange differences	(1,851)	15,614	-	-
	<u>499,939</u>	<u>496,941</u>	<u>40,591</u>	<u>41,591</u>
Share of post acquisition reserves	123,439	188,236	-	-
	<u>623,378</u>	<u>685,177</u>	<u>40,591</u>	<u>41,591</u>
Less: Accumulated impairment losses				
- quoted shares outside Malaysia	(49,602)	(49,570)	-	-
- unquoted shares	(40,682)	(42,040)	-	(1,000)
	<u>(90,284)</u>	<u>(91,610)</u>	<u>-</u>	<u>(1,000)</u>
Total investments in associated companies	<u>533,094</u>	<u>593,567</u>	<u>40,591</u>	<u>40,591</u>
Represented by:				
Carrying amount of:				
- quoted shares in Malaysia	195,022	316,258	40,591	40,591
- quoted shares outside Malaysia	3,751	8,509	-	-
- unquoted shares	334,321	268,800	-	-
	<u>533,094</u>	<u>593,567</u>	<u>40,591</u>	<u>40,591</u>
Fair value of quoted shares:				
- in Malaysia	101,089	165,518	30,603	33,597
- outside Malaysia	3,764	8,536	-	-

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30 APRIL 2018

7 ASSOCIATED COMPANIES (CONT'D)

Details of the associated companies are set out in Note 49.

During the current financial year, the Group recognised total impairment loss amounting to RM32,000 (2017 : RM4,621,000) as disclosed in Note 31, in respect of one of its quoted associated companies with recoverable amount of RM3,751,000 (based on observable market prices) (2017 : RM8,509,000).

During the financial year, the significant changes to associated companies of the Group were:

- (i) the decrease of the Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") to 8.59% following the disposal of 57.0 million BAssets shares by the Group and the conversion of 157.1 million BAssets warrants to 157.1 million BAssets ordinary shares by other BAssets warrant holders; and
- (ii) an increase of BLCL's equity interest in Singapore Institute of Advance Medicine Holdings Pte Ltd ("SIAMH") from 21.14% to 34.27% as disclosed in Note 47(b).

The Group and the Company did not recognise any impairment in value of an associated company, BAssets of which its shares are quoted in Malaysia, as the Directors have determined its recoverable amount to approximate its carrying value. The recoverable amount of BAssets is based on the Group's share of its net assets after accounting for the fair values less costs to sell of BAssets' investment properties, which are its principal assets.

Certain key associated companies of the Group, namely both the listed BAssets and Informatics Education Limited and SIAMH, have financial year end of 30 June, 31 March and 30 September respectively, which are not coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting for these associates, with financial year ends of 30 June, 31 March and 30 September, the last audited financial statements available, the latest quarterly financial statements announced in the respective stock exchange and management accounts, made up to a period of no more than 1 month difference from the Group's financial year end have been used. Management has assessed that this would be the most practical method of applying the equity method of accounting for these entities.

Certain quoted shares of the Group and of the Company with carrying amounts of RM102,544,000 and RM40,469,000 (2017 : RM91,815,000 and RM38,639,000) respectively are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

BAssets has contingent liabilities amounting to RM180.73 million in relation to disputed income taxes assessments raised by the Inland Revenue Board of Malaysia ("IRB"). The Group's share of this contingent liabilities is approximately RM15.52 million.

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7 ASSOCIATED COMPANIES (CONT'D)

The Group regards Berjaya Kyoto Development (S) Pte Ltd ("BKDS"), BAssets, Bermaz Auto Philippines Inc. ("BAuto"), SIAMH and Informatics Education Limited ("Informatics") as its material associated companies.

Summarised financial information in respect of material associated companies of the Group is set out below. These financial information represent the amounts in the financial statements of the associated companies after fair value adjustments and not the Group's share of those amounts.

Group At 30 April 2018	BKDS RM'000	BAssets RM'000	BAuto RM'000	Informatics RM'000	SIAMH * RM'000	Total RM'000
Non-current assets	1,025,184	3,186,403	16,495	657	181,234	4,409,973
Current assets	357,285	410,794	195,720	14,855	52,087	1,030,741
Non-current liabilities	(517,222)	(975,943)	(11,793)	-	(923)	(1,505,881)
Current liabilities	(500,967)	(318,595)	(77,423)	(9,329)	(59,114)	(965,428)
Net assets	364,280	2,302,659	122,999	6,183	173,284	2,969,405
Equity attributable to:						
Owners of the associated company	364,280	2,295,762	122,999	6,183	170,443	2,959,667
Non-controlling interests of the associated company	-	6,897	-	-	2,841	9,738
	364,280	2,302,659	122,999	6,183	173,284	2,969,405
At 30 April 2017						
Non-current assets	1,137,953	3,105,227	17,613	1,698	-	4,262,491
Current assets	555,745	304,493	196,038	35,788	-	1,092,064
Non-current liabilities	(720,314)	(1,008,397)	(11,908)	-	-	(1,740,619)
Current liabilities	(617,645)	(210,529)	(74,967)	(13,755)	-	(916,896)
Net assets	355,739	2,190,794	126,776	23,731	-	2,697,040
Equity attributable to:						
Owners of the associated company	355,739	2,181,443	126,776	23,731	-	2,687,689
Non-controlling interests of the associated company	-	9,351	-	-	-	9,351
	355,739	2,190,794	126,776	23,731	-	2,697,040
Year ended 30 April 2018						
Revenue	320,786	350,026	519,675	26,141	26,967	1,243,595
Profit/(Loss) for the year	33,357	(22,857)	27,592	(17,244)	5,384	26,232
Other comprehensive income	(16,625)	(29,481)	9	888	-	(45,209)
Total comprehensive income	16,732	(52,338)	27,601	(16,356)	5,384	(18,977)

* The summarised financial information of SIAMH was not disclosed in the previous financial year as it was not regarded as a material associated company then.

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7 ASSOCIATED COMPANIES (CONT'D)

Group Year ended 30 April 2018	BKDS RM'000	BAssets RM'000	BAuto RM'000	Informatics RM'000	SIAMH * RM'000	Total RM'000
Profit/(Loss) for the year attributable to:						
- owners of the associated company	33,357	(22,089)	27,592	(17,244)	5,588	27,204
- non-controlling interests of the associated company	-	(768)	-	-	(204)	(972)
	<u>33,357</u>	<u>(22,857)</u>	<u>27,592</u>	<u>(17,244)</u>	<u>5,384</u>	<u>26,232</u>
Total comprehensive income attributable to:						
- owners of the associated company	16,732	(51,774)	27,601	(16,356)	5,588	(18,209)
- non-controlling interests of the associated company	-	(564)	-	-	(204)	(768)
	<u>16,732</u>	<u>(52,338)</u>	<u>27,601</u>	<u>(16,356)</u>	<u>5,384</u>	<u>(18,977)</u>
Dividends received during the year	-	-	13,664	-	-	13,664
Year ended 30 April 2017						
Revenue	<u>407,609</u>	<u>368,860</u>	<u>391,565</u>	<u>33,656</u>	<u>-</u>	<u>1,201,690</u>
Profit/(Loss) for the year	168,579	(76,834)	48,963	(17,158)	-	123,550
Other comprehensive income	(1,692)	(1,919)	(14,693)	175	-	(18,129)
Total comprehensive income	<u>166,887</u>	<u>(78,753)</u>	<u>34,270</u>	<u>(16,983)</u>	<u>-</u>	<u>105,421</u>
Profit/(Loss) for the year attributable to:						
- owners of the associated company	168,579	(77,838)	48,963	(17,158)	-	122,546
- non-controlling interests of the associated company	-	1,004	-	-	-	1,004
	<u>168,579</u>	<u>(76,834)</u>	<u>48,963</u>	<u>(17,158)</u>	<u>-</u>	<u>123,550</u>
Total comprehensive income attributable to:						
- owners of the associated company	166,887	(78,994)	34,270	(16,983)	-	105,180
- non-controlling interests of the associated company	-	241	-	-	-	241
	<u>166,887</u>	<u>(78,753)</u>	<u>34,270</u>	<u>(16,983)</u>	<u>-</u>	<u>105,421</u>
Dividends received during the year	-	-	-	-	-	-

* The summarised financial information of SIAMH was not disclosed in the previous financial year as it was not regarded as a material associated company then.

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7 ASSOCIATED COMPANIES (CONT'D)

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

Group 2018	BKDS RM'000	BAssets RM'000	BAuto RM'000	Informatics RM'000	SIAMH * RM'000	Total RM'000
Attributable to owners of the associated company:						
Net assets at 1 May 2017	355,739	2,181,443	123,966	23,731	44,086	2,728,965
Increase in paid-up capital	-	166,093	-	-	123,186	289,279
Profit/(Loss) for the year	33,357	(22,089)	27,592	(17,244)	5,588	27,204
Other comprehensive income	(16,625)	(29,685)	9	888	-	(45,413)
Dividend paid during the year	-	-	(13,664)	-	-	(13,664)
Exchange differences	(8,191)	-	(17,443)	(1,192)	(2,417)	(29,243)
	<u>364,280</u>	<u>2,295,762</u>	<u>120,460</u>	<u>6,183</u>	<u>170,443</u>	<u>2,957,128</u>
Equity contribution	-	-	2,539	-	-	2,539
Net assets at 30 April 2018	<u>364,280</u>	<u>2,295,762</u>	<u>122,999</u>	<u>6,183</u>	<u>170,443</u>	<u>2,959,667</u>
Group's equity interest	50%	8.59%	28.28%	27.09%	34.27%	
Interest in net assets of the associated company	182,140	197,206	34,066	1,675	58,411	473,498
Less: Intragroup adjustments	1,539	(2,184)	-	(534)	(3,971)	(5,150)
Goodwill (net of impairment)	-	-	2,073	2,611	3,703	8,387
Carrying amount of Group's interest in the associated company	<u>183,679</u>	<u>195,022</u>	<u>36,139</u>	<u>3,752</u>	<u>58,143</u>	<u>476,735</u>
2017						
Attributable to owners of the associated company:						
Net assets at 1 May 2016	188,952	2,260,437	79,308	37,794	-	2,566,491
Increase in paid-up capital	-	-	6,799	-	-	6,799
Profit/(Loss) for the year	168,579	(77,838)	48,963	(17,158)	-	122,546
Other comprehensive income	(1,692)	(1,156)	(14,693)	175	-	(17,366)
Exchange differences	(100)	-	3,589	2,920	-	6,409
	<u>355,739</u>	<u>2,181,443</u>	<u>123,966</u>	<u>23,731</u>	<u>-</u>	<u>2,684,879</u>
Equity contribution	-	-	2,810	-	-	2,810
Net assets at 30 April 2017	<u>355,739</u>	<u>2,181,443</u>	<u>126,776</u>	<u>23,731</u>	<u>-</u>	<u>2,687,689</u>
Group's equity interest	50%	14.61%	25.48%	27.09%	-	
Interest in net assets of the associated company	177,870	318,709	31,587	6,429	-	534,595
Less: Intragroup adjustments	4,388	(2,451)	-	(563)	-	1,374
Goodwill	-	-	4,301	2,643	-	6,944
Carrying amount of Group's interest in the associated company	<u>182,258</u>	<u>316,258</u>	<u>35,888</u>	<u>8,509</u>	<u>-</u>	<u>542,913</u>

* The summarised financial information of SIAMH was not disclosed in the previous financial year as it was not regarded as a material associated company then.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

7 ASSOCIATED COMPANIES (CONT'D)

Aggregate information of associated companies that are not individually material

Group	2018 RM'000	2017 RM'000
The Group's share of (loss)/profit for the year, representing total comprehensive income	(748)	2,754
Aggregate carrying amount of the Group's interests in these associated companies	<u>56,359</u>	<u>50,654</u>

The Group has discontinued recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interests in these associated companies. As such, during the current financial year, the Group did not recognise its share of the current year losses of these associated companies amounting to RM3,937,000 (2017 : RM970,000) and the Group's cumulative share of unrecognised losses of these associated companies amounted to RM24,867,000 (2017 : RM25,196,000).

NOTES TO THE FINANCIAL STATEMENTS
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8 JOINT VENTURES

	Group	
	2018 RM'000	2017 RM'000
Contributed legal capital/cost of investment	279,015	278,555
Share of post-acquisition reserves	(200,760)	(200,238)
Exchange differences	5,979	10,488
	84,234	88,805
Less: Accumulated impairment losses	(28,644)	(28,644)
	55,590	60,161

Details of the joint ventures are as follows:

Name of Joint Ventures	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
Berjaya-Handico12 Co Ltd	Socialist Republic of Vietnam	Property investment and development	80	80
Berjaya Hotay Joint Venture Company Limited	Socialist Republic of Vietnam	Developer and operator of an international standard five star hotel and provision of related services	50	50
T.P.C. Nghi Tam Village Ltd	Socialist Republic of Vietnam	Developer and operator of an international standard five star hotel	75	75
RC Hotel and Resort JV Holdings (BVI) Company Limited	British Virgin Islands	Dissolved	-	56.67
Asia Jet Partners Malaysia Sdn Bhd	Malaysia	Aircraft charter services and related business	51	51
Pasdec Cempaka Sdn Bhd	Malaysia	Property development and investment	51	51

The Group has discontinued recognition of its share of losses of certain joint ventures because the share of losses of these joint ventures have exceeded the Group's interest in these joint ventures. As such, during the current financial year, the Group did not recognise its share of the current year net profit of these joint ventures amounting to RM6,915,000 (2017 : losses of RM25,929,000) and the Group's cumulative share of unrecognised losses of these joint ventures amounted to RM33,613,000 (2017 : RM40,528,000). The profit for the current financial year of a joint venture was not recognised as it still had net accumulated unrecognised losses.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

8 JOINT VENTURES (CONT'D)

Summarised financial information in respect of Berjaya Hotay Joint Venture Company Limited ("BHotay"), a material joint venture of the Group is set out below. These financial information represents the amounts in the financial statements of the joint venture after fair value adjustments arising from business combination and not the Group's share of those amounts.

Group	BHotay	
	2018 RM'000	2017 RM'000
Non-current assets	211,344	251,568
Current assets	14,201	11,512
Non-current liabilities	(113,961)	(160,756)
Current liabilities	(29,919)	(11,646)
Net assets	<u>81,665</u>	<u>90,678</u>
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	8,324	7,090
Current financial liabilities (excluding trade and other payables and provision)	21,784	3,627
Non-current financial liabilities (excluding trade and other payables and provision)	<u>104,956</u>	<u>151,022</u>
Revenue	<u>70,771</u>	<u>66,506</u>
Profit/(Loss) for the year, representing total comprehensive income for the year	<u>8</u>	<u>(6,757)</u>
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	16,270	16,687
Finance costs	<u>5,062</u>	<u>8,283</u>
Dividends received from the joint venture during the year	<u>-</u>	<u>-</u>

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

Group	BHotay	
	2018 RM'000	2017 RM'000
Net assets at 1 April 2017/2016	90,678	89,828
Profit/(Loss) for the year, representing total comprehensive income for the year	8	(6,757)
Exchange differences	(9,021)	7,607
Net assets at 30 April 2018/2017	<u>81,665</u>	<u>90,678</u>
Group's equity interest	50%	50%
Carrying amount of Group's interest in the joint venture	<u>40,833</u>	<u>45,339</u>

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

8 JOINT VENTURES (CONT'D)

Aggregate information of joint ventures that are not individually material

	Group	
	2018 RM'000	2017 RM'000
The Group's share of loss for the year, representing total comprehensive income for the year	(526)	(620)
Aggregate carrying amount of the Group's interests in these joint ventures	14,757	14,822

9 INVESTMENTS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Quoted shares at fair value:				
- in Malaysia	70,651	65,269	9,750	15,900
- outside Malaysia	3,146	3,861	-	-
	73,797	69,130	9,750	15,900
Quoted warrants in Malaysia at fair value	423	9,826	-	1,813
Quoted loan stocks in Malaysia at fair value	3,656	7,425	-	-
Malaysian Government Securities at fair value	2,996	3,026	-	-
	80,872	89,407	9,750	17,713
Unquoted shares at cost:				
- in Malaysia	15,288	15,288	13,887	13,887
- outside Malaysia	32,845	28,842	-	-
	48,133	44,130	13,887	13,887
Less: Accumulated impairment losses				
- unquoted shares in Malaysia	(9,329)	(9,329)	(7,929)	(7,929)
- unquoted shares outside Malaysia	(13,871)	(14,782)	-	-
	(23,200)	(24,111)	(7,929)	(7,929)
Total unquoted equity investments	24,933	20,019	5,958	5,958
Club memberships	594	594	-	-
Total investments	106,399	110,020	15,708	23,671

The investment in Malaysian Government Securities is deposited with the Malaysian Government in accordance with the Pool Betting Act, 1967 in connection with the issue of the pool betting licence and yields interest at 4.24% (2017 : 4.24%) per annum.

During the current financial year, the Group recognised an impairment loss amounting to RM19,260,000 (2017 : RM895,000) of certain quoted investments designated as available-for-sale financial assets (as disclosed in Note 31) due to significant decline of more than 20% in the fair values of these investments.

Further details on fair value hierarchy and classification of equity investments are disclosed in Notes 43 and 44 respectively.

Certain quoted shares of the Group and of the Company with carrying amount of RM9,750,000 (2017 : RM15,900,000) are pledged to a financial institution for credit facilities granted to the Company.

NOTES TO THE FINANCIAL STATEMENTS

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10 INTANGIBLE ASSETS

Group	Gaming rights RM'000	Dealerships RM'000	Goodwill RM'000	Customer relationships RM'000	Computer software RM'000	Total RM'000
2018						
Cost:						
At 1 May 2017	4,685,784	57,487	978,429	3,272	6,205	5,731,177
Addition during the year	-	-	-	-	1,272	1,272
Deferred tax liability recognised	-	-	(517)	-	-	(517)
Transfer from property, plant and equipment	-	-	-	-	141	141
Write-off during the year	-	-	-	-	(34)	(34)
Exchange differences	(9,373)	(1,267)	(6,310)	(55)	(16)	(17,021)
At 30 April 2018	4,676,411	56,220	971,602	3,217	7,568	5,715,018
Accumulated amortisation/impairment:						
At 1 May 2017	(843,174)	-	(862,762)	(459)	(4,736)	(1,711,131)
Reversal of impairment for the year	95,080	-	-	-	-	95,080
Amortisation for the year	(26,441)	-	-	(327)	(627)	(27,395)
At 30 April 2018	(774,535)	-	(862,762)	(786)	(5,363)	(1,643,446)
Carrying amount at 30 April 2018	<u>3,901,876</u>	<u>56,220</u>	<u>108,840</u>	<u>2,431</u>	<u>2,205</u>	<u>4,071,572</u>
2017						
Cost:						
At 1 May 2016	4,680,238	58,672	977,335	3,346	6,009	5,725,600
Addition during the year	-	-	-	-	161	161
Deferred tax liability recognised	-	-	(283)	-	-	(283)
Arising from acquisition of a subsidiary company (Note 6)	-	-	767	-	-	767
Exchange differences	5,546	(1,185)	610	(74)	35	4,932
At 30 April 2017	4,685,784	57,487	978,429	3,272	6,205	5,731,177
Accumulated amortisation/impairment:						
At 1 May 2016	(171,430)	-	(837,348)	-	(4,139)	(1,012,917)
Impairment for the year	(642,991)	-	(25,414)	-	-	(668,405)
Amortisation for the year	(28,753)	-	-	(459)	(597)	(29,809)
At 30 April 2017	(843,174)	-	(862,762)	(459)	(4,736)	(1,711,131)
Carrying amount at 30 April 2017	<u>3,842,610</u>	<u>57,487</u>	<u>115,667</u>	<u>2,813</u>	<u>1,469</u>	<u>4,020,046</u>

10 INTANGIBLE ASSETS (CONT'D)

Impairment test on Gaming Rights, Dealerships, Customer Relationships and Goodwill

Allocation of Gaming Rights

Gaming Rights are allocated to the Group's toto betting business segment in Malaysia ("Gaming Rights - Licence") and the leasing of online lottery equipment business segment in the Philippines ("Gaming Rights - ELA").

Allocation of Dealerships and Customer Relationships

Dealerships and Customer Relationships are allocated solely to the Group's motor vehicle dealerships business segment.

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	Group	
	2018 RM'000	2017 RM'000
Motor vehicle dealerships	73,733	80,482
Property development and property investment	14,679	14,679
Hotels and resorts	20,428	20,506
	108,840	115,667

During the current financial year, the Group has assessed that the recoverable amount of Gaming Rights - Licence was in excess of the carrying amounts of its CGU. Consequently, the Group recognised a reversal of impairment loss of RM95,080,000. The recoverable amount of Gaming Rights - Licence was the Group's share of VIU amounted to RM1,488,339,000.

In the previous financial year, the Group had assessed that certain CGUs were carried in excess of their recoverable amounts and recognised impairment losses of:

- (i) RM642,991,000 and RM21,782,000 in respect of Gaming Rights - Licence and goodwill allocated to the Malaysian toto betting business segment. The recoverable amount of this intangible asset was the Group's share of VIU which amounted to RM1,424,776,000.
- (ii) RM2,735,000 in respect of goodwill allocated to the Philippines leasing of online lottery equipment business segment respectively. The recoverable amount of this intangible asset was the Group's share of VIU which amounted to RM30,258,000; and
- (iii) RM897,000 in respect of goodwill allocated to a foreign subsidiary company in the property development and property investment business segment following the sale of foreign development project.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

10 INTANGIBLE ASSETS (CONT'D)

Impairment test on Gaming Rights, Dealerships, Customer Relationships and Goodwill (Cont'd)

With regard to the impairment review of the CGUs for Dealerships and Customer Relationships, the Group has assessed that their recoverable amounts are sufficiently above the carrying amounts of these CGUs.

Key assumptions used in VIU calculations and fair values less costs to sell of CGUs

The recoverable amount of a CGU is determined based on the higher of VIU or fair value less costs to sell of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a four-and-half-year to a five-year period. Fair value less costs to sell is estimated based on the best information available in an active market to reflect the amount obtainable in an arm's length transaction, less costs of disposal.

The following describes each key assumption on which management has based its cash flow projections for VIU calculations or fair value less costs to sell of the CGUs:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year before the budgeted year, adjusted for market and economic conditions, internal resource efficiency and the expected stages of completion of property development projects, where applicable.

(ii) Growth rates

The weighted average growth rates used ranges between 1.0% and 5.0% (2017 : 1.0% and 5.0%) are consistent with the long-term average growth rates for the relevant industries, including the gaming business segment.

(iii) Discount rates

The discount rates used for identified CGUs are on a basis that reflect specific risks relating to the relevant business segments. The significant post-tax discount rates, applied to post-tax cash flows, used for identified CGUs are in the range of 6.0% to 11.8% (2017 : 6.0% to 11.8%), of which 9.0% to 11.5% (2017 : 9.0% to 11.5%) have been applied to the gaming business segment.

(iv) Terminal growth rates

The terminal growth rates used for identified CGUs are estimated with reference to published research and do not exceed the long term growth rate for the countries relevant to the CGUs. The applicable terminal growth rate is in the range of 1.0% to 1.5% (2017 : 1.0% to 1.5%), of which 1.5% (2017 : 1.5%) has been applied to the gaming business segment.

(v) Fair value less costs to sell

The fair value is estimated based on observable market prices of similar CGUs/assets within the same industry and similar locations. This is applicable principally for the property development and investment, and hotels and resorts business segments.

10 INTANGIBLE ASSETS (CONT'D)

Impairment test on Gaming Rights, Dealerships, Customer Relationships and Goodwill (Cont'd)

Sensitivity to changes in assumptions

For the Malaysian toto betting business segment, which goodwill has been fully impaired, the recoverable amount of Gaming Rights - Licence based on VIU computation, remains sensitive towards possible negative changes in terminal and revenue growth rates due to the unanticipated regulatory and economic changes.

Should the terminal growth rate decrease by 0.5% with all other variables held constant, the carrying amount of the gaming rights of the Malaysian toto betting business segment is expected to be impaired by RM168,330,000. Similarly, if no growth in revenue is anticipated in 2018, with all other variables remaining constant, the carrying amount of the gaming rights of the Malaysian toto betting business segment is expected to be impaired by RM49,321,000.

As for the Philippines leasing of online lottery equipment operations, the achievability of the VIU is principally dependent on the successful extension of the ELA. The supplemental and status quo agreement which granted the ELA a transitional extension will expire in August 2018. Currently, Philippine Gaming Management Corporation is in discussion with Philippine Charity Sweepstakes Office ("PCSO") where PCSO is requesting to extend the status quo to August 2020. In the event of a negative outcome of the extension request, the remaining amount of Gaming Rights - ELA may need to be impaired immediately. The carrying amount of the Gaming Rights - ELA as of the reporting date amounted to RM49,787,000 (2017 : RM85,601,000).

Management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying amounts of the CGUs allocated to Dealerships and Customer Relationships to materially exceed their recoverable amounts.

