



BERJAYA

BERJAYA SPORTS TOTO BERHAD

(Company No. 9109-K)

برجاي سפורتس توتو برحد
成功多多博彩有限公司



**ANNUAL
REPORT
2019**



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



A Sports Toto draw in progress.

Berjaya Sports Toto Berhad (“BToto”) was incorporated in 1969 as Unilite Electrical Industries Berhad. The Company changed its name to Far East Asset Berhad in 1987. On 31 October 1992, the Company completed its acquisition of the entire issued and paid-up share capital of 112,522,500 ordinary shares of 50 sen each in Sports Toto Malaysia Sdn Bhd (“Sports Toto”) for a purchase consideration of RM600 million through an issue of RM390.97 million 9% nominal amount of RM1.00 Redeemable Convertible Unsecured Loan Stocks 1992/97 in the Company and the balance in cash of RM209.03 million. On 17 May 1993, the Company was renamed Berjaya Sports Toto Berhad.

The core businesses of the Group are:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- motor retailing, repair & maintenance and provision of aftersales services;
- leasing of online lottery equipment and provision of software support; and
- development, manufacturing and distribution of computerised wagering and voting systems.

The history of Sports Toto began in 1969 when it was incorporated to run the Toto betting business. It was essentially the Government’s effort to raise funds to promote and develop sports, youth and cultural activities. Sports Toto was privatised in 1985 when its Chief Executive Officer, Tan Sri Dato’ Seri Vincent Tan Chee Youn, through his private company acquired 70% of the paid-up capital.

Sports Toto offers 8 games which are drawn 3 days a week.

In the Philippines, BToto’s subsidiary, Berjaya Philippines Inc. (“BPI”) is listed on the Philippine Stock Exchange. Its wholly-owned subsidiary, Philippine Gaming Management Corporation (“PGMC”), supplies and maintains a computerised online lottery system and software support to the Philippine Charity Sweepstakes Office in the Luzon region, Philippines. PGMC became an associated company after the financial period end following the completion of the deemed disposal which reduced BPI’s ownership in PGMC to 39.99%. BPI, through Perdana Hotel Philippines Inc., runs and manages Berjaya Makati Hotel in Makati City, Metro Manila, Philippines.

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

In the U.S.A., BToto’s subsidiary, International Lottery & Totalizator Systems, Inc. provides computerised wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide and its wholly-owned subsidiary, Unisyn Voting Solutions, Inc. manufactures and distributes voting systems and machines to voting jurisdictions in the U.S.A.

The Group has a total employee strength of 1,451 as at 30 June 2019.

Sports Toto’s financial growth over the past 33 years after its privatisation in 1985 is highlighted below:

	30/6/2019 (Million)		31/12/1985 (Million)		33 Years’ Annualised Increase (%)
	RM	USD	RM	USD	
Revenue	3,643.1	879.2	76.0	21.3	142.2
Pre-tax Profit	453.3	109.4	5.0	1.4	271.7
Equity Funds	207.4	50.1	1.0	0.3	625.5
Total Assets	1,390.6	335.6	12.7	3.6	328.8

Exchange rate as at 30 June 2019 : USD1.00 : RM4.1435

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Tan Sri Dato' Seri Tan Kok Ping

Chief Executive Officer

Nerine Tan Sheik Ping

Executive Director

Seow Swee Pin

Non-Independent/ Non-Executive Director

Chan Kien Sing

Independent/ Non-Executive Directors

Datuk Robert Yong Kuen Loke
Dato' Oon Weng Boon

AUDIT COMMITTEE

Chairman/

Independent Non-Executive Director

Dato' Oon Weng Boon

Independent/Non-Executive Director

Datuk Robert Yong Kuen Loke

Non-Independent/

Non-Executive Director

Tan Sri Dato' Seri Tan Kok Ping

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 Wing)

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel : 03 - 2145 0533

Fax : 03 - 2145 9702

AUDITORS

Ernst & Young

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)

Berjaya Times Square

No. 1 Jalan Imbi

55100 Kuala Lumpur

Tel : 03 - 2149 1999

Fax : 03 - 2143 1685

PRINCIPAL BANKERS

Malayan Banking Berhad

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Market

STOCK SHORT NAME

BJTOTO (1562)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS



TAN SRI DATO' SERI TAN KOK PING

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

He was appointed to the Board on 1 August 2018 as the Chairman. He graduated with a Bachelor Degree in Commerce from Nanyang University Singapore.

He has more than 40 years of experience in various business sectors which include property development, manufacturing of consumer electronics, garment, corrugated and plastic packaging products.

He was previously the Managing Director and Deputy Chairman of the Company from 1992 to 2001. He had also served as Non-Executive Chairman of Berjaya Retail Berhad before it was privatised and delisted from Bursa Malaysia Securities Berhad, Chairman of Penang Joint Chambers of Commerce and Deputy President of The Associated Chinese Chambers of Commerce and Industry of Malaysia.

Currently, he is the Executive Chairman of Magni-Tech Industries Berhad ("Magni") and he is also a major shareholder of Magni.

He also sits on the Board of a subsidiary of Berjaya Land Berhad as well as in several other private limited companies.

He is the Life Honorary President and former President of Penang Chinese Chamber of Commerce.

Tan Sri Dato' Seri Tan Kok Ping is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company.



NERINE TAN SHEIK PING

43 years of age, Malaysian, Female
(Non-Independent/Chief Executive Officer)

She was appointed to the Board on 1 January 2016 as an Executive Director and subsequently appointed as the Chief Executive Officer of the Company on 1 June 2018. She graduated with a Bachelor of Science degree in Management (Second Class Honours) from the London School of Economics in 1998.

She has more than 20 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 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 Hotels & Resorts (M) Sdn Bhd ("BHRM") in January 1999 and was appointed as an Executive Director of Berjaya Hotels & Resorts (Singapore) Pte Ltd from January 2005 until her resignation in April 2009. During her tenure at BHRM, she was overseeing the sales and marketing functions and development of spa management for different resorts.

In February 2007, she was appointed as the 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 overseeing the sales and marketing activities of Sports Toto including dealings with Government authorities.

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

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

PROFILE OF DIRECTORS



SEOW SWEE PIN

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

He was appointed to the Board on 17 December 2007 as an Executive Director. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He worked with Ernst & Young from 1976 to 1984 where he last held the position of an Audit Manager.

Between 1984 and 1990, he held senior management positions in several major public listed groups. He joined Berjaya Group in 1991 and was subsequently appointed as General Manager (Finance) of Sports Toto Malaysia Sdn. Bhd. in 1993. He was promoted to Senior General Manager in 1996 and Executive Director in 2008.

Currently, he is also Chairman of Philippine Gaming Management Corporation and a Director of Berjaya Philippines Inc. and several other private limited companies.

Seow Swee Pin is a member of the Risk Management Committee and the Sustainability Committee of the Company.



CHAN KIEN SING

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

He was appointed to the Board on 1 December 1992. He is a member of The Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmInvestment Bank Berhad) specialising in corporate finance until his departure in 1989. He joined Berjaya Group Berhad in 1989 until his retirement as an Executive Director on 31 January 2017 and is currently a Non-Independent Non-Executive Director of the Company.

Currently, he is an Executive Director of Berjaya Media Berhad and a Director of Berjaya Corporation Berhad, Berjaya Assets Berhad and 7-Eleven Malaysia Holdings Berhad. He also holds directorships in several other private limited companies.

PROFILE OF DIRECTORS



DATUK ROBERT YONG KUEN LOKE

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

He was appointed to the Board on 1 December 1992 and is the Senior Independent Director to whom concerns relating to the Company and the Group can be conveyed. He is a Fellow member of The Institute of Chartered Accountants in England and Wales, and a member of The Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants. He is also a Council Member of the Malaysian Institute of Certified Public Accountants and presently serves as a member of its Executive Committee. He has many years of working experience in the fields of accounting, audit, treasury and financial management. He started his career in London in 1973 and worked there for more than five years with chartered accounting firms. Subsequently, he was with Price Waterhouse, Singapore from 1979 to 1982. From 1983 to 1986, he served as the Group Finance Manager in UMW Holdings Berhad and Group Treasurer in Edaran Otomobil Nasional Bhd. He joined Berjaya Group of companies in 1987 until his retirement as 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 Land Berhad, Berjaya Assets Berhad and Berjaya Media Berhad.

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



DATO' OON WENG BOON

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

He was appointed to the Board on 27 February 2014 as an Independent Non-Executive Director. He graduated with a Bachelor of Science (Honours) degree in Physics from University of Science Malaysia.

Upon graduation in 1994, he started his career in real estate at Henry Butcher Lim & Long (North) Sdn Bhd and was with them for six years as a Marketing Manager. During his tenure at Henry Butcher, he had gained solid foundation and knowledge in the property industry that are exclusive and localized according to various geographical areas.

Geared with vast hands-on experience, he went into property development in 2001 and he has acquired more than 15 years of experience in the management and operations of several companies involve in the property development and construction industry.

He is also a Vice President (2012-2018) for Penang Chinese Chamber of Commerce ("PCCC") and Advisor to PCCC, Young Entrepreneur Section (2012-2018). At the national level, he has been appointed as the Deputy Chairman of the Associated Chinese Chamber of Commerce Malaysia Public Relations Committee ("ACCCIM") (2015-2018) and Advisor to the Young Entrepreneur Committee (2015-2018).

Dato' Oon Weng Boon is the Chairman of the Audit Committee and the Remuneration Committee as well as a member of the Nomination Committee, the Risk Management Committee and the 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 other than traffic offences; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.

KEY SENIOR MANAGEMENT

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

67 years of age, Malaysian, Male

Managing Director/Chief Executive
Officer of 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, Intan Utilities Sdn Bhd, 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 the Chairman of Berjaya Capital Berhad, U Mobile Sdn Bhd, Cosway (M) Sdn Bhd and Country Farms Sdn Bhd. He also holds directorships in several other private limited companies and also in Berjaya Corporation group of companies.

His daughter, Nerine Tan Sheik Ping is the Chief Executive Officer of Berjaya Sports Toto Berhad.

TUNG KAI SHEK

52 years of age, Malaysian, Male

General Manager
(Administration & Special Projects)
Sports Toto Malaysia Sdn Bhd
("STMSB")

Date of appointment:
1 January 2014

He joined the company in April 2011 and was appointed as the General Manager-Finance and Administration of Sports Toto Malaysia Sdn Bhd in January 2014. He was re-designated as General Manager – Administration & Special Projects in July 2019. He is a qualified accountant and a member of the Malaysian Institute of Accountants.

He has over 27 years of accounting, finance, corporate finance and overseas business experience. Prior to joining STMSB, he worked with a big-four international accounting firm from 1989 to 1992. Between 1993 and 2011, he held senior management positions in private and public listed groups including Chief Financial Officer of KNM Group Berhad, Financial Controller of MK Land Berhad, General Manager, Group Finance & HR Admin of AIMS Worldwide Group, Group Finance & Accounts Manager of Mechmar Corporation Berhad, and accountant in Gamuda Berhad.

He also holds directorship in other private companies under the Berjaya Corporation group of companies. He is a member of the Risk Management Working Committee, Tender Committee and Agency Committee of STMSB.

TAN ENG HWA

49 years of age, Malaysian, Male

Director
Berjaya Philippines Inc. ("BPI")

Date of appointment:
4 October 2016

He holds a Master Degree in Business Administration from University of Chicago, United States of America and is a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants. He has over 21 years of accounting, financial management and administration experience.

He is a member of the Board of BPI and the Vice President and Treasurer and member of board of Philippine Gaming Management Corporation. He is also a Director and Treasurer of Bermaz Auto Philippines Inc., Berjaya Pizza (Philippines) Inc., Cosway Philippines Inc., Perdana Hotel Philippines Inc., and Perdana Land Philippines Inc. He was appointed as Director and Treasurer of Sanpiro Realty & Development Corporation, and the Treasurer and member of the Board of Trustees of Berjaya Foundation Inc.

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

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

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Berjaya Sports Toto Berhad ("BToto"). I am pleased to present to you the Annual Report and Financial Statements for the financial period ended 30 June 2019.

FINANCIAL RESULTS

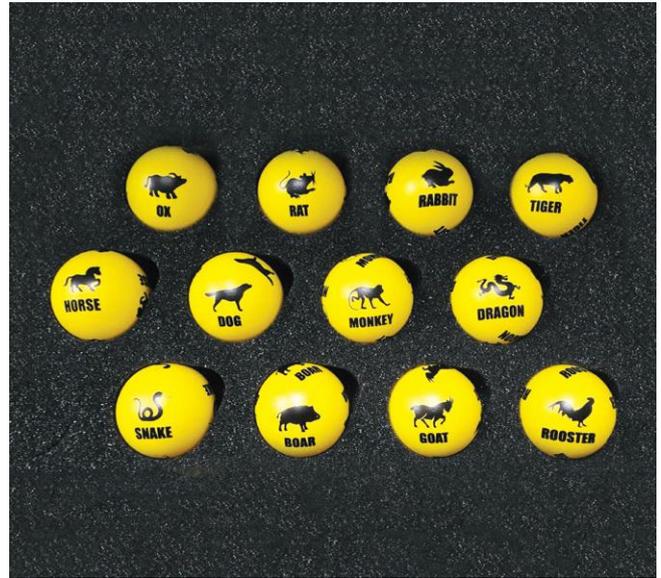
For the financial period under review, the Group registered a revenue of RM6.7 billion and pre-tax profit of RM394.3 million. The revenue registered was mainly attributed to revenue from Sports Toto Malaysia ("STM"), H.R. Owen Plc ("H.R. Owen") and Philippine Gaming Management Corporation ("PGMC"). The pre-tax profit of the Group was largely due to profit achieved by STM and H.R. Owen as well as profit contribution from PGMC. However, the pre-tax profit was partly offset by impairment of goodwill of the leasing of lottery equipment business in the Philippines recorded by the Group in the current 14-month financial period ended 30 June 2019. The Group would have registered a higher pre-tax profit of RM470.2 million had the impairment of goodwill been excluded.

DIVIDEND

For the 14-month financial period ended 30 June 2019, BToto declared four interim dividends with a total of 16 sen per share. The total dividend distribution for the financial period under review was approximately RM215.5 million, representing about 95% of the attributable profit of the Group for the 14-month financial period ended 30 June 2019.

CORPORATE DEVELOPMENT

On 8 July 2019, the Company announced that BPI had on 1 July 2019 disposed of 1 million ordinary shares, representing 20% equity interest in PGMC for a total cash consideration of Peso117.15 million or about RM9.49 million. Subsequently on 3 July 2019, BPI waived its rights to subscribe for the additional 5 million ordinary shares issued by PGMC. This had further diluted BPI's shareholding in PGMC to 39.99%. PGMC ceased as a subsidiary and became an associated company of BPI upon the completion of the deemed disposal on 3 July 2019.



The Zodiac Balls of the newly introduced Toto 4D Zodiac game.

REVIEW OF OPERATIONS

Malaysia

Sports Toto maintained its position as the market leader among all the Number Forecast Operators (NFOs) in the country in terms of total revenue for the period under review. Nevertheless, the company is looking relentlessly for ways to increase growth and remains sensitive to customer preferences. Since the successful launch of a concept store in Johor Bahru last year, the company continues to upgrade and modernise its sales offices and outlets nationwide to improve customer service and experience.

The company is stepping up its effort in improving the existing lottery system by incorporating new features and user interface that will transform and enhance customer experience in the way the games are played.