11 PROPERTY DEVELOPMENT COSTS

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016		
- freehold land	289,737	208,615
- long leasehold land	71	72
- land use rights	-	1
- development costs	293,648	138,436
	<u>583,456</u>	<u>347,124</u>
Costs incurred during the year:		
- freehold land	7,680	53,356
- development costs	133,062	138,199
	<u>140,742</u>	<u>191,555</u>
Costs recognised in profit or loss:		
- at 1 May 2017/2016	(236,077)	(95,914)
- recognised during the year	(143,427)	(140,163)
- eliminated during the year due to completion of project	270,024	-
- at 30 April 2018/2017	<u>(109,480)</u>	<u>(236,077)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

11 PROPERTY DEVELOPMENT COSTS (CONT'D)

	Group	
	2018 RM'000	2017 RM'000
Transferred during the year:		
- from land held for development	18,608	51,109
- to inventories	(45,006)	-
	<u>(26,398)</u>	<u>51,109</u>
Costs eliminated during the year due to completion of project:		
- freehold land	(3,120)	-
- development costs	(266,904)	-
	<u>(270,024)</u>	<u>-</u>
Disposed during the year:		
- long leasehold land	-	(1)
- land use rights	-	(1)
- development costs	-	(6,138)
	<u>-</u>	<u>(6,140)</u>
Accumulated impairment losses:		
At 1 May 2017/2016	-	(5,827)
Write-off/Reversal of impairment loss and 30 April 2018/2017	-	5,827
	<u>-</u>	<u>-</u>
Exchange differences	(2,009)	(192)
Carrying amount at 30 April 2018/2017	<u>316,287</u>	<u>347,379</u>

Included in the property development costs is interest capitalised for the year of RM1,588,000 (2017 : RM3,284,000).

Property development costs with carrying amounts of RM54,665,000 (2017 : RM223,077,000) are pledged to financial institutions for credit facilities granted to the Company.

12 INVENTORIES

	Group	
	2018 RM'000	2017 RM'000
At cost:		
Vehicles	282,747	254,427
Property inventories	139,844	103,892
Stores and consumables	21,865	20,447
Gaming equipment components and parts	1,337	959
Ticket inventories	4,541	4,741
Work-in-progress	3,137	4,212
Raw materials	12,738	13,729
Finished goods and inventories for resale	5,043	5,622
Balance carried forward	<u>471,252</u>	<u>408,029</u>

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

12 INVENTORIES (CONT'D)

	Group	
	2018 RM'000	2017 RM'000
Balance carried forward	471,252	408,029
At net realisable value:		
Vehicles	80,923	83,731
Property inventories	960	960
Stores and consumables	1,346	1,793
	554,481	494,513

The cost of inventories recognised as an expense during the current financial year amounted to RM2,086,442,000 (2017 : RM2,145,793,000). Property inventories with an aggregate carrying amount of RM63,761,000 (2017 : RM65,529,000) are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

The carrying amounts of inventories pledged for vehicle stocking loans amounted to RM331,767,000 (2017 : RM308,795,000).

13 RECEIVABLES

	2018 RM'000	Group 2017 RM'000 Restated	At 1.5.2016 RM'000 Restated
<u>CURRENT</u>			
Trade receivables			
Third parties	206,602	181,709	148,684
Related company	69,403	72,897	-
	276,005	254,606	148,684
Less: Allowance for impairment	(12,378)	(12,212)	(12,938)
	263,627	242,394	135,746
Other receivables			
Sundry receivables	212,436	221,073	283,087
Amount receivable from disposal of Great Mall Project (Note b(ii))	-	598,884	-
Refundable deposits	18,952	14,233	22,221
Amounts owing by :			
- related companies	27,736	10,447	6,496
- associated companies	398,753	443,385	288,101
- joint ventures	207,560	-	-
	865,437	1,288,022	599,905
Less: Allowance for impairment:			
- Sundry receivables	(7,082)	(6,231)	(7,644)
- Amounts owing by associated companies	(449)	(444)	(440)
	857,906	1,281,347	591,821

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

13 RECEIVABLES (CONT'D)

	2018 RM'000	Group 2017 RM'000 Restated	At 1.5.2016 RM'000 Restated
Other current assets			
Sundry receivables	38,973	39,368	35,367
Prepayments	291,884	299,942	290,547
Deposits for acquisition of assets	4,541	6,552	6,288
Dividend receivable	-	470	-
Accrued billings in respect of property development costs/property sales	4,485	43,033	37,435
	<u>339,883</u>	<u>389,365</u>	<u>369,637</u>
Total current receivables	<u>1,461,416</u>	<u>1,913,106</u>	<u>1,097,204</u>
<u>NON-CURRENT</u>			
Other receivables			
Amount receivable from disposal of Great Mall Project (Note b(i))	473,862	-	-
Compensation receivable for Jeju Project (Note b(ii))	593,253	604,255	541,965
Stakeholders' sum	8,140	-	-
Amounts owing by joint ventures	429,533	696,126	612,198
Total non-current receivables	<u>1,504,788</u>	<u>1,300,381</u>	<u>1,154,163</u>
Total receivables	<u><u>2,966,204</u></u>	<u><u>3,213,487</u></u>	<u><u>2,251,367</u></u>

	Company	
	2018 RM'000	2017 RM'000
Other receivables		
Sundry receivables	302	300
Refundable deposits	864	837
Amounts owing by :		
- subsidiary companies	1,368,065	1,564,738
- related companies	316	299
- associated companies	210,671	283,319
	<u>1,580,218</u>	<u>1,849,493</u>
Less: Allowance for impairment:		
- Sundry receivables	(166)	(166)
- Amounts owing by:		
- subsidiary companies	(52,773)	(28,557)
- associated companies	(9)	(9)
	<u>1,527,270</u>	<u>1,820,761</u>

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

13 RECEIVABLES (CONT'D)

	Company	
	2018 RM'000	2017 RM'000
Other current assets		
Sundry receivables	272	286
Prepayments	4,566	5,024
Dividend receivable	7,303	4,870
	12,141	10,180
Total current receivables	1,539,411	1,830,941
<u>NON-CURRENT</u>		
Other receivables		
Amounts owing by subsidiary companies	1,156,574	1,055,404
Less: Allowance for impairment	(44,591)	(37,585)
Total non-current receivables	1,111,983	1,017,819
Total receivables	2,651,394	2,848,760

As at 30 April 2018, the Group has no significant concentration of credit risk that may arise from exposure to a single trade receivable or to groups of trade receivables, except as disclosed in Note (a) below.

(a) Trade receivables

The Group's trade receivables are non-interest bearing with credit term ranging from 1 to 60 (2017 : 1 to 60) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Included in the trade receivables of the Group is an amount due from a related company amounting to RM69,403,000 (2017 : RM72,897,000).

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

	Group	
	2018 RM'000	2017 RM'000
Neither past due nor impaired	83,408	111,929
1 to 30 days past due not impaired	27,618	35,367
31 to 60 days past due not impaired	11,697	10,876
61 to 90 days past due not impaired	10,114	5,564
91 to 365 days past due not impaired	79,685	71,723
More than 365 days past due not impaired	50,640	6,192
	179,754	129,722
Impaired	12,843	12,955
	276,005	254,606

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

13 RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment track records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM179,754,000 (2017 : RM129,722,000) that are past due at the reporting date but not impaired as there is no concern on the credit-worthiness of the counterparties and the recoverability of these debts.

Receivables that are impaired

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

	Group	
	2018 RM'000	2017 RM'000
Trade receivables - nominal amounts	12,843	12,955
Less: Allowance for impairment	(12,378)	(12,212)
	465	743

Movement in allowance accounts

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	12,212	12,938
Charge for the year (Note 33)	1,256	996
Reversal of impairment loss (Note 29)	(651)	(670)
Written off	(324)	(1,050)
Exchange differences	(115)	(2)
At 30 April 2018/2017	12,378	12,212

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its trade receivable balances on account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management are of the opinion that there are no further factors that warrants the consideration of additional impairment losses on a collective basis.

13 RECEIVABLES (CONT'D)

(b) Other receivables: current and non-current

Movement in allowance accounts

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 May 2017/2016	6,675	8,084	66,317	86,988
Charge for the year (Notes 31, 33)	865	165	31,222	19,973
Reversal of				
impairment loss (Notes 29, 30)	(7)	(134)	-	(40,644)
Written off	-	(1,388)	-	-
Exchange differences	(2)	(52)	-	-
At 30 April 2018/2017	7,531	6,675	97,539	66,317

- (i) This represents the Final Instalment claimed by GMOC from Beijing SkyOcean in respect of the GMOC Arbitration, details of which are disclosed in Notes 2.5(a)(iii) and 40(c).
- (ii) This represents the Jeju Project costs claimed by BJR from JDC in respect of the JDC Lawsuit. Details of the JDC Lawsuit are disclosed in Note 40(a).

The Jeju Project has been placed under lien by its main contractor. The outstanding amount due to the main contractor as at the reporting date amounted to RM81,789,000 (2017 : RM70,553,000) as disclosed in Note 25(a). The main contractor has also placed a lien on potential compensation receivable pending a positive judgement over the JDC Lawsuit.

The Group has no significant concentration of credit risk that may arise for exposures to a single debtor or a group of debtors except for RM473,862,000 (2017 : RM598,884,000) being the Final Instalment of the disposal of the Great Mall Project, RM593,253,000 (2017 : RM604,255,000) being costs claimed in JDC Lawsuit and the amounts owing by joint ventures and associated companies. The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of receivables except for the amounts owing by subsidiary companies.

The amounts owing by subsidiary companies, associated companies and related companies of the Company are unsecured, repayable on demand and interest bearing except for a gross amount totalling RM1,410,044,000 (2017 : RM1,839,429,000) which are non interest bearing.

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

The amounts owing by associated companies and related companies of the Group are unsecured, repayable on demand and non-interest bearing except for a gross amount totalling RM94,891,000 (2017 : RM77,513,000) which are interest bearing.

The amounts owing by joint ventures are unsecured, interest-bearing with schedule of repayments ranging from 2 to 20 (2017 : 2 to 20) years, except for an amount of RM207,560,000 (2017 : RMNil) which is expected to be settled within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

13 RECEIVABLES (CONT'D)

(c) Other current assets

Included in sundry receivables of the Group are advance payments of RM38,533,000 (2017 : RM39,029,000) made in respect of property development project of the Group's foreign venture.

Included in prepayments of the Group is an amount of RM230,724,000 (2017 : RM230,724,000) which relates to a proposed project for the relocation of a turf club. The amount was prepaid to a related company as disclosed in Note 40(b).

14 SHORT TERM INVESTMENTS

	Group	
	2018 RM'000	2017 RM'000
Unit trust funds in Malaysia, at fair value	9,206	9,006

15 DEPOSITS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Deposits with:				
- Licensed banks	412,811	410,800	33,893	27,402
- Other financial institutions	18,738	15,193	-	-
	<u>431,549</u>	<u>425,993</u>	<u>33,893</u>	<u>27,402</u>

Included in deposits are:

(a) amounts which are restricted in usage:

- (i) RM44,235,000 (2017 : RM47,707,000) and RM33,893,000 (2017 : RM27,402,000) held in debt service reserve accounts for the Group and the Company respectively;
- (ii) RM6,414,000 (2017 : RM7,296,000) pledged for credit facilities granted to certain subsidiary companies of the Group; and
- (iii) RM13,724,000 (2017 : RM4,163,000) being deposits with maturity more than 3 months.

- (b) RM23,347,000 (2017 : RM26,488,000) held in sinking funds and trust accounts for the operations of recreational clubs and time share operations.

The weighted average effective interest rates of deposits as at reporting date are as follows:

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Licensed banks	3.29	3.11	3.29	2.62
Other financial institutions	1.68	1.03	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15 DEPOSITS (CONT'D)

The weighted average maturities of deposits as at the end of financial year are as follows:

	Group		Company	
	2018 Days	2017 Days	2018 Days	2017 Days
Licensed banks	23	13	29	16
Other financial institutions	26	74	-	-

16 CASH AND BANK BALANCES

Included in cash and bank balances are:

- (a) amounts which are restricted in usage:
 - (i) RM5,027,000 (2017 : RM7,736,000) and RM2,652,000 (2017 : RM4,813,000) held in debt service reserve accounts for the Group and the Company respectively;
 - (ii) RM1,079,000 (2017 : RM1,594,000) pledged for credit facilities granted to foreign subsidiary companies of the Group; and
 - (iii) RM47,000 (2017 : RM14,625,000) held in an escrow account for credit facility granted to a subsidiary company.
- (b) amounts totalling RM146,300,000 (2017 : RM57,568,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966.
- (c) monies held for the operations of recreational clubs and time share operations amounting to RM495,000 (2017 : RM695,000).

17 DISPOSAL GROUP/ASSETS CLASSIFIED AS HELD FOR SALE

The disposal group of the current financial year comprise:

- (a) the carrying amount of an associated company, Berjaya Vietnam Financial Center Limited ("BVFC") of RM145,373,000. During the current financial year, the Company's wholly-owned subsidiary, Berjaya Leisure (Cayman) Limited ("BLCL") received a refundable deposit of USD15.0 million (equivalent to about RM58.734 million). Subsequent to the year end, BLCL entered into a Capital Transfer Agreement ("CTA") to dispose of its entire 32.5% equity interest in BVFC. Details of the proposed disposal are disclosed in Note 48;
- (b) the carrying amount of an unquoted investment, Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT") of RM5,376,000. As disclosed in Note 48, BLCL intended to dispose BVIUT to the buyers of BVFC or their affiliates; and
- (c) assets and liabilities of a subsidiary company, Berjaya Long Beach Limited Liability Company ("BLong Beach"). In the previous financial year, BLCL entered into a CTA to dispose of its entire 70% stake in BLong Beach for VND333.25 billion (equivalent to about RM57.32 million).

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

17 DISPOSAL GROUP/ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

As of reporting date, the proposed disposals of items (a) and (c) are pending completion as certain terms and conditions in the respective CTAs are still unfulfilled. The proposed disposal of item (b) is in the process of negotiation.

Details of disposal group are as follows:

	Group	
	2018	2017
	RM'000	RM'000
<u>Assets</u>		
Property, plant and equipment	36,666	41,636
Associated company (Note 6(c)(ii))	145,373	-
Investments (Note 6(c)(iii))	5,376	-
Inventories	92	109
Receivables	35,329	1,008
Cash and bank balances	44	163
Assets of disposal group classified as held for sale	<u>222,880</u>	<u>42,916</u>
<u>Liabilities</u>		
Payables, representing liabilities directly associated with disposal group classified as held for sale	<u>2,959</u>	<u>2,775</u>
Analysed as follows:		
<u>Assets</u>		
Relating to the disposal of BLong Beach	37,603	42,916
Investment in BVFC and BVIUT	150,749	-
Amounts due from BVFC and BVIUT	34,528	-
	<u>222,880</u>	<u>42,916</u>
<u>Liabilities</u>		
Payable relating to the disposal of BLong Beach	<u>2,959</u>	<u>2,775</u>

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18 SHARE CAPITAL

	Group and Company			
	No. of ordinary shares		Amount	
	2018 '000	2017 '000	2018 RM'000	2017 RM'000
Issued and fully paid:				
At beginning of the year				
and at end of the year	5,000,337	5,000,337	2,500,168	2,500,168

	Group and Company	
	2018 No. of shares '000	2017 No. of shares '000
Issued ordinary shares with voting rights:		
Total number of issued ordinary shares	5,000,337	5,000,337
Less: Number of ordinary shares held as treasury shares (Note 20)	(10,943)	(10,943)
	4,989,394	4,989,394

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares (other than treasury shares) rank equally with regards to the Company's residual assets.

19 RESERVES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-distributable:				
Foreign currency translation reserve (Note a)	152,707	234,019	-	-
Fair value reserve (Note b)	1,199,412	1,179,509	-	-
Consolidation reserve (Note c)	81,719	81,842	-	-
Available-for-sale reserve (Note d)	4,450	5,215	712	1,874
Capital reserve (Note e)	116,528	116,528	-	-
Distributable:				
Retained earnings (Note f)	246,328	425,604	602,033	740,193
	1,801,144	2,042,717	602,745	742,067

(a) Foreign currency translation reserve

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	234,019	122,525
Current year movement	(113,022)	111,494
Transfer to profit or loss upon dilution of subsidiary companies	31,710	-
At 30 April 2018/2017	152,707	234,019

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

19 RESERVES (CONT'D)

(b) Fair value reserve

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	1,179,509	1,385,254
Share of reversal of impairment/(impairment) of gaming rights	38,251	(257,518)
Share of deferred tax liability arising from reversal of impairment/(impairment) of gaming rights	(9,180)	61,804
Arising from transfer of property, plant and equipment to investment properties	864	-
Effects of amortisation of gaming rights	(10,032)	(10,031)
At 30 April 2018/2017	<u>1,199,412</u>	<u>1,179,509</u>

This reserve represents mainly the Group's share of post acquisition fair value and other adjustments arising from the business combination of BToto Group in prior years.

(c) Consolidation reserve

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	81,842	102,109
Arising from:		
- decrease in equity interest in a subsidiary company	-	2,891
- increase in equity interest in a subsidiary company	(123)	(23,158)
At 30 April 2018/2017	<u>81,719</u>	<u>81,842</u>

This reserve represents the effects arising from changes in the Group's ownership interest in a subsidiary company that does not result in loss of control.

(d) Available-for-sale reserve

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 May 2017/2016	5,215	4,891	1,874	-
Changes in fair values of available-for-sale financial assets during the year	(9,171)	376	(183)	1,874
Transfer to profit or loss upon:				
- disposal	459	(52)	(979)	-
- impairment	7,947	-	-	-
At 30 April 2018/2017	<u>4,450</u>	<u>5,215</u>	<u>712</u>	<u>1,874</u>

Available-for-sale reserve represents the cumulative fair value changes, net of tax, if applicable, of available-for-sale financial assets until they are disposed of or impaired.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

19 RESERVES (CONT'D)

(e) Capital reserve

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	116,528	10,804
Transferred from distributable earnings arising from a subsidiary company's bonus issue of shares	-	105,724
At 30 April 2018/2017	116,528	116,528

This reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.

(f) Retained earnings

Subject to Section 131 of the Companies Act 2016, the retained earnings of the Company is available for distribution as single tier dividends.

20 TREASURY SHARES

	Group and Company			
	2018 No. of shares '000	2017 No. of shares '000	2018 RM'000	2017 RM'000
At beginning and end of the year	10,943	10,943	20,699	20,699

The renewal of the Company's plan and mandate relating to the share buyback was approved by the shareholders of the Company on 23 October 2017 granting the directors of the Company the authority to buyback its own shares up to 10% of the existing total number of issued shares, inclusive of all treasury shares that have been bought back.

The shares bought back are held as treasury shares and none of these shares were cancelled or distributed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
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21 LONG TERM BORROWINGS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<u>Secured:</u>				
Term loans	969,820	1,285,213	310,704	412,449
Amount repayable within 12 months included in short term borrowings (Note 26)	(393,799)	(631,073)	(253,211)	(297,815)
	576,021	654,140	57,493	114,634
Medium term notes (Note a)	1,399,221	1,423,700	599,221	648,700
Amount repayable within 12 months included in short term borrowings (Note 26)	(524,701)	(529,480)	(224,701)	(274,480)
	874,520	894,220	374,520	374,220
Other bank borrowings	373,673	231,106	317,141	106,936
	1,824,214	1,779,466	749,154	595,790
Hire purchase and finance lease liabilities (Note b)	74,257	90,542	598	830
Amount repayable within 12 months included in short term borrowings (Note 26)	(10,104)	(87,672)	(257)	(388)
	64,153	2,870	341	442
	1,888,367	1,782,336	749,495	596,232

The long term borrowings of the Group and of the Company are secured by quoted shares, properties, deposits and cash and bank balances of the Group and of the Company as mentioned in Notes 3, 4, 5, 6, 7, 9, 11, 12, 15 and 16. The term loans and other bank borrowings bear floating interest at rates ranging from 2.81% to 8.03% (2017 : 2.00% to 7.08%) per annum for the Group and from 4.82% to 6.55% (2017 : 4.91% to 6.19%) per annum for the Company.

Details of the outstanding long term borrowings are as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Long term borrowings				
Amounts repayable within :				
More than 1 year				
but not later than 2 years	1,011,285	469,823	372,381	95,221
More than 2 years				
but not later than 5 years	670,818	1,127,321	377,114	501,011
More than 5 years	206,264	185,192	-	-
	1,888,367	1,782,336	749,495	596,232

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

21 LONG TERM BORROWINGS (CONT'D)

(a) Medium term notes

The facility amounts of the medium terms notes ("MTN") programme are as follows:

	Group	
	2018 RM'000	2017 RM'000
STM MTN	800,000	800,000
BLB MTN	650,000	650,000
	1,450,000	1,450,000

- (i) Sports Toto Malaysia Sdn Bhd ("STM"), a wholly-owned subsidiary company of BToto undertook a MTN programme of up to RM800,000,000 in nominal value ("STM MTN"). As at 30 April 2018, STM MTN totalling RM800,000,000 (2017 : RM775,000,000) in nominal value remains outstanding.

STM MTN is secured by a third party first equitable charge over the entire issued and paid-up share capital of STM with a carrying amount of RM3,976,270,000 (2017 : RM3,918,970,000) which is the issuer and a corporate guarantee provided by BToto.

- (ii) The Company undertook a MTN programme of up to RM650,000,000 in nominal value ("BLB MTN"). As at 30 April 2018, BLB MTN totalling to RM600,000,000 (2017 : RM650,000,000) in nominal value remains outstanding.

BLB MTN is secured by a financial guarantee insurance facility granted by Danajamin Nasional Berhad to the Company for the principal redemption of up to RM500,000,000 in nominal value and a bank guarantee facility granted by OCBC Bank (Malaysia) Berhad to the Company for the principal redemption of up to RM150,000,000 in nominal value.

The maturities of the MTNs as at the reporting date are as follows:

<u>CURRENT</u>		Group		Company	
Maturity		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Secured with fixed rate:					
4.30% p.a.	June 2018	50,000	-	-	-
4.47% p.a.	June 2018	30,000	-	-	-
4.73% p.a.	June 2018	95,000	-	-	-
4.40% p.a.	July 2018	125,000	-	-	-
4.55% p.a.	December 2018	174,767	-	174,767	-
4.38% p.a.	December 2018	49,934	-	49,934	-
6.00% p.a.	June 2017	-	150,000	-	-
4.60% p.a.	June 2017	-	35,000	-	-
4.60% p.a.	June 2017	-	70,000	-	-
4.75% p.a.	December 2017	-	199,622	-	199,622
4.65% p.a.	December 2017	-	74,858	-	74,858
Amount repayable					
within 12 months included					
in short term borrowings (Note 26)		524,701	529,480	224,701	274,480

NOTES TO THE FINANCIAL STATEMENTS
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21 LONG TERM BORROWINGS (CONT'D)

(a) Medium term notes (Cont'd)

The maturities of the MTNs as at the reporting date are as follows:

<u>NON-CURRENT</u>		Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
	Maturity				
Secured with fixed rate:					
4.82% p.a.	June 2019	200,000	-	-	-
4.53% p.a.	June 2019	55,000	-	-	-
4.88% p.a.	July 2019	145,000	-	-	-
4.95% p.a.	December 2019	199,744	-	199,744	-
4.85% p.a.	December 2019	74,904	-	74,904	-
4.30% p.a.	June 2018	-	50,000	-	-
4.47% p.a.	June 2018	-	30,000	-	-
4.73% p.a.	June 2018	-	95,000	-	-
Amount repayable more than 1 year but not later than 2 years		674,648	175,000	274,648	-
4.82% p.a.	June 2019	-	200,000	-	-
4.88% p.a.	July 2019	-	145,000	-	-
4.95% p.a.	December 2019	-	199,584	-	199,584
4.85% p.a.	December 2019	-	74,844	-	74,844
4.65% p.a.	June 2020	60,000	-	-	-
5.35% p.a.	December 2021	99,872	99,792	99,872	99,792
4.82% p.a.	June 2022	40,000	-	-	-
Amount repayable more than 2 years but not later than 5 years		199,872	719,220	99,872	374,220
Total non-current MTNs		<u>874,520</u>	<u>894,220</u>	<u>374,520</u>	<u>374,220</u>

(b) Hire purchase and finance lease liabilities

Approximately RM2,028,000 (2017 : RM2,073,000) and RM341,000 (2017 : RM442,000) included in the hire purchase and finance lease liabilities of the Group and of the Company respectively are owing to a related company.

The hire purchase and finance lease liabilities bear interest at rates ranging from 2.35% to 8.80% (2017 : 2.99% to 8.50%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
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21 LONG TERM BORROWINGS (CONT'D)

(b) Hire purchase and finance lease liabilities (Cont'd)

The commitment terms under the hire purchase and finance lease liabilities are summarised as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Future minimum lease payments:				
1 year after reporting date	14,402	91,834	313	467
More than 1 year				
but not later than 2 years	13,483	1,404	240	273
More than 2 years				
but not later than 5 years	31,915	1,742	179	267
More than 5 years	31,972	-	-	-
	91,772	94,980	732	1,007
Unexpired interest	(17,515)	(4,438)	(134)	(177)
	74,257	90,542	598	830
Amount repayable within 12 months included in short term borrowings (Note 26)	(10,104)	(87,672)	(257)	(388)
	64,153	2,870	341	442
Analysis of hire purchase and finance lease liabilities:				
1 year after reporting date	10,104	87,672	257	388
More than 1 year but				
but not later than 2 years	9,785	1,251	196	225
More than 2 years				
but not later than 5 years	24,053	1,619	145	217
More than 5 years	30,315	-	-	-
	74,257	90,542	598	830

22 LONG TERM LIABILITIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Club members' deposits (Note a)	1,149	10,419	-	-
Deferred membership fees (Note b)	66,606	70,729	-	-
Other deferred income (Note c)	20,978	21,524	-	-
Retention sum				
- property development projects	6,839	5,998	-	-
Rental deposits	2,694	2,612	-	-
Payable for acquisition				
of an associated company (Note d)	7,814	-	-	-
Other payables	7,778	-	-	-
Amount owing to subsidiary companies (Note e)	-	-	297,018	-
	113,858	111,282	297,018	-

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22 LONG TERM LIABILITIES (CONT'D)

- (a) Club members' deposits represent amounts paid by members to certain subsidiary companies for membership licences issued to use and enjoy the facilities of the subsidiary companies' recreational clubs. The monies are refundable to the members upon expiry of prescribed terms from the dates of issuance of the licences.
- (b) Deferred membership fees are recognised over the membership period.
- (c) Other deferred income represents the difference between the carrying amount and fair value of financial liabilities upon initial recognition which is recognised systematically on a straight-line basis over the tenure of the memberships or tenancy period.
- (d) The payable for the acquisition of an associated company is in respect of subscription of additional shares in SIAMH to be settled on deferred payment terms as disclosed in Note 47(b).
- (e) The amounts owing to certain subsidiary companies which are interest bearing, have been classified as long term liabilities as these subsidiary companies do not intend to call for the payments of these amounts within the next 12 months.

23 RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations recognised by the Group is analysed into:

		Group	
		2018 RM'000	2017 RM'000
Current	- unfunded defined benefit plans	153	126
Non-current	- funded defined benefit plan	(1,732)	3,231
	- unfunded defined benefit plans	7,192	6,803
		5,460	10,034
		5,613	10,160

(a) Funded Defined Benefit Plan

Certain foreign subsidiary companies of the Group maintain separate funded retirement plans for its eligible employees. Actuarial valuations are made regularly to update the retirement benefit costs.

The movements in the funded defined benefit obligation recognised are as follows:

		Group	
		2018 RM'000	2017 RM'000
At 1 May 2017/2016		3,231	3,385
Recognised in statement of profit or loss		697	935
Recognised in statement of comprehensive income		(3,534)	699
Employer's contribution		(1,701)	(1,961)
Exchange differences		(425)	173
At 30 April 2018/2017		(1,732)	3,231
Presented after appropriate offsetting as follows:			
Retirement benefit assets		(3,506)	-
Retirement benefit liabilities		1,774	3,231
		(1,732)	3,231

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23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Funded Defined Benefit Plan (Cont'd)

The amounts of funded defined benefit obligation recognised in the consolidated statement of financial position are determined as follows:

	Group	
	2018 RM'000	2017 RM'000
Present value of the obligation	73,321	80,711
Fair value of plan assets	(75,053)	(77,480)
Deficit over plan assets	<u>(1,732)</u>	<u>3,231</u>

The movements in present value of the funded defined benefit obligation recognised are as follows:

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	80,711	70,183
Current service cost and interest cost	2,784	3,172
Actuarial (gain)/loss	(2,930)	12,254
Benefits paid by the plan	(1,656)	(3,777)
Liabilities extinguished on settlements	(3,357)	-
Exchange differences	(2,231)	(1,121)
At 30 April 2018/2017	<u>73,321</u>	<u>80,711</u>

The movements in fair value of plan assets are presented below:

	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	77,480	66,798
Interest income	2,047	2,237
Return on plan assets	604	11,555
Employer's contribution	1,701	1,961
Benefits paid by the plan	(1,656)	(3,777)
Assets distributed on settlements	(3,317)	-
Exchange differences	(1,806)	(1,294)
At 30 April 2018/2017	<u>75,053</u>	<u>77,480</u>

The plan assets consist of the following:

	Group	
	2018 RM'000	2017 RM'000
Fixed income assets	74,717	76,850
Cash in bank	336	628
Others	-	2
	<u>75,053</u>	<u>77,480</u>

The components of amounts recognised in the consolidated profit or loss and in other comprehensive income in respect of the funded defined benefit retirement plan are as follows:

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23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Funded Defined Benefit Plan (Cont'd)

Reported in the consolidated statement of profit or loss:

	Group	
	2018 RM'000	2017 RM'000
Current service costs recognised in directors' remuneration and employee benefit expenses (Notes 34 and 35)	596	763
Net interest costs (Note 32)	101	172
Retirement benefits recognised in profit or loss	697	935

Reported in the consolidated statement of comprehensive income:

	Group	
	2018 RM'000	2017 RM'000
Remeasurement gain/(losses) arising from:		
Actuarial changes in financial assumptions	2,648	(11,986)
Actuarial changes in demographic assumptions	382	(1,361)
Return on plan assets	604	11,555
Experience adjustments arising from defined benefit obligations	(100)	1,093
	3,534	(699)
Deferred tax (expense)/benefit	(759)	180
Retirement benefits recognised in other comprehensive income	2,775	(519)

The current service and net interest costs are charged to profit or loss and presented as part of the employee benefit expenses and finance costs respectively.

The amounts recognised in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

Presented below is the historical information related to the present value of the funded defined benefit obligation, fair value of the plan assets and (surplus)/deficit in the plan.

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000
Present value of the obligation	73,321	80,711	70,183	71,452	64,913
Fair value of the plan assets	(75,053)	(77,480)	(66,798)	(67,634)	(61,451)
(Surplus)/Deficit in the plan	(1,732)	3,231	3,385	3,818	3,462

For the determination of the funded defined benefit obligation, the following principal actuarial assumptions were used:

	Group	
	2018	2017
Discount rate	2.70% - 6.84%	2.70% - 5.08%

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23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Funded Defined Benefit Plan (Cont'd)

Sensitivity analysis for retirement benefit obligation

The management is of the view that any reasonably possible changes to the principal actuarial assumptions will not have significant impact to the Group.

(b) Unfunded Defined Benefit Plans

Certain subsidiary companies in Malaysia operate unfunded, defined retirement benefit schemes and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees. Under the scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days per year of final salary on attainment of the retirement age of 60.

	Group	
	2018	2017
	RM'000	RM'000
At 1 May 2017/2016	6,929	6,305
Recognised in profit or loss	715	785
Utilisation of provision during the year	(299)	(161)
At 30 April 2018/2017	7,345	6,929
Analysed as follows:		
Current	153	126
Non-current	7,192	6,803
	7,345	6,929

The amounts recognised in the consolidated statement of financial position are determined based on the present value of unfunded defined benefit obligations.

The amounts recognised in the consolidated statement of profit or loss are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Current service cost (Note 35)	337	436
Interest cost (Note 32)	378	349
Retirement benefits recognised in profit or loss	715	785

	Group	
	2018	2017
Principal actuarial assumptions to determine benefit obligations:		
Discount rate in Malaysia (%)	5.50	5.50 - 6.00
Expected rate of salary increases (%)	6.00	6.00

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23 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Unfunded Defined Benefit Plans (Cont'd)

A quantitative sensitivity analysis of the change in the rate is shown below:

	Increase / (decrease)		Impact on unfunded defined benefit obligations	
	2018 %	2017 %	2018 RM'000	2017 RM'000
Discount rate	1	1	(882)	(834)
Future salary increase	1	1	1,131	1,048
Discount rate	(1)	(1)	1,051	1,002
Future salary decrease	(1)	(1)	(958)	(893)

The duration of the unfunded defined benefit obligations as at 30 April 2018 is between 11 and 15 (2017 : 11 and 16) years.

24 DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
At 1 May 2017/2016	1,022,368	1,173,255	-	-
Recognised in profit or loss (Note 36)	(8,934)	4,966	-	-
Recognised in other comprehensive income	24,080	(154,498)	-	-
Recognised in intangible assets	(517)	(283)	-	-
Exchange differences	512	(1,072)	-	-
At 30 April 2018/2017	<u>1,037,509</u>	<u>1,022,368</u>	<u>-</u>	<u>-</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(33,607)	(38,653)	-	-
Deferred tax liabilities	1,071,116	1,061,021	-	-
	<u>1,037,509</u>	<u>1,022,368</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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24 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

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

Deferred Tax Liabilities of the Group:	Property, plant and equipment RM'000	Gaming rights/ Goodwill RM'000	Undistributed profits of an associated company RM'000	Land held for development RM'000	Receivables/ Payables/ Others RM'000	Development properties RM'000	Investment properties RM'000	Property inventories RM'000	Total RM'000
At 1 May 2017	113,463	938,533	4,475	9,951	1,602	6,746	31,154	8,719	1,114,643
Recognised in profit or loss	(2,110)	(7,932)	(1,721)	(1,717)	(1,143)	521	69	(226)	(14,259)
Recognised in intangible assets	-	(517)	-	-	-	-	-	-	(517)
Recognised in other comprehensive income	-	22,819	-	-	-	-	502	-	23,321
Exchange differences	(651)	-	-	(1)	(449)	(15)	2	(2)	(1,116)
	<u>110,702</u>	<u>952,903</u>	<u>2,754</u>	<u>8,233</u>	<u>10</u>	<u>7,252</u>	<u>31,727</u>	<u>8,491</u>	<u>1,122,072</u>
Less: Set-off of deferred tax assets									<u>(50,956)</u>
At 30 April 2018									<u>1,071,116</u>
At 1 May 2016	113,127	1,101,760	-	8,924	1,819	7,079	30,121	8,829	1,271,659
Recognised in profit or loss	443	(8,626)	4,475	1,027	(241)	(333)	1,033	(110)	(2,332)
Recognised in intangible assets	-	(283)	-	-	-	-	-	-	(283)
Recognised in other comprehensive income	-	(154,318)	-	-	-	-	-	-	(154,318)
Exchange differences	(107)	-	-	-	24	-	-	-	(83)
	<u>113,463</u>	<u>938,533</u>	<u>4,475</u>	<u>9,951</u>	<u>1,602</u>	<u>6,746</u>	<u>31,154</u>	<u>8,719</u>	<u>1,114,643</u>
Less: Set-off of deferred tax assets									<u>(53,622)</u>
At 30 April 2017									<u>1,061,021</u>

NOTES TO THE FINANCIAL STATEMENTS
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24 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

	Other payables RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Unabsorbed investment tax allowances RM'000	Others RM'000	Total RM'000
<u>Deferred Tax Assets of the Group:</u>					
At 1 May 2017	(41,035)	(44,278)	(22)	(6,940)	(92,275)
Recognised in profit or loss	(1,061)	4,493	(279)	2,172	5,325
Recognised in other comprehensive income	-	-	-	759	759
Exchange differences	621	683	8	316	1,628
	<u>(41,475)</u>	<u>(39,102)</u>	<u>(293)</u>	<u>(3,693)</u>	<u>(84,563)</u>
Less: Set-off of deferred tax liabilities					50,956
At 30 April 2018					<u>(33,607)</u>
At 1 May 2016	(47,132)	(44,873)	(599)	(5,800)	(98,404)
Recognised in profit or loss	5,968	1,665	577	(912)	7,298
Recognised in other comprehensive income	-	-	-	(180)	(180)
Exchange differences	129	(1,070)	-	(48)	(989)
	<u>(41,035)</u>	<u>(44,278)</u>	<u>(22)</u>	<u>(6,940)</u>	<u>(92,275)</u>
Less: Set-off of deferred tax liabilities					53,622
At 30 April 2017					<u>(38,653)</u>

NOTES TO THE FINANCIAL STATEMENTS
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24 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

<u>Deferred Tax Liabilities of the Company:</u>	Property, plant and equipment RM'000	Total RM'000	
At 1 May 2017	191	191	
Recognised in profit or loss	(191)	(191)	
	-	-	
Less: Set-off of deferred tax assets		-	
At 30 April 2018		-	
At 1 May 2016	253	253	
Recognised in profit or loss	(62)	(62)	
	191	191	
Less: Set-off of deferred tax assets		(253)	
At 30 April 2017		(62)	
	Unabsorbed capital allowances RM'000	Other payables RM'000	Total RM'000
<u>Deferred Tax Assets of the Company:</u>			
At 1 May 2017	(72)	(119)	(191)
Recognised in profit or loss	72	119	191
	-	-	-
Less: Set-off of deferred tax liabilities			-
At 30 April 2018			-
At 1 May 2016	(149)	(104)	(253)
Recognised in profit or loss	77	(15)	62
	(72)	(119)	(191)
Less: Set-off of deferred tax liabilities			253
At 30 April 2017			62

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unutilised tax losses	532,710	476,170	-	-
Unabsorbed capital allowances	233,674	237,548	207	1,194
Investment tax allowances	93,728	79,643	-	-
Others	162,073	129,039	-	-
	<u>1,022,185</u>	<u>922,400</u>	<u>207</u>	<u>1,194</u>

Deferred tax assets have not been recognised in respect of the unutilised tax losses, unabsorbed capital allowances, investment tax allowances and other deductible temporary differences as it is not probable that future taxable profits from a business source as defined by the Malaysian tax legislature will be available against which the unutilised tax losses, unabsorbed capital allowances, investment tax allowances and other deductible temporary differences can be utilised.

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24 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Company and its respective Malaysian incorporated subsidiary companies are subject to no substantial changes in shareholdings of the respective entities under Section 44(5A) and Paragraph 75A, Schedule 3 of the Income Tax Act, 1967 (the Act). However, the Minister of Finance has exercised his powers under Section 44(5D) and paragraph 75C, Schedule 3 of the Act to exempt all companies except dormant companies from the provision of Section 44(5A) and paragraph 75A, Schedule 3 of the Act respectively.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislations of the respective countries.

25 PAYABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Trade payables	244,586	272,508	-	-
Other payables				
Other payables	141,028	163,604	1,185	1,387
Accruals	380,751	365,840	15,564	15,594
Payable for acquisition of assets	161,870	162,881	-	-
Agency deposits	37,750	37,841	-	-
Pool betting duty payables	20,413	19,757	-	-
Payable for acquisition of associated company	2,034	-	-	-
Refundable deposits received for disposal of investments	253,153	35,020	-	-
Refundable deposits	217,729	150,985	-	-
Amounts owing to:				
- subsidiary companies	-	-	660,577	1,001,865
- related companies	71,063	52,387	692	5,129
- associated companies	61	107	61	107
	<u>1,285,852</u>	<u>988,422</u>	<u>678,079</u>	<u>1,024,082</u>
Other current liabilities				
Deposits	4,800	5,602	-	-
Deferred income	5,596	6,932	-	-
Progress billings in respect of property development costs/property sales	99,475	69,928	-	-
Dividend payable to non controlling interests	32,248	507	-	-
	<u>142,119</u>	<u>82,969</u>	<u>-</u>	<u>-</u>
Total payables	<u>1,672,557</u>	<u>1,343,899</u>	<u>678,079</u>	<u>1,024,082</u>

25 PAYABLES (CONT'D)

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group range from 1 to 183 (2017 : 1 to 183) days.

Included in the trade payables is an amount of RM81,789,000 (2017 : RM70,553,000) due to the main contractor of the Jeju Project as referred to in Notes 2.5(a)(ii) and 40(a). The main contractor has a lien over the amount recoverable from the Jeju Project as disclosed in Note 13(b)(ii).

(b) Other payables

Included in other payables are advances from certain directors of subsidiary companies amounting to RM2,153,000 (2017 : RM2,132,000).

Included in accruals of the Group are accrued contributions to the National Sports Council and accrual for gaming tax payable to the Ministry of Finance of Malaysia.

Payable for acquisition of assets relates to the balance purchase price of several parcels of freehold land acquired by a subsidiary company.

Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

The payable for the acquisition of an associated company is in respect of of subscription of additional shares in SIAMH to be settled on deferred payment terms as disclosed in Note 47(b).

Refundable deposits received for the disposal of investments are in relation to the proposed disposals of several foreign ventures as disclosed in Note 17.

The amounts owing to subsidiary, related and associated companies are unsecured, repayable on demand and interest bearing except for amounts totalling RM71,063,000 and RM63,538,000 (2017 : RM48,011,000 and RM67,803,000) which are non-interest bearing in respect of the Group and the Company respectively.

26 SHORT TERM BORROWINGS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Secured:				
Amount repayable within 12 months:				
- Term loans (Note 21)	393,799	631,073	253,211	297,815
- Medium term notes (Note 21)	524,701	529,480	224,701	274,480
Other short term borrowings	278,641	394,835	97,999	178,549
Vehicle stocking loans	313,704	281,121	-	-
Bank overdrafts	10,147	7,816	2,206	1,450
	1,520,992	1,844,325	578,117	752,294
Amount repayable within 12 months:				
Hire purchase and finance lease liabilities (Note 21)	10,104	87,672	257	388
	1,531,096	1,931,997	578,374	752,682

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26 SHORT TERM BORROWINGS (CONT'D)

The secured borrowings are secured by certain quoted shares, properties, vehicles, deposits and cash and bank balances of the Company and its subsidiary companies as mentioned in Notes 3, 4, 5, 6, 7, 9, 11, 12, 15 and 16.

The short term borrowings bear floating interest at rates ranging from 1.73% to 10.50% (2017 : 2.93% to 10.50%) per annum for the Group and from 4.82% to 10.50% (2017 : 4.90% to 10.50%) per annum for the Company.

The vehicle stocking loans obtained by foreign subsidiary companies bear interest at the rate of 2.75% to 4.75% (2017 : 1.70% to 3.50%) per annum.

Approximately RM1,230,000 (2017 : RM1,707,000) and RM257,000 (2017 : RM388,000) included in the hire purchase and finance lease liabilities of the Group and of the Company respectively represent amounts owing to a related company.

27 PROVISIONS

Group	Affordable housing RM'000	Sales warranty RM'000	Restoration costs RM'000	Total RM'000
2018				
At 1 May 2017	-	1,388	971	2,359
Additional provision during the year	21,299	457	-	21,756
Utilised during the year	-	(59)	-	(59)
Exchange differences	-	(164)	-	(164)
At 30 April 2018	21,299	1,622	971	23,892
Analysed as follows:				
Current	-	1,622	971	2,593
Non Current	21,299	-	-	21,299
	21,299	1,622	971	23,892
2017				
At 1 May 2016	-	447	971	1,418
Additional provision during the year (Note 33)	-	1,002	-	1,002
Utilised during the year	-	(144)	-	(144)
Exchange differences	-	83	-	83
At 30 April 2017	-	1,388	971	2,359
Analysed as follows:				
Current	-	1,388	971	2,359

27 PROVISIONS (CONT'D)

(a) Affordable housing

Provision for affordable housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the relevant State Governments.

(b) Sales warranty

A foreign subsidiary company provides 3 to 12 (2017 : 3 to 12) months warranties on certain products and undertakes to provide repairs or replacement of items that fail to perform satisfactorily. Provision for warranties is recognised for all products under warranty at the reporting date based on past experience on the level of repairs and returns.

(c) Restoration costs

Provision for restoration costs is the estimated cost of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition and use of such assets, which are capitalised and included in the cost of property, plant and equipment.

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28 REVENUE

Revenue are analysed into significant categories as follows and the intra-group transactions are excluded from revenue of the Group:

Group

	2018 RM'000	2017 RM'000
Toto betting and leasing of lottery equipment income	3,251,961	3,261,228
Sales of motor vehicles, charges for aftersales services, repairs and maintenance services rendered	2,341,470	2,345,438
Income from supply of goods and services from hotels, resorts and casino operations	319,980	299,945
Contract revenue and sale of property inventories	292,280	239,084
Income from chartered flights	2,363	8,607
Membership fees and subscriptions	65,734	69,349
Rental income from investment properties	39,129	43,911
Sale of lottery and voting systems and spare parts	48,281	103,804
	<u>6,361,198</u>	<u>6,371,366</u>

Company

	2018 RM'000	2017 RM'000
Gross dividend income		
- from unquoted subsidiary companies	25,000	40,000
- from a quoted subsidiary company	27,386	29,212
- from an unquoted investments	750	-
	<u>53,136</u>	<u>69,212</u>
Management fees receivable		
- from subsidiary companies	940	940
- from an associated company	240	240
	<u>1,180</u>	<u>1,180</u>
	<u>54,316</u>	<u>70,392</u>

29 OTHER INCOME

Included in other income are the following:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Operating lease income, other than those relating to investment properties	14,250	9,849	-	-
Reversal of impairment loss on receivables	658	804	-	-
Bad debts recovered	64	-	-	-
Finance income - loans and receivables and other liabilities at amortised costs	38,215	3,329	-	-

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29 OTHER INCOME (CONT'D)

Included in other income are the following (cont'd):

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Gain on disposal of property, plant and equipment	1,497	22,606	-	62
Gain on foreign exchange - realised	3,757	6,998	1,434	-
- unrealised	24,835	112,332	-	28,366
	<u>24,835</u>	<u>112,332</u>	<u>-</u>	<u>28,366</u>

30 INVESTMENT RELATED INCOME

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest income on loans and receivables:				
- fixed and other deposits	19,572	19,548	2,009	1,534
- inter-company				
- subsidiary companies	-	-	45,123	35,809
- related companies	223	525	17	16
- joint ventures	19,969	24,725	-	-
- others	12,749	11,760	-	-
	52,513	56,558	47,149	37,359
Dividend income (gross) from:				
- available-for-sale investments				
- quoted in Malaysia	1,768	1,739	-	470
- quoted outside Malaysia	171	155	-	-
- unquoted in Malaysia	750	-	-	-
Net gains of fair value through profit or loss investments quoted in Malaysia	736	1,713	-	362
Net fair value gain on available-for- sale equity investment transferred from equity upon disposal	979	141	979	-
Net gain on deemed disposal of a subsidiary companies	26,342	-	-	19,335
Gain on disposal of a subsidiary company	11,994	-	-	-
Fair value adjustment on investment properties (Note 4)	-	15,853	-	-
Reversal of impairment of amounts owing by subsidiary companies	-	-	-	40,644
Balance carried forward	<u>95,253</u>	<u>76,159</u>	<u>48,128</u>	<u>98,170</u>

NOTES TO THE FINANCIAL STATEMENTS
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30 INVESTMENT RELATED INCOME (CONT'D)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Balance brought forward	95,253	76,159	48,128	98,170
Gain on settlement of surrendering certain assets and lease interests to relevant authorities	-	184,639	-	-
Gain on disposal of:				
- investment properties	4	-	-	-
- an associated company	1	-	1	-
- unquoted investments	-	948	-	-
Reversal of impairment of property, plant and equipment	1,463	-	-	-
Contribution arising from waiver of loan from an associated company	-	6,450	-	-
	<u>96,721</u>	<u>268,196</u>	<u>48,129</u>	<u>98,170</u>

31 INVESTMENT RELATED EXPENSES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Impairment of goodwill	-	25,414	-	-
Loss on remeasurement on retained interests of former subsidiary companies	21,374	-	-	-
Foreign exchange reserves of foreign subsidiary companies transferred from equity upon deemed disposal	31,710	-	-	-
Impairment of available-for-sale quoted equity investments	19,260	895	-	-
Net fair value loss on available-for- sale equity investment transferred from equity upon disposal	4,140	-	-	-
Fair value loss of fair value through profit or loss investments quoted in Malaysia	7,506	-	1,813	-
Impairment in value of investment in an associated company	32	4,621	-	-
Loss on disposal of partial equity interests in an associated company	48,578	-	-	-
Impairment of property, plant and equipment	11,818	7,070	-	-
Balance carried forward	<u>144,418</u>	<u>38,000</u>	<u>1,813</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
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31 INVESTMENT RELATED EXPENSES (CONT'D)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Balance brought forward	144,418	38,000	1,813	-
Fair value adjustment on investment properties (Note 4)	1,599	-	-	-
Impairment loss on balance sale proceeds of Great Mall Project	152,652	-	-	-
Loss on disposal of Great Mall Project	-	4,464	-	-
Loss on deemed disposal of an associated company	-	8,578	-	-
Impairment loss on amounts owing by subsidiary companies	-	-	31,222	19,973
Write-off of amounts owing by subsidiary companies	-	-	16,074	18,403
Write-off of amount owing by a joint venture	203	-	-	-
Write-off of investment in a subsidiary company	-	-	-	2,000
Impairment in value of investment in subsidiary companies	-	-	1,855	43,582
	<u>298,872</u>	<u>51,042</u>	<u>50,964</u>	<u>83,958</u>

32 FINANCE COSTS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest expense on financial liabilities at amortised cost:				
- bank and other borrowings	102,304	100,688	45,586	38,656
- hire purchase and finance lease	4,362	4,842	81	141
- inter-companies				
- subsidiary companies	-	-	40,697	45,164
- related companies	44	39	6	6
- medium term notes	68,044	70,009	30,611	31,982
- loan related expenses	2,337	2,961	415	237
- manufacturers' vehicle stocking loans	10,150	9,973	-	-
- defined benefit plans (Note 23)	479	521	-	-
- unwinding of discount and charge out of deferred transaction costs	6,690	22,336	3,921	3,590
	<u>194,410</u>	<u>211,369</u>	<u>121,317</u>	<u>119,776</u>

NOTES TO THE FINANCIAL STATEMENTS
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33 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit/(Loss) before tax is stated after charging:				
Depreciation of property, plant and equipment	88,007	94,846	797	1,053
Auditors' remuneration				
- audit - current year	2,983	2,785	150	150
- (over)/underprovision in previous year	(48)	(73)	2	4
- other services	471	438	396	366
Directors' remuneration (Note 34)				
- fees	1,608	1,483	210	160
- salaries and other emoluments	37,135	52,044	923	1,182
- defined contribution/benefit plans	4,827	7,735	71	93
- bonus	1,387	1,083	136	78
- performance incentive	-	6,050	-	-
Impairment loss on receivables	2,121	1,161	-	-
Receivables written off	287	-	-	-
Minimum operating lease payments:				
- premises	48,532	47,023	79	77
- plant and machinery	2,803	5,539	-	-
Contribution to National Sports Council	40,338	36,944	-	-
Property, plant and equipment written off	2,324	192	-	-
Inventories written down	327	4,639	-	-
Amortisation of:				
- gaming rights	26,441	28,753	-	-
- customer relationships	327	459	-	-
- computer software	627	597	-	-
Provision for sales warranty	457	1,002	-	-
Management fees payable to ultimate holding company	1,120	1,120	400	400
Loss on foreign exchange - realised	12,068	7,395	485	3,826
- unrealised	80,144	41,380	21,111	3,473
Loss on disposal of property, plant and equipment	462	1,271	-	-
Direct operating expenses of investment properties *	8,273	5,577	-	-
Employee benefit expenses (Note 35)	411,837	406,531	15,285	12,786
And after crediting:				
Management fees receivable from an associated company	240	240	-	-