As part of its ongoing initiative to boost customer interest through game enhancement and product innovation, the company introduced a Toto 4D Zodiac game in June 2019. This game is the first of its kind in Malaysia. It combines the conventional Toto 4D game with the Chinese Zodiac, a concept well known in Asia that associates twelve Chinese horoscope animals to a twelve-year birth cycle.

During the financial period under review, Sports Toto created a total of 51 millionaires compared to 31 millionaires in the previous financial year. The company

CHAIRMAN'S STATEMENT

paid out a total amount of RM453 million as jackpot prizes through its four jackpot games, namely, Supreme Toto 6/58, Power Toto 6/55, Star Toto 6/50 and Toto 4D Jackpot.

The cascading feature in the Toto 4D Jackpot game was triggered twice thanks to the higher wagers which contributed to larger Jackpot 2 prizes. As a result, six people were among the numerous lucky winners who enjoyed their new-found wealth with prize monies ranging from RM1.5 million to RM6.9 million.

Sports Toto is in the process of obtaining the accreditation to ISO and World Lottery Association (WLA) certifications on information security management for its lottery business system. Once certified, the information security management and business management systems of the company will be compliant with the standards defined in ISO/IEC 27001:2013 and WLA-SCS:2016. Sports Toto expects to achieve its ISO and WLA certifications by the end of 2019.



A lotto draw in progress in the Philippines.

The Philippines

Berjaya Philippines Inc. ("BPI") operates through its main subsidiaries which comprise PGMC and H.R. Owen. PGMC ceased to be a subsidiary of BPI on 3 July 2019 and was reclassified as an associated company after BPI's ownership over PGMC was reduced to 40%.

PGMC, which is engaged primarily in the business of leasing of online lottery equipment and providing software support in Luzon to the Philippine Charity Sweepstake Office ("PCSO"), has a total of 4,945 lottery terminals installed in 4,792 outlets in the Luzon territory as of 30 June 2019.



Bentley Continental GTC distributed by H.R. Owen.

H.R. Owen, a luxury car distributor, operates a number of vehicle franchises in the prestige and specialist car market for both sales and after-sales predominantly in London, United Kingdom. These comprise 15 sales franchises and 17 after-sales franchises for Aston Martin, Bentley, Bugatti, Ferrari, Lamborghini, Maserati, Rolls-Royce, Audi, Lotus and Bodytechnics. For the financial period under review, the company saw an increase in the sales of new car units, services hours, bodyshop hours and parts sales. The company also invested in the purchase of freehold land and a building in Pangbourne, Berkshire and the refurbishment of its Aston Martin Cheltenham and Lamborghini London dealerships.

The United States of America

International Lottery & Totalizator Systems, Inc. ("ILTS") is a leading supplier of wagering systems with installations worldwide. ILTS designs, develops and provides a complete range of customized and technologically innovative lottery software, hardware, technical support and site management for our customers. Over the years, ILTS has provided computerized wagering systems, quality support, and more than 65,000 terminals to organizations in more than 20 countries.

For the financial period under review, its voting business segment, Unisyn Voting Solutions, Inc. ("Unisyn"), a wholly-owned subsidiary of ILTS, recorded a higher revenue as it secured additional sales of its OpenElect® voting system and products directly and through its authorized sales representatives. Unisyn currently has more than 12,500 OpenElect® voting systems and products installed and

CHAIRMAN'S STATEMENT

used in the elections in more than 235 counties throughout the states of Arizona, Illinois, Iowa, Kansas, Missouri, Ohio, Pennsylvania, Tennessee, Utah and Virginia.

During the financial period under review, ILTS delivered additional new terminals to Berjaya Gia Think Investment Technology Joint Stock Company ("BGT") in Vietnam. ILTS also provided BGT with new games and technical support. BGT has an exclusive contract to invest in and operate a nationwide computerized lottery in Vietnam under a business cooperation contract with Vietnam Computerised Lottery One Member, a Vietnamese Ministry of Finance company. ILTS also provided associated services and technical support to Sports Toto.



A voter in Jackson County, Missouri, U.S.A. using Unisyn's OpenElect® Voting Optical Scan (OVO) to cast a vote.

SUSTAINABILITY

BToto's Sustainability Statement sees the Group's commitment to strengthen its financial position and enhancement of its competitiveness through adopting good and ethical business practices, corporate governance as well as effective capital management.

BToto acknowledges the importance of social sustainability by putting in place various practices related to product and service compliance, responsible marketing and communications practices, information security and privacy, customer care and community support, among others.

The Sustainability Statement can be found on pages 20 to 37 of this Annual Report.

FUTURE PROSPECTS

Malaysia's gross domestic product ("GDP") recorded a strong growth of 4.9% in the second quarter of 2019. The Budget 2020 announcement by the Malaysian Government has indicated the GDP is to grow by 4.7% this year and 4.8% in 2020.

STM will strive to maintain its market share in the NFO business by ensuring that its business strategies remain relevant. It will also maintain its efforts to combat illegal gaming which includes educating the public on its negative effects and collaborating with the enforcement authorities and local councils to curb illegal gaming. With these measures in place, STM remains cautiously optimistic that its business outlook will remain resilient.

The Philippine's economy is forecasted to remain vibrant on the back of recovering exports, improved business confidence and an increase in public spending. PGMC will continue to partner with PCSO to generate more revenue to support charity activities in the Philippines.

In the United Kingdom, the uncertainty of Brexit may affect consumer spending. The management of H.R. Owen remains vigilant on the situation despite having a healthy future order bank on upcoming models.

CHAIRMAN'S STATEMENT

4D Zodiac
TOTO BERHAD

PRIZE PAYOUT FOR 4D ZODIAC

PRIZE CATEGORY *	MATCH	WINNINGS ** <small>(prize per RM1 bet)</small>
1ST PRIZE	1ST PRIZE 4D + ZODIAC	RM 18,000
2ND PRIZE	2ND PRIZE 4D + ZODIAC	RM 6,000
3RD PRIZE	3RD PRIZE 4D + ZODIAC	RM 3,000
4TH PRIZE	SPECIAL PRIZE + ZODIAC	RM 900
5TH PRIZE	CONSOLATION PRIZE + ZODIAC	RM 300
6TH PRIZE	ANY 4D NUMBER DRAWN	RM 60

** EACH WINNING NUMBER IS ENTITLED TO ONE PRIZE ONLY. * TERMS & CONDITIONS APPLY.

Easy To Play & More Prizes To Win!

also available
4D Zodiac i-Perm

For more information, please log on to
www.sportstoto.com.my

Find us on SportsTotoMalaysia

TOTO SPORTS TOTO
GO FOR IT! 運之世!
www.sportstoto.com.my

HOW TO PLAY
SCAN ME

A promotional poster for Toto 4D Zodiac game.

In the United States of America, ILTS aims to increase its market share and improve competitiveness in the gaming and voting sector by continuing its efforts to research and develop new and emerging technologies.

APPRECIATION

On behalf of the Board, I would like to convey our gratitude to our valued customers, business associates, financiers, shareholders, analysts, members of the media, government authorities as well as other stakeholders for their unwavering support towards the Group.

Our heartfelt appreciation to the management, employees and agents for your commitment and contributions that have been pivotal drivers to the success of the Group.

I would also like to take this opportunity to express my sincerest thanks to my fellow Board members for your support throughout the year. I look forward to your continued active participation as we strive for greater progress in the financial year 2020.

TAN SRI DATO' SERI TAN KOK PING

Chairman

9 October 2019

本人谨代表成功多多博彩有限公司（“成功多多博彩”）董事部提欣然向各位提呈截至2019年6月30日的财政期间的年度报告及财务报告。

业绩

在检讨中的财政期间，本集团获得了67亿令吉的收入和3亿9430万令吉的税前盈利。该收入主要来自多多博彩马来西亚私人有限公司（“多多博彩”），H.R.Owen Plc（“H.R. Owen”）和 Philippine Gaming Management Corporation（“PGMC”）的收入。本集团的税前利润主要来自多多博彩和H.R.Owen的利润以及PGMC的利润贡献。然而，在截至2019年6月30日当前14个月财政期间，本集团在菲律宾取得的博彩配备租赁业务的商誉减值降低了除税前的利润。倘若不计商誉减值，本集团税前盈利应为4亿7020万令吉。

股息

在截至2019年6月30日的14个月财政期间，成功多多博彩派发了四次的中期股息，每股的总股息为16仙。在检讨中的财政期间所派发的股息总额达至大约2亿1550万令吉，相当于集团截至2019年6月30日止14个月财政期间，约95%的可分派盈利。

企业发展

本公司于2019年7月8日宣布，BPI于2019年7月1日出售了100万股普通股，占PGMC的20%股权，总现金对价为1亿1715万比索或约949万令吉。随后，在2019年7月3日，BPI放弃了认购PGMC发行的另外500万股普通股的权利。这进一步降低了BPI在PGMC中的股份至39.99%。PGMC于2019年7月3日出售股份后，已不再是旗下公司，而是成为BPI的联营公司。

业务检讨

马来西亚

在检讨中的财政期间，多多博彩在该国所有测字业者中，依然处于市场的上风。尽管如此，本公司仍不懈地寻求进步，并且不断留意客户的喜好。自去年在新山成功开设概念店以来，本公司持续在全国各地提升其销售办事处和门店，以便提升客服及客户体验。

本公司正在努力整合新功能和用户界面，以改善现有的彩票系统。这些新功能和用户界面将改变博彩进行的方式，进而提升客户体验。

为了改善博彩系统和创新产品以持续提高客户的兴趣，本公司于2019年6月推出了多多万字生肖游戏。这是马来西亚首款将传统多多万字与十二生肖结合在一起的游戏。

在检讨中的财政期间，多多博彩一共让51人成为百万富翁，而上财政年度则为31人。该公司通过其四场累积奖金的游戏，包括好运多多六合彩6/58、至尊多多六合彩6/55、星运多多六合彩6/50和多多万字积宝共支付了4亿5300万令吉的累积奖金。

多多万字积宝游戏中的积压效应生效了两次。这是因为有较高的下注额，从而增加了积宝2的奖金。因此，在众多幸运获奖者中，有6个人获得了从150万令吉至690万令吉不等的奖金。

多多博彩正在为其彩票业务系统申请ISO和世界博彩协会（“WLA”）安全控管标准认证。获得认证后，本公司的资讯安全管理和业务管理系统将符合ISO/IEC 27001:2013和WLA-SCS:2016规定的实践标准。多多博彩预计能在2019年底之前获得其ISO和WLA认证。



位于菲律宾的博彩分行。

主席报告

菲律宾

菲律宾成功股份有限公司(“BPI”)通过旗下主要子公司, 包括PGMC和H.R.Owen运营。PGMC于2019年7月3日起便不再是BPI的子公司。这是基于BPI减少对PGMC的所有权至40%之后, 使PGMC被重新分类为联营公司。

PGMC主要营运线上博彩配备的租赁业务, 并为吕宋岛的菲律宾慈善大彩办事处(“PCSO”)提供软件支援。截止到2019年6月30日, PGMC在吕宋岛的4792个家销售站安装了4945台彩票终端机。

豪华轿车经销商H.R.Owen主要在英国伦敦的豪华汽车和特殊轿车品牌市场上销售汽车, 并提供售后服务。H.R.Owen通过代理的豪华汽车品牌包括阿斯顿·马丁, 宾利、布佳迪、法拉利、蓝宝坚尼、玛莎拉蒂、劳斯莱斯、奥迪、莲花和Bodytechnics汽车维修的15个销售特许经营权和17个售后特许经营权。在检讨中的财政期间, 本公司的新车销售量、维修时间、车身改造时间和零件销售都有所增长。该公司也购买了在郡潘伯恩, 伯克希尔的一片永久业权的土地和一栋建筑物, 并翻新了其阿斯顿·马丁·切尔滕纳姆和伦敦蓝宝坚尼的经销店。



法拉利梅费尔汽车展厅的法拉利 SF90 Stradale和Monza SP1。

美国

国际博彩与赛马测彩系统有限公司 (“ILTS”) 是全球投注系统的领先供应商。ILTS为客户开发并完整地提供定制与创新的彩票软件、硬件、技术支援及网站管理服务。多年来, ILTS已为20多个国家的组织提供了计算机化的投注系统, 质量支持和超过6万5000台投注终端机。

在检讨中的财政期间, ILTS旗下的独资子公司Unisyn投票解决方案公司是 (Unisyn Voting Solutions, Inc.) (“Unisyn”) 获得较高的收入, 即来自OpenElect®投票系统和产品的直售与授权销售收入。Unisyn目前在亚利桑那州、伊利诺伊州、爱荷华州、堪萨斯州、密苏里州、俄亥俄州、宾夕法

尼亚州、田纳西州、犹他州和弗吉尼亚州超过235个县城安装了超过1万2500个OpenElect®投票系统和产品。

在检讨中的财政期间, ILTS为越南的成功Gia Thinh投资科技股份有限公司 (“BGT”) 提供了新的终端机。ILTS也为BGT提供了新游戏和技术支援。持有一项独家合约的BGT与越南财政部旗下唯一获准在刻国经营电脑化彩票业务的国有企业-越南电脑化彩票一人有限责任公司签订一项商业合作合约, 以在越南境内各地投资并经营电脑化彩票系统。ILTS也提供多多博彩提供相关服务和技术支援。



位于美国密苏里州杰克逊县的Unisyn OpenElect®投票光学扫描仪。

可持续发展

成功多多的可持续发展声明列出了该集团致力于采用良好的商业道德规范、公司治理政策以及有效的资本管理的决心, 来提升财务表现并加强其竞争力。

成功多多正通过建立其产品和服务合规性, 实行负责任的市场营销和传播规范、资讯安全与隐私政策、客户关怀和社区支援等相关策略承认社会可持续发展的重要性。

欲阅读可持续发展报告, 请翻阅本年度报告的第20至37页。

未来展望与前景

马来西亚的国内生产总值 (“GDP”) 在2019年第二季度大量提升4.9%。马来西亚政府发布的2020年预算案表明今年的GDP将增长4.7%, 在2020年将增长4.8%。

多多博彩将确保经营策略与时俱进, 以便保持其博彩业务中的市场份额。多多博彩也将继续努力打击非法赌博, 其措施包括教育公众其负面影响, 并与执法机构和地方政府合作。有了这些措施, 多多博彩对业务前景保持于保守性乐观的看法。

在出口业逐渐恢复，商业信心增强和人民消费提高的情况下，菲律宾的经济预计将持续增长。PGMC将继续与PCSO合作，以便能增加收入来支撑支持菲律宾的慈善活动。

在英国，脱欧的疑惑可能会影响人民的消费。尽管即将推出的新车款拥有可观的订单量，H.R.Owen的管理层仍然保持警惕。

在美国，ILTS继续研究和开发新兴技术来提高其市场份额，并提高其在博彩和投票领域的竞争力。

鸣谢

本人谨代表董事部向我们尊贵的客户、业务伙伴、金主、股东、分析师、媒体工作者、政府机构以及其他利益攸关者一路来的坚定支持致上万分谢意。

我们衷心感谢管理层、各位员工和代理商一直以来无私地为公司奉献。你们的努力是我们今日成功的关键。

我也想借此机会由衷地感谢全体董事在这一年里给予的支持。同时也期待大家继续积极参与公司的业务以便2020年财政年的业绩更上一层楼。

丹斯里拿督斯里陈国平
主席
2019年10月9日

4D Zodiac 生肖 TOTO 游戏 RM1

游戏玩法

步骤 1: 选择任何一组万字号码
例如 **2579**

步骤 2: 从12个生肖中选出一个生肖
例如 **牛**

鼠	牛	虎
兔	龙	蛇
马	羊	猴
鸡	狗	猪

如何中奖?