* It is not practicable to segregate the direct operating expenses of investment properties in respect of revenue and non-revenue generating properties due to periodic changes in the occupancy rates during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
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34 DIRECTORS' REMUNERATION

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

Directors of the Company:	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<u>Executive Directors</u>				
Salaries and other emoluments	2,864	3,708	866	1,166
Defined contribution plan	418	550	71	93
Bonus	527	455	136	78
Benefits-in-kind	53	91	39	68
 <u>Non-Executive Directors</u>				
Fees	255	205	210	160
Salaries and other emoluments	319	641	57	16
Defined contribution plan	10	25	-	-
Bonus	13	13	-	-
Benefits-in-kind	50	26	25	-
	<u>4,509</u>	<u>5,714</u>	<u>1,404</u>	<u>1,581</u>
 Other Directors of the Group:				
Fees	1,353	1,278	-	-
Salaries and other emoluments	33,952	47,695	-	-
Retirement benefits				
- defined benefit plan (Note 23)	258	8	-	-
- defined contribution plan	4,141	7,152	-	-
Bonus	847	615	-	-
Performance incentive	-	6,050	-	-
Benefits-in-kind	549	550	-	-
	<u>41,100</u>	<u>63,348</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
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35 EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Wages, salaries and other allowances (excluding directors' remuneration)	351,038	350,040	13,072	10,589
Social security costs and employee insurance	19,277	19,751	322	287
Retirement benefits				
- defined benefit plans (Note 23)	675	1,191	-	-
- defined contribution plan	21,777	21,105	1,505	1,264
Short term accumulating compensated absences	(145)	356	3	50
Other staff related expenses	19,215	14,088	383	596
	<u>411,837</u>	<u>406,531</u>	<u>15,285</u>	<u>12,786</u>

36 TAXATION

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Income tax:				
Malaysian income tax	157,460	130,804	3,000	-
Foreign tax	29,461	27,618	-	-
Withholding tax	-	396	-	-
Underprovision in prior years:				
- Malaysian income tax	8,897	1,250	8,257	212
- Foreign tax	1,156	66	-	-
	<u>196,974</u>	<u>160,134</u>	<u>11,257</u>	<u>212</u>
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(8,006)	5,357	-	-
Effects of real property gains tax	(424)	(2,282)	-	-
(Over)/Underprovision in prior years	(504)	1,891	-	-
	<u>(8,934)</u>	<u>4,966</u>	<u>-</u>	<u>-</u>
	<u>188,040</u>	<u>165,100</u>	<u>11,257</u>	<u>212</u>

Malaysian income tax is calculated at the Malaysian statutory income tax rate of 24% (2017 : 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 APRIL 2018

36 TAXATION (CONT'D)

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

Group	2018 RM'000	2017 RM'000
Profit before tax	69,852	576,321
Tax at Malaysian statutory tax rate of 24% (2017 : 24%)	16,764	138,317
Effect of different tax rates in other countries/tax regimes	2,431	(4,573)
Effect of income not subject to tax	(31,344)	(52,578)
Effect of income subject to real property gains tax	(424)	(2,282)
Effect of expenses not deductible for tax purposes	173,037	118,637
Effect of utilisation of previously unrecognised tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances	(4,757)	(43,756)
Effect of share of associated companies' and joint ventures' results	(513)	(19,582)
Effect of reduction in tax rate on incremental chargeable income	(3,280)	-
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	28,792	23,049
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences	(494)	(210)
Deferred tax liability recognised on undistributed profits of an associated company	(1,721)	4,475
(Over)/Underprovision of deferred tax in prior years	(504)	1,891
Underprovision of tax expense in prior years	10,053	1,316
Withholding tax	-	396
Taxation for the year	188,040	165,100
Company	2018 RM'000	2017 RM'000
Loss before tax	(126,903)	(46,426)
Tax at Malaysian statutory tax rate of 24% (2017 : 24%)	(30,457)	(11,142)
Effect of expenses not deductible for tax purposes	47,030	49,171
Effect of income not subject to tax	(13,336)	(38,029)
Effect of utilisation of unabsorbed capital allowances	(237)	-
Underprovision of tax in prior year	8,257	212
Taxation for the year	11,257	212

NOTES TO THE FINANCIAL STATEMENTS

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36 TAXATION (CONT'D)

Tax savings during the financial year arising from:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Utilisation of current year tax losses	1,549	1,012	-	-
Utilisation of previously unrecognised tax losses	1,985	20,541	-	-

37 (LOSS)/EARNINGS PER SHARE

The (loss)/earnings per share is calculated as follows:

	Group	
	2018	2017
(Loss)/Profit attributable to the equity holders of the Parent (RM'000)	(190,288)	294,738
Weighted average number of ordinary shares with voting rights in issue (excluding treasury shares) ('000)	4,989,394	4,989,394
Basic (loss)/earnings per share (sen)	(3.81)	5.91

There are no potential ordinary shares outstanding as at 30 April 2018. As such, the fully diluted (loss)/earnings per share of the Group is equivalent to the basic earnings/(loss) per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

38 FINANCIAL GUARANTEES

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

NOTES TO THE FINANCIAL STATEMENTS
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39 COMMITMENTS

(a) Other Commitments

	Group	
	2018 RM'000	2017 RM'000
Capital expenditure:		
- approved and contracted for	15,541	15,653
- approved but not contracted for	12,267	20,729
Land lease payments for foreign development project	-	487,368
Group's share of a joint venture's land use rights fees	19,111	21,768
Proposed investment in a joint venture	8,000	8,000
	54,919	553,518

(b) Non-Cancellable Operating Lease Commitments - Group and Company as Lessees

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Future minimum rental payable:				
Not later than 1 year	36,065	43,602	1,776	1,768
Later than 1 year and not later than 5 years	102,508	111,658	1,178	2,946
More than 5 years	322,339	368,263	-	-
	460,912	523,523	2,954	4,714

The Group and the Company entered into operating leases which represent rental payable for the use of land and buildings, vehicles and plant and equipment. Leases are negotiated for a period of between 1 and 70 years and rentals fixed for between 1 and 70 years.

A foreign subsidiary company has entered into land lease contracts for operating lease terms of 100 years. These leases are non-cancellable upon the foreign subsidiary company obtaining property development approval from the foreign authorities.

NOTES TO THE FINANCIAL STATEMENTS

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39 COMMITMENTS (CONT'D)

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

	Group	
	2018 RM'000	2017 RM'000
Future minimum rental receivable:		
Not later than 1 year	16,099	16,893
Later than 1 year and not later than 5 years	17,667	22,641
More than 5 years	1,969	4,355
	35,735	43,889

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial and office space.

A foreign subsidiary company has entered into a lease for provision of online lottery equipment for a stipulated period. Revenue from the leasing of lottery equipment is recognised based on certain percentage of the gross receipts from the lottery ticket sales of the lottery operator subject to an annual minimum fee as prescribed in the lease agreement. The lease income is recognised as revenue during the financial year as disclosed in Note 28.

40 MATERIAL LITIGATIONS AND ARBITRATION PROCEEDINGS

(a) JDC Lawsuit

On 6 November 2015, the Company announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), has instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for breach of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as "Jeju Airst City" in Jeju Island, Republic of Korea and to claim for losses and damages as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the land acquired thereunder to BJR, free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence the Group deemed that JDC had breached the terms of the Land SPA as it had failed to transfer good and unencumbered title to the said lands to BJR. Under the circumstances, the on-going development works on the Jeju Project were suspended pending the resolutions the lawsuits. A consequence of the Korean Supreme Court decision is that certain other former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction costs due and owing to the main contractor.

40 MATERIAL LITIGATIONS AND ARBITRATION PROCEEDINGS (CONT'D)

(a) JDC Lawsuit (Cont'd)

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project to quantify the amount of damages. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project has been completed by the court-appointed land appraisal company and the land price appraisal report has been submitted directly to the court.

On 13 September 2017, Jeju District Court rendered a judgement against JDC and Seogwipo City in the Administrative Lawsuit. The judgement rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgement, and the appellate proceedings are still pending.

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report, to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court, and another judge was appointed as the new presiding judge in the JDC Lawsuit. In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report, as BJR was dissatisfied with the first supplementary land appraisal report which was based on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct a second supplementary appraisal, to be undertaken by a different appraiser. The new presiding judge is expected to set the next hearing date upon completion of the second supplementary land price appraisal report.

Based on the legal opinion obtained from its lawyers, BJR has determined that it has the legal right to claim for damages under the Land SPA, Korean Civil Code and case precedents established in the Korean Courts. BJR's lawyers have also opined that it is probable that BJR will prevail in the lawsuit against JDC on the claim for costs incurred. Hence, BJR has determined that it is able to recover the costs incurred for Jeju Project in full.

(b) STC Proposals Proceedings

On 19 July 2004, the Company announced that Berjaya Tagar Sdn Bhd ("BTSB"), then a subsidiary company of Berjaya Land Development Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSB proposed to acquire Sungai Tinggi Land from BerjayaCity Sdn Bhd ("BCity"), a wholly-owned subsidiary company of BCorp and to appoint BCity as the turnkey contractor of the new turf club.

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders respectively have been obtained for the STC Proposals.

40 MATERIAL LITIGATIONS AND ARBITRATION PROCEEDINGS (CONT'D)

(b) STC Proposals Proceedings (Cont'd)

Subsequently, on 28 June 2010, the Company announced the status of the conditions precedent ("CP") of the STC Proposals as follows:

1. approval of the FIC for the STC Proposals was obtained on 12 October 2004;
2. approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004;
3. approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004;
4. approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled;
5. the agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below;
- 6a. the approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and BTSB is awaiting the decision from the Selangor State government;
- 6b. the approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a of the CP above is fulfilled; and
- 6c. the approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the CP in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental agreement to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remaining outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by BTSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such other date as mutually extended.

Pursuant to the aforesaid Supplemental Agreement, BTSB paid a sum of RM3.0 million to extend the period for another year to 19 January 2019 to fulfil the conditions precedent below:

1. renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and

40 MATERIAL LITIGATIONS AND ARBITRATION PROCEEDINGS (CONT'D)

(b) STC Proposals Proceedings (Cont'd)

2. the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
 - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
 - (ii) approval from the Majlis Daerah Hulu Selangor for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
 - (iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2(i) and (ii) above are obtained.

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, B TSB and B City (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

The judgement rendered on 9 November 2017 was as follows:

1. The Applicants' application against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents are dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.
2. The Applicants are allowed to proceed with the development.
3. The Applicants are required to submit the relevant documents to the relevant technical departments for comments.
4. The technical departments are directed to respond within 3 months from the receipt of these documents, and failing which it is deemed that they have no objection to these documents.
5. Pursuant to an order in the nature of mandamus, the 1st and 5th Respondents are directed to re-table the Applicants' proposal papers to relocate and construct the Selangor Turf Club before the National Physical Planning Council within 3 months after the receipt of the proposal papers from the Applicants.
6. The Applicants are directed to submit the said proposal papers within 1 month upon receipt of the fair order, failing which the Applicants shall forfeit the benefit of the order of mandamus pursuant to paragraph 5.
7. The 1st and 5th Respondents are ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation will be assessed in subsequent proceedings.

On 14 December 2017, the Company announced that the Selangor State Government and several other defendants have filed a Notice of Appeal to the Court of Appeal to appeal against the above decision of the Shah Alam High Court. The hearing at the Court of Appeal has been fixed on 8 October 2018. The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgement in the judicial review proceedings ("Stay of Proceedings Application").

The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the 1st and 5th Respondents ("Extension of Time Application"). The hearing for the extension of time was fixed on 26 July 2018. However the matter was adjourned.

In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgement ("Assessment Proceedings").

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40 MATERIAL LITIGATIONS AND ARBITRATION PROCEEDINGS (CONT'D)

(b) STC Proposals Proceedings (Cont'd)

The next case management date for the 1) Stay of Proceedings Application, 2) Extension of Time Application and 3) Assessment Proceedings has been fixed on 15 August 2018.

The STC Proposals proceedings are still ongoing.

(c) GMOC Project Arbitration Proceedings

In the previous financial year ended 30 April 2017, the Company had announced that Berjaya (China) Great Mall Co. Ltd ("GMOC") had completed the disposal of the Berjaya (China) Great Mall Recreation Centre to Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") for a revised total cash consideration of RMB2.039 billion (equivalent to approximately RM1.39 billion). GMOC had received the first instalment of RMB1.065 billion (equivalent to approximately RM711.32 million) and the balance cash consideration of RMB974.07 million (equivalent to approximately RM613.7 million) ("Final Instalment") was to be received by November 2017. The Final Instalment is secured by a guarantee granted by SkyOcean Holdings Group Limited, the holding company of Beijing SkyOcean and its major shareholder, Mr. Zhou Zheng ("Guarantors").

On 8 December 2017, the Company announced Beijing SkyOcean had not remitted the Final Instalment to GMOC by the appointed time. Hence, GMOC after seeking legal advice, had on 7 December 2017, issued a notice of demand to Beijing SkyOcean and the Guarantors to pay to GMOC the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceeding in Hong Kong against Beijing SkyOcean and the Guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre ("HKIAC") against Beijing SkyOcean and the Guarantors ("Respondents") to seek recovery of the Final Instalment and accrued late payment interests ("Outstanding Payment") as well as other reliefs ("GMOC Project Arbitration Proceedings").

The arbitral tribunal was fully constituted at the end of June 2018 and the arbitration proceedings are ongoing.

Based on the legal opinion obtained from its lawyers, it is highly probable that GMOC will prevail against Beijing SkyOcean before the HKIAC.

(d) PGMC Proceedings

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings.

40 MATERIAL LITIGATIONS AND ARBITRATION PROCEEDINGS (CONT'D)

(d) PGMC Proceedings (Cont'd)

On 1 March 2018, BToto announced that its 88.26%-owned subsidiary, Berjaya Philippines Inc., the immediate holding company of PGMC, which is listed on the Philippine Stock Exchange ("PSE") has on even date released an announcement to PSE that PGMC had received the Final Award issued by the Arbitral Tribunal which ruled that PGMC "does not have an exclusive contractual right to supply an online lottery system for Luzon" because the 1995 Equipment Lease Agreement and the 2004 Amendments to the Equipment Lease Agreement "do not grant such exclusivity in their terms". The Arbitral Tribunal also ordered PGMC to pay all of PCSO's reasonable costs and expenses in the arbitration, which amount to Php53.6 million (equivalent to approximately RM4.068 million), and to reimburse PCSO the amount of USD200,000 (equivalent to approximately RM789,000), which PCSO paid as advance on costs.

PGMC has filed a Petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award and argue that more than 15 years of exclusivity as acknowledged by PCSO should prevail in determining the award, and that the compensation structure which accords PGMC with a share of all lottery revenue from Luzon does not permit any third party supplier of lottery equipment to reduce or share in the revenue arising from Luzon that is contractually provided for PGMC ("PGMC Proceedings").

The PGMC Proceedings is still ongoing.

41 SIGNIFICANT RELATED PARTY DISCLOSURES

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Repayment from subsidiary companies		-	-	298,035	286,891
Repayments from/(Advances to):					
- subsidiary companies		-	-	(259,350)	(360,202)
- joint ventures	b	13,455 *	16,317	-	-
- related companies	a	1,387	(60,161)	-	-
Purchase of quoted shares in Malaysia from Berjaya Retail Berhad	c	-	14,000	-	-
Rental of premises and related services receivable from:					
- Singer (Malaysia) Sdn Bhd	c	(485)	(485)	-	-
- Inter-Pacific Securities Sdn Bhd	a	(1,092)	(1,092)	-	-
- Berjaya Higher Education Sdn Bhd	a	(2,876)	(2,891)	-	-

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41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Rental of premises and related services receivable from:					
- Sun Media Corporation Sdn Bhd	d	(573)	(573)	-	-
- Tai Thong Group Sdn Bhd	e	(1,307)	(1,413)	-	-
- 7-Eleven Malaysia Sdn Bhd	c	(1,961)	(2,237)	-	-
- Berjaya Starbucks Coffee Company Sdn Bhd	a	(1,535)	(1,513)	-	-
- U Mobile Sdn Bhd ("UMSB")	j	(1,557)	(1,762)	-	-
- Songbird Amusement Sdn Bhd	f	(280)	(335)	-	-
- BerjayaCity Sdn Bhd	a	(1,921)	(4)	-	-
- Berjaya Assets Food (BAF) Sdn Bhd ("BAF")	g	(706)	(641)	-	-
Provision of security guard services to:					
- subsidiary companies of BCorp	a	(484)	(500)	-	-
- subsidiary companies of Berjaya Food Berhad	a	(317)	(281)	-	-
- subsidiary companies of BAssets	g	(307)	(286)	-	-
- UMSB	j	(120)	(121)	-	-
- Singer (Malaysia) Sdn Bhd	c	(189)	(192)	-	-
Supply of computerised lottery systems and related services to:					
- Berjaya Gia Think Investment Technology Joint Stock Company	a	(28,910)	(83,048)	-	-
- Natural Avenue Sdn Bhd ("NASB")	g	(631)	(641)	-	-
Aircraft leasing charges receivable from Cosway (M) Sdn Bhd	a	(960)	(960)	-	-
Rental of premises payable to Berjaya Times Square Sdn Bhd ("BTSSB")	g	447	686	63	379
Rental of premises payable to Ambilan Imej Sdn Bhd	a	3,627	3,627	-	-
Rental of premises payable to Berjaya Sompoo Insurance Berhad	i	561	562	-	-
Purchase of consumables from Graphic Press Group Sdn Bhd	a	12,814	11,113	-	-

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41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Share registration services rendered by Berjaya Registration Services Sdn Bhd	a	590	578	60	46
Advertising and publishing services charged by Sun Media Corporation Sdn Bhd	d	927	1,405	21	30
Information technology consultancy and management related services as well as purchase of hardware, software, network equipment from Qinetics Solutions Sdn Bhd and Qinetics Services Sdn Bhd	h	4,666	3,459	1,997	1,537

* Included herein is an amount of RM156,203,000 (2017 : RMNil) advanced to a joint venture, Berjaya Handico-12 Co Ltd ("BH12"), by BLCL's wholly-owned subsidiary company, T.P.C Development Limited. Thereafter, BH12 repaid the said amount to BLCL as a repayment of its debts due to BLCL.

Nature of Relationships

- (a) Related companies/member companies of BCorp Group other than subsidiary companies of the Company.
- (b) Joint ventures of the Group as disclosed in Note 8.
- (c) A company in which Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri Vincent Tan") has deemed interests.
- (d) A subsidiary company of Berjaya Media Berhad ("BMedia"). The Group and related companies of BCorp Group have interests in BMedia. Tan Sri Vincent Tan is a substantial shareholder of BMedia. He is the father of Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, Executive Directors of the Company.
- (e) Wholly-owned subsidiary company of Tai Thong Holdings Sdn Bhd which in turn is a wholly-owned subsidiary company of Diversified Kinetic Sdn Bhd ("DKSB"). Tan Sri Dato' Tan Chee Sing ("TSDT"), a brother of Tan Sri Vincent Tan, is a major shareholder of DKSB. Subsequent to the financial year end, TSDT ceased to be a major shareholder of DKSB.
- (f) Songbird Amusement Sdn Bhd ceased to be a related party on 14 February 2018 as it is no longer held by Perfect Patent Sdn Bhd. Ms. Tan Choon Lui, a sister of TSVT, is a major shareholder of Perfect Patent Sdn Bhd.
- (g) BTSSB and BAF are wholly owned subsidiary companies of BAssets whilst NASB is effectively 65%-owned by BAssets. Tan Sri Vincent Tan is a substantial shareholder of BAssets.
- (h) Subsidiary companies of MOL.com Sdn Bhd ("MOL"). Tan Sri Vincent Tan is a deemed major shareholder of Qinetics Solutions Sdn Bhd and Qinetics Services Sdn Bhd by virtue of his interest in MOL.
- (i) Associated company of BCorp Group.
- (j) A company in which Tan Sri Vincent Tan is a substantial shareholder.

All transactions have been fully settled as at 30 April 2018 except for those disclosed in Notes 13 and 25.

NOTES TO THE FINANCIAL STATEMENTS

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41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

Certain professional fees amounting to RM5,777,000 (2017 : RM6,678,000) were incurred by a foreign subsidiary company for management and consultancy services contracted with a corporate entity, of which the Chief Executive Officer of the foreign subsidiary company has an interest.

A foreign subsidiary company had placements inclusive of interest receivable amounting to RM58,939,000 (2017 : RM34,151,000) at the reporting date with a foreign asset management firm of which a director of the foreign subsidiary company has an interest. Subsequent to the financial year end, the placements together with the interest receivable were fully redeemed.

All other significant intercompany transactions have been disclosed in Notes 28, 30, 31, 32 and 33 and in the statements of cash flows.

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Short-term benefits	42,684	62,546	1,333	1,488
Post-employment benefits	5,064	7,898	71	93
	<u>47,748</u>	<u>70,444</u>	<u>1,404</u>	<u>1,581</u>

42 SEGMENTAL INFORMATION

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

- (i) toto betting and related activities - toto betting operations under Section 5 of the Pool Betting Act and leasing of online lottery equipment;
- (ii) motor vehicle dealership - motor vehicle retailer, repairs and maintenance and provider of related aftersales services;
- (iii) property development and property investment - development of residential and commercial properties and operations and letting of properties;
- (iv) hotels and resorts - management and operations of hotels and resorts; and
- (v) club, recreation and others - operations of recreational clubs, vacation time share and air charter business.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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42 SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments:

Revenue	2018			2017		
	External RM'000	Inter- segment RM'000	Total RM'000	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting and related activities	3,300,242	-	3,300,242	3,365,032	-	3,365,032
Motor vehicle dealership	2,341,470	-	2,341,470	2,345,438	-	2,345,438
Property development and property investment	331,409	9,395	340,804	282,995	9,354	292,349
Hotels and resorts	315,850	5,831	321,681	299,121	2,328	301,449
Club, recreation and others	72,227	19,307	91,534	78,780	23,070	101,850
Inter-segment eliminations	-	(34,533)	(34,533)	-	(34,752)	(34,752)
	<u>6,361,198</u>	<u>-</u>	<u>6,361,198</u>	<u>6,371,366</u>	<u>-</u>	<u>6,371,366</u>

Inter-segment revenue are eliminated on consolidation.

Results	2018 RM'000	2017 RM'000
Toto betting and related activities	434,985	413,150
Motor vehicle dealership	42,696	22,733
Property development and property investment	87,171	17,305
Hotels and resorts	57,376	44,207
Club, recreation and others	2,652	(30,811)
Segment results	<u>624,880</u>	<u>466,584</u>
Unallocated corporate income	<u>(160,603)</u>	<u>22,362</u>
	<u>464,277</u>	<u>488,946</u>
Investment related income (Note 30)		
- toto betting and related activities	23,066	24,215
- property development and property investment	33,748	18,299
- hotels and resorts	2,527	1,179
- club, recreation and others	1,295	188,678
- unallocated	36,085	35,825
	<u>96,721</u>	<u>268,196</u>
Investment related expenses (Note 31)		
- toto betting and related activities	(13,655)	(24,545)
- property development and property investment	(195,859)	(5,975)
- hotels and resorts	(14,281)	-
- club, recreation and others	(14,130)	(7,070)
- unallocated	(60,947)	(13,452)
	<u>(298,872)</u>	<u>(51,042)</u>
	<u>262,126</u>	<u>706,100</u>
Finance costs	(194,410)	(211,369)
Share of results of associated companies	2,658	85,588
Share of results of joint ventures	(522)	(3,998)
Profit before tax	<u>69,852</u>	<u>576,321</u>
Taxation	(188,040)	(165,100)
(Loss)/Profit for the year	<u>(118,188)</u>	<u>411,221</u>
Non-controlling interests	<u>(72,100)</u>	<u>(116,483)</u>
(Loss)/Profit attributable to owners of the Parent	<u>(190,288)</u>	<u>294,738</u>

NOTES TO THE FINANCIAL STATEMENTS

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42 SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments (Cont'd):

Assets and Liabilities	2018		2017	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Toto betting and related activities	4,352,768	283,088	4,274,759	309,328
Motor vehicle dealership	894,674	298,574	851,115	266,546
Property development and property investment	3,900,543	812,977	4,106,956	809,733
Hotels and resorts	1,452,107	432,289	1,437,121	416,813
Club, recreation and others	945,325	646,432	962,279	704,811
Inter-segment eliminations	(880,409)	(959,696)	(882,157)	(936,175)
Segment assets/liabilities	10,665,008	1,513,664	10,750,073	1,571,056
Investment in associated companies	533,094	-	593,567	-
Investment in joint ventures	55,590	-	60,161	-
Assets classified as held for sale	222,880	-	42,916	-
Unallocated corporate assets/liabilities	1,415,596	4,827,246	1,671,783	4,686,439
Consolidated assets/liabilities	12,892,168	6,340,910	13,118,500	6,257,495

Inter-segment assets and liabilities are eliminated on consolidation.

Other Information	2018			2017		
	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
Toto betting and related activities	11,117	38,961	412	16,257	39,391	6,766
Motor vehicle dealership	18,132	17,976	1,017	12,779	16,880	5,089
Property development and property investment	2,946	5,374	3,794	80,418	4,080	110
Hotels and resorts	16,264	31,386	4,706	17,231	41,427	707
Club, recreation and others	5,769	19,729	2,346	3,966	20,582	20,882
Unallocated	13,875	1,976	73,385	613	2,295	14,880
	68,103	115,402	85,660	131,264	124,655	48,434

Capital expenditure consists of additions to property, plant and equipment as disclosed in Note 3.

Impairment Losses	2018 RM'000	2017 RM'000
Toto betting and related activities	15,985	24,544
Property development and property investment	154,845	1,512
Hotels and resorts	1,532	-
Club, recreation and others	12,900	7,070
Unallocated	6,209	4,874
	191,471	38,000

(b) Geographical Locations:

	2018			2017		
	Revenue RM'000	Segment assets RM'000	Capital expenditure RM'000	Revenue RM'000	Segment assets RM'000 Restated	Capital expenditure RM'000
Malaysia	3,758,809	7,896,774	54,062	3,684,260	7,741,987	55,996
Outside Malaysia	2,602,389	2,768,234	14,041	2,687,106	3,008,086	75,268
	6,361,198	10,665,008	68,103	6,371,366	10,750,073	131,264

The Group operates principally in Malaysia. Outside Malaysia mainly comprises the Republic of Seychelles, United Kingdom, the Republic of Korea, Sri Lanka, the Philippines, the Socialist Republic of Vietnam, Japan and United States of America.

43 FAIR VALUE MEASUREMENT

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Investment Properties

Group 2018	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Commercial properties	-	145,637	538,701	684,338
Other properties	-	55,964	20,435	76,399
	-	201,601	559,136	760,737
2017				
Commercial properties	-	124,829	538,641	663,470
Other properties	-	54,592	21,995	76,587
	-	179,421	560,636	740,057

- (ii) Description of valuation techniques used and key inputs to valuation on non financial assets

Comparison method

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

Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, range generally between 59% and -6% (2017 : 78% and 0%) of the respective properties' fair value. Larger properties of the Group which are owned en-bloc may contain adjustment factors outside this range.

NOTES TO THE FINANCIAL STATEMENTS
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43 FAIR VALUE MEASUREMENT (CONT'D)

(a) Non financial assets that are measured at fair value (Cont'd)

(ii) Description of valuation techniques used and key inputs to valuation on non financial assets (cont'd)

Comparison/Depreciable Replacement Cost Method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in the surrounding vicinity with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

The significant unobservable inputs for this category of assets are the land and replacement cost per square foot which ranges from RM80 to RM5,336 per square foot (2017 : RM80 to RM4,582 per square foot), and the depreciation rate of 2% (2017 : 2%).

Sensitivity analysis

An increase in the price per square feet of comparable properties in the surrounding vicinity will result in an increase of fair value of these properties.

(iii) Fair value reconciliation of non financial assets measured at Level 3

<u>Investment Properties</u>	Group	
	2018 RM'000	2017 RM'000
At 1 May 2017/2016	560,636	550,300
Transfer to property, plant and equipment	(1,560)	-
Disposal during the year	(1,480)	-
Net fair value adjustments	1,540	10,336
At 30 April 2018/2017	559,136	560,636

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43 FAIR VALUE MEASUREMENT (CONT'D)

(b) Financial assets that are disclosed at fair value

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2018				
<u>Subsidiary companies</u>				
Company	381,580	-	-	381,580
<u>Associated companies</u>				
Group	104,853	-	-	104,853
Company	30,603	-	-	30,603
2017				
<u>Subsidiary companies</u>				
Company	511,208	-	-	511,208
<u>Associated companies</u>				
Group	174,054	-	-	174,054
Company	33,597	-	-	33,597

(c) Financial instruments that are measured at fair value

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2018				
<u>Financial assets - Investments</u>				
Group	80,872	-	-	80,872
Company	9,750	-	-	9,750
<u>Financial assets - Short term investments</u>				
Group	-	9,206	-	9,206
2017				
<u>Financial assets - Investments</u>				
Group	89,407	-	-	89,407
Company	17,713	-	-	17,713
<u>Financial assets - Short term investments</u>				
Group	-	9,006	-	9,006

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44 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 2.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Note	Group		Company	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<u>Financial assets</u>					
<u>Available-for-sale</u>					
Investments	9	105,805	100,852	15,708	21,858
<u>Loans and receivables</u>					
Receivables	13	2,626,321	2,824,122	2,639,253	2,838,580
Deposits	15	431,549	425,993	33,893	27,402
Cash and bank balances	16	436,620	318,625	3,076	5,206
		<u>3,494,490</u>	<u>3,568,740</u>	<u>2,676,222</u>	<u>2,871,188</u>
<u>Fair value through profit or loss</u>					
Investments	9	-	8,574	-	1,813
Short term investments	14	9,206	9,006	-	-
		<u>9,206</u>	<u>17,580</u>	<u>-</u>	<u>1,813</u>
Total financial assets		<u>3,609,501</u>	<u>3,687,172</u>	<u>2,691,930</u>	<u>2,894,859</u>
<u>Financial liabilities</u>					
<u>Other financial liabilities</u>					
Long term borrowings	21	1,888,367	1,782,336	749,495	596,232
Long term liabilities	22	26,274	19,029	297,018	-
Payables	25	1,530,438	1,260,930	678,079	1,024,082
Short term borrowings	26	1,531,096	1,931,997	578,374	752,682
Total financial liabilities		<u>4,976,175</u>	<u>4,994,292</u>	<u>2,302,966</u>	<u>2,372,996</u>

44 FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values

(i) Financial instruments that are measured at fair value

Information of financial instruments of the Group and of the Company that are measured at fair values are as disclosed in Note 43.

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

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

	Note
Receivables	13
Deposits	15
Cash and bank balances	16
Payables	25
Short term borrowings	26
Long term borrowings	21
Long term liabilities	22

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

The fair values of fixed rate bank loans, Medium Term Notes and finance lease obligations are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangements at reporting date.

The fair values of financial guarantees are determined based on the probability weighted discounted cash flows method. The probability has been estimated and assigned for the following key assumptions:

- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed was to default.

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

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44 FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values (Cont'd)

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

	2018 RM'000 Carrying Amount	2018 RM'000 Fair Value	2017 RM'000 Carrying Amount	2017 RM'000 Fair Value
<u>Financial assets</u>				
Investments - unquoted shares in Malaysia				
Group	24,933	*	20,019	*
Company	5,958	*	5,958	*

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

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(a) Market risk

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

(i) Interest Rate Risk

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

Interest rate exposure of the Group arises mainly from the Group's interest-bearing borrowings and deposits. Deposits are generally short term in nature and are mostly short term deposits with licensed banks and other financial institutions.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio to mitigate the impact of interest rate risk. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2017 : less than 6 months) from the reporting date.

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(i) Interest Rate Risk (Cont'd)

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
<u>Fixed rate instruments</u>				
Financial assets	802,961	803,129	33,893	27,402
Financial liabilities	1,473,478	1,514,242	599,819	649,532
<u>Floating rate instruments</u>				
Financial assets	153,319	396,791	1,297,686	1,068,882
Financial liabilities	1,946,735	2,200,848	1,623,517	1,639,336

Fair value sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit before tax of the Group to be lower/higher by RM4,484,000 (2017 : RM4,510,000), and the loss before tax of the Company to be higher/lower by RM815,000 (2017 : RM1,426,000) respectively, assuming that all other variables remain constant.

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45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(ii) Foreign Currency Risk

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

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Euro, Seychelles Rupees, Singapore Dollar, Chinese Renminbi, Vietnam Dong, Thai Baht, Great Britain Pound, Korean Won, Philippine Peso, Hong Kong Dollar and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

The unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Financial Assets/Liabilities Held in Non-Functional Currencies

Functional Currency of Group Companies	Thai Baht RM'000	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Japanese Yen RM'000	Vietnam Dong RM'000	Total RM'000
<u>Receivables</u>							
Ringgit Malaysia	72,569	-	134,770	-	209,742	58,733	475,814
Singapore Dollar	-	-	-	-	112	-	112
United States Dollar	-	-	-	-	-	148,827	148,827
Seychelles Rupees	-	4,981	888	-	-	-	5,869
At 30 April 2018	72,569	4,981	135,658	-	209,854	207,560	630,622
Ringgit Malaysia	73,520	-	377,033	-	282,662	-	733,215
Seychelles Rupees	-	2,640	492	-	-	-	3,132
At 30 April 2017	73,520	2,640	377,525	-	282,662	-	736,347
<u>Cash and bank balances and deposits</u>							
Chinese Renminbi	-	9	422	-	-	-	431
Seychelles Rupees	-	8,146	5,934	-	-	-	14,080
Vietnam Dong	-	-	48	-	-	-	48
Singapore Dollar	-	-	-	-	2,199	-	2,199
Ringgit Malaysia	-	5	5,302	747	10	-	6,064
At 30 April 2018	-	8,160	11,706	747	2,209	-	22,822
Chinese Renminbi	-	9	728	-	-	-	737
Seychelles Rupees	-	4,015	3,304	-	-	-	7,319
Vietnam Dong	-	-	141	-	-	-	141
Ringgit Malaysia	-	-	1,724	86	-	-	1,810
At 30 April 2017	-	4,024	5,897	86	-	-	10,007
<u>Payables</u>							
Ringgit Malaysia	-	-	701	9,848	539	-	11,088
Vietnam Dong	-	-	1,338	-	-	-	1,338
Singapore Dollar	-	-	-	-	527	-	527
Seychelles Rupees	-	50	155	-	-	-	205
At 30 April 2018	-	50	2,194	9,848	1,066	-	13,158

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45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(ii) Foreign Currency Risk (Cont'd)

Financial Assets/Liabilities Held in Non-Functional Currencies

Functional Currency of Group Companies	Thai Baht RM'000	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Japanese Yen RM'000	Vietnam Dong RM'000	Total RM'000
<u>Payables</u>							
Ringgit Malaysia	-	-	246	-	587	-	833
Vietnam Dong	-	-	4,868	-	-	-	4,868
Singapore Dollar	-	-	-	-	567	-	567
Seychelles Rupees	-	94	519	-	-	-	613
At 30 April 2017	-	94	5,633	-	1,154	-	6,881
<u>Borrowings</u>							
Seychelles Rupees	-	31,291	-	-	-	-	31,291
Ringgit Malaysia	-	-	92,757	24,620	-	-	117,377
At 30 April 2018	-	31,291	92,757	24,620	-	-	148,668
At 30 April 2017	-	-	236,363	38,698	-	-	275,061

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, EUR, SCR, SGD, THB and JPY exchange rates against the respective major functional currencies of the Group entities, with all other variables remaining constant:

Group		2018 RM'000	2017 RM'000
<u>Increase/(decrease) to profit before tax</u>			
USD/RM	- strengthened 10% (2017 : 14%)	4,661	19,901
	- weakened 10% (2017 : 14%)	(4,661)	(19,901)
USD/SCR	- strengthened 1% (2017 : 1%)	67	33
	- weakened 1% (2017 : 1%)	(67)	(33)
EUR/SCR	- strengthened 8% (2017 : 4%)	(1,457)	262
	- weakened 8% (2017 : 4%)	1,457	(262)
SGD/RM	- strengthened 1% (2017 : 8%)	337	(3,089)
	- weakened 1% (2017 : 8%)	(337)	3,089
THB/RM	- strengthened 2% (2017 : 13%)	(1,451)	9,558
	- weakened 2% (2017 : 13%)	1,451	(9,558)
JPY/RM	- strengthened 1% (2017 : 11%)	2,092	31,093
	- weakened 1% (2017 : 11%)	(2,092)	(31,093)
JPY/SGD	- strengthened 4% (2017 : 1%)	71	(6)
	- weakened 4% (2017 : 1%)	(71)	6

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

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45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(iii) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of quoted investments.

The Group is exposed to market price risk arising from its investments in quoted instruments. The quoted instruments in Malaysia are listed on Bursa Securities and other foreign stock exchanges. These instruments are designated as available-for-sale or fair value through profit or loss financial assets. The Group does not have exposure to commodity price risk. To manage its market price risk arising from investments in quoted instruments, the Group diversifies and manages its portfolio in accordance with established guidelines and policies.

Sensitivity analysis for market price risk

At the reporting date, if the index of the stock exchange had been 1% higher/lower, with all other variables held constant, the Group's profit before tax would have been RMNil (2017 : RM86,000) higher/lower, arising as a result of higher/lower fair value gains on fair value through profit or loss equity investments. The Group's equity would have been RM779,000 (2017 : RM778,000) higher/lower, arising as a result of an increase/decrease of 1% in the fair value of equity instruments designated as available-for-sale.

(b) Liquidity Risk

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

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

Analysis of undiscounted financial instruments by remaining contractual maturities

Financial liabilities Group	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
2018				
Trade and other payables	1,530,438	-	-	1,530,438
Hire purchase and finance lease liabilities	14,402	45,398	31,972	91,772
Loans and borrowings	1,685,035	1,832,575	203,421	3,721,031
	3,229,875	1,877,973	235,393	5,343,241

NOTES TO THE FINANCIAL STATEMENTS
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45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Analysis of undiscounted financial instruments by remaining contractual maturities (Cont'd)

Financial liabilities Group	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
2017				
Trade and other payables	1,260,930	-	-	1,260,930
Hire purchase and finance lease liabilities	91,834	3,146	-	94,980
Loans and borrowings	1,997,261	1,772,524	238,064	4,007,849
	<u>3,350,025</u>	<u>1,775,670</u>	<u>238,064</u>	<u>5,363,759</u>

Company

2018

Other payables	678,079	-	-	678,079
Hire purchase and finance lease liabilities	313	419	-	732
Loans and borrowings	653,851	834,376	-	1,488,227
	<u>1,332,243</u>	<u>834,795</u>	<u>-</u>	<u>2,167,038</u>

2017

Other payables	1,024,082	-	-	1,024,082
Hire purchase and finance lease liabilities	467	540	-	1,007
Loans and borrowings	823,796	667,741	-	1,491,537
	<u>1,848,345</u>	<u>668,281</u>	<u>-</u>	<u>2,516,626</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.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's association to business partners with high creditworthiness. Trade and other receivables are monitored on an ongoing basis via Group management reporting procedures to reduce the Group's exposure to bad debts.

Exposure to credit risk

At reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets recorded on the statements of financial position. The major classes of the Group's and the Company's financial assets are trade and other receivables including amounts owing by joint ventures, associated, related and subsidiary companies. The Group and the Company do not have significant concentration of credit risks except as disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2018

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Credit Risk (Cont'd)

Credit risk concentration profile of trade receivables

The Group determines concentrations of credit risk by monitoring the business segment profile of its trade receivables as follows:

Group	2018		2017	
	RM'000	%	RM'000	%
Toto betting and related activities	110,181	42	127,732	53
Motor vehicle dealerships	49,093	19	48,411	20
Property development and property investment	77,277	29	39,546	16
Hotels and resorts	20,487	8	19,409	8
Club, recreation and others	6,589	2	7,296	3
	<u>263,627</u>	<u>100</u>	<u>242,394</u>	<u>100</u>

46 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The financial management function is carried out by the Group's Treasury Division. The Treasury Division manages the Group's funds and financial resources and all its loans and borrowings on a "pool basis". No changes were made in the objectives, policies or processes during the financial years ended 30 April 2018 and 30 April 2017.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's total debt includes bank borrowings, medium term notes, vehicle stocking loans, hire purchase and finance lease obligations. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

The gearing ratios as at 30 April 2018 and 30 April 2017 were as follows:

	Note	Group	
		2018 RM'000	2017 RM'000
Short term borrowings	26	1,531,096	1,931,997
Long term borrowings	21	1,888,367	1,782,336
Total debt		<u>3,419,463</u>	<u>3,714,333</u>
Total equity		<u>6,551,258</u>	<u>6,861,005</u>
Gearing ratio (%)		<u>52</u>	<u>54</u>

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

47 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) During the financial year, the Company had announced the disposal of a total of 57.0 million shares of Berjaya Assets Berhad ("BAssets") by two of its wholly owned subsidiary companies, Nada Embun Sdn Bhd and Portal Access Sdn Bhd for a total cash consideration of RM58.96 million. The Group's equity interest in BAssets is as disclosed in Note 7.
- (b) On 16 November 2017, the Company announced Berjaya Leisure (Cayman) Limited ("BLCL"), its wholly owned subsidiary company, completed the disposal of 500,000 ordinary shares, representing 100% equity interest, in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advanced Medicine Holdings Pte Ltd ("SIAMH") for a consideration of SGD2.97 million (equivalent to about RM9.02 million) satisfied by 1,487,468 new SIAMH shares issued at SGD2.00 per SIAMH share ("BIH Disposal"). As part of the terms of the BIH Disposal, BLCL novated the amount owing by BIH to BLCL of about SGD11.20 million (equivalent to about RM34.71 million) to SIAMH and SIAMH settled the amount with the issuance of 5,598,221 new SIAMH shares at the issue price of SGD2.00 per share. BLCL also completed the subscription of 1,909,829 new SIAMH shares at SGD2.00 per SIAMH share for a total cash subscription of about SGD3.82 million (equivalent to about RM11.84 million) to be settled on deferred payment terms. Upon the completion of the BIH Disposal, debt settlement and subscription, BLCL acquired 8,995,518 new SIAMH shares and increased its shareholdings to 11.99 million SIAMH shares representing an equity interest of about 34.27%.

48 SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 4 June 2018, the Company announced that BLCL had entered into a Capital Transfer Agreement for the proposed disposal by BLCL of the entire remaining 32.5% of the capital contribution in Berjaya Vietnam Financial Center Limited ("BVFC") to Vinhomes Joint Stock Company ("Vinhomes") and Can Gio Tourist City Corporation for a cash consideration of VND884.93 billion (equivalent to approximately RM154.86 million) ("Proposed BVFC Disposal"). The Proposed BVFC Disposal is pending completion.

Initially, BLCL's capital contribution of VND967.31 billion comprised and represented 100% of the charter capital of BVFC. However, following the conditions imposed by the Vietnamese authorities, BVFC was required to increase its charter capital and Vinhomes had in March 2018 injected fresh capital contribution amounting to VND2,008.69 billion (equivalent to approximately RM352 million) into BVFC to fulfill the above requirement which accordingly resulted in a dilution of BLCL's holding in the charter capital of BVFC to 32.5%.

In conjunction with the Proposed BVFC Disposal, Vinhomes and its affiliates are also being considered as potential purchasers of Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT") and have in December 2017 also injected a cash sum of VND11,904 billion (equivalent to approximately RM2.08 billion) as fresh capital contribution into BVIUT in order to meet certain similar conditions imposed by the Vietnamese authorities which require BVIUT to increase its charter capital to VND12,000 billion (RM2.10 billion). Accordingly, BLCL's initial stake in BVIUT has also been diluted from 100% to 0.8%. It is the intention of BLCL to dispose of its 0.8% stake in BVIUT in the near future ("Proposed BVIUT Disposal").

Together with the Proposed BVIUT Disposal and Proposed BVFC Disposal, the Group is also in negotiation on the potential sale of another of its Vietnamese venture ("Proposed Vietnamese Venture Disposal"). Barring unforeseen circumstances, the proposed disposals of all these three Vietnamese entities upon completion are expected to record significant gain on aggregate and thus will improve the consolidated net assets of the Group.

NOTES TO THE FINANCIAL STATEMENTS

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49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
Subsidiary Companies				
(a) Subsidiaries of Berjaya Land Berhad				
* Alam Baiduri Sdn Bhd	Malaysia	Property investment	100	100
Amat Muhibah Sdn Bhd	Malaysia	Dormant	52.60	52.60
* Amat Teguh Sdn Bhd	Malaysia	Property development	100	100
* AM Prestige Sdn Bhd	Malaysia	Ceased operations	100	100
Angsana Gemilang Sdn Bhd	Malaysia	Property investment	100	100
* Awan Suria Sdn Bhd	Malaysia	Provision of landscaping service, selling and renting of ornament plants	100	100
Bahan Cendana Sdn Bhd	Malaysia	Property investment	100	100
Berjaya Air Capital (Cayman) Limited	Cayman Islands	Investment holding	100	100
* Berjaya Enamelware Sdn Bhd	Malaysia	Dormant	100	100
* Berjaya Fukuoka Development (S) Pte Ltd	Singapore	Investment holding	100	-
Berjaya Guard Services Sdn Bhd	Malaysia	Provision of security services	100	100
* Berjaya Holiday Cruise Sdn Bhd	Malaysia	Investment holding	86.36	86.36
* Berjaya Hotels and Resorts (Seychelles) Limited	Republic of Seychelles	Management and operation of hotel resorts in Seychelles	100	100
Berjaya Hotels & Resorts Vietnam Sdn Bhd	Malaysia	Investment holding	100	100
Berjaya Jet Charter Sdn Bhd	Malaysia	Jet charter	100	100
Berjaya Kawat Industries Sdn Bhd	Malaysia	Property investment and rental of properties	100	100

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49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(a) Subsidiaries of Berjaya Land Berhad (Cont'd)				
Berjaya Land (Labuan) Limited	Malaysia	Investment holding	100	100
Berjaya Leasing (Labuan) Limited	Malaysia	Provision of aircraft leasing services and undertaking of offshore financial related business	100	100
Berjaya Land Development Sdn Bhd	Malaysia	Property development and investment holding	100	100
Berjaya Leisure Capital (Cayman) Limited	Cayman Islands	Investment holding	100	100
Berjaya Leisure (Cayman) Limited	Cayman Islands	Investment holding	100	100
* Berjaya Megamall Management Sdn Bhd	Malaysia	Property management, temporarily ceased operations	100	100
Berjaya Myanmar Holdings Sdn Bhd	Malaysia	Investment holding	100	-
* Berjaya North Asia Holdings Pte Ltd	Singapore	Investment holding	100	100
* Berjaya Okinawa Investment (S) Pte Ltd	Singapore	Investment holding	100	100
Berjaya Project Management Sdn Bhd	Malaysia	Project management	100	100
Berjaya Property Management Sdn Bhd	Malaysia	Investment holding	100	100
a * Berjaya Racing Management Sdn Bhd	Malaysia	Dormant	60	60
Berjaya Sports Toto Berhad	Malaysia	Investment holding	40.23	40.05
Berjaya Tagar Sdn Bhd	Malaysia	Property development and investment holding	100	100

a Additional 20% being held by Berjaya Sports Toto Berhad.

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49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(a) Subsidiaries of Berjaya Land Berhad (Cont'd)				
* Berjaya Theme Park Management Sdn Bhd	Malaysia	Dormant	100	100
Berjaya Vacation Club Berhad	Malaysia	Time sharing vacation operator, property investment and investment holding	100	100
B.L. Capital Sdn Bhd	Malaysia	Investment holding	100	100
* B.T. Properties Sdn Bhd	Malaysia	Property development, temporarily ceased operations	100	100
BTS Leaseback Management Sdn Bhd	Malaysia	Coordination of pool-profit sharing of owner-owned suites	100	100
* Budi Impian Sdn Bhd	Malaysia	Operator of restaurant, ceased operations during the year.	100	100
Cempaka Properties Sdn Bhd	Malaysia	Property development and investment	100	100
Cerah Bakti Sdn Bhd	Malaysia	Property development	70	70
Cerah Tropika Sdn Bhd	Malaysia	Investment holding	70	70
* Cergas Jati Sdn Bhd	Malaysia	Property investment	100	100
* Flexiwang Sdn Bhd	Malaysia	Dormant	100	100
Gateway Benefit Sdn Bhd	Malaysia	Investment holding	100	100
* Gemilang Cergas Sdn Bhd	Malaysia	Property investment	100	100
Immediate Capital Sdn Bhd	Malaysia	Investment holding	100	100
Junjung Delima Sdn Bhd	Malaysia	Investment holding	100	100
Klasik Mewah Sdn Bhd	Malaysia	Property investment	100	100
Kota Raya Development Sdn Bhd	Malaysia	Investment and rental of property	100	100

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49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(a) Subsidiaries of Berjaya Land Berhad (Cont'd)				
* Leisure World Sdn Bhd	Malaysia	Investment holding	100	100
Marvel Fresh Sdn Bhd	Malaysia	Trading	100	100
Nada Embun Sdn Bhd	Malaysia	Property investment	100	100
Nural Enterprise Sdn Bhd	Malaysia	Investment and rental of property	100	100
Noble Circle (M) Sdn Bhd	Malaysia	Investment and rental of property	100	100
One Network Hotel Management Sdn Bhd	Malaysia	Hotel operator	100	100
Pakar Angsana Sdn Bhd	Malaysia	Property development	80	80
Portal Access Sdn Bhd	Malaysia	Investment holding	100	100
* Pembinaan Stepro Sdn Bhd	Malaysia	Dormant	100	100
Punca Damai Sdn Bhd	Malaysia	Property investment	100	100
<i>b</i> Regnis Industries (Malaysia) Sdn Bhd	Malaysia	Investment and rental of property	87.12	87.12
Securiservices Sdn Bhd	Malaysia	Property development	100	100
* Semakin Sinar Sdn Bhd	Malaysia	Dormant	51	51
Semangat Cergas Sdn Bhd	Malaysia	Property development	100	100
* Stephens Properties Plantations Sdn Bhd	Malaysia	Dormant	100	100
* Taaras Spa Sdn Bhd	Malaysia	Spa management	100	100
* Tekun Permata Sdn Bhd	Malaysia	Property development	100	100
Tioman Island Resort Berhad	Malaysia	Property development and operator of resort hotel	86.25	86.25

b Inclusive of 30% being held by B.L. Capital Sdn Bhd.