您以 **RM1** 投注 **2579 + 牛**

假设开彩成绩

多多万字			生肖
首奖	二奖	三奖	
2579 ✓	2415	3149	牛 ✓

您赢得：
首奖奖金 **RM 18,000**

多多万字生肖游戏的宣传海报。

GROUP FINANCIAL SUMMARY

Description	2019	2019	2018	2017
	USD'000	RM'000	RM'000	RM'000
Revenue	1,615,395	6,693,389	5,665,331	5,731,396
Profit Before Tax	95,152	394,262	381,858	376,141
Profit For The Financial Period/Year	55,500	229,963	241,484	246,707
Non-Controlling Interests	(752)	(3,115)	(8,286)	(9,576)
Profit Attributable To Owners Of The Parent	54,748	226,848	233,198	237,131
Share Capital	32,606	135,103	135,103	135,103
Reserves	144,479	598,649	623,905	654,820
Equity Funds	177,085	733,752	759,008	789,923
Treasury Shares	(2,973)	(12,320)	(12,320)	(10,061)
Net Equity Funds	174,112	721,432	746,688	779,862
Non-controlling Interests	12,919	53,531	55,091	44,232
Total Equity	187,031	774,963	801,779	824,094
Other Non-Current Liabilities	587	2,434	9,091	4,159
Long Term Borrowings	182,145	754,716	530,415	551,974
Deferred Tax Liabilities	4,644	19,244	17,698	16,314
Current Liabilities	269,172	1,115,314	1,270,625	1,208,704
Total Equity and Liabilities	643,579	2,666,671	2,629,608	2,605,245
Property, Plant and Equipment	46,226	191,538	183,036	214,658
Intangible Assets	166,188	688,601	768,916	788,150
Investments and Other Non-Current Assets	80,632	334,097	328,270	274,704
Deferred Tax Assets	6,621	27,433	27,208	34,258
Current Assets	343,912	1,425,002	1,322,178	1,293,475
Total Assets	643,579	2,666,671	2,629,608	2,605,245
Net Assets Per Share (Cents/Sen)	12.93	53.56	55.43	57.85
Net Earnings Per Share (Cents/Sen)	4.06	16.84	17.31	17.59
Dividend Rate Per Share (Cents/Sen)	3.86	16.00	16.00	14.00
Dividend Amount (USD'000/RM'000)	52,014	215,520	215,520	188,716

Notes:

Due to the change of financial year end from 30 April to 30 June, the Group financial results presented for 2019 is for a 14-month period ended 30 June 2019. The financial results for 2010-2018 are for a 12-month period ended 30 April.

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

Exchange rate as at 30 June 2019 : USD1.00 : RM4.1435

*** This figure included a share dividend of 2.5 sen per share.

** This figure included a share dividend of 9.5 sen per share.

* This figure included a share dividend of 30.5 sen per share.

^^ The dividend amount includes share dividend based on treasury shares book cost of RM32.9 million.

^ The dividend amount included share dividend based on treasury shares book cost of RM124.7 million.

The dividend amount included share dividend based on treasury shares book cost of RM126.0 million.

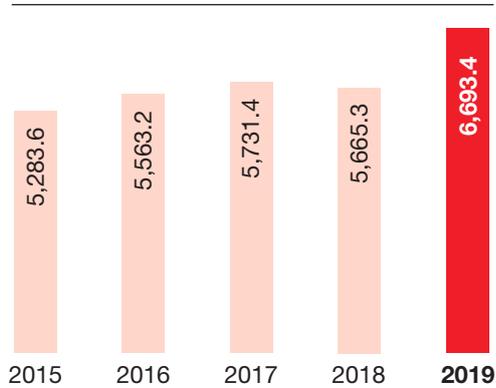
The dividend amount included share dividend based on treasury shares book cost of RM383.3 million.

GROUP FINANCIAL SUMMARY

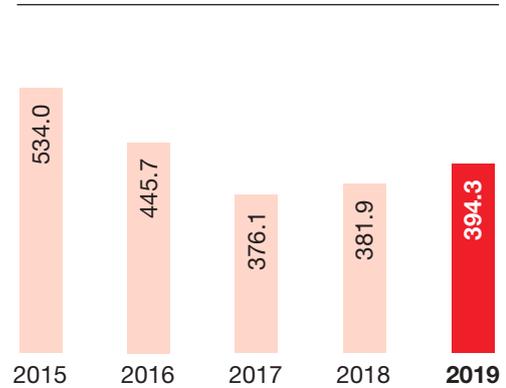
2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
5,563,227	5,283,644	4,340,839	3,628,362	3,607,754	3,433,216	3,392,810
445,658	534,012	509,722	569,526	579,150	508,402	548,188
318,092	373,304	343,696	403,506	415,685	357,441	388,478
(9,452)	(11,694)	(14,990)	(12,421)	(10,209)	(7,680)	(4,974)
308,640	361,610	328,706	391,085	405,476	349,761	383,504
135,103	135,103	135,103	135,103	135,103	135,103	135,103
641,859	574,106	505,263	467,969	464,715	380,301	371,715
776,962	709,209	640,366	603,072	599,818	515,404	506,818
(10,061)	(24,712)	(11,860)	(32,907)	(120,295)	(57,341)	(57,341)
766,901	684,497	628,506	570,165	479,523	458,063	449,477
73,956	71,070	75,129	43,049	31,399	23,723	15,074
840,857	755,567	703,635	613,214	510,922	481,786	464,551
4,668	5,285	4,898	3,333	2,597	2,423	39,715
695,000	495,000	400,000	400,000	550,000	550,000	305,000
16,641	15,679	4,765	364	380	326	2,129
1,098,944	990,182	1,039,428	526,159	364,159	412,729	420,189
2,656,110	2,261,713	2,152,726	1,543,070	1,428,058	1,447,264	1,231,584
217,226	166,478	165,398	121,864	131,139	135,900	96,701
789,537	775,771	754,049	644,485	643,857	642,757	643,986
230,201	221,003	194,396	165,803	136,755	113,759	100,921
43,484	23,692	16,991	18,417	12,718	9,776	9,674
1,375,662	1,074,769	1,021,892	592,501	503,589	545,072	380,302
2,656,110	2,261,713	2,152,726	1,543,070	1,428,058	1,447,264	1,231,584
56.89	50.91	46.62	42.45	36.25	34.25	33.61
22.88	26.86	24.66	29.43	30.37	26.15	29.02
19.00***	21.50	26.50**	28.00**	27.00	21.00	57.50*
255,160^^	289,250	352,348^	372,912##	359,406	280,875	728,954#

GROUP FINANCIAL HIGHLIGHTS

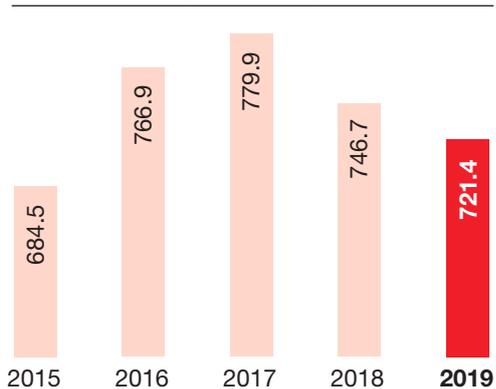
REVENUE
(RM' Million)



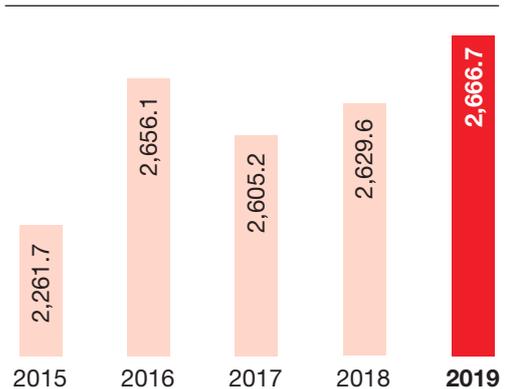
PROFIT BEFORE TAX
(RM' Million)



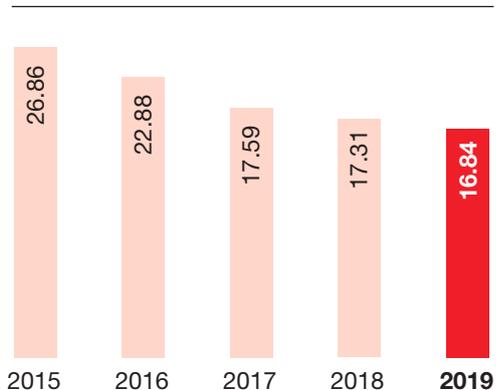
NET EQUITY FUNDS
(RM' Million)



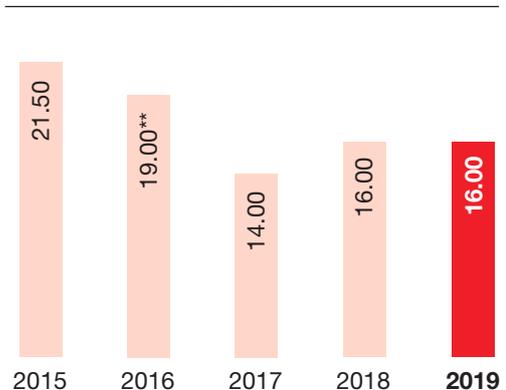
TOTAL ASSETS
(RM' Million)



NET EARNINGS PER SHARE
(Sen)



DIVIDEND RATE PER SHARE
(Sen)



** This figure included a share dividend of 2.5 sen per share.

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Berjaya Sports Toto Berhad (“BToto”) has four main operating subsidiary companies namely Sports Toto Malaysia Sdn Bhd, Berjaya Philippines Inc., International Lottery & Totalizator Systems, Inc. and H.R. Owen Plc. The core businesses of the Group are operations of Toto betting, leasing of online lottery equipment, the development, manufacturing and distribution of computerised wagering and voting systems and luxury motor retailing in the United Kingdom.

BToto changed its financial year end from 30 April 2019 to 30 June 2019 during the current financial period. The current financial statements are prepared for the financial period of 14 months ended 30 June 2019. As a result, the financial performance of the current financial period is not comparable to the comparative financial performance reported for a 12 months financial period ended 30 April 2018.

MALAYSIA

Sports Toto Malaysia Sdn Bhd (“Sports Toto”), the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 8 games namely Toto 4D, Toto 4D Jackpot, Toto 5D, Toto 6D, Star Toto 6/50, Power Toto 6/55, Supreme Toto 6/58, and Toto 4D Zodiac. Launched in June 2019, the Toto 4D Zodiac is a 4D variant game with a combination of 4D results and a Zodiac number. All the games are drawn three days a week.

For the current 14-month financial period under review, Sports Toto registered revenue of RM3.64 billion, while it reported revenue of RM3.12 billion in the previous financial year ended 30 April 2018. On a per draw basis, revenue increased by 1.8%.

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 period under review.

Profit before tax for the current 14-month financial period under review was RM453.3 million, compared to RM363.0 million for the 12-month financial period ended 30 April 2018. This was mainly due to lower operating expenses incurred and the effects of the three months Goods and Services Tax (“GST”) tax holiday in the current financial period ended 30 June 2019.

Sports Toto anticipates that its performance moving into the financial year 2020 will be satisfactory and is confident that it will continue to retain its market share in the NFO business. The company will continue its effort to educate

the public about the negative social impact of illegal gaming and continue to advocate responsible gaming. Regular engagement with the authorities will also be conducted to combat illegal gaming.

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 its wholly-owned subsidiaries H.R. Owen Plc (“H.R. Owen”) and Philippine Gaming Management Corporation (“PGMC”). Following the completion of the deemed disposal, on 3 July 2019, BPI reduced its ownership in PGMC to 39.99% and PGMC ceased to be a subsidiary and became an associated company of BPI. BPI has fully impaired the goodwill in PGMC amounting to Peso360.1 million based on the assessment of fair value of the disposal group’s, PGMC, net assets.

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. 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.

BPI group recorded revenue of Peso38.0 billion for the 14-month financial period under review while it reported revenue of Peso30.8 billion in the previous financial year. The revenue was mainly attributed to revenue contribution from H.R. Owen in the financial period under review.

BPI group’s profit before tax of Peso677.0 million for the financial period under review was mainly attributed to profits achieved by H.R. Owen and profit contribution from PGMC. However, the profit before tax was partly offset by the goodwill impairment on PGMC. Excluding the one-off goodwill impairment incurred, BPI group would have registered a profit before tax of Peso1.04 billion. The profit before tax for the previous financial year was Peso1.11 billion.

PGMC recorded revenue of Peso1.46 billion for the current financial period under review mainly due to lower equipment lease agreement rate applied for the financial period under review. The company recorded revenue of Peso1.64 billion in the previous financial year ended 30 April 2018.

MANAGEMENT DISCUSSION & ANALYSIS

PGMC's profit before tax for the financial period under review was Peso611.3 million, while it reported profit before tax of Peso755.2 million in the previous financial year.

The Philippine's economy showed signs of resurgence in the second quarter of 2019 as exports continued to recover in May. Business confidence improved in the quarter and public spending increased to achieve the growth target for 2019. The economic momentum should strengthen in the second half of the year from fiscal stimulus and more accommodative monetary conditions. Gross domestic product ("GDP") is expected to expand by 6.0% in 2019 and 6.2% in 2020.

PGMC will continue to partner with PCSO in order to generate more revenue to support charity activities in the Philippines.

THE UNITED STATES OF AMERICA

In the United States of America, International Lottery & Totalizator Systems, Inc. ("ILTS"), a subsidiary of BToto, provides computerised wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide. ILTS also has a voting business segment operated through Unisyn Voting Solutions, Inc. ("Unisyn") which develops and markets the OpenElect® digital optical scan election system to election jurisdictions. The OpenElect® election system is the only digital optical scan voting system built with Java on a streamlined and hardened Linux platform.

ILTS posted a higher revenue and profit before tax for the financial period under review mainly attributed to the higher revenue contribution from its voting business segment.

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

For the financial period ended 30 June 2019, H.R. Owen recorded revenue of £532.0 million. A total of 1,646 new prestige cars and 1,435 pre-owned cars were sold in the financial period under review. H.R. Owen posted revenue of £423.2 million in the previous financial year with 1,185 new prestige cars and 1,235 pre-owned cars sold in the 12-month period ended 30 April 2018.

H.R. Owen's profit before tax increased to £8.3 million for the financial period ended 30 June 2019. The company recorded profit before tax of £6.0 million in the previous financial year ended 30 April 2018.

H.R. Owen remains cautiously optimistic about the future prospects of the company. The company continues to be dependent on new car sales. The cost of getting to market in one of the most expensive cities in the world remains high. The company is supported by robust performance by its main franchises and the London operations namely Bentley, Bugatti, Ferrari, Lamborghini and Rolls-Royce retain their position as UK's largest dealer outlets for the supply of new cars. This is despite the company being sensitive to any deterioration in trading conditions.