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49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(a) Subsidiaries of Berjaya Land Berhad (Cont'd)				
* Tiram Jaya Sdn Bhd	Malaysia	Property development	100	100
* Wangsa Sejati Sdn Bhd	Malaysia	Dormant	52.63	52.63
* Wisma Stephens Management Co Sdn Bhd	Malaysia	Investment holding	100	100
(b) Subsidiary of Berjaya Fukuoka Development (S) Pte Ltd				
* Hakata Waterfront Development Godo Kaisha	Japan	Hotel and resort operation	100	-
(c) Subsidiaries of Berjaya Land Development Sdn Bhd				
Indra Ehsan Sdn Bhd	Malaysia	Property development	100	100
* Kim Rim Enterprise Sdn Bhd	Malaysia	Property development, temporarily ceased operations	100	100
Sri Panglima Sdn Bhd	Malaysia	Property development	100	100
(d) Subsidiaries of Berjaya Leisure (Cayman) Limited				
Berjaya Asset (Cayman) Limited	Cayman Islands	Investment holding	100	100
* Berjaya (China) Great Mall Co Ltd	People's Republic of China	Property investment and development, temporarily ceased operations	51	51
# Berjaya-D2D Company Limited	Socialist Republic of Vietnam	Property investment and development	75	75
* Berjaya International Casino Management (Seychelles) Limited	Republic of Seychelles	Casino operations	60	60
* Berjaya Investment Holdings Pte Ltd	Singapore	Investment holding	-	100

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49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(d) Subsidiaries of Berjaya Leisure (Cayman) Limited (Cont'd)				
* Berjaya Jeju Resort Limited	Republic of Korea	Property development and investment	72.60	72.60
# Berjaya Long Beach Limited Liability Company	Socialist Republic of Vietnam	Owner and developer of hotel	70	70
# Berjaya Mount Royal Beach Hotel Limited	Sri Lanka	Owner and operator of hotel	92.60	92.60
* Berjaya Nhon Trach New City Center	Socialist Republic of Vietnam	Dissolved	-	100
# Berjaya Properties (HK) Limited	Hong Kong	Dormant	60	60
c # Berjaya Vietnam International University Township One Member Limited Liability Company ("BVIUT")	Socialist Republic of Vietnam	Property investment and development	-	100
d # Berjaya Vietnam Financial Center Limited ("BVFC")	Socialist Republic of Vietnam	Property investment and development	-	100
BHR (Cayman) Limited	Cayman Islands	Property investment and investment holding	100	100
* Mahameru Consultancy d.o.o. Visoko	Bosnia and Herzegovina	Property investment	100	100
# Natural Gain Investment Limited	Hong Kong	Dormant	100	100
# T.P.C Development Limited	Hong Kong	Investment holding	100	100

c The Group's equity interest in BVIUT has been diluted from 100% to 0.8% following the injection of fresh share capital into BVIUT by other shareholders.

d The Group's equity interest in BVFC has been diluted from 100% to 32.5% following the injection of fresh share capital into BVFC by another shareholder.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(e) Subsidiaries of Berjaya Okinawa Investment (S) Pte Ltd				
* Berjaya Okinawa Hospitality Asset TMK	Japan	Property investment and development	100	100
* Berjaya Okinawa Investment Godo Kaisha	Japan	Investment holding	100	100
(f) Subsidiary of Berjaya Property Management Sdn Bhd				
Taman TAR Development Sdn Bhd	Malaysia	Property development	100	100
(i) Subsidiary of Taman TAR Development Sdn Bhd				
* The Peak Property Management Sdn Bhd	Malaysia	Dormant	100	100
(g) Subsidiaries of Berjaya Sports Toto Berhad				
# Berjaya-ILTS Limited	Hong Kong	Dormant	100	100
FEAB Equities Sdn Bhd	Malaysia	Dormant	100	100
FEAB Land Sdn Bhd	Malaysia	Property development and investment	100	100
FEAB Properties Sdn Bhd	Malaysia	Property investment and development and investment holding	100	100
Magna Mahsuri Sdn Bhd	Malaysia	Property investment and investment holding	100	100
Sports Toto Malaysia Sdn Bhd	Malaysia	Toto betting operations	100	100
STM Resort Sdn Bhd	Malaysia	Property investment	100	100
Sports Toto Fitness Sdn Bhd	Malaysia	Operation of health and fitness centre	100	100
(i) Subsidiary of FEAB Land Sdn Bhd				
FEAB Realty Sdn Bhd	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(g) Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)				
(ii) Subsidiaries of Magna Mahsuri Sdn Bhd				
Berjaya Sports Toto (Cayman) Limited ("BSTC")	Cayman Islands	Investment holding	100	100
Sports Toto Apparel Sdn Bhd	Malaysia	Dormant	100	100
Sports Toto Computer Sdn Bhd	Malaysia	Computer consultancy services	100	100
Sports Toto Products Sdn Bhd	Malaysia	Dormant	100	100
(iii) Subsidiary of Berjaya Sports Toto (Cayman) Limited				
# Berjaya Lottery Management (HK) Limited	Hong Kong	Investment holding	100	100
(iv) Subsidiaries of Berjaya Lottery Management (HK) Limited				
e * Berjaya Philippines Inc.	Philippines	Investment holding	74.20	74.20
* International Lottery & Totalizator Systems, Inc. ("ILTS")	United States of America	Manufacturer and distributor of computerised lottery and voting systems	100	100
(v) Subsidiaries of Berjaya Philippines Inc.				
* Floridablanca Enviro Corporation (formerly known as Berjaya Enviro Philippines Inc.)	Philippines	Service business of protecting and cleaning the environment	100	100
* H.R. Owen Plc	United Kingdom	Investment holding	99.30	98.38
* Perdana Hotel Philippines Inc.	Philippines	Operation of a hotel in the Philippines	100	100
* Philippine Gaming Management Corporation	Philippines	Leasing of on-line lottery equipment and provision of software support	100	100

e Additional 14.06% being held by BSTC.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(g) Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)				
(vi) Subsidiaries of H.R. Owen Plc				
* Bradshaw Webb (Chelsea) Limited	United Kingdom	Dormant	100	100
* Bodytechnics Limited	United Kingdom	Maintenance and repair of motor vehicles	100	100
* Broughtons of Cheltenham Limited	United Kingdom	Motor retailing and provision of aftersales services	100	100
* eDoc Holdings Limited	United Kingdom	Investment holding	100	-
* Heathrow Limited	United Kingdom	Dormant	100	100
* Holland Park Limited	United Kingdom	Provision of aftersales services	100	100
* H.R. Owen Dealerships Limited	United Kingdom	Motor retailing and provision of aftersales services	100	100
* HR Owen Insurance Services Limited	United Kingdom	Provision of insurance agents and brokers services	60	60
* H.R. Owen Investments Limited	United Kingdom	Dormant	100	100
* H.R. Owen Leasing Limited	United Kingdom	Dormant	100	100
* H.R. Owen Motor Dealerships Limited	United Kingdom	Dormant	100	100
* H.R. Owen Motor Properties Limited	United Kingdom	Dormant	100	100
* H.R. Owen Vehicle Leasing Company Limited	United Kingdom	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(g) Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)				
(vi) Subsidiaries of H.R. Owen Plc (Cont'd)				
* Jack Barclay Limited	United Kingdom	Motor retailing and provision of aftersales services	100	100
* London Lotus Centre Limited	United Kingdom	Dormant	100	100
* Malaya Dealerships Limited	United Kingdom	Dormant	100	100
<i>f</i> * Netprofit.com Limited ("Netprofit")	United Kingdom	Dormant	100	100
* Upbrook Mews Limited	United Kingdom	Engage in letting and operating of own or leased real estate	100	100
(vii) Subsidiary of H.R. Owen Investments Limited				
* H.R. Owen Finance Ltd	United Kingdom	Dissolved	-	100
(viii) Subsidiaries of International Lottery & Totalizator Systems, Inc.				
* ILTS Vietnam Company Limited	Socialist Republic of Vietnam	Provision of lottery technical support services	100	-
* Unisyn Voting Solutions, Inc.	United States of America	Developing, manufacturing and providing licences and supports for voting systems	100	100
(h) Subsidiary of Berjaya North Asia Holdings Pte Ltd				
* Berjaya Okinawa Development Co Ltd	Japan	Resort hotel and residence development	100	100

f H.R. Owen Plc and Bradshaw Webb (Chelsea) Limited each holds 50% equity interest in Netprofit.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

	Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
				2018 %	2017 %
(i)	Subsidiaries of Berjaya Vacation Club Berhad				
	Berjaya Air Sdn Bhd	Malaysia	Charter flight operator	100	100
	Berjaya Beau Vallon Bay (Cayman) Limited	Cayman Islands	Investment holding	100	100
	Berjaya Golf Resort Berhad	Malaysia	Property development and investment and operator of golf and recreation club	100	100
	Berjaya Hospitality Services Sdn Bhd	Malaysia	Hotel operator	100	100
#	Berjaya Hotels and Resorts (HK) Limited	Hong Kong	Investment holding	60	60
	Berjaya Hotels & Resorts (M) Sdn Bhd	Malaysia	Resort management	100	100
g #	Berjaya International Casino Management (HK) Limited	Hong Kong	Investment holding	100	80
	Berjaya Langkawi Beach Resort Sdn Bhd	Malaysia	Hotel and resort operation	100	100
	Berjaya Praslin Beach (Cayman) Limited	Cayman Islands	Investment holding	100	100
	Berjaya Vacation Club (Cayman) Limited	Cayman Islands	Investment holding	100	100
*	Berjaya Vacation Club (Philippines) Inc.	Philippines	Dormant	100	100
#	Berjaya Vacation Club (HK) Limited	Hong Kong	Dormant	100	100
*	Berjaya Vacation Club (S) Pte Ltd	Singapore	Vacation time sharing	100	100
	Bukit Kiara Resort Berhad	Malaysia	Developer and operator of equestrian and recreational club	100	100

g An additional 20% equity interest was acquired in an internal reorganisation.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(i) Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)				
BTS Hotel Sdn Bhd	Malaysia	Owner of hotel	100	100
Georgetown City Hotel Sdn Bhd	Malaysia	Hotel operator	100	100
* Hotel Integrations Sdn Bhd	Malaysia	Provision of hotel consultancy and related services	70	70
Indah Corporation Berhad	Malaysia	Developer and operator of golf resort and property development	100	100
KDE Recreation Berhad	Malaysia	Developer and operator of golf and recreational club	100	100
* Redang Village Resort Sdn Bhd	Malaysia	Dormant	51	51
Sinar Merdu Sdn Bhd	Malaysia	Investment and rental of property	100	100
Staffield Country Resort Berhad	Malaysia	Developer and operator of golf resort	80	80
The Taaras Beach & Spa Resort (Redang) Sdn Bhd	Malaysia	Hotel and resort operation	99.50	99.50
The Taaras Luxury Group Sdn Bhd	Malaysia	Management of hotel operations	100	100
* Tioman Pearl Sdn Bhd	Malaysia	Development of hotel and resort	70	70
Tioman Travel & Tours Sdn Bhd	Malaysia	Property investment	100	100
(i) Subsidiary of Berjaya Air Sdn Bhd				
Berjaya Air Cargo Sdn Bhd	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(i) Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)				
(ii) Subsidiary of Berjaya Beau Vallon Bay (Cayman) Limited				
* Berjaya Beau Vallon Bay Beach Resort Limited	Republic of Seychelles	Operation of hotel resort in Seychelles	100	100
(iii) Subsidiary of Berjaya Praslin Beach (Cayman) Limited				
* Berjaya Praslin Limited	Republic of Seychelles	Operation of a hotel resort in Seychelles	100	100
(iv) Subsidiary of The Taaras Beach & Spa Resort (Redang) Sdn Bhd				
* Redang Island Golf and Country Club Berhad	Malaysia	Dormant	100	100
(v) Subsidiary of Berjaya Vacation Club (Cayman) Limited				
* Berjaya Vacation Club (UK) Limited	United Kingdom	Hoteliers and hotel management	100	100
(vi) Subsidiaries of Georgetown City Hotel Sdn Bhd				
Berjaya Georgetown Sharksfin Restaurant Sdn Bhd	Malaysia	Dormant	100	100
BG Karaoke Sdn Bhd	Malaysia	Dormant	68.97	68.97
(vii) Subsidiary of KDE Recreation Berhad				
Infinity Worth Creation Sdn Bhd	Malaysia	Dormant	100	-
(viii) Subsidiary of Sinar Merdu Sdn Bhd				
* ANSA Hotel KL Sdn Bhd	Malaysia	Property investment and hoteliers	100	100
(j) Subsidiary of Cerah Tropika Sdn Bhd				
Penstate Corp. Sdn Bhd	Malaysia	Property development	100	100

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
(k) Subsidiary of Kota Raya Development Sdn Bhd				
* Kota Raya Complex Management Sdn Bhd	Malaysia	Property management, temporarily ceased operations	100	100
(l) Subsidiary of Noble Circle (M) Sdn Bhd				
* Noble Circle Management Sdn Bhd	Malaysia	Property management, temporarily ceased operations	100	100
(m) Subsidiary of Nural Enterprise Sdn Bhd				
* Aras Klasik Sdn Bhd	Malaysia	Property management, temporarily ceased operations	100	100
(n) Subsidiaries of Tioman Island Resort Berhad				
* ANSA Hotels & Resorts Sdn Bhd	Malaysia	Dormant	100	100
* Berjaya Hotels & Resorts (Singapore) Pte Ltd	Singapore	Hotel booking, marketing agent and investment holding	100	100
Ever Perpetual Growth Sdn Bhd	Malaysia	Dormant	100	-
Ever Revenue Sdn Bhd	Malaysia	Dormant	100	-
* Tioman Golf Management Sdn Bhd	Malaysia	Dormant	100	100
(i) Subsidiary of Berjaya Hotels & Resorts (Singapore) Pte Ltd				
BHR Okinawa Management Godo Kaisha	Japan	Hotel management	100	100
(o) Subsidiary of Wisma Stephens Management Co Sdn Bhd				
* Wujud Jaya Sdn Bhd	Malaysia	Dormant	100	100
Associated Companies				
* Asian Atlantic Holdings Limited	British Virgin Islands	Investment holding	24.46	24.46
* AM Automotive (S) Pte Ltd	Singapore	Ceased to be dealer of "Aston Martin" vehicles	49.90	49.90

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
Associated Companies (Cont'd)				
# Bermaz Auto Philippines Inc.	Philippines	Selling and distribution of Mazda brand cars within the territory of the Philippines	28.28	25.48
<i>h</i> * Berjaya Assets Berhad	Malaysia	Investment holding	8.59	14.61
* Berjaya Kyoto Development (S) Pte Ltd	Singapore	Investment holding	50	50
* Berjaya Land (Thailand) Company Ltd	Thailand	Property development and investment	40	40
Berjaya Lottery Vietnam Limited	Malaysia	Investment holding	20	20
* Berjaya Property (Thailand) Company Ltd	Thailand	Dormant	40	40
* Berjaya Pizza (Philippines) Inc.	Philippines	Development and operation of "Papa John's Pizza" chain of restaurants in the Philippines	48.38	48.38
# Berjaya Vietnam Financial Center Limited	Socialist Republic of Vietnam	Property development and investment	32.5	-
* Cashsystems Asia Technology Sdn Bhd	Malaysia	Dormant, under liquidation	30	30
* Centreplus Sdn Bhd	Malaysia	Dormant	30	30
* Chailease Berjaya Finance Corporation	Philippines	Provision of hire purchase and loan financing services	25	-
* Cosway Philippines Inc.	Philippines	Dormant	40	40
* Focus Equity Sdn Bhd	Malaysia	Dormant, under liquidation	32.50	32.50

h The Group regards Berjaya Assets Berhad as an associated company as disclosed in Note 2.5(a)(iv).

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2018

49 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Principal Activities	Equity Interest Held	
			2018 %	2017 %
Associated Companies (Cont'd)				
# Informatics Education Limited	Singapore	Investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators	27.09	27.09
* Inter-Capital Holdings Pte Ltd	Singapore	Investment holding	50	50
* Jaya Bowl Sdn Bhd	Malaysia	Dissolved	-	20
* Nubaru Tochi Kanri Godo Kaisya	Japan	Investment holding	33	33
* Neptune Properties, Incorporated	Philippines	Engage in real estate business	41.46	41.46
* Portsworth Holdings Pte Ltd	Singapore	Struck off	-	50
* Perdana Land Philippines Inc.	Philippines	Acquire, develop or lease real estate	40	40
* Resort Cruises (S) Pte Ltd	Singapore	Dormant	49	49
* Singapore Institute of Advanced Medicine Holdings Pte Ltd	Singapore	Provision of medical laboratory services, clinic and other general medical services, sale of pharmaceuticals, surgical and consumables	34.27	21.14
* Ssangyong Berjaya Motor Philippines Inc.	Philippines	Selling and distribution of SsangYong brand vehicles within the territory of the Philippines	20	20
* Tioman Ferry Services Sdn Bhd	Malaysia	Dormant	20	20
* VideoDoc Limited	United Kingdom	Provision of general and specialists medical practice services	20.15	-

Audited by member firms of Ernst & Young Global

* Not audited by Ernst & Young or a member firm of Ernst & Young Global

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Berjaya Land Berhad, which comprise the statements of financial position as at 30 April 2018 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 219.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2018, and of their financial performance and their cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (Cont'd)

Key audit matters in respect of audit of the financial statements of the Group

Impairment assessment of gaming rights with indefinite useful life

(Refer to summary of significant accounting policies in Note 2.2(6), significant accounting estimates and judgements in Note 2.5(b)(iv), and the disclosure of gaming rights in Note 10 to the financial statements.)

Gaming rights with indefinite useful life amounting to RM3.85 billion is in respect of gaming rights held by the gaming segment in Malaysia. This represents 41% and 30% of non-current assets and total assets of the Group as at 30 April 2018 respectively.

The Group's gaming rights are subject to annual impairment test. The Group estimates the recoverable amount of the cash generating unit ("CGU") based on value-in-use ("VIU"). Estimating the VIU involves management making estimates on the future cash inflows and outflows from the CGU, and discounting them at an appropriate rate.

The cash flow forecasts contain a number of significant judgements and estimates including estimates on revenue growth rate, payout ratio, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involved significant management's judgements about future market and economic conditions and changes in these assumptions may lead to a significant change in the recoverable amount of the CGU.

Arising from the impairment assessment, the Group has recognised a reversal of impairment loss of RM95 million in respect of the Malaysian gaming operations.

Our procedures to address this area of focus include, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amount of the CGU;
- evaluated the appropriateness of the methodology and approach applied, and considered whether they are commonly used in the industry;
- checked the basis of preparing the cash flow forecasts taking into consideration management's historical budgeting accuracy;
- involved our internal valuation experts in reviewing the impairment assessment performed by management;
- evaluated whether key assumptions which comprise the revenue growth rate, payout ratio and terminal growth rate are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth;
- assessed whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates or equivalent data for peer companies; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes in the key assumptions to the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (Cont'd)

Key audit matters in respect of audit of the financial statements of the Group (Cont'd)

Impairment assessment of gaming rights with indefinite useful life (Cont'd)

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions and sensitivities are included in Note 10.

Litigation relating to the property development project in Jeju Island, South Korea

(Refer to significant accounting estimates and judgements in Note 2.5(a)(ii), the disclosure of receivables in Note 13, and material litigation in Note 40(a) to the financial statements.)

As disclosed in Note 40(a) to the financial statements, the Group has initiated legal proceedings against Jeju Free International City Development Center ("JDC") for breaches of certain terms and conditions stipulated in the Sale & Purchase Agreement entered into with JDC ("Land SPA") while claiming for losses and damages arising from those breaches (the "Litigation"). The Group has incurred approximately RM593 million up to 30 April 2018 and has classified these costs as compensation receivable, which represents approximately 6% and 5% of the non-current assets and total assets of the Group respectively. Recoverability of these costs is dependent on the favourable outcome of the Litigation against JDC.

We consider this to be an area of focus for our audit as the eventual outcome of the Litigation is uncertain and the position taken by the Directors involved significant judgement and estimation. In addition, the amounts involved are significant and may result in significant adjustments to the financial statements should the eventual outcome becomes unfavourable to the Group.

Our procedures to address this area of focus include, amongst others, the following:

- perused through the significant contract terms and conditions, including that of the Land SPA;
- interviewed the Directors and management to understand the basis of their conclusion in respect of this Litigation;
- assessed the legal counsels' objectivity and independence; and reviewed their credentials, qualifications, experience and reputation; and
- evaluated the rationale and basis for the legal counsels' opinion by interviewing them to gain an understanding of the basis of their opinion including their knowledge relating to such litigations/claims in general.

We have also reviewed and assessed the completeness and accuracy of the Group's disclosures pertaining to the said Litigation as disclosed in Note 2.5(a)(ii) and Note 40(a).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (Cont'd)

Key audit matters in respect of audit of the financial statements of the Group (Cont'd)

Recoverability of debts due from the purchaser of the Berjaya (China) Great Mall Co. Ltd. development project

(Refer to significant accounting estimates and judgements in Note 2.5(a)(iii), the disclosure of receivables in Note 13, and arbitration proceedings in Note 40(c) to the financial statements.)

As disclosed in Note 40(c) to the financial statements, the Group has initiated an arbitration proceedings against Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") to recover a debt receivable from Beijing SkyOcean arising from the disposal of a property located in Beijing, China (the "Great Mall Property") (collectively, the "Arbitration Proceedings"). The Group disposed the Great Mall Property in October 2016 to Beijing SkyOcean for a total consideration of RMB2.039 billion (equivalent to RM1.261 billion) and has collected RMB1.065 billion (equivalent to RM0.659 billion) from Beijing SkyOcean. The holding company of Beijing SkyOcean and one of its shareholders have provided guarantees for the outstanding debt. The Group, having considered the timeframe required to complete the Arbitration Proceedings and the recovery of the debt, has recognised an impairment loss of approximately RM153 million to account for the time value of money of the debt receivable. As at 30 April 2018, the debt receivable from Beijing SkyOcean net of impairment loss amounting to RM474 million, has been included under non-current receivables in the financial statements of the Group.

We consider this to be an area of focus for our audit as the eventual outcome of the Arbitration Proceedings is uncertain and the position taken by the Directors involved significant judgement and estimation. In addition, the amount involved is significant and may result in significant adjustments to the financial statements should the eventual outcome becomes unfavourable to the Group.

Our procedures to address this area of focus include, amongst others, the following:

- engaged our global firm counterparts in Beijing, People's Republic of China, and collaborated with them to perform the procedures included below;
- perused through the significant terms and conditions of the contract with Beijing SkyOcean;
- interviewed the Directors and management to understand the basis of their conclusion in respect of this Arbitration Proceedings and their assessment of the probability of the recoverability of this debt;
- assessed the legal counsels' objectivity and independence; and reviewed their credentials, qualifications, experience and reputation; and
- evaluated the rationale and basis for the legal counsels' opinion by interviewing them to gain an understanding of the basis of their opinion including their knowledge relating to such litigations/claims in general, and reviewed the appropriateness of the impairment loss provided for in respect of this debt based on this basis.

We have also reviewed and assessed the completeness and accuracy of the Group's disclosures pertaining to the said Arbitration Proceedings as disclosed in Note 2.5(a)(iii) and Note 40(c).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (Cont'd)

Key audit matters in respect of audit of the financial statements of the Group (Cont'd)

Toto betting revenue and related cost of sales

(Refer to summary of significant accounting policies in Note 2.2(24)(viii), and the disclosure of revenue in Note 28 to the financial statements.)

The Group's revenue from toto betting operations is derived from a large volume of individually insignificant transactions. The Group relies heavily on its information technology system ("IT System") to account for such revenue. Revenue from toto betting operations of approximately RM3.12 billion, accounts for 49% of the Group's revenue for the financial year. The related cost of sales from toto betting operations was RM2.47 billion, which accounts for 52% of the Group's cost of sales for the financial year.

The amounts recognised for revenue and cost of sales from gaming operations is a key audit matter because the amounts recognised are significant to the financial statements of the Group and they involve a large volume of transactions processed by the Group's IT Systems.

Our procedures to address this area of focus include, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of recording of revenue and cost of sales;
- evaluated the operating effectiveness of the automated controls over revenue and cost of sales processes by involving our internal experts in testing the operating effectiveness of the automated controls over the revenue and cost of sales processes. We also tested the accuracy of interface between the sales terminal system and the betting operating system, and related calculation of prize payment in the financial information system;
- evaluated the effectiveness of the non-automated controls in place to ensure the accuracy of revenue and cost of sales recognised, including the timely posting of revenue and cost of sales to the general ledger in the financial information system;
- evaluated transactions recorded close to the year end, including draw sales after year end, to establish whether those transactions were recorded in the correct accounting period; and
- performed reconciliation of cash receipts to revenue recorded in the financial statements.

We have also reviewed and assessed the adequacy of the Group's disclosure relating to revenue and cost of sales.

Valuation of investment properties

(Refer to summary of significant accounting policies in Note 2.2(4), significant accounting estimates and judgements in Note 2.5(b)(v), the disclosure of investment properties in Note 4, and fair value measurement in Note 43(a) to the financial statements.)