BTOTO AS A GROUP

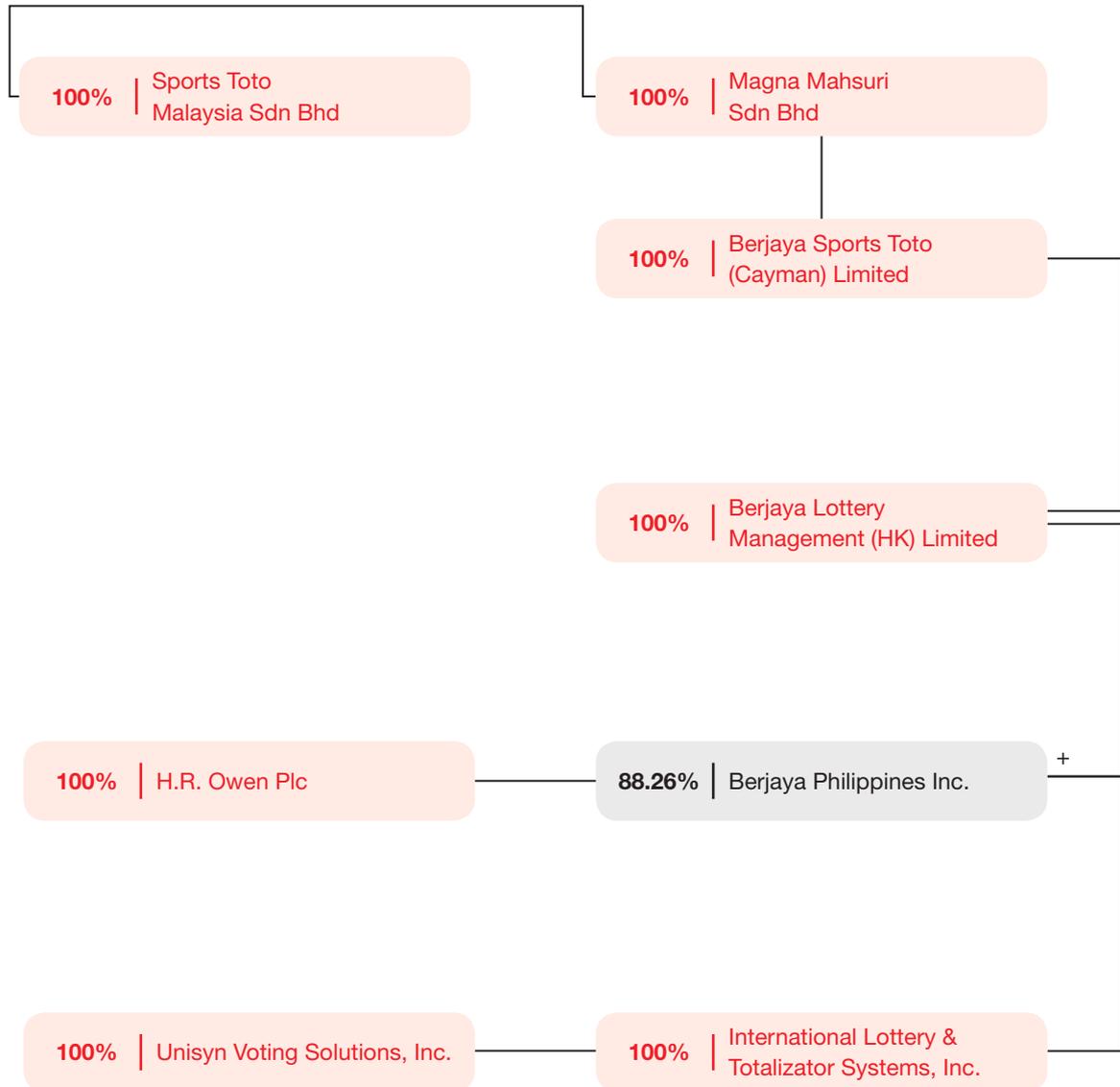
Liquidity and Financial Resources

The Group retained cash and cash equivalents of RM429.5 million as at 30 June 2019 (30 April 2018: RM415.3 million) with a current ratio of 1.28 times as at 30 June 2019 (30 April 2018: 1.04 times). The improved current ratio was mainly attributed to the lower current liabilities as at 30 June 2019 following the refinancing of the Medium Term Notes with longer tenure.

BToto's total indebtedness as at 30 June 2019, comprising borrowings, vehicle stocking loans and hire purchase payables, was RM1.12 billion (30 April 2018: RM1.16 billion). The Group's gearing ratio in the current financial period under review, which was at 1.45 times, was on par with the previous financial year ended 30 April 2018.

CORPORATE STRUCTURE OF MAIN SUBSIDIARY COMPANIES AS AT 30 SEPTEMBER 2019

BERJAYA SPORTS TOTO BERHAD



■ Listed Company
+ Combined Interest

SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

This is Berjaya Sports Toto Berhad's ("BToto" or "the Group") third sustainability report released in accordance to Bursa Malaysia Securities Berhad's ("Bursa Securities") Sustainability Reporting Guide for the financial period ended 30 June 2019.

The information available in this section focuses primarily on the operations and management of economic, environmental and social sustainability of the Group for the financial period ended 30 June 2019.

With due consideration to the principal sustainable development risks and the issues of concern and interest to BToto's various stakeholder groups, the information and data contained herein were derived from internal reporting processes, systems and records and are guided by Bursa Securities' Sustainability Reporting Guide and Toolkits.

This statement on sustainability represents a reasonable view of BToto's economic, environmental and social sustainability practices with key material aspects being taken into consideration. It is mainly focused on the operations of its principal subsidiary in Malaysia, Sports Toto Malaysia Sdn Bhd ("Sports Toto"), of which it has significant operational control. BToto's business operations in the Philippines, United Kingdom and United States of America are not included in the terms of social and environmental sustainability at this juncture.

2. APPROACH TO SUSTAINABILITY

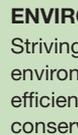
BToto believes that it is vital to consider the economic, environmental and social impacts of its business operations in order to reduce the potential negative impacts arising from its day-to-day operations.

BToto strives to conduct its business operations according to pragmatic principles and sustainable practices with a long-term sustainability strategy comprising 3 main aspects:-



ECONOMIC SUSTAINABILITY

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



ENVIRONMENTAL SUSTAINABILITY

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



SOCIAL SUSTAINABILITY

Dealing with 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 Group's monetary and non-monetary resources.

BToto pursues sustainability goals according to the following sustainability principles:-



- Giving emphasis to sustainability in every part of the value chain of its business operations;
- Considering the interests and positions of all stakeholders involved during the planning and implementation process; and
- Continuously reviewing and assessing our sustainability approaches and practices while keeping them in alignment with the Group's business objectives.

SUSTAINABILITY STATEMENT

3. MATERIALITY

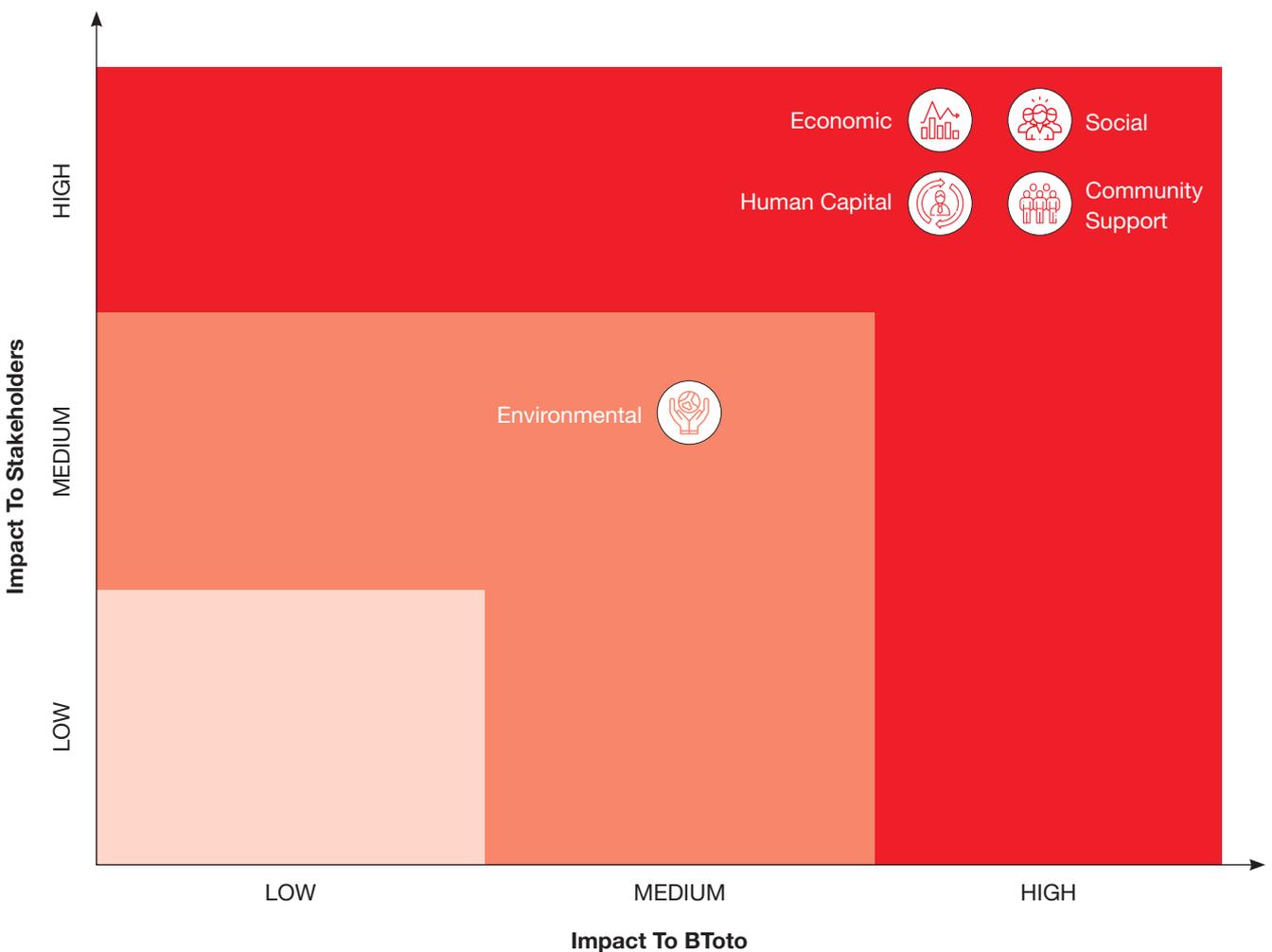
Determining materiality aids the Group in identifying and categorizing prevalent issues to focus its efforts on and chart its direction in sustainability. Material issues are defined as elements that are expected to have a significant effect on and are related to the Group's various stakeholders.

An annual materiality assessment is a pivotal part of the Group's approach to sustainability as it aids the Group in

identifying the significant impact of economic, environmental, social, human capital and community factors towards the sustainability of its businesses. The materiality assessment for the Group was conducted by engaging with the relevant stakeholders which resulted in the identification of 23 material issues which impact the sustainability of the Group.

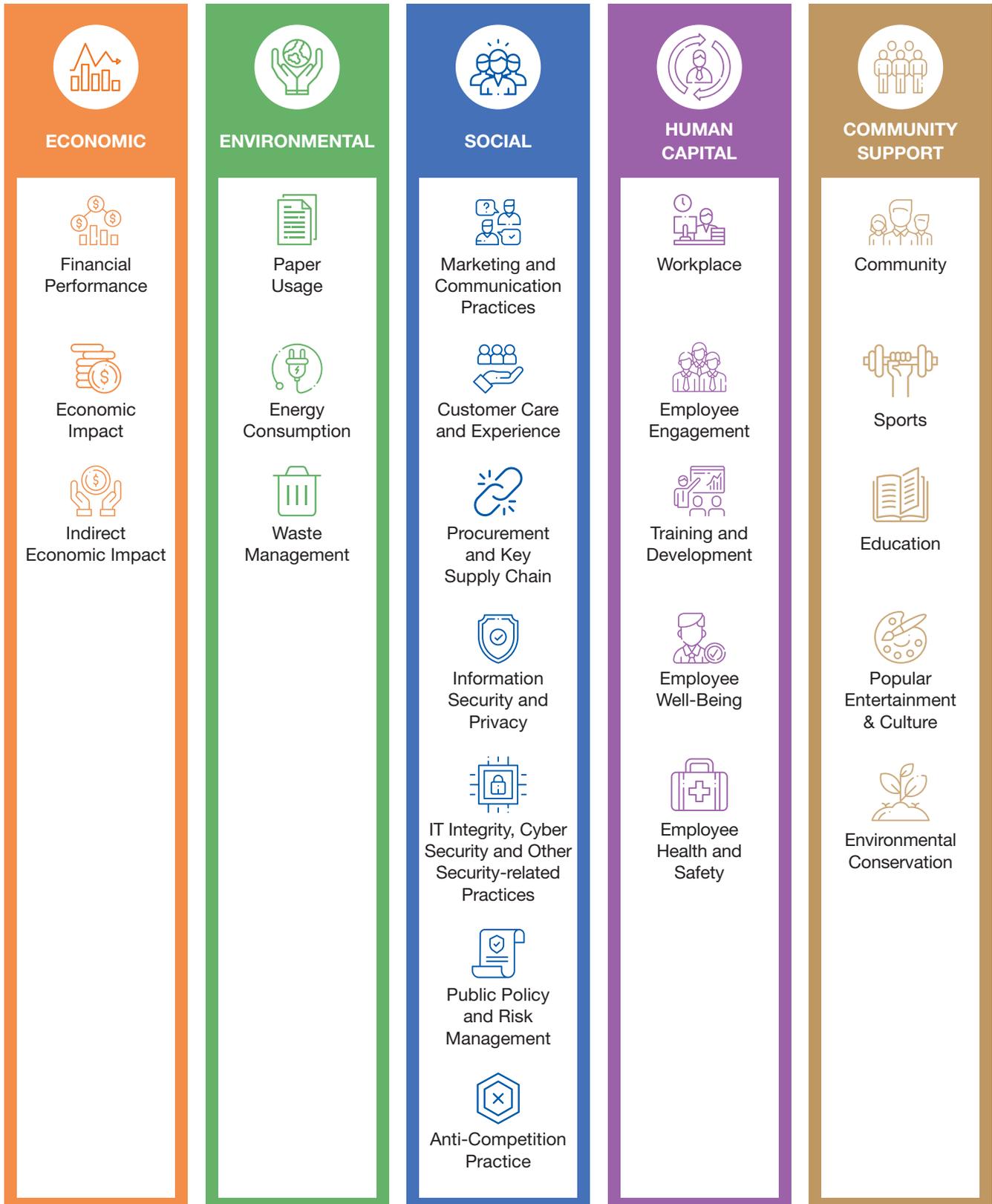
The Group will constantly engage with more stakeholder groups so that its materiality assessment will be improved constantly.

BTOTO'S MATERIALITY MATRIX



SUSTAINABILITY STATEMENT

5 SUSTAINABILITY PILLARS



4. STAKEHOLDER ENGAGEMENT

Operating as an effective and sustainable business entity, BToto believes that maintaining a good degree of communication and understanding with all the internal and external stakeholders involved is highly essential. Hence, the Group recognises the need to conduct a continuous dialogue or discourse and information sharing with the relevant stakeholders.

In line with this belief, the Group has established a series of engagement initiatives with various stakeholders

through the respective operating divisions. The input and perspectives gathered from all the relevant stakeholders specialised in their respective fields have been beneficial for the long-term collaboration with the stakeholders, and also the development of the Group's business strategy and operations in respect of the trends, impacts, risks and also opportunities that the Group has to take into account. While being open to the varied viewpoints, the Group remains flexible and agile in responding to the recommendations.

STAKEHOLDER ENGAGEMENT

Government and Regulators



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

Customers



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

Employees



Open communication through Berjaya Intranet on events, activities, staff promotions as well as messages from the Chief Executive Officer. Berita Sports Toto is a quarterly newsletter that features Sports Toto Malaysia Sdn Bhd's ("Sports Toto") key activities, be it business or social.