As at 30 April 2018, the carrying amount of investment properties amounted to RM761 million representing 8% and 6% of the Group's total non-current assets and total assets respectively.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (Cont'd)

Key audit matters in respect of audit of the financial statements of the Group (Cont'd)

Valuation of investment properties (Cont'd)

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

Our procedures to address this area of focus include, amongst others, the following:

- assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
- obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; and
- evaluated the appropriateness of the data used by the independent valuers as input into their valuations. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

We also reviewed and assessed the Group's disclosures relating to investment properties.

Key audit matters in respect of audit of the financial statements of the Company

Impairment assessment of investment in subsidiary companies

(Refer to summary of significant accounting policies in Note 2.2(1), significant accounting estimates and judgements in Note 2.5(b)(iii) and the disclosure of investment in subsidiary companies in Note 6 to the financial statements.)

As at 30 April 2018, the carrying amount of the investment in subsidiary companies of the Company amounted to RM2.64 billion, representing 69% and 49% of the Company's total non-current assets and total assets respectively.

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU") whichever is higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the revenue growth rate, discount rate and terminal growth rate.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (Cont'd)

Key audit matters in respect of audit of the financial statements of the Company (Cont'd)

Impairment assessment of investment in subsidiary companies (Cont'd)

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated the appropriateness of the methodology and approach applied;
- checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy and also the basis of determining fair value less cost to sell;
- evaluated whether key assumptions which comprised the revenue growth rate, discount rate and terminal growth rate, as well as the fair value less cost to sell, were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth;
- where fair value less cost to sell is applied, evaluated whether the assumptions applied in determining the fair value less cost to sell of the respective investments and their underlying assets were reasonable, and to obtain an understanding of the related data used as input to the valuation models; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

We also reviewed and assessed the Company's disclosures relating to the impairment of assessment of investment in subsidiary companies in Note 2.5(b)(iii) and Note 6.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Information other than the financial statements and auditors' report thereon (Cont'd)

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BERJAYA LAND BERHAD
(INCORPORATED IN MALAYSIA)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 49 to the financial statements.

Other matters

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

LOW KHUNG LEONG
No. 02697/01/2019 J
Chartered Accountant

Kuala Lumpur, Malaysia
13 August 2018

LIST OF MAJOR PROPERTIES

AS AT 30 APRIL 2018

Location	Tenure	Size	Description	Estimated Age of Building	Date of Acquisition	Net Carrying Amount RM'000
Lot 28 (GRN 20366) Lot 403 (GRN 20428) Lot 728 (GRN 18054) Seksyen 2 Bandar Georgetown Daerah Timor Laut Pulau Pinang	Freehold	55.37 acres	Land for mixed development	N/A	31.03.2014	580,938
Lot 352 Seksyen 20 Bandar Kuantan District of Kuantan Pahang Darul Makmur	Freehold	5.46 acres	Shopping mall for rental	20 years	05.02.1991	270,004
14th, 15th Floors and Service Suites at Tower B Berjaya Times Square No. 1 Jalan Imbi Kuala Lumpur	Freehold	345,773 sq ft	327 units of service suite	15 years	06.01.1998	} 196,548 } } } } } } }
Service Suites at Tower A & B Berjaya Times Square No. 1 Jalan Imbi Kuala Lumpur	Freehold	136,497 sq ft	181 units of service suite	15 years	13.03.2007	
Service Suites at Tower A Berjaya Times Square No. 1 Jalan Imbi Kuala Lumpur	Freehold	21,765 sq ft	32 units of service suite	15 years	01.07.2008	
B-35-013, Tower B Berjaya Times Square No. 1 Jalan Imbi Kuala Lumpur	Freehold	624 sq ft	1 unit service suite	15 years	01.07.2008	
Premises at Ground Floor 14th & 16th Floors Tower A & B Berjaya Times Square No. 1 Jalan Imbi Kuala Lumpur	Freehold	30,957 sq ft	Hotel lobby, function rooms and storage area	15 years	10.02.2010	
B44-04, Tower B Berjaya Times Square No. 1 Jalan Imbi Kuala Lumpur	Freehold	3,821 sq ft	Penthouse	15 years	08.05.2012	

LIST OF MAJOR PROPERTIES AS AT 30 APRIL 2018

Location	Tenure	Size	Description	Estimated Age of Building	Date of Acquisition	Net Carrying Amount RM'000
HS(D) 52466-68, PT 4625-27 HS(D) 52471-75, PT 4630-34 Mukim Sungai Tinggi Daerah Ulu Selangor Selangor Darul Ehsan	Freehold	871.1 acres	Land for mixed development	N/A	31.03.2017	154,169
HS(D) 4/94, PT 278	Leasehold expiring on 30.04.2069	85.83 acres	Beach resort (424 guest rooms/chalets)	25 years	27.05.1994	125,747
HS(D) 1017, PT 140	Leasehold expiring on 29.03.2070				30.03.2010	}
HS(D) 1018, PT 141 Mukim Padang Matsirat Daerah Langkawi Pulau Langkawi Kedah Darul Aman	Leasehold expiring on 29.03.2070				30.03.2010	}
Lot 558	Freehold	613.68 acres	Beach resort (189 guest rooms and a villa)	>22 yrs	Year 1990	122,967
Lot 705 Lot 50000 Lot 50001 Lot 50002	} Leasehold } 60 years expiring } in year 2070 }				Year 2010	}
Lot 239, 240-242 PT 925, 926, 927 PT 928, 929 Teluk Dalam and Teluk Siang, Pulau Redang Terengganu Darul Iman	} Leasehold } 60 years expiring } in year 2051 }				16.10.1993	}
Geran No. 29726 Lot 1261, Seksyen 67 Daerah Kuala Lumpur (Plaza Berjaya, 12 Jalan Imbi Kuala Lumpur)	Freehold	158,154 sq ft	Land with office, residential block and shopping complex for rental	32 years	27.11.1989	104,560

LIST OF MAJOR PROPERTIES AS AT 30 APRIL 2018

Location	Tenure	Size	Description	Estimated Age of Building	Date of Acquisition	Net Carrying Amount RM'000
Lot 5001 to 5005 Lot 5007 to 5020 PN 14706 to 14710 PN 14712 to 14714 PN 14721 to 14731 Daerah Rompin Bandar Tioman Pulau Tioman Pahang Darul Makmur	Leasehold 99 years expiring on 02.05.2107	201.39 acres	Land for hotel and resort operations	31 years	30.12.1985	103,221
342 parcels of land at Onna-Son Okinawa Island, Japan	Freehold	111,331 sq m	Land held for development	N/A	Since 15.07.2009	101,735
GM931 Lot 57 GM841 Lot 58. Geran 26066 Lot 1 Geran 26067 Lot 2 GM 1772 Lot 49 Seksyen 94B Mukim Kuala Lumpur	Freehold	387,920 sq ft	Vacant development land	N/A	03.05.2012	87,808
Lot PT 4805, 4806 HS(D) 81319, 81320 Mukim Petaling Kuala Lumpur	Freehold	7,129,260 sq ft	Club house and golf course	> 26 years	05.09.1991	84,255
11th Floor Berjaya Times Square No. 1, Jalan Imbi Kuala Lumpur	Freehold	104,844 sq ft	1 floor of office space of an integrated commercial development for rental	15 years	06.01.1998	65,556
10 parcels of land at Uruma-shi Okinawa Island, Japan	Freehold	57,479 sq m	Land with hotel building (123 guest rooms)	24 years	30.03.2017	63,588
13th Floor Berjaya Times Square No. 1, Jalan Imbi Kuala Lumpur	Freehold	106,315 sq ft	1 floor of office space of an integrated commercial development for rental	15 yrs	06.01.1998	54,278
ANSA Kuala Lumpur No. 101 Jalan Bukit Bintang Kuala Lumpur	Leasehold 60 years expiring on 30.04.2062	22,852 sq ft	Hotel (167 guest rooms)	> 39 years	05.05.2008	51,728

Note:

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

MATERIAL CONTRACTS

Other than as disclosed in Notes 13, 25, 30, 31, 32, 33, 34, 39, 41 and 47 to the financial statements, there are no subsisting material contracts entered into by Berjaya Land Berhad and its subsidiaries involving Directors and major shareholders.

ADDITIONAL INFORMATION

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2018 amounted to RM699,000 (2017 : RM657,000).

The total number of employees of the Group at 30 April 2018 is 4,724 (2017 : 4,793).

GROUP ADDRESSES

BERJAYA HOTELS & RESORTS

Corporate Office

Level 15 (West Wing)
Berjaya Times Square Hotel
No. 1, Jalan Imbi
55100 Kuala Lumpur, Malaysia
Tel : 603-2142 9611
Fax : 603-2144 2526/2527
Email : bhr@berjayahotel.com
Website: www.berjayahotel.com

MALAYSIAN HOTELS & RESORTS

Berjaya Tioman Resort

P.O. Box 4, 86807 Mersing
Johor Darul Takzim
Tel : 609-419 1000
Fax : 609-419 1718
Email : tioman.rsvn@berjayahotel.com
Website: www.berjayahotel.com/tioman

Berjaya Langkawi Resort

Karong Berkunci 200
Burau Bay
07000 Langkawi
Kedah Darul Aman
Tel : 604-959 1888
Fax : 604-959 1886
Email : langkawi.rsvn@berjayahotel.com
Website: www.berjayahotel.com/langkawi

The Taaras Beach & Spa Resort

P.O. Box 126, Main Post Office
20928 Kuala Terengganu
Terengganu Darul Iman
Tel : 609-630 8888
Fax : 609-630 8880
Email : rsvn.manager@thetaaras.com
Website: www.thetaaras.com

Berjaya Penang Hotel

1-Stop Midlands Park
Jalan Burmah, Georgetown
10350 Pulau Pinang
Tel : 604-227 7111
Fax : 604-226 7111
Email : pg.reservation@berjayahotel.com
Website: www.berjayahotel.com/penang

Berjaya Times Square Hotel, Kuala Lumpur

No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2117 8000
Fax : 603-2143 3352
Email : bth.rsvn@berjayahotel.com
Website : www.berjayahotel.com/kualalumpur

ANSA Kuala Lumpur

101, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2146 5000
Fax : 603-2146 5001
Email : reservation@ansahotels.com
Website : www.ansahotels.com/kualalumpur

Redang Island Resort

Teluk Siang, Redang Island
20190 Kuala Terengganu
Terengganu Darul Iman
Tel : 609-630 8787
Fax : 609-630 8788
Email : reservation@redangislandresort.com
Website : www.redangislandresort.com

OVERSEAS HOTELS & RESORTS

Berjaya Beau Vallon Bay Resort

& Casino – Seychelles
P.O. Box 550, Victoria
Mahe, Seychelles
Tel : 248-4287-287
Fax : 248-4247-943
Email : mahe.inquiry@berjayahotel.com
Website : www.berjayahotel.com/mahe

Berjaya Praslin Resort – Seychelles

Anse Volbert, Praslin, Seychelles
Tel : 248-4286-286
Fax : 248-4232-244
Email : praslin.rsvn@berjayahotel.com
Website : www.berjayahotel.com/praslin

Berjaya Eden Park London Hotel – United Kingdom

35-39, Inverness Terrace
Bayswater, London W2 3JS
United Kingdom
Tel : 44-20-7221-2220
Fax : 44-20-7221-2286
Email : reservation.london@berjayahotel.com
Website : www.berjayahotel.com/london

Berjaya Hotel Colombo – Sri Lanka

36, College Avenue, Mount Lavinia
Sri Lanka
Tel : 94-11-273 9610
Fax : 94-11-273 3030
Email : colombo.rsvn@berjayahotel.com
Website : www.berjayahotel.com/colombo

Sheraton Hanoi Hotel – Vietnam

K5 Nghi Tam
11, Xuan Dieu Road
Tay Ho District, Hanoi
Vietnam
Tel : 84-24-3719 9000
Fax : 84-24-3719 9001
Email : reservations.hanoi@sheraton.com
Website : www.sheratonhanoi.com

InterContinental Hanoi Westlake – Vietnam

5 Tu Hoa Street
Tay Ho District, Hanoi
Vietnam
Tel : 84-24-6270 8888
Fax : 84-24-6270 9999
Email : res.hanoi@ihg.com
Website : www.hanoi.intercontinental.com

Four Seasons Hotel Kyoto - Japan

445-3 Myohoin Maekawa-Cho
Higashiyama-Ku
Kyoto 605-0932
Japan
Tel : 81-75 541 8288
Fax : 81-75 541 8287
Email : contactus.kyoto@fourseasons.com
Website : www.fourseasons.com/kyoto

Hakkouda Resort Hotel - Japan

Arakawa Kansuizawa, 1-58 Aomori
City Japan
Tel : 81-17-738-2233
Fax : 81-17-738-2531
Email : hakkouda-resort@adagio.ocn.ne.jp
Website : www.hakkouda-resort.jp

Berjaya Makati Hotel – Philippines

7835, Makati Avenue, Corner Eduque Street
Makati City, Philippines 1209
Tel : 632-750 7500
Fax : 632-750 6783
Email : manila.inquiry@berjayahotel.com
Website : www.berjayahotel.com/manila

The Castleton Hotel, London – United Kingdom

164-166 Sussex Gardens
London W2 1UD, England
Tel : 44-20-7706-4666
Fax : 44-20-7706-2288
Email : info@castletonhotel.com
Website : www.thecastletonhotel.com

GROUP ADDRESSES

CLUBS & RECREATION

Tioman Island Golf Club, Pahang

P.O. Box 4
86807 Mersing
Johor Darul Takzim
Tel : 609-419 1000 (Ext 1574)
Email : tioman.golf@berjayahotel.com

Bukit Banang Golf & Country Club, Johor

1, Persiaran Gemilang
Bandar Banang Jaya
83000 Batu Pahat
Johor Darul Takzim
Tel : 607-428 6001
Email : banang@berjayaclubs.com

Staffield Country Resort, Negeri Sembilan

Batu 13, Jalan Seremban-Kuala Lumpur
71700 Mantin
Negeri Sembilan Darul Khusus
Tel : 603-8766 6117
Email : staffield@berjayaclubs.com

Bukit Kiara Equestrian & Country Resort, Kuala Lumpur

Jalan Bukit Kiara
Off Jalan Damansara
60000 Kuala Lumpur
Tel : 603-2093 1222
Email : kiara@berjayaclubs.com

Bukit Jalil Golf & Country Resort, Kuala Lumpur

Jalan Jalil Perkasa 3, Bukit Jalil
57000 Kuala Lumpur
Tel : 603-8994 1600
Email : jalil@berjayaclubs.com

Kelab Darul Ehsan, Selangor

Taman Tun Abdul Razak
Jalan Kerja Air Lama
68000 Ampang Jaya
Selangor Darul Ehsan
Tel : 603-4257 2333
Email : kde@berjayaclubs.com

VACATION TIMESHARE & TRAVEL

Berjaya Vacation Club Berhad – Kuala Lumpur

Lot 5-04, 5th Floor, Fahrenheit 88
179, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603-2116 9999
Fax : 603-2141 9288/2148 6879
Email : bvc@berjaya.com.my

BERJAYA AIR SDN BHD ASIA JET PARTNERS MALAYSIA SDN BHD

Lot AM1, Skypark Terminal
Sultan Abdul Aziz Shah Airport
47200 Subang
Selangor Darul Ehsan, Malaysia
Tel : 603-7847 1338
Fax : 603-7842 2038

PROPERTY INVESTMENT & DEVELOPMENT

Main Office:

Level 12 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2149 1999/2142 8028
Fax : 603-2143 2028/2145 2126
Email : property@berjaya.com.my

Vietnam Office:

Berjaya – D2D Co., Ltd

6th Floor, Bao Viet Tower
233 Dong Khoi Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Socialist Republic of Vietnam
Tel : 84-28-3521 0038 (General)
84-28-3521 0001 (Marketing)
Fax : 84-28-3521 0039

Berjaya – Handico12 Co., Ltd., Hanoi The Pavilion

Ha Noi Garden City
Thach Ban Ward, Long Bien District
Hanoi, Socialist Republic of Vietnam
Tel : 84-24-3652 6666
Fax : 84-24-3652 6668

China Office:

Berjaya (China) Great Mall Co. Ltd.

38, Xinggong West Street
Yanjiao Development Zone
065201 Sanhe City
Hebei Province
People's Republic of China
Tel : 86-01-61597200/
86-316-3338182

Korea Office:

Berjaya Jeju Resort Limited

8, Yerae-ro 141 Beon-Gil
Seogwipo City
Jeju Special Self-Governing Province
697-301 Republic of Korea
Tel : 82-64-738 5038

GROUP ADDRESSES

PROPERTY INVESTMENT & DEVELOPMENT (CONT'D)

Property Management:

Level 12 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2149 1591/92
Fax : 603-2143 8028
Email : propmgmt@berjaya.com.my

Property Addresses:

Indah UPC Shops

3½ Miles, Jalan Klang Lama
58000 Kuala Lumpur

Kelang Lama New Business Centre Gemilang Indah Apartments

Jalan 2/110A
Batu 3½, Jalan Klang Lama
58200 Kuala Lumpur

Pines Condominiums

Jalan 116, Jalan Sultan Abdul Samad
Brickfields, 50470 Kuala Lumpur

Ixora Apartments

Jalan Rusa, Off Jalan Tun Razak
50400 Kuala Lumpur

Robson Condominiums

Jalan 2/87D, Robson Heights
Persiaran Syed Putra 2
50470 Kuala Lumpur

1 Petaling Residences & Commerz @ Sg. Besi

Jalan 1C/149, Off Jalan Sungai Besi
57100 Kuala Lumpur

Petaling Indah Condominiums

Jalan 1C/149
Off Jalan Sungai Besi
57100 Kuala Lumpur

Sri Pelangi Condominiums

Sri Pelangi Shops & Apartments
Jalan Genting Kelang, Setapak
53300 Kuala Lumpur

Taman Cemerlang Cemerlang Heights Cemerlang Court Cemerlang Apartment Cemerlang Shop/Office/Apartment

Jalan TC 1/5
Taman Cemerlang Gombak
53100 Kuala Lumpur

Berjaya Park

Seksyen 32, 40460 Shah Alam
Selangor Darul Ehsan

Vasana 25

Seputeh Heights
Jalan Bukit Seputeh 3
Taman Seputeh Heights
58000 Kuala Lumpur

Subang Heights

Jalan SHT/SHB
Taman Subang Heights
47500 Subang Jaya
Selangor Darul Ehsan

The Peak @ Taman TAR

Off Jalan Sultan
Taman Tun Abdul Razak
68000 Ampang
Selangor Darul Ehsan

Greenfields Apartments

Green Avenue Condominiums
Jalan 1/155B, Bukit Jalil
57000 Kuala Lumpur

Arena Green Apartments

Lanai Residensi
Jalan 1/55A, Bukit Jalil
57000 Kuala Lumpur

Savanna Bukit Jalil Condominiums

Jalan 1/155A, Bukit Jalil
57000 Kuala Lumpur

Savanna 2 Bukit Jalil Covillea Bukit Jalil

Jalan Jalil Perkasa 7, Bukit Jalil
57000 Kuala Lumpur

Jalil Link @ Bukit Jalil

Jalan 1/155B, Bukit Jalil
57000 Kuala Lumpur

The Link 2 @ Bukit Jalil

Jalan Jalil Perkasa 1, Bukit Jalil
57000 Kuala Lumpur

KM1 East & West Condominiums @ Bukit Jalil

Jalan Jalil Perkasa, Bukit Jalil
57000 Kuala Lumpur

Kinrara Ria Apartments

Jalan TK 4/11
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Putri Apartments

Jalan TK 4/12
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Low Cost Shops & Apartments

Jalan TK 4/13
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Mas Shops & Apartments

Jalan TK 4/14
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

GROUP ADDRESSES

PROPERTY INVESTMENT & DEVELOPMENT (CONT'D)

Kinrara Mas Low Cost Shops

Jalan TK 4/13
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kinrara Shops, Offices & Apartments

Jalan TK 4/5
Taman Kinrara Seksyen IV
47100 Puchong
Selangor Darul Ehsan

Kuantan Perdana Shop Office

Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur

Batu Pahat Office:

Berjaya Land Development Sdn Bhd

74 & 75, Jalan Gemilang
Taman Banang Jaya
83000 Batu Pahat
Johor Darul Takzim
Tel : 607-428 8678

Penang Office:

88 Jalan Masjid Negeri
11600 Pulau Pinang
Tel : 604-658 2828

Singapore Office:

Berjaya Corporation (S) Pte. Ltd.

680 Upper Thomson Road
#01-13 Singapore 787103
Tel : 602-6227 3688
Fax : 602-6225 4966

COMPLEXES

Berjaya Megamall, Pahang

Lot 3-18, 3rd Floor
Sri Dagangan Kuantan
Business Centre, Jalan Tun Ismail
25000 Kuantan
Pahang Darul Makmur
Tel : 609-508 8188

Plaza Berjaya, Kuala Lumpur

Lot 2.05, 2nd Floor
Podium Block Plaza Berjaya
No. 12, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2141 2818

Kota Raya Complex, Kuala Lumpur

Lot 5.0A-1, Level 5
Kota Raya Complex
Jalan Tun Tan Cheng Lock
50000 Kuala Lumpur
Tel : 603-2072 2562

GAMING & LOTTERY MANAGEMENT

Sports Toto Malaysia Sdn Bhd

Lot 13-01, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 603-2148 9888
Fax : 603-2141 9581
Email : webmaster@sportstoto.com.my
Website : www.sportstoto.com.my

Natural Avenue Sdn Bhd

Lot 8189 & 8190
Town East, Pending Road
93450 Kuching, Sarawak
Tel : 6082-333 666
Fax : 6082-330 188
Website : www.cashsweep.com.my

International Lottery & Totalizator Systems, Inc., USA

2310 Cousteau Court
Vista (San Diego)
California 92081 – 8346
USA
Tel : 1-760-598-1655
Fax : 1-760-598-0219
Email : mktg@ilts.com
Website : www.ilts.com

Berjaya Philippines Inc.