Suppliers



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

Communities and non-governmental organisations



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

Media



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

Investors and Stock Analysts



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

SUSTAINABILITY STATEMENT

COMMITMENTS TO STAKEHOLDERS

BToto's commitments to its stakeholders are outlined below:-

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

SUSTAINABILITY STATEMENT

5. GOVERNANCE

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

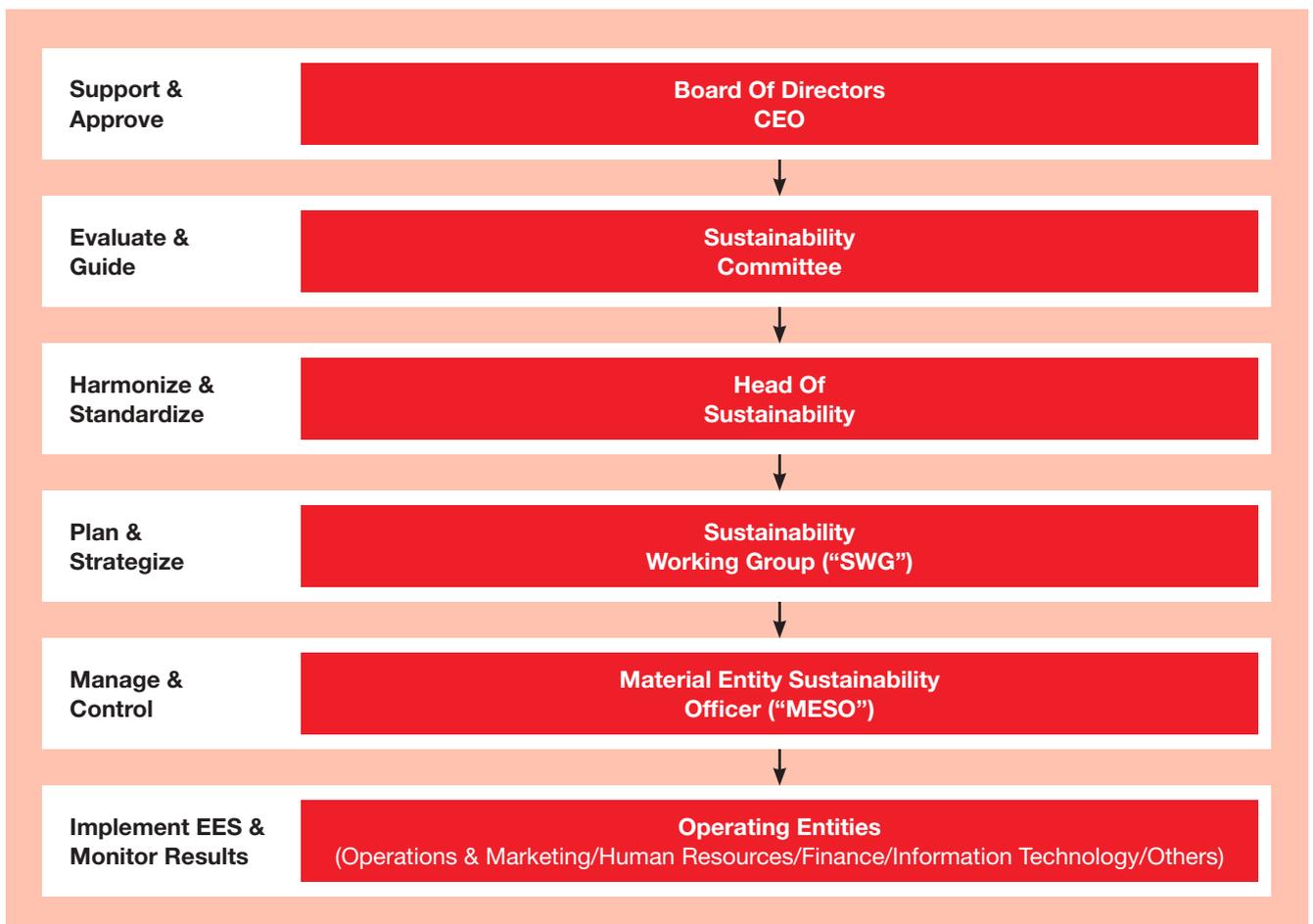
In line with the Group’s belief that corporate governance and creation of value for stakeholders are mutually dependent as both are critical components for business continuity and sustainability, a Sustainability Working Committee (“SWC”) was formed in 2016. The SWC oversees the overall planning and implementation of sustainability practices and policy in a continuous and systematic manner.

All operating divisions have been charged with the fiduciary duty to take into consideration sustainability in their business

strategy planning, operations and processes. While doing that, the Group strives to develop systems to monitor the implementation of its internal control measures and sustainability measures as well as the completeness and reliability of information related to the financial, operational, safety, health and environmental management aspects of the Group. The Board and management are committed to continually refining and improving these processes over time. The financial figures in this statement on sustainability have been externally verified.

For more detailed information on the Group’s Statement on Corporate Governance and Statement on Risk Management and Internal Control, please refer to pages 38 to 56 of the BToto Annual Report 2019.

SUSTAINABILITY GOVERNANCE STRUCTURE



Note: EES denotes economic, environmental and social.

SUSTAINABILITY STATEMENT

6. ECONOMIC SUSTAINABILITY

i. Financial Performance

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

BToto's financial performance highlights for financial period ended 2019



Revenue

RM6.69 billion

(FYE2018: RM5.67 billion)



Profit After Tax

RM230.0 million

(FYE2018: RM241.5 million)



Return On Equity

26.5%

(FYE2018: 30.8%)



Dividend Distribution

RM215.5 million

(FYE2018: RM215.5 million)



Dividend Payout Rate

95%

(FYE2018: 92.4%)

Note : Certain comparative figures have been adjusted to conform with the current period's presentation.

Sports Toto will continue to strive towards long-term business profitability and growth as well as maintaining its leading position in the NFO segment in terms of revenue by being innovative in driving sales, while being in compliance with the relevant laws, regulations, government policies and guidelines.

ii. Economic Impact

BToto also contributes towards economic sustainability through the provision of employment opportunities to the communities in which it operates. Sports Toto promotes local economic growth by providing ample employment opportunities to Malaysians. The company has a diversified workforce who possess varied skill sets and expertise for the many job functions within the organisation. Sports Toto's total employees as well as its agents nationwide generally consist of Malaysians.

iii. Indirect Economic Impact

In creating a sustainable and productive environment in the workplace and society, BToto creates indirect economic impact through supporting local businesses and contributing towards local community development.

BToto subsidiaries seek local suppliers for their procurement requirements to generate indirect economic value in the local community. In Malaysia, Sports Toto gives priority to local suppliers to support the local economy, while ensuring that the products conform to high standards of quality and delivery. All its procurements also adhere to [decent] standard operating procedures to ensure fair and reliable business transactions.

Sports Toto has earned goodwill and acceptance as a respectable corporate entity in Malaysia through its corporate social responsibility ("CSR") programmes and other community development projects. Sports Toto's CSR initiatives focus on the core areas of community, sports and education, helping many needy communities through the provision of monetary and non-monetary support for their various causes. More information on the CSR projects are included in the Community Support sub-section under the Social Sustainability section.

7. ENVIRONMENTAL SUSTAINABILITY

BToto continues to practise sustainability in its daily operations and is committed to reducing its environment footprint with effective management of paper, energy and waste.

i. Paper Usage

Sports Toto relies heavily on the supply of paper for its lottery tickets on a daily basis and a sum of RM14.3 million, representing 0.4% of the turnover, was spent on thermal tickets for the period under review.

SUSTAINABILITY STATEMENT

The company is mindful of reducing the impact of paper consumption on natural resources. The distribution of thermal paper to Sports Toto outlets is closely monitored by its Logistics department with a computerised Ticket Roll & Inventory Tracking System to control wastage and ensure efficient and proper consumption. Recycled paper is also used for bet slips at the sales outlets and the plastic cores in its thermal ticket rolls have been replaced with biodegradable paper cores.

ii. Energy Consumption

Even though Sports Toto's operations do not require a high level of energy and water consumption, the company aims to manage these resources efficiently as saving energy in its premises is one of the contributors to reducing its carbon footprint.

Sports Toto's energy conservation initiatives included circulating appropriate messages to employees to remind them to ensure reasonable use of energy and water in their operations to minimise wastage.

During the financial period under review, BToto continued with its efforts to reduce electricity consumption by replacing the fluorescent lights with energy-saving LED light tubes in the renovated Sports Toto sales offices throughout the country.

iii. Waste Management

BToto continues to promote the 3R practices of 'Reduce, Reuse and Recycle' in its business units and manages waste responsibly. Various efforts have been made to reduce the amount of waste disposed such as by using recycled paper for betting slips, recycling used mail envelopes and printing on recycled paper. Old promotional materials and forms are discarded responsibly through selected disposal contractors.

During the period under review, Sports Toto employees were introduced to online application for annual leave and claims, as well as obtaining their payslips online via the Group's intranet, to minimise paper usage and wastage.

8. SOCIAL SUSTAINABILITY

BToto acknowledges the importance of social sustainability by putting in place various practices related to responsible marketing and communications practices, information security and privacy, public policy and risk management, customer care, and community support.

i. Marketing and Communication Practices

Sports Toto uses communication materials such as posters and leaflets, mainstream print media, website, social media and other online applications to provide information on its products and services. Being adversely affected by illegal operators during the financial period under review, Sports Toto displayed posters to educate its customers on the penalties of buying from illegal operators under the relevant gaming laws. LED display units are installed at selected outlets to provide information on its products and CSR activities.



Posters used in anti-illegal gaming campaigns executed during the period.



Online check-win introduced in the Sports Toto app for customers to check results instantly.

As a company involved in the gaming business, maintaining a good public image at all times is essential. Every Sports Toto outlet has a public notice to prohibit minors and Muslims from betting. Sports Toto's website, www.sportstoto.com.my, carries a "Be A Responsible Player" reminder message which clearly states that Toto players must be 21 years old and above; they should bet within their financial means, and they should self-evaluate their financial status.

SUSTAINABILITY STATEMENT

ii. Customer Care and Experience

To enhance customer care, Sports Toto has a Customer Service Unit to attend to customer enquiries through various communication channels, from telephone calls and mail to email correspondence, webmaster enquiries and live chats from customers. Customers may also log in to Sports Toto’s website or post messages on Sports Toto’s Facebook page, whereby the standard guideline for a reply and resolution of an issue is within 3 to 5 working days, depending on the nature of the issue.

The sales counters at each Sports Toto outlet have been equipped with a customer careline sticker with the careline telephone number and various interfaces for customer feedback.

Sports Toto has been working to enhance its customer service experience by giving a major facelift to its sales offices in the various regions for a modernised exterior look and environment, as well as providing enhanced services.

Sports Toto’s Head Office underwent a major facelift as a ‘concept store’ outlet during the financial period under review. The modernised lifestyle customer service area, extending to its claim counter and draw venue redefines Sports Toto’s engagement and service support to its customers. Among the factors taken into consideration include the usage of space for the overall flooring, lighting, LED display of draw results and jackpot updates, as well as electronic marketing and promotions materials. The customer service area also uses environmentally friendly material for its parquet flooring.

Sports Toto also has in place periodic electronic communication with its web subscribers on draw results and special draw announcements, Jackpot updates, seasonal greetings, winning stories, marketing and promotions as well as CSR activities. A live chat facility is also available on Sports Toto’s website to enable real-time interaction with customers from 9am to 6pm on weekdays.

As part of its customer experience enhancement, Sports Toto introduced a new feature in its mobile application whereby customers are able to check the Toto results at their convenience.



New ‘concept store style’ look at the customer service area, claims counter and draw venue located at Sports Toto’s headquarters in Berjaya Times Square, Kuala Lumpur.

iii. Procurement and Key Supply Chain

Through its standard operating procedures for purchasing, BToto endeavours to pursue a competitive and reliable procurement process by supporting procurement of products and services from locally established business entities.

Sports Toto has an established key supply chain supplying consumable materials, system software, equipment and services for its Toto lottery operations. Its local procurement is largely conducted through a tender process managed by a Tender Committee, taking into consideration the need to establish a secure, reliable and cost-effective supply chain to meet high standards of quality and delivery. Suppliers are selected and approved by the Management upon recommendation by the Tender Committee, based on the suppliers' ability to provide quality supplies and services with long term support on a competitive basis.

Where local procurement is not possible, Sports Toto will look for opportunities to procure products and services from other entities within the Group. For instance, the company's lottery terminals, central system and system software are procured from its subsidiary company, International Lottery & Totalizator Systems, Inc. ("ILTS"), an established provider for proprietary wagering systems with their quality support in the United States of America, which has provided more than 65,000 terminals in more than three decades of operations in several countries.

To ensure continuity of key supply, Sports Toto has thermal paper supply agreements in place with the local supplier who has a track record of uninterrupted supply and a backup plan for alternative sources of paper materials. The supply agreements are reviewed regularly by Sports Toto's management.

Sports Toto's system software and lottery terminals supplied by ILTS are managed by Sports Toto's IT and Field Support departments, while its telecommunication channels are monitored by its Network Service department with reliable support from Telekom Malaysia, the owner of the telecommunication backbone, based on Service Level Agreements.

The procurement process and key supply chain, with their controls to manage operational risks, are important to Sports Toto's sustainability as a responsible lottery business operator and the delivery of value to its stakeholders in terms of security aspects, proprietary reasons and specialised needs of the company.

iv. Information Security and Privacy

As a responsible corporate citizen, information security of the company, employees and customers is of utmost importance to BToto.

In compliance with the Personal Data Protection Act 2010, the websites of BToto and its subsidiaries carry a privacy policy which explain clearly the methods and purposes of data collection and the use of customers' personal information.

Sports Toto understands the importance of privacy to its customers and has created a designated area at its head office and regional offices to offer a private and comfortable environment for customers to claim their winnings.

Sports Toto has been working to obtain World Lottery Association (WLA) compliance and ISO 27001 certification by the fourth quarter of 2019. Through this accreditation, Sports Toto's gaming services will adhere to the international information security best practices and standards set by WLA.

v. IT Integrity, Cyber Security and Other Security-related Practices

Information technology ("IT") integrity and cyber security are of vital importance to BToto, and in particular, to Sports Toto's gaming operations. To ensure system availability and continuity, the various IT departments of BToto's subsidiaries maintain preventive measures in their operating systems to minimise exposure to cyber security risk.

As new or potential threats may cause malicious or deliberate damage in the cyber environment, Sports Toto has in place a system to continuously identify and respond to any IT integrity or cyber security issues. The worthiness of the system hardware is checked on an annual basis to ensure the operating system is up-to-date to counter potential cyber threats.

SUSTAINABILITY STATEMENT

In addition to its upgraded firewall security measures, penetration tests are carried out by the IT department to test the vulnerability of the systems including the Toto apps and mobile internet.

In facing threats of internet hacking and personal data theft, Sports Toto's IT department work tirelessly to identify potential vulnerabilities in Sports Toto's operating environment and provide timely response and recovery in the event of a cyber breach.

When it comes to physical security protection, Sports Toto's security personnel receive regular training to provide efficient security measures in ensuring the safety of the company's employees, customers and property.

Sports Toto's draw proceeding is one of the most important areas that is under close scrutiny to prevent any form of fraud or mishandling. Its Standard Operating Procedures are constantly reviewed and updated to keep abreast with the latest trends of threats. Remedial actions are quickly identified and taken to safeguard the company's reputation, integrity and regulations.

vi. Public Policy and Risk Management

BToto actively supports and is in compliance with the government guidelines and regulations of law in the countries in which it operates its businesses. BToto's Risk Management Committee acts as a guardian in safeguarding its interest against any possible crisis which may occur within or outside the Group.

Sports Toto, being a responsible gaming company, ensures that its gaming operations are in compliance with the relevant laws concerning legal gaming operations, particularly Pool Betting Act 1967, anti-money laundering laws and pool betting laws, as well as Government policies regulated by the Ministry of Finance ("MOF") and relevant government agencies in the course of carrying out its business operations. The successful annual renewal of gaming licences by MOF, zero non-compliance feedback from BNM or Bursa Malaysia, and clean reports from its external auditors are testimony to its constant compliance and fulfilment of its responsibility as a leading licensed number forecast operator ("NFO").

Sports Toto works closely and maintains a good relationship with Government authorities and agencies including Bank Negara Malaysia ("BNM"), MOF, Local Councils and District to ensure public interest is safeguarded in the course of its daily business operations.

The legalised NFO industry continues to pursue the updating of current gaming laws with relevant authorities in order to minimise unauthorised activities prevalent in the country. It is also working with the enforcement authorities and local councils to curb illegal activities.

Sports Toto 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.

All Heads of Department in Sports Toto are required to submit a risk review report every quarter in order to identify new threats which may be detrimental to the interest and operations of the company.

vii. 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.

viii. Community Support

Despite the challenging economic environment during the financial period under review, Sports Toto carried out various CSR projects which benefitted underprivileged communities through its "Helping Hands" Corporate Social Responsibility (CSR) programme with its tagline – "Sharing, Giving and Caring". These CSR projects also enabled Sports Toto employees to practise volunteerism and give back to society through their participation.

SUSTAINABILITY STATEMENT

Community

It has been a tradition of Sports Toto to support underprivileged communities during festive occasions and various visits and events were organised during the major festive seasons in the financial period under review.

During the financial period under review, Sports Toto organised the Sports Toto Chinese New Year Ang Pow Donation Campaign for the 32nd year, which benefited more than 18,000 senior citizens nationwide. The campaign, which costs approximately RM1 million annually, has benefited more than 373,000 senior citizens since its inception in 1988.

In conjunction with Hari Raya celebrations, Sports Toto employees visited the pediatric ward of Hospital Tuanku Jaa'far in Seremban, Negeri Sembilan to give out duit raya and goodies to the pediatric patients. Sports Toto employees also visited an old folks home in Kajang to donate essential food items, toiletries and adult diapers.

During Deepavali, Sports Toto collaborated with Kelab Belia Tamil Bukit Beruang Melaka to contribute household items and food supplies to the needy Indian community in Melaka.

Sports Toto worked with SEMOA, an NGO which helps to improve the standard of living of the Orang Asli community, to organise a Christmas Carnival for the Orang Asli in Pahang. The one-day event attracted about 1,000 participants. Children who attended the carnival were also given a Christmas present each.

During the Harvest and Gawai festivals which were celebrated in East Malaysia, Sports Toto employees visited charitable homes and orphanages in Sabah and Sarawak and contributed cash and goodies to the residents of the homes.

Sports

Sports have always been an important aspect of Sports Toto's CSR initiatives since its inception, to promote a healthy lifestyle and unearth sporting talents. Sports Toto views sports development as a key element in nation building and fostering national unity.

Sports Toto has contributed towards and participated in many community sports activities over the years. It has been making substantial annual contributions amounting to RM1.3 billion to the National Sports Council since its inception in 1983, playing its part in helping the nation to groom sporting talents over the past 36 years.

At the community level, Sports Toto was the title sponsor of the Go For It! – FTKLAA Cross Country 2019, a sponsor of KL – Maran Big Walk, Kuching Festival's 3 on 3 Basketball Jamboree, Sports Toto High School Basketball Tournament, Seremban Half Marathon, Sungai Petani Half Marathon, Sutera Harbour 7K Charity Run, and Penang Bridge International Marathon.

To promote a healthy lifestyle, Sports Toto supported its employees to take part in the sporting events sponsored by the company. Employees who are the members of the Sports Toto Sports Club had also formed a bowling team to join the Bukit Kiara Equestrian and Country Resort's Bowling League and a badminton team to compete in the Dato' Theng Book Cup Malaysian Media Badminton Tournament 2018. The bowling and badminton teams were sponsored by the company for their training.

Education

In its effort to further enhance learning opportunities for children from rural areas, Sports Toto continued to hold its one-month "Reading My Companion" Reading Programme throughout 2018, presenting storybooks to 26 rural primary schools in Pahang, Perak, Negeri Sembilan, Melaka and Johor.

In June 2019, Sports Toto visited another 20 schools as part of its annual CSR reading programme which has benefitted more than 14,000 students from 132 rural primary schools since its introduction in 2012.

To encourage the students to make reading as a hobby, a storytelling session was held at every school to offer the students a fun and interactive experience in reading.

Popular Entertainment and Culture

Promoting and preserving contemporary and traditional cultures has always been a part of BToto's CSR efforts. During the financial period under review, Sports Toto continued to present "Show Time" – a nationwide series of musical roadshows aimed at providing a platform for local talents to perform in sub-urban areas as a form of entertainment for the local community.

SUSTAINABILITY STATEMENT

Sports Toto also supported various traditional Chinese festivals such as the Pesta Tanglung in Muar, Johor, through a collaboration with the Muar Youth Association to promote the traditional culture which emphasizes on the value of family reunion.

In promoting local traditional culture in Penang, Sports Toto also sponsored and took part in the Penang Chingay Parade 2018, which saw teams of Chingay performers balancing a giant flag in a procession.

Environmental Conservation

To raise awareness on global warming, Sports Toto participated in the World Vegetarian Day Conference and Exhibition initiated by Berjaya Corporation Berhad in partnership with Taiwan Buddhist Tzu Chi Foundation Malaysia. Sports Toto worked with its sister companies to complete a recycled items project for a 4-day exhibition from 11 to 14 October 2018 at Berjaya Times Square in Kuala Lumpur. The volunteers spent about a month to complete the recycled items project, which aimed to raise awareness on global warming and greenhouse effects from consuming meat.

The event, which was officiated by Berjaya Founder Tan Sri Dato' Seri Vincent Tan, had attracted thousands of shoppers at Berjaya Times Square to visit the exhibition.

In addition, Sports Toto employees involved in the project visited Tzu Chi Foundation's headquarters in Kepong to learn about global warming and the benefits of being a vegetarian.

As part of its efforts to contribute to environmental protection, Sports Toto supported the Tioman Island Conservation Day (TICD) for the third consecutive year to improve the growth of coral reefs around the island, clean up the beach area and raise public awareness about the importance of preserving the marine ecosystem. Sports Toto employees also participated in the event.

During the TICD, 2 giant coral structures and 5 coral structures were deployed with a new coral replanting method. All these coral structures were built and submerged underwater to further encourage the growth of coral reefs. As part of the underwater clean-up, the divers also scoured through the ocean to restore the cleanliness of the seabed. Apart from beach cleaning, Sports Toto volunteers also observed the planting of young corals.

Sports Toto also supported the Redang Island Conservation Day on Redang island, Terengganu in May 2019. Volunteers managed to collect more than 520kg of waste comprising mainly plastic products during the 3-day campaign.

9. HUMAN CAPITAL

BToto 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.

BToto recognises that its employees are its most valuable asset and they form the foundation of the organisation. Hence, BToto strongly believes in investing and developing its human capital to support its continued expansion and growth.

BToto's human capital efforts are to drive people strategies, focusing on talent acquisition and development, and employee engagement and retention programmes. BToto 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

Sports Toto is currently working to obtain the World Lottery Association compliance and ISO 27001 certification as a part of the company's effort to achieve levels of control in accordance with accepted information security and quality practices.

i. Workplace

BToto's employment practices upholds its beliefs for equal opportunity, fair employment, diversity and inclusion, rewarding employees appropriately and providing upskilling and development opportunities for employees to develop their full potential for both personal and professional development.

Employee Value Proposition

In February 2019, BToto launched its all-new Employee Value Proposition (EVP) with the purpose of delivering a personalized value proposition to distinguish the Group from its competitors and to create a compelling employee experience in the workplace. The various blend of voices from employees obtained through the EVP survey, convergence of ideas between various business unit Heads, Human Resource leaders, graphic designers and copywriters in the Berjaya Group had led to the inception of the Berjaya EVP.

The Berjaya EVP, namely **B.Connects**, **B.Inspires** and **B.Empowers** are represented by 3 vibrant icons, which resemble the efflorescence of positive energy, the strength and determination in each employee to pursue their professional development and career growth whilst leveraging on the broad spectrum of opportunities within the Group.



B. CONNECTS
Connecting you to a broad spectrum of opportunities and people from our diversified businesses.



B. INSPIRES
Inspiring you to make positive changes and achieve greater impact together.



B. EMPOWERS
Empowering you to grow and develop to become your best in creating a better future.

Talent Acquisition

BToto aims to strike a balance among its many diverse industries and their human capital needs and requirements, thus it is important for its human resource division to consider the many business units and the different positions within those units. BToto 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.

BToto 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.

In November 2018, BToto launched the Employee Referral Programme offering referral incentive to encourage employees to introduce suitable candidates from their social network to the Group.

Talent Attraction & Retention

Berjaya's employer brand also helps to convey to internal and external talents what distinguishes the Group from its competitors.

In July 2018, BToto's parent company, Berjaya Corporation Bhd (BCorp) was awarded the premium awards of Best Employer Brand, HR Strategy and Talent Management at the 9th Asia's Best Employer Brand Awards 2018. The awards ceremony was jointly hosted by Employer Branding Institute, World HRD Congress and Stars of the Industry Group, supported by CHRO Asia as strategic partner and endorsed by Asian Confederation of Businesses. The awards acknowledged more than 100 organisations across Asia that demonstrated excellence in building their brands and identities as employers of choice visible through their human resource practices, policies and strategies, honouring exemplary work in employer branding in more than 30 Asian countries. These awards were presented to organisations and individuals, who have surpassed several levels of excellence and set as a role model & exemplary leader.

SUSTAINABILITY STATEMENT



“STRIVING FOR EXCELLENCE”

- BCorp’s Awards and Recognition for 2018 and 2019

2018

- 9th Asia’s Best Employer Brand Awards 2018
 - Best Employer Brand Award
 - Award for Talent Management
 - Award for HR Strategy
- Malaysia’s 100 Leading Graduate Employer 2018
- The Asia HRD Awards 2018
 - Contribution to HR Community

2019

- 5th Malaysia Best Employer Brand Awards 2019
- Malaysia Most Fabulous HR Leaders 2019

Diversity and Inclusion

BToto embraces and values diversity and inclusion in the workplace as the Group promotes a collaborative, supportive and respectful environment among its employees.

BToto believes that its practice of fair treatment to all employees and equal access to opportunity is the key to achieve competitive advantage through its diverse workforce.

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

ii. Employee Engagement

Employee engagement is an important indicator which identifies how employees are connected to the organisation, to the extent that they contribute to the long-term health and success of the Group. Maintaining a high level of employee engagement is important for BToto to attract and retain talented employees and ultimately, deliver business success.

BToto also strongly believes in driving better local communication among its business units through synergy meetings and capitalising on communication channels which keep its employees informed of happenings across Berjaya.

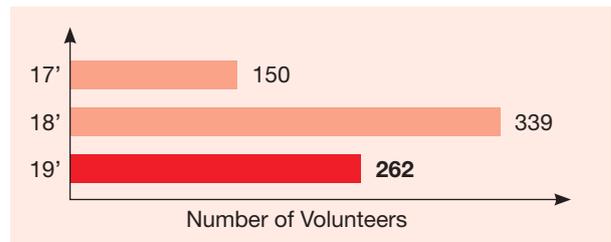
Sports Toto’s engagement initiatives during the financial period under review were focused on celebrating diversity, bringing together employees from varied backgrounds and levels and building camaraderie through activities that celebrate the major festivals in Malaysia, health-related activities and sports tournaments to boost motivation and teamwork.

Culture of Volunteerism

BToto strongly believes in giving back to society and fosters the spirit of volunteerism by encouraging its employees to participate in the Group’s many CSR projects such as visits and festive celebrations with the less fortunate, charity and ang pow donation campaigns and various other programmes to create awareness on health-related and community issues.

As of 30 June 2019, a total of 262 Sports Toto employees participated in various charitable events across the country.

Number of Volunteers Involved in Sports Toto’s CSR Projects:



High School Basketball Tournament.

SUSTAINABILITY STATEMENT



Ang Pow Donation Campaign.



Reading Project @ SJK © Kerdu.



Tioman Island Conservation Day.



Cross Country Run.

iii. Training and Development

Every employee in the organisation plays an integral role in building the organisation's success and in meeting its business objectives. As such, employees are provided equal opportunity to move up the career ladder. BToto believes that through continuous learning and upskilling of their competencies and knowledge, its employees would be able to unleash their potential to perform better.

BToto provides opportunity to all employees to enhance their skills and knowledge through various training and development programmes, to assist and support them to move up in their career ladder.

Talent Management

BCorp has in place a formal talent management framework which focuses on providing the appropriate learning and development opportunities for all employees, especially future leaders, which extends across its subsidiary companies, including BToto.

Berjaya's Talent Management Programmes focus 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 the Berjaya Group's significant business functions. It is essential that each subsidiary within the Berjaya Group proactively identifies its potential leadership and develops them in the capability areas required.

SUSTAINABILITY STATEMENT

Building a Talent Pipeline

- Aims to identify key talents ready for a new or expanded role in their 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.

Sports Toto continued to enroll its talents in Berjaya Group's leadership development programmes - Berjaya Advanced Leadership Programme (B.ALP), Berjaya Manager Development Programme (B.MDP) and Berjaya Executive Development Programme (B.EDP), to help the employees develop and reach their full potential. During the financial period under review, a total of 3 Sports Toto employees graduated from these development programmes.

Operational and Skills Development Training

- To continue improving its customer service levels, Sports Toto provides product training and service upselling training 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 June 2019, Sports Toto had conducted 21 product training sessions and 35 service upselling training sessions for 2077 employees as well as its agents' frontline staff who play a vital role of being direct points of contact with customers.



Product Training and Service Upselling Training.

Other Training Programmes

- Besides development programmes, various learning programmes, lunch talks and customised training programmes were conducted throughout the financial period. Sports Toto had implemented Performance Management based on Balance Scorecard concept and the implementation of the e-Appraisal system for employees in line with Berjaya Group's aim of building a high performance-driven culture. During the period under review, 7 training sessions on Performance Management based on Balanced Scorecard Concept were conducted for 138 employees. As for the training on the e-Appraisal system, 3 training sessions were conducted for 12 employees.

Cyber Security Awareness Training

- To encourage greater safety awareness and protection among the company's computer users, Sports Toto provided Cyber Security Awareness Training to equip 78 employees with the knowledge and skills they need to protect themselves from cyber crime elements.

iv. Employee Well-being

BToto provides a range of initiatives aimed to create awareness and encourage employees to make informed choices that will enhance their overall health and well-being.

Health Promotion and Prevention

Employees are BToto's most valuable asset and their health and well-being are of utmost importance. To inculcate a healthy lifestyle among employees and to promote health and wellness in the workplace, Sports Toto employees enjoy the privilege of utilising a full facility gym, the Sports Toto Fitness Centre, which is conveniently located at Berjaya Times Square at a subsidised rate.

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 screening/health checks by utilising the balance of their yearly clinical outpatient entitlement at selected panel clinics which offer special staff rates.