Philippine Gaming

Management Corporation

9th Floor, Rufino Pacific Tower
6784 Ayala Ave., cor V.A. Rufino Street
Makati City
Metro Manila, Philippines
Tel : 632-811 0668
Fax : 632-811 2293
Website : www.berjaya.com.ph

EDUCATION

Informatics Education Ltd

Informatics Campus

133 Middle Road
#05-01 BOC Plaza
Singapore 188974
Tel : 65-6580 4555
Fax : 65-6565 1371
Website : www.informaticseducation.com

MOTOR RETAILER

H.R. Owen Plc

Melton Court
25-27 Old Brompton Road
London SW7 3TD
Tel : 44-20-7245 1122
Website : www.hrowen.co.uk

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED

30 APRIL 2018

Berjaya Land Berhad ("BLand") Group with the following Related Parties	Nature of transactions undertaken by BLand and/or its unlisted subsidiaries	Amount transacted during the financial year (RM'000)
Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiary companies:-		
BCorp	Management fees payable by BLand for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services	400
Berjaya Registration Services Sdn Bhd	Receipt of share registration, printing and mailing services by BLand Group	89
Berjaya Education Sdn Bhd	Receipt of education and staff training services by BLand Group	129
Berjaya Higher Education Sdn Bhd	Income payable by Berjaya Hospitality Services Sdn Bhd ("BHSSB") for renting of café at Level 14, East Wing, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	24
	Rental receivable by Nural Enterprise Sdn Bhd ("NESB") for renting of Units 5.1, 5.2, 5.3, 5.6, 6.1, 6.6, 7.1, 7.2, 7.4, 7.5, 7.6, 8.1, 8.2, 8.6, 9.6, 10.2, 10.6, 11.2, 11.3, 11.4, 12.1, 12.2, 12.3, 13.1, 13.3 and 13.4 of Apartment Block, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur	514
	Rental receivable by Tiram Jaya Sdn Bhd for renting of Unit 8.5, 8th Floor of Apartment Block, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur	28
Changan Berjaya Auto Sdn Bhd	Rental income receivable by Klasik Mewah Sdn Bhd ("KMSB") for renting of premises at Lot 3, Jalan 225, Section 51A, Petaling Jaya, Selangor	144
Berjaya Krispy Kreme Doughnuts Sdn Bhd	Rental income receivable by Sri Panglima Sdn Bhd ("SPSB") for renting of shoplots at No. 1 & 9, Jalan Kinrara TK 4/13, Taman Kinrara, Seksyen 4, Puchong, Selangor	43
	Rental income receivable by SPSB for renting of shoplot at No. 3, Jalan Kinrara TK 4/13, Taman Kinrara, Seksyen 4, Puchong, Selangor	19
Inter-Pacific Trading Sdn Bhd	Rental income receivable by NESB for renting of office at Lot 1.35A, 1st Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	32
	Purchase of stationery products by BLand Group	149
Inter-Pacific Securities Sdn Bhd	Provision of security guard services by BGSSB	85
	Rental income receivable by Nada Embun Sdn Bhd ("NEmbun") for renting of office at Lot 13-02, Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	1,092
Prime Credit Leasing Sdn Bhd	Receipt of leasing and hire purchase facilities by BLand Group	683
Ambilan Imej Sdn Bhd	Rental payable by BLand for renting of office at Level 12, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	1,092
Berjaya Books Sdn Bhd	Provision of security guard services by BGSSB	5
Cosway (M) Sdn Bhd	Rental income receivable by Cempaka Properties Sdn Bhd ("CPSB") for renting of shoplot at Lot G-67, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan.	123
	Wet lease charges receivable by Berjaya Air Sdn Bhd ("BAir") for aircraft leasing facilities	960
Kimia Suchi Marketing Sdn Bhd	Purchase of cleaning chemical products by the various hotels and resorts in BLand Group	345
Berjaya Hills Berhad	General marketing charges payable to Berjaya Hotels & Resorts (Singapore) Pte Ltd	50
BLoyalty Sdn Bhd	Loyalty reward charges payable by BLand Group	48

**RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED
30 APRIL 2018**

Berjaya Land Berhad ("BLand") Group with the following Related Parties	Nature of transactions undertaken by BLand and/or its unlisted subsidiaries	Amount transacted during the financial year (RM'000)
Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiary companies:- (Cont'd)		
Stephens Properties Sdn Bhd	Rental payable by:	
	1. Berjaya Golf Resort Bhd ("BGolf") for renting of storage space at Lots 20F, 22C, 22D, 22E, 26B & 26C, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	14
	2. Berjaya Land Development Sdn Bhd for renting of storage space at Lot 20E, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	2
	3. Pakar Angsana Sdn Bhd for renting of storage space at Lots 20B, C & D, 21D, 22B, 23F & 26D, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	15
	4. BLand for renting of storage space at Lots 19D, E & F, 25B, D & E and shoplot at Lot 6.07, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	32
	5. Berjaya Resort Management Services Sdn Bhd for renting of storage space at Lot 22F, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	2
	6. BGSSB for renting of offices at Lots 6.01, 6.02 & 6.03, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	78
	7. Tioman Island Resort Berhad for renting of storage space at Lots 22F, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	1
	Provision of security guard services by BGSSB	239
Graphic Press Sdn Bhd	Provision of security guard services by BGSSB	155
E.V.A Management Sdn Bhd	Human resources management service fees payable by BLand Group	39
Total		6,631
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiary companies:-		
Berjaya Times Square Sdn Bhd	Rental payable by:	
	1. Budi Impian Sdn Bhd for renting of shoplots at Lots LG-73, 74 & 74A, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	242
	2. BLand for renting of offices at Lots 02-17 & 02-34, Level 2, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	63
	3. Marvel Fresh Sdn Bhd for renting of storage space at G-31, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	38
	4. Berjaya Hotel & Resort (M) Sdn Bhd for renting of office at Lot 15-04, 15th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	104
	Provision of security guard services by BGSSB	80
BAssets	Management fees receivable by BLand for services rendered include inter-alia the provision of finance, corporate, secretarial and general administrative services	240
Berjaya Times Square Theme Park Sdn Bhd	Provision of security guard services by BGSSB	227
BTS Car Park Sdn Bhd	Parking charges paid by BLand Group for leasing of parking bays at Berjaya Times Square, Jalan Imbi, Kuala Lumpur.	182

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED
30 APRIL 2018

Berjaya Land Berhad ("BLand") Group with the following Related Parties	Nature of transactions undertaken by BLand and/or its unlisted subsidiaries	Amount transacted during the financial year (RM'000)
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiary companies:- (Cont'd)		
Berjaya Assets Food (BAF) Sdn Bhd	Rental receivable by ANSA Hotel KL Sdn Bhd for renting of premise at Lot No.0.2, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur	706
Total		1,882
Berjaya Media Berhad and/or its unlisted subsidiary company:-		
Sun Media Corporation Sdn Bhd	Rental income receivable by Regnis Industries (M) Sdn Bhd ("Regnis") for renting of office at part of Ground Floor, 5th Floor and whole of 4th Floor and store room at basement level, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor	573
	Provision of security guard services by Regnis	54
	Receipt of advertising and publishing services by BLand Group	31
Total		658
Berjaya Food Berhad and/or its unlisted subsidiary companies:-		
Berjaya Starbucks Coffee Company Sdn Bhd	Rental income receivable by: <ol style="list-style-type: none"> 1. Kota Raya Development Sdn Bhd ("KRaya") for renting of Kiosk G1 at Ground Floor, Kota Raya Complex, Jalan Tun Tan Cheng Lock, Kuala Lumpur 2. NESB for renting of Kiosk I at Lower Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur 3. NESB for renting of shoplots at Lot 1.07 & 1.08, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur 4. CPSB for renting of shopplot at Lot G15, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan 5. CPSB for renting of storage space at Lot S2.B, 2nd Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan 6. NESB for renting of storeroom at Lot 3.04, 3rd Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur 7. ANSA Hotel KL Sdn Bhd for renting of premise at Lot 03, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur 	118
		15
		50
		188
		3
		16
		1,115
	Provision of security guard services by BGSSB	317
Berjaya Roasters (M) Sdn Bhd	Rental income receivable by CPSB for renting of shopplot at Lot G-83, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan	67
	Rental income receivable by CPSB for renting of shopplot at Lot G-29D, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan	11
	Rental income receivable by Kota Raya Complex Management Sdn Bhd for renting of signage at Lot G05, G06 and G07 at Kota Raya Complex, Jalan Tun Tan Cheng Lock, Kuala Lumpur	6
Total		1,906

**RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED
30 APRIL 2018**

Berjaya Land Berhad ("BLand") Group with the following Related Parties	Nature of transactions undertaken by BLand and/or its unlisted subsidiaries	Amount transacted during the financial year (RM'000)
7-Eleven Malaysia Holdings Berhad ("SEM") and its unlisted subsidiary company:-		
7-Eleven Malaysia Sdn Bhd (a)	Rental income receivable by:	
	1. Angsana Gemilang Sdn Bhd ("AGSB") for renting of shoptlot at No.32G, Jalan Sultan Ismail, Kuala Lumpur	340
	2. NESB for renting of shoptlot at Kiosk II at Lower Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	65
	3. NESB for renting of offices at Lots 3.05, 3.12, 3.35 & 3.36, 3rd Floor and Lot 4.01, 4th Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	755
	4. NESB for renting offices at Lots 5.01A&B, 5B, 5C, 5D & 5E, 5th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	359
	5. NESB for renting of office at Lot 1.05, 1st Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	93
	6. NESB for renting offices at Lots 3.01 & 3.02, 3rd Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	31
	7. NESB for renting office at Lots 5A, 5th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	22
	8. NESB for renting office at Lot 1.35B, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	43
	9. NESB for renting office at suite 5F, Office Tower, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	24
	10. CPSB for renting of shoptlots at G21, G22 & G22A, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan	313
	Parking charges receivable by NESB for leasing of parking bays at Plaza Berjaya, Jalan Imbi, Kuala Lumpur	3
Total		2,048
Other Related Parties:-		
Singer (Malaysia) Sdn Bhd ("Singer") (a)	Rental income receivable by Regnis for renting of:	
	1. offices at Part of G/F, 1/F and 2/F, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor	404
	2. offices at Part of 3/F, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor	81
	Provision of security guard services by BGSSB	189
	Purchase of products and services by the BLand Group	914
Berjaya Sampo Insurance Berhad (b)	Rental income payable by BHSSB for renting of service suites at A-18-18, 18th Floor, B-26-19, 26th Floor, B-30-12, 30th Floor and B-42-10, 42nd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	97
	Rental income payable by BHSSB for renting of service suites at A-22-04 & A-22-07, 22nd Floor, B-26-20, 26th Floor and B-27-10, 27th Floor, B-28-08 & B-28-10, 28th Floor, B-29-08, 29th Floor, B-32-18, 32nd Floor and B-39-18, 39th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	402
	Rental income payable by BHSSB for renting of service suites at A-17-08, 17th Floor and A-30-21, 30th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	62

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE YEAR ENDED 30 APRIL 2018

Berjaya Land Berhad ("BLand") Group with the following Related Parties	Nature of transactions undertaken by BLand and/or its unlisted subsidiaries	Amount transacted during the financial year (RM'000)
Other Related Parties:- (cont'd)		
U Mobile Sdn Bhd (c)	Rental income receivable by:	
	1. Regnis for renting of rooftop at Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor	29
	2. BGolf for renting of watchtower at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Kuala Lumpur	51
	3. Bukit Kiara Resort Bhd ("BKiera") for renting of broadcasting facility at Bukit Kiara Equestrian & Country Resort, Off Jalan Damansara, Kuala Lumpur	51
	4. Georgetown City Hotel Sdn Bhd for renting of rooftop at Georgetown City Hotel, Jalan Burmah, Pulau Pinang	92
	Parking charges receivable by AGSB for leasing of parking bays at basement carpark, No.32, Jalan Sultan Ismail, Kuala Lumpur	34
	Parking charges received by NESB for leasing of parking at basement of Plaza Berjaya, Jalan Imbi, Kuala Lumpur	12
	Provision of security guard services by BGSSB	120
Tai Thong Group Sdn Bhd (d)	Rental and commission receivable by:	
	1. BKiera for renting of Oriental Pearl at Bukit Kiara Equestrian & Country Resort, Off Jalan Damansara, Kuala Lumpur	478
	2. BGolf for renting of Oriental Pearl at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Kuala Lumpur	829
Songbird Amusement Sdn Bhd ("Songbird") (e)	Rental income receivable by NESB for renting of shoplots at Lots 2.35 & 2.36, 2nd Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur	280
Qinetics Solutions Sdn Bhd (f)	Receipt of information technology consultancy and management related services and purchase of networking equipment by BLand Group	328
Qinetics Services Sdn Bhd (f)	Receipt of information technology consultancy and management related services and purchase of networking equipment by BLand Group	3,081
UPC Management Services Sdn Bhd (g)	Rental income receivable by NEmbun for renting of office at part of Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	101
Total		7,635
Grand Total		20,760

Notes:

- a. A wholly-owned subsidiary of SEM. Singer is a wholly-owned subsidiary of BRetail which in turn is a wholly-owned subsidiary of Premier Merchandise Sdn Bhd, a wholly-owned subsidiary of Intan Utilities Berhad ("Intan"). Tan Sri Dato' Seri Vincent Tan Chee Yoon ("TSVT") is deemed major shareholder of SEM and Intan.
- b. Associated company of BCorp.
- c. TSVT, the Chairman of U Mobile Sdn Bhd ("UMSB") is also a deemed major shareholder in UMSB.
- d. Wholly-owned subsidiary company of Tai Thong Holdings Sdn Bhd which in turn is a wholly-owned subsidiary company of Diversified Kinetic Sdn Bhd ("DKSB"). Tan Sri Dato' Tan Chee Sing ("TSDT"), a brother of TSVT, is a major shareholder of DKSB. Subsequent to the financial year end, TSDT ceased to be a major shareholder of DKSB.
- e. Songbird Amusement Sdn Bhd ceased to be a related party on 14 February 2018 as it is no longer held by Perfect Patent Sdn Bhd. Ms. Tan Choon Lui, a sister of TSVT, is a major shareholder of Perfect Patent Sdn Bhd.
- f. Subsidiary companies of MOL.com Sdn Bhd ("MOL"). TSVT is a deemed major shareholder in these companies by virtue of his interest in MOL.
- g. UPC is a wholly owned subsidiary of B&B Enterprise Sdn Bhd ("B&B"). TSVT is deemed interest in UPC by virtue of his interest in B&B.

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 18 JULY 2018

THE COMPANY

	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Dato' Ng Sooi Lin	224,000	0.01	-	-
Tan Thiam Chai	40,000	0.00	-	-
Datuk Robert Yong Kuen Loke	360,808	0.01	-	-
Nerine Tan Sheik Ping	2,000,000	0.04	-	-
Chryseis Tan Sheik Ling	5,000,000	0.10	-	-

ULTIMATE HOLDING COMPANY BERJAYA CORPORATION BERHAD

	No. of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Dato' Ng Sooi Lin	136,681	0.00	-	-
Tan Thiam Chai	126,992	0.00	107,288 #	0.00
Datuk Robert Yong Kuen Loke	1,051,545	0.02	-	-
Chryseis Tan Sheik Ling	202,910	0.00	-	-

	No. of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	2,516,508	0.39	-	-
Dato' Ng Sooi Lin	16,666	0.00	-	-
Tan Thiam Chai	20,600	0.00	17,400 #	0.00
Nerine Tan Sheik Ping	132,000	0.02	-	-
Chryseis Tan Sheik Ling	275,000	0.04	-	-

	No. of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Dato' Ng Sooi Lin	1,000	0.00	-	-
Tan Thiam Chai	1,000	0.00	-	-

	Number of Warrants 2012/2022			
	Direct Interest	%	Deemed Interest	%
Datuk Robert Yong Kuen Loke	170,108	0.02	-	-
Dato' Ng Sooi Lin	16,666	0.00	-	-
Tan Thiam Chai	20,600	0.00	17,400 #	0.00

	Number of Warrants 2016/2026			
	Direct Interest	%	Deemed Interest	%
Dato' Ng Sooi Lin	1,000	0.00	-	-
Tan Thiam Chai	1,000	0.00	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 18 JULY 2018

RELATED COMPANIES BERJAYA SPORTS TOTO BERHAD

	Direct Interest	No. of Ordinary Shares		%
		%	Deemed Interest	
Tan Thiam Chai	172,284	0.01	133,165 #	0.01
Datuk Robert Yong Kuen Loke	123,667	0.01	-	-

BERJAYA FOOD BERHAD

	Direct Interest	No. of Ordinary Shares		%
		%	Deemed Interest	
Tan Thiam Chai	457,800	0.12	-	-

	Direct Interest	No. of Ordinary Shares under Employees' Share Scheme ("ESS")		%
		%	Deemed Interest	

Number of ESS Options

Tan Thiam Chai	320,000	0.08	-	-
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Number of ESS Shares

Tan Thiam Chai	68,000	0.02	-	-
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Note:

Denotes indirect interest held pursuant to Section 59(1)(c) of the Companies Act 2016.

Save as disclosed, none of the other Directors of the Company has any interests in the shares, warrants and debentures of the Company or its related corporations as at 18 July 2018.

STATISTICS ON SHAREHOLDINGS

AS AT 18 JULY 2018

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF ORDINARY SHARES	%
less than 100	332	5.37	6,776	0.00
100 - 1,000	1,217	19.68	597,780	0.01
1,001 - 10,000	2,388	38.60	12,732,609	0.26
10,001 - 100,000	1,864	30.13	58,897,411	1.18
100,001 - 249,469,699	383	6.19	4,213,081,328	84.44
249,469,700* and above	2	0.03	704,078,096	14.11
Total	6,186	100.00	4,989,394,000	100.00

Note: Each share entitles the holder to one vote.

* Denotes 5% of total number of issued shares with voting rights.

THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF ORDINARY SHARES	(%)
1	RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securities Account For Teras Mewah Sdn. Bhd.	452,000,000	9.06
2	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd	252,078,096	5.05
3	Citigroup Nominees (Asing) Sdn Bhd Macquarie Bank Limited (London Branch)	246,000,000	4.93
4	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd (414084-91161C)	198,000,000	3.97
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd	160,570,000	3.22
6	HSBC Nominees (Asing) Sdn Bhd CS Sec (Europe) Ltd For PCM Industrial L.P.	145,787,196	2.92
7	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account- Ambank (M) Berhad For Teras Mewah Sdn Bhd	132,602,984	2.66
8	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	129,404,924	2.60
9	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account-CIMB Investment Bank Berhad For Juara Sejati Sdn Bhd (SSCA-BGT)	128,500,000	2.58
10	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Bizurai Bijak (M) Sdn Bhd	120,800,000	2.42
11	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account-CIMB Investment Bank Berhad For Bizurai Bijak (M) Sdn Bhd (SSCA-BGT)	120,000,000	2.41
12	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bizurai Bijak (M) Sdn.Bhd. (Berjaya Corp)	107,000,000	2.15
13	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Juara Sejati Sdn Bhd	90,800,000	1.82

STATISTICS ON SHAREHOLDINGS AS AT 18 JULY 2018

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

NO.	NAME OF SHAREHOLDERS	NO. OF ORDINARY SHARES	(%)
14	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (414084-91161D)	90,000,000	1.81
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teras Mewah Sdn Bhd (51430112619A)	87,500,000	1.76
16	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sublime Cartel Sdn Bhd (41408491163A)	78,000,000	1.56
17	Citigroup Nominees (Asing) Sdn Bhd Pledged Securities Account For PCM Industrial L.P.	77,985,900	1.56
18	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Berjaya Corporation Berhad	75,980,000	1.52
19	RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securites Account For Inter-Pacific Capital Sdn. Bhd.	75,000,000	1.50
20	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bizurai Bijak (M) Sdn. Bhd.	75,000,000	1.50
21	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd (BBB-CCB)	74,000,000	1.48
22	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teras Mewah Sdn Bhd (CBD-BERJAYABASB)	66,000,000	1.32
23	RHB Nominees (Tempatan) Sdn Bhd Bank Of China (Malaysia) Berhad Pledged Securities Account For Juara Sejati Sdn Bhd	66,000,000	1.32
24	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd (01408432026D)	59,700,000	1.20
25	RHB Nominees (Tempatan) Sdn Bhd Industrial And Commercial Bank Of China (Malaysia) Berhad Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd	59,000,000	1.18
26	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Times Square Sdn Bhd	55,881,000	1.12
27	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Corporation Berhad (BCB CBM-C2-SBLC)	55,063,780	1.10
28	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Berjaya Group Berhad	55,030,000	1.10
29	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Juara Sejati Sdn Bhd (51401172844H)	48,800,000	0.98
30	HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse Securities (Europe) Limited	48,050,000	0.96
		3,430,533,880	68.76

SUBSTANTIAL SHAREHOLDERS

AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 18 JULY 2018

Names of Substantial Shareholder	← No. of Shares →				Notes
	Direct	%	Indirect	%	
Teras Mewah Sdn Bhd	1,214,144,984	24.33	0	0.00	
Juara Sejati Sdn Bhd	1,241,691,000	24.89	277,652,612	5.56	(a)
Bizurai Bijak (M) Sdn Bhd	659,100,000	13.21	277,652,612	5.56	(a)
Berjaya Capital Berhad	0	0.00	277,652,612	5.56	(b)
Berjaya Group Berhad	64,286,400	1.29	3,392,588,596	68.00	(c)
Berjaya Corporation Berhad	191,564,000	3.84	3,456,874,996	69.28	(d)
Tan Sri Dato' Seri Vincent Tan Chee Yioun	69,150,400	1.39	3,912,086,872	78.41	(e)

Notes:

- (a) Deemed interested by virtue of its interest in Berjaya Capital Berhad.
- (b) Deemed interested by virtue of its interests in Berjaya Sompoo Insurance Berhad, Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Rantau Embun Sdn Bhd.
- (c) Deemed interested by virtue of its 100% interests in Teras Mewah Sdn Bhd, Juara Sejati Sdn Bhd, Bizurai Bijak (M) Sdn Bhd and its interests in the related companies, namely Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Rantau Embun Sdn Bhd as well as its interests in Berjaya Sompoo Insurance Berhad.
- (d) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.
- (e) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, Hotel Resort Enterprise Sdn Bhd, B & B Enterprise Sdn Bhd, Berjaya VTCY Sdn Bhd, MOL.com Sdn Bhd and his interest in Berjaya Assets Berhad, the holding company of Berjaya Times Square Sdn Bhd and Berjaya Bright Sdn Bhd (formerly known as Sublime Cartel Sdn Bhd) and his interest in HQZ Credit Sdn Bhd, the ultimate holding company of Desiran Unggul Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting of the Company will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 17 October 2018 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 April 2018 and the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees amounting to RM336,000.00 to the Non-Executive Directors of the Company for the period from 18 October 2018 until the next Annual General Meeting of the Company to be held in 2019. **RESOLUTION 1**
3. To approve the payment of Director's fee amounting to RM36,000.00 to Mr John V Pridjian for the period from 1 November 2017 until the forthcoming Twenty-Eighth Annual General Meeting of the Company. **RESOLUTION 2**
4. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM165,300.00 for the period from 18 October 2018 until the next Annual General Meeting of the Company to be held in 2019. **RESOLUTION 3**
5. To approve the payment of Director's remuneration (excluding Director's fee) to Mr John V Pridjian up to an amount of RM11,000.00 for the period from 1 November 2017 until the forthcoming Twenty-Eighth Annual General Meeting of the Company. **RESOLUTION 4**
6. To re-elect the following Directors retiring pursuant to Article 101 of the Company's Articles of Association:-
 - (a) Tan Thiam Chai **RESOLUTION 5**
 - (b) Nerine Tan Sheik Ping **RESOLUTION 6**
 - (c) Datuk Kee Mustafa **RESOLUTION 7**
7. To re-elect Mr John V Pridjian who retires pursuant to Article 106 of the Company's Articles of Association. **RESOLUTION 8**
8. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 9**
9. As special business:-

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

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

"THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the 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."

RESOLUTION 10

(ii) Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 27 August 2018 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

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 was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

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

RESOLUTION 11

(iii) Proposed Renewal of Authority for the Company to Purchase Its Own Shares

“THAT, subject always to the Companies Act 2016, (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“B-Land Shares”) through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total 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;

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

- (a) cancel all the B-Land Shares so purchased; or
- (b) retain all the B-Land Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

RESOLUTION 12

NOTICE OF ANNUAL GENERAL MEETING

(iv) Proposed Retention of Independent Non-Executive Director

“THAT Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years.”

RESOLUTION 13

By Order of the Board
THAM LAI HENG MICHELLE
(MAICSA 7013702)
Secretary

Kuala Lumpur
27 August 2018

NOTES:

1. Audited Financial Statements

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

2. Directors' Fees and Directors' Remuneration

Section 230(1) of the CA 2016 provides that “fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting (“AGM”) for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolutions 1 to 4.

The quantum of the Directors' fees proposed for the Non-Executive Directors for the period from 18 October 2018 until the next AGM of the Company are the same as the quantum paid for each of the Non-Executive Directors in the financial year ended 30 April 2018 and assuming that all the Non-Executive Directors will hold office until the end of the next AGM in 2019.

Following the appointment of Mr John V Pridjian as an Independent Non-Executive Director with effect from 1 November 2017, the Director's fee payable to Mr John V Pridjian was pro-rated from 1 November 2017 (Date of Appointment) until the forthcoming Twenty-Eighth AGM.

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

In determining the estimated remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors (“Board”), Board Committees and general meetings of the Company, assuming full attendance by all of the Non-Executive Directors. The estimated amount of remuneration also caters for unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees.

The proposed Resolutions 1 and 3, if passed, is to facilitate the payment of Directors' fees and Directors' remuneration on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

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

NOTICE OF ANNUAL GENERAL MEETING

3. Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Resolution 10 is proposed for the purpose of granting a renewed general mandate (“General Mandate”) and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the 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 Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 23 October 2017 and which will lapse at the conclusion of the Twenty-Eighth Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

4. Proposed Renewal of and New Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 11, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Proposed Shareholders’ Mandate”). Detailed information on the Proposed Shareholders’ Mandate is set out under Part A of the Circular/Statement to Shareholders dated 27 August 2018 which is despatched together with the Company’s 2018 Annual Report.

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

Resolution 12, 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 August 2018 which is despatched together with the Company’s 2018 Annual Report.

6. Proposed Retention of Independent Non-Executive Director

Resolution 13 is proposed pursuant to Practice 4.2 of the latest Malaysian Code on Corporate Governance and if passed, will allow Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim to be retained and continue to act as an Independent Non-Executive Director and Chairman of the Company. The full details of the Board’s justifications for the retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim is set out in the Corporate Governance Overview Statement in the Company’s 2018 Annual Report.

7. Proxy and Entitlement of Attendance

- i) A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member.
- ii) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), may appoint one (1) proxy in respect of each securities account.
- iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), may appoint multiple proxies in respect of each of its omnibus account.
- v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- vi) The duly executed Form of Proxy must be deposited at the Company’s Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- vii) Only members whose names appear in the Record of Depositors as at 10 October 2018 shall be entitled to attend and vote at the meeting.

8. 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.

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FORM OF PROXY

I/We _____
(Name in full)

I.C. or Company No. _____ CDS Account No. _____
(New and Old I.C. Nos. or Company No)

of _____
(Address)

being a member/members of BERJAYA LAND BERHAD hereby appoint:

_____ I.C.No. _____
(Name in full) (New and Old I.C. Nos.)

of _____
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-Eighth Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 17 October 2018 at 10.00 a.m. or any adjournment thereof.

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

	FOR	AGAINST
RESOLUTION 1 - To approve payment of Directors' fees for the period from 18 October 2018 until the next Annual General Meeting of the Company		
RESOLUTION 2 - To approve payment of Director's fee for the period from 1 November 2017 until the forthcoming Twenty-Eighth Annual General Meeting of the Company		
RESOLUTION 3 - To approve payment of Directors' remuneration (excluding Directors' fees) for the period from 18 October 2018 until the next Annual General Meeting of the Company		
RESOLUTION 4 - To approve payment of Director's remuneration (excluding Director's fee) for the period from 1 November 2017 until the forthcoming Twenty-Eighth Annual General Meeting of the Company		
RESOLUTION 5 - To re-elect Tan Thiam Chai as Director		
RESOLUTION 6 - To re-elect Nerine Tan Sheik Ping as Director		
RESOLUTION 7 - To re-elect Datuk Kee Mustafa as Director		
RESOLUTION 8 - To re-elect John V Pridjian as Director		
RESOLUTION 9 - To re-appoint Auditors		
RESOLUTION 10 - To approve authority to issue and allot shares		
RESOLUTION 11 - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions		
RESOLUTION 12 - To renew authority for the Company to purchase its own shares		
RESOLUTION 13 - To approve the proposed retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director		

No. of shares held

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

Dated this _____ day of _____, 2018.

Notes:

- A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member.
- A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- Only members whose names appear in the Record of Depositors as at 10 October 2018 shall be entitled to attend and vote at the meeting.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Fold this flap for sealing

Affix
Stamp

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

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1st fold here

For further information, please contact:

The Company Secretary

**Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.
Tel: (6)03-2149 1999 Fax: (6)03-2143 1685**

www.berjaya.com