In early 2019, Sports Toto implemented a “Boost Your Health” campaign where fruits are provided daily to all staff based in Klang Valley. In addition to that, the company collaborated with Sports Toto Fitness Centre to organise a Group Exercise Programme for all staff.



Boost Your Health Campaign – Group Exercise Programme.

Employee Benefits

As a caring employer, BToto strives to continuously enhance the benefits and well-being of its employees. The Group continues to provide attractive remuneration and benefit packages to employees in order to stay competitive in the market. BToto takes into consideration the needs of different level of employees and endeavours to ensure that the employees’ well-being are well-thought-out regardless of their job category in the best possible way.

As part of its talent attraction and retention programmes, BToto implemented the Flexi Benefits Scheme to all employees in March 2019. With the implementation of the Flexi Benefits Scheme, employees would be able to select the type of benefits they need from a package of benefits offered by the Group.

Staff Welfare Fund

BToto 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 the employee/ employee’s immediate family members or in the event that the home of an employee is affected by fire or a natural disaster.

v. Employee Health and Safety

Occupational Health, Safety at the Workplace

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

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

Fire-fighting equipment and fire alarm systems are regularly checked to ensure compliance with current safety standards. Fire drills and staff fire safety courses are conducted on an annual basis to ensure that employees are trained to manage any fire emergencies.

Various initiatives have been taken to communicate the importance of health, safety and environmental awareness to employees. In line with BToto’s objective to continuously raise health and safety awareness, several awareness talks and training were held for employees during the financial period under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The Board is pleased to provide an overview of the corporate governance (“CG”) practices, which made reference to the three key CG principles as set out in the MCCG throughout the financial period ended 30 June 2019 (“FPE 2019”) 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 2019 (“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 FPE 2019. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FPE 2019 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 periodically 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 Dato’ Seri Tan Kok Ping, a Non-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, Nerine Tan Sheik Ping who assumed the position of CEO on 1 June 2018.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Separation of Positions of the Chairman and Chief Executive Officer

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.

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 Directors on the Board will also help to provide views and contributions from a different perspective as they are 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 oversight 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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 periodically 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 19 August 2019 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(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.

(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 provides an avenue for employees, the Group's third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis and pursuant to the Malaysian Whistleblower Protection Act 2010 or other similar laws prevailing in other countries where the subsidiary companies are located, without fear of any form of victimization, harassment, retribution or retaliation.

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 the 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. As at 30 June 2019, the Board has six (6) members comprising the CEO, one (1) Executive Director, two (2) Non-Independent Non-Executive Directors (including the Chairman) and two (2) Independent Non-Executive Directors.

During the FPE 2019, Nerine Tan Sheik Ping has been promoted to CEO of the Company on 1 June 2018 in place of Dato' Sri Robin Tan Yeong Ching who has resigned as a Director and CEO of the Company on 1 June 2018. In addition, Freddie Pang Hock Cheng has also retired as a Non-Independent Non-Executive Director of the Company on 1 June 2018.

On 1 August 2018, Tan Sri Dato' Seri Tan Kok Ping was appointed as Non-Independent Non-Executive Director and Chairman of the Company in place of Cheah Tek Kuang who resigned as an Independent Non-Executive Director and Chairman of the Company on 1 August 2018.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The profiles of the current Directors of the Company are set out in pages 3 to 5 of this Annual Report.

The 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 during the FPE 2019, the Board is satisfied that the Independent Directors are able to exercise independent and objective judgement and act in the best interests of the Company eventhough they do not form a majority of the Board members.

The current Directors of the Company as at the date of this Statement are as follows:-

Name	Designation
Tan Sri Dato' Seri Tan Kok Ping	Chairman/Non-Independent Non-Executive Director
Nerine Tan Sheik Ping	Chief Executive Officer
Seow Swee Pin	Executive Director
Chan Kien Sing	Non-Independent Non-Executive Director
Datuk Robert Yong Kuen Loke	Independent Non-Executive Director
Dato' Oon Weng Boon	Independent Non-Executive Director

Boardroom Diversity

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

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

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

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

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 one (1) female Director namely, Ms Nerine Tan Sheik Ping.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. During the FPE 2019, the Board met six (6) times and the attendance record of the Directors at the Board meetings were as follows:-

Directors	Attendance
Tan Sri Dato' Seri Tan Kok Ping	4/5*
Seow Swee Pin	6/6
Nerine Tan Sheik Ping	6/6
Chan Kien Sing	6/6
Datuk Robert Yong Kuen Loke #	6/6
Dato' Oon Weng Boon #	6/6
Cheah Tek Kuang (Resigned on 1 August 2018)	1/1*

Notes:

Independent Non-Executive Director

* *Reflects the attendance and the number of Meetings held during the financial period 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 FPE 2019, the Directors had attended various training programmes and seminars, details of which were as follows:-

Director	Title of Programmes/Seminars/Courses/Forums
Tan Sri Dato' Seri Tan Kok Ping	- Grant Thornton Tax Seminar on Budget 2019
Nerine Tan Sheik Ping	- Business Transformation - Going to the Next Performance Level
Seow Swee Pin	- Corporate Governance: Risks, Opportunities, Assessment and Management, Makati City, Philippines - World Lottery Summit 2018 in Buenos Aires - ESG Seminar for FTSE4Good Bursa Malaysia Index - Leadership Greatness in Turbulent Times - Building Corporate Longevity
Chan Kien Sing	- MIA International Accountants Conference 2018 - Anti-Corruption Summit 2018 : Good Governance and Integrity for Sustainable Business Growth
Datuk Robert Yong Kuen Loke	- Minister's Dialogue with Corporate Sustainability Managers - BDO Tax Budget Seminar 2018 - Keeping Ahead of Tax Reforms
Dato' Oon Weng Boon	- Business Council for Sustainable Development Malaysia Breakfast Talk: Sustainability & Business - Audit Committee Conference 2019

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

Appointment to the Board

The members of the Nomination Committee, which comprises exclusively Non-Executive Directors and majority of whom are Independent Non-Executive Directors as at the date of this Statement are as follows:-

Datuk Robert Yong Kuen Loke <i>(Re-designated on 1 August 2018)</i>	- Chairman/Senior Independent Non-Executive Director
Dato' Oon Weng Boon	- Independent Non-Executive Director
Tan Sri Dato' Seri Tan Kok Ping <i>(Appointed on 1 August 2018)</i>	- Non-Independent Non-Executive Director

During the FPE 2019 and following the resignation of Cheah Tek Kuang as an Independent Non-Executive Director of the Company, he has also ceased to be Chairman of the Nomination Committee. Thereupon, Datuk Robert Yong Kuen Loke and Tan Sri Dato' Seri Tan Kok Ping have been re-designated/appointed as the Chairman and member respectively of the Nomination Committee on 1 August 2018. The Chairman of the Nomination Committee, Datuk Robert Yong Kuen Loke has also been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed on even date.

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

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 Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidates' independence;
3. Recommendation shall then be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

Annual Assessment

The Nomination Committee 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 Malaysia Berhad. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

During the FPE 2019, the Nomination Committee 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;
- reviewed and assessed the financial literacy of the Audit Committee members;
- reviewed the amendments to terms of reference of Nomination Committee;
- recommending the appointment of CEO of the Company namely Nerine Tan Sheik Ping;
- recommending the appointment of new Director of the Company namely Tan Sri Dato' Seri Tan Kok Ping as Non-Independent Non-Executive Director;
- recommending the re-designation of Senior Independent Non-Executive Director; and
- recommending the reconstitution of the Board Committees.

Re-election of Directors

The Nomination Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM") in accordance with the provisions of the 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 shall retire by rotation and they are eligible to seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years. The Articles of Association also provides that a Director who is appointed during the year is required to retire and seek shareholders' approval for re-election at the following AGM immediately after his/her appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

At the forthcoming AGM, the following Directors who are due for retirement and are eligible for re-election pursuant to Article 98(A) of the Company's Articles of Association are as follows:-

Directors	Retiring Pursuant to
i. Chan Kien Sing	Article 98(A)
ii. Seow Swee Pin	Article 98(A)

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.

Datuk Robert Yong Kuen Loke was re-designated from a Non-Independent Non-Executive Director to an Independent Non-Executive Director of the Company on 1 December 2009 and has therefore served the Company as an Independent Director for a cumulative term of more than 9 years but less than 12 years at the end of the financial period under review.

Following an assessment and recommendation by the Nomination Committee, the Board concluded that Datuk Robert Yong Kuen Loke had remained independent and pursuant to 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 Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director of the Company based on the following justifications:-

- (i) he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and 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 9 years and is familiar with the Company's business operations.
- (iii) he remains objective and independent in expressing his views and participating in deliberations and decision making process of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company.
- (iv) he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company as well as the Chairman of Nomination Committee, Risk Management Committee and Sustainability Committee and he has carried out his professional duties proficiently in the interests of the Company and the shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Annual Assessment of Independence

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

The Board, through the Nomination Committee, has assessed the independence of its Independent Non-Executive Directors namely, Datuk Robert Yong Kuen Loke and Dato' Oon Weng Boon 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 members of the Remuneration Committee which comprises exclusively Non-Executive Directors and majority of whom are Independent Non-Executive Directors are as follows:-

- | | |
|--|---|
| Dato' Oon Weng Boon
(<i>Re-designated on 1 August 2018</i>) | - Chairman/Independent Non-Executive Director |
| Datuk Robert Yong Kuen Loke
(<i>Appointed on 1 June 2018</i>) | - Independent Non-Executive Director |
| Tan Sri Dato' Seri Tan Kok Ping
(<i>Appointed on 1 August 2018</i>) | - Non-Independent Non-Executive Director |

During the FPE 2019 and following the resignations of Cheah Tek Kuang as an Independent Non-Executive Director of the Company and Dato' Sri Robin Tan Yeong Ching as a Director of the Company, they have also ceased to be the Chairman and a member of the Remuneration Committee. Thereupon, Dato' Oon Weng Boon, Datuk Robert Yong Kuen Loke and Tan Sri Dato' Seri Tan Kok Ping have been re-designated/appointed as the Chairman and members respectively of the Remuneration Committee.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 the FPE 2019 are as follows:-

Company	RM				
	Fees	Salaries	Other Emoluments Including Bonuses	Benefits in-kind	Total
Executive					
Dato' Sri Robin Tan Yeong Ching ^a	-	-	-	-	-
Seow Swee Pin	-	-	-	-	-
Nerine Tan Sheik Ping ^b	-	-	-	-	-
Non-Executive					
Tan Sri Dato' Seri Tan Kok Ping ^c	41,250	-	638,645	-	679,895
Datuk Robert Yong Kuen Loke	52,500	-	216,232	18,670	287,402
Dato' Oon Weng Boon	52,500	-	11,600	-	64,100
Chan Kien Sing	52,500	-	342,292	-	394,792
Freddie Pang Hock Cheng ^d	3,750	-	-	-	3,750
Cheah Tek Kuang ^e	11,250	-	125,968	6,150	143,368
	213,750	-	1,334,737	24,820	1,573,307

Group	RM				
	Fees	Salaries	Other Emoluments Including Bonuses	Benefits in-kind	Total
Executive					
Dato' Sri Robin Tan Yeong Ching ^a	-	241,379	38,698	1,892	281,969
Seow Swee Pin	62,466	1,242,356	543,054	28,700	1,876,576
Nerine Tan Sheik Ping ^b	-	1,320,000	461,877	14,583	1,796,460
Non-Executive					
Tan Sri Dato' Seri Tan Kok Ping ^c	41,250	-	638,645	-	679,895
Datuk Robert Yong Kuen Loke	52,500	-	216,232	18,670	287,402
Dato' Oon Weng Boon	52,500	-	11,600	-	64,100
Chan Kien Sing	52,500	-	342,292	-	394,792
Freddie Pang Hock Cheng ^d	3,750	-	-	-	3,750
Cheah Tek Kuang ^e	11,250	-	125,968	6,150	143,368
	276,216	2,803,735	2,378,366	69,995	5,528,312

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Notes:

- ^a Resigned as a Director & Chief Executive Officer on 1 June 2018.
- ^b Appointed as Chief Executive Officer on 1 June 2018.
- ^c Appointed as a Director & Chairman on 1 August 2018.
- ^d Retired as a Director on 1 June 2018.
- ^e Resigned as a Director & Chairman on 1 August 2018.

Remuneration of Key Senior Management

The number of top three (3) Key Senior Management and their total remuneration from the Group categorised into the various bands are as follows:-

	Number of Key Senior Management
RM350,001 - RM400,000	1
RM400,001 - RM450,000	1
RM24,150,001 - RM24,200,000	1
	<hr/>
	3

Although the MCCG provides that the Company should disclose the detailed remuneration of the top 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 issue of staff poaching.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee of the Company comprises exclusively Non-Executive Directors and majority all of whom are Independent Non-Executive Directors. The members are as follows:-

- Dato' Oon Weng Boon - Chairman/Independent Non-Executive Director
- Datuk Robert Yong Kuen Loke - Independent Non-Executive Director
- Tan Sri Dato' Seri Tan Kok Ping - Non-Independent Non-Executive Director
(Appointed on 1 August 2018)

During the FPE 2019 and following the resignation of Cheah Tek Kuang as an Independent Non-Executive Director of the Company, he has also ceased to be a member of the Audit Committee. Thereupon, Tan Sri Dato' Seri Tan Kok Ping has been appointed as a member of the Audit Committee on 1 August 2018.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 and Company'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 of the 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, the 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 period is set out in pages 57 to 61 of this Annual Report.

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

Based on the evaluation, the Nomination Committee concluded that the Audit Committee has been effective in its performance and has carried out its duties in accordance with its TOR during the FPE 2019.

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 (2) 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 financial period.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

During the financial period, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the FPE 2019 were as follows:-

	Company		Group	
	FPE2019 RM'000	FYE2018 RM'000	FPE2019 RM'000	FYE2018 RM'000
Statutory audit fees paid/payable to:-				
- Ernst & Young ("EY") Malaysia	126	112	370	353
- Affiliates of EY Malaysia	-	-	23	33
Total (a)	126	112	393	386
Non-audit fees paid/payable to:-				
- EY Malaysia	7	7	7	7
- Affiliates of EY Malaysia	5	5	35	34
Total (b)	12	12	42	41
% of non-audit fees (b/a)	9.52%	10.71%	10.69%	10.62%

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.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Risk Management Committee currently comprises a majority of Independent Directors as follows:-

Datuk Robert Yong Kuen Loke <i>(Re-designated on 1 August 2018)</i>	- Chairman/Independent Non-Executive Director
Dato' Oon Weng Boon	- Independent Non-Executive Director
Seow Swee Pin	- Executive Director

During the FPE 2019 and following the resignation of Cheah Tek Kuang as an Independent Non-Executive Director of the Company, he has also ceased to be the Chairman of Risk Management Committee. Thereupon, Datuk Robert Yong Kuen Loke has been re-designated as Chairman of Risk Management Committee on 1 August 2018.

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 54 to 56 of the Annual Report.

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 Director and other Directors 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Poll Voting

All the resolutions passed by the shareholders at the previous AGM held on 12 October 2018 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 be 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 9 October 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Berjaya Sports Toto Berhad (“BToto” or “the Group”) is committed to maintaining a sound system of risk management and internal control to provide a platform for the 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 BToto 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 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 its 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 system are operating adequately and effectively, in all material aspects.

MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

The management of the Group as a whole is assigned to the Chief Executive Officer and the Executive Directors.

The Executive Directors and management practise ‘close to operations’ policy and have various scheduled management meetings as well as carry out regular review of financial and operations reports. These provide the platform for timely identification of the Group’s risks and systems to manage risks. The Chief Executive Officer and the Executive Directors update the Board on any significant matters which require the latter’s attention.

The management of the Group’s individual operating units is assigned to local management who are accountable for the conduct and performance of their businesses within the agreed business strategy. At Sports Toto, operations are divided into regions and areas due to the dispersed locations of agents’ outlets. Regional and area offices are staffed by experienced personnel to ensure that the operations of the outlets are well controlled and in line with the operating procedures. Similarly, the overseas operations are being managed by experienced personnel in their respective country offices. Regular reporting on performance of their businesses is provided to the Executive Directors of BToto 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.

RISK MANAGEMENT

A Risk Management Committee (“RMC”) has been established by the Company with the intention to further enhance the Group’s system of internal control and risk management and be in line with the Malaysian Code on Corporate Governance. The RMC together with the audit committee are entrusted to ensure more effective and efficient identification, evaluation, management and reporting of the Group’s risks.

The Risk Management Working Committee (“RMWC”), consisting of all heads of departments of the operating subsidiary companies, maintains a risk register which outlines the risk policies including the procedures of risk identification, risk tolerance and the evaluation and managing process. Any new risks identified or areas which exceeded the risk tolerance level defined will be evaluated with immediate action taken according to the procedures defined and promptly reported to the RMC together with a control strategy to manage the risk identified.

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 as well as their impact to the business units and are evaluated accordingly. The level of residual risk is determined after evaluating the effectiveness of controls and mitigating measures;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- 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; and
- 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.

During the financial period ended 30 June 2019, the RMC held 5 meetings to review the reports tabled by the RMWC. The RMC had evaluated and monitored the progress of any risk factors and internal control matters relating to the operations raised by the RMWC. The members of the RMC are Datuk Robert Yong Kuen Loke (Chairman), Dato' Oon Weng Boon and Mr. Seow Swee Pin. Datuk Robert Yong Kuen Loke was appointed the Chairman of RMC effective 1 August 2018 upon the resignation of Mr. Cheah Tek Kuang, the previous Chairman of RMC.

The RMC terms of reference include, inter alia:

- To ensure that the strategic context of the 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 organization; and
- To act as steering committee for the group wide risk management programme.

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.

INTERNAL CONTROL PROCESSES

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

- The business 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 ("AC") for approval.
- The internal auditors perform the audit and present their audit reports to the AC, 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 AC with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The AC receives assurance reports from the internal auditors on findings from their visits to the operating units, on areas for improvement identified during the course of their audit. The external auditors form an opinion on the financial statements of the Group based on their annual statutory audit. Any areas for improvement identified during the course of audit are highlighted to the attention of the AC through management letters, or are articulated at the AC meetings. The AC also holds private meetings with the external auditors to have exchange of views on any areas that require their attention. The internal and external audit reports will also provide insights to the AC to take the necessary action to remedy any significant weaknesses to the risk management process.

The internal auditors provide the AC with independent and objective reports on the state of internal controls of the operating units within the Group to assist the AC in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the AC together with management's responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audits with implementation status reported to the AC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The internal audit function of the gaming related segment is principally carried out by the Internal Audit Department of Sports Toto Malaysia Sdn Bhd, the principal operating subsidiary of the Group. The internal audit function of the other overseas business segments is outsourced to the Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the AC.

The Board also reviews the minutes of the AC's meetings. The Audit Committee Report is set out on pages 57 to 61 of the Annual Report.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

Some key features of BToto's system of internal control include:

- Clear organisation structure with defined reporting lines;
- Capable workforce with clear job descriptions, and continuous training efforts;
- Monitoring mechanisms in the form of timely financial and operations reports, and scheduled management meetings;
- Centralised human resource function which outlines procedures for recruitment, training, appraisal and the reward system;
- Structured procurement function to ensure approval procedures are adhered to;
- Formal operating and draw procedures which set out the expected standards for its operations;
- Surprise checks on agents to ensure compliance with the Group's policies and procedures;
- Physical security and systems access controls;
- Independent assurance on the system of internal control from regular internal audit visits;
- Business continuity planning; and
- Succession planning to ensure that key positions in the Group are always being held by capable employees who are well aware of the Group's risks, and operating policies and procedures.

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 financial period ended 30 June 2019, 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. As such, the Board, in striving for continuous improvement, will put in place appropriate actions 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 Company's Annual Report.

AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Sports Toto Berhad (“BToto”) is pleased to present the report of the Audit Committee for the financial period ended 30 June 2019 (“FPE 2019”).

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprise the following:-

Dato’ Oon Weng Boon - *Chairman/Independent/Non-Executive Director*

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

Tan Sri Dato’ Seri Tan Kok Ping - *Non-Independent/Non-Executive Director*

The Audit Committee held six (6) meetings during the FPE 2019. The details of attendance of the Audit Committee members are as follows:-

Name	Attendance
Dato’ Oon Weng Boon	6/6
Datuk Robert Yong Kuen Loke	6/6
Tan Sri Dato’ Seri Tan Kok Ping (Appointed on 1 August 2018)	4/5*

* *Reflects the attendance and number of meetings held during the FPE 2019 since the Director was appointed as a member of the Audit Committee.*

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, the Assistant General Manager of Internal Audit of Sports Toto Malaysia Sdn Bhd (“Sports Toto”), the General Manager of Group Internal Audit and the Head of Group Accounts and Budgets 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 was 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.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

In discharging its duties and responsibilities, the Audit Committee had undertaken the following activities and work during the FPE 2019:-

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
18 June 2018	Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 April 2018
19 September 2018	First quarter results for financial period ended 30 June 2019 [#]
14 December 2018	Second quarter results for financial period ended 30 June 2019 [#]
18 March 2019	Third quarter results for financial period ended 30 June 2019 [#]
18 June 2019	Fourth quarter results for financial period ended 30 June 2019 [#]

On 3 May 2019, the Company announced that the Board of Directors approved the change of the Company's financial year end from 30 April to 30 June to coincide with the new financial year end of its holding company, Berjaya Land Berhad. Therefore, the financial year end of the Company shall end on 30 June for each financial year going forward.

The above review is to ensure that BToto's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 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 2018 together with the Management and the External Auditors at its meeting held on 6 August 2018 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.

AUDIT COMMITTEE REPORT

External Audit

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 April 2018 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 period ended 30 June 2019 at its meeting held on 6 August 2018 for approval.
- (b) Discussed and considered the significant accounting and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had private discussions with EY on 18 June 2018 and 6 August 2018, without the presence of Management during the review of the audited financial statements for the year ended 30 April 2018 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 18 March 2019, their audit plan for the financial period ended 30 June 2019, 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 six (6) Internal Audit reports on the Company’s operating subsidiaries namely Sports Toto and Philippine Gaming Management Corporation, during the financial period under review. Areas covered by the Internal Audit included branch audit, audit of Head Office operating departments, software verification, bigwin processing of single and/or share jackpot winners, recalculation/verification of Toto 4D, 5D and 6D pools reports, review of data communication modern inventory, major operating expenses and capital expenditures, finance, information technology, credit control, vehicle inventory, general security of the premises and general observations relating to the operating conditions of the premises.
- (b) 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.
- (c) Reviewed and approved the Internal Audit Plan for the year 2019 to ensure that the scope and coverage of the internal audit on the operations of the BToto Group is adequate and comprehensive and that all the risk areas are audited annually.
- (d) Reviewed the performance, competence and effectiveness of the internal audit functions.

Recurrent Related Party Transactions

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

The framework set up for identifying and monitoring the RRPT includes among others, 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;

AUDIT COMMITTEE REPORT

- (iii) Records of RRPT 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 RRPT 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 RRPT on a half yearly basis to ensure that the transactions are within the approved mandate;
- (vi) Directors who have any interest in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any person connected with them will also abstain from voting on the resolution at the extraordinary general meeting or annual general meeting to be convened for the purpose; and
- (vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of the RRPT during the financial year, amongst others, based on the following information:-
 - the type of the RRPT made; and
 - the names of the related parties involved in each type of the RRPT made and their relationships with the Group.

Related Party Transactions

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).

Other Activities

- (a) Reviewed and recommended to the Board for approval, the Audit Committee Report, Corporate Governance Report, Corporate Governance Overview Statement, Directors' Responsibility Statement in respect of the Audited Financial Statements and Statement on Risk Management and Internal Control for inclusion in the 2018 Annual Report.
- (b) Reviewed, discussed and took note of the new accounting standards and amendments that came into effect during the financial period and other regulatory requirements with External Auditors and the Management and its impact on the financial statements.
- (c) 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.
- (d) Reviewed valuation of non-current assets of the Group.
- (e) Reviewed and assessed the financial literacy of Audit Committee members for the financial year ended 30 April 2018.

AUDIT COMMITTEE REPORT

SUMMARY OF THE WORK OF THE INTERNAL AUDIT FUNCTION

The primary function of Internal Audit Department is to assist the Audit Committee in discharging its duties and responsibilities. Their role is to provide the Audit Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

The internal audit function of the gaming related segment is principally carried out by the Internal Audit Department of Sports Toto, the principal operating subsidiary of the Group which is involved in the gaming operations. The internal audit function of the other overseas business segments is outsourced to the Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the Audit Committee.

During the FPE 2019, the Internal Audit Department carried out various audit assignments on Sports Toto. The areas audited included branch audit of company's sales offices, audit of Head Office operating departments, and IT audit. Audit assignments were also carried out on Philippines Gaming Management Corporation, an overseas subsidiary. Internal audit reports were issued to the Audit Committee and the Sports Toto's Management, incorporating audit recommendations and Management's responses with regard to any audit findings on the weaknesses in the systems and controls of the operation. The Internal Audit Department also followed up with Management on the implementation of the agreed audit recommendations.

The total cost incurred for the internal audit function of the Company for the FPE 2019 was RM747,797.

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

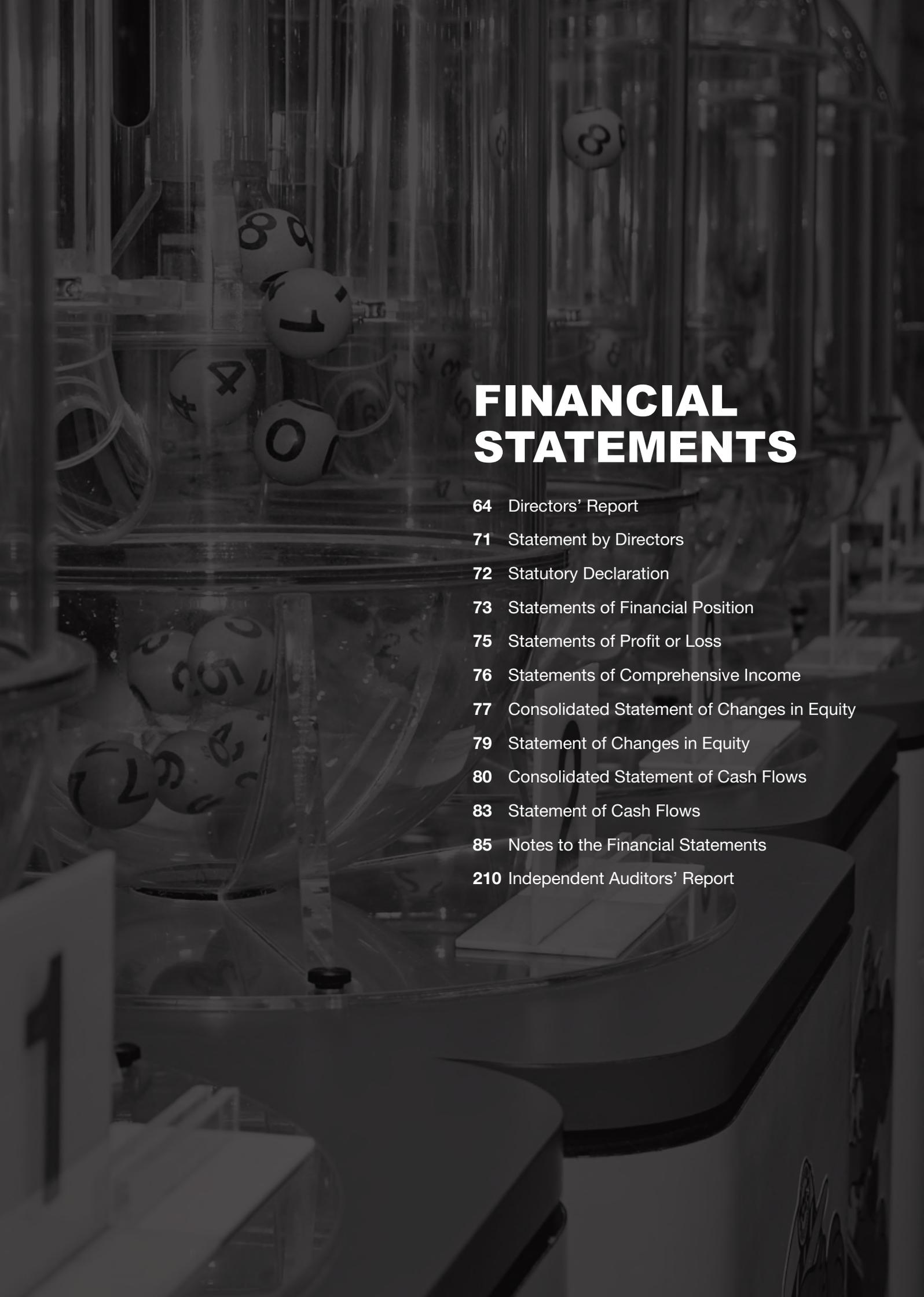
The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial period and of their results and cash flows for the financial period then ended.

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.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2019.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- motor retailing, repair and maintenance and provision of aftersales and insurance services;
- leasing of online lottery equipment and provision of software support;
- development, manufacturing and distribution of computerised wagering and voting systems;
- property investment and development;
- operation of hotel; and
- investment holding and others.

Details of the subsidiary companies are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of the above principal activities during the financial period.

CHANGE OF FINANCIAL YEAR END

During the current financial period, the Company changed its financial year end from 30 April 2019 to 30 June 2019. The current financial statements of the Group and of the Company are prepared for the financial period of fourteen (14) months from 1 May 2018 to 30 June 2019. As a result, the comparative information stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes to the financial statements, which were prepared for a twelve (12) months financial period ended 30 April 2018, are not comparable.

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) for the financial period from continuing operations	270,665	(138,875)
Loss for the financial period from discontinued operation	(40,702)	-
Profit/(loss) for the financial period	<u>229,963</u>	<u>(138,875)</u>
Attributable to:		
Owners of the parent		
- from continuing operations	268,023	(138,875)
- from discontinued operation	(41,175)	-
	<u>226,848</u>	<u>(138,875)</u>
Non-controlling interests	3,115	-
	<u>229,963</u>	<u>(138,875)</u>

RESULTS (CONT'D)

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

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

DIVIDENDS

The amount of dividends paid by the Company since 30 April 2018 were as follows:

	RM'000
<u>In respect of the financial year ended 30 April 2018</u> <u>as reported in the Directors' Report of that year:</u>	
Fourth interim single tier dividend of 4 sen per share on 1,347,000,000 ordinary shares with voting rights, paid on 9 August 2018	53,880 #
<u>In respect of the financial period ended 30 June 2019:</u>	
First interim single tier dividend of 4 sen per share on 1,347,000,000 ordinary shares with voting rights, paid on 23 October 2018	53,880
Second interim single tier dividend of 4 sen per share on 1,347,000,000 ordinary shares with voting rights, paid on 12 February 2019	53,880
Third interim single tier dividend of 3.5 sen per share on 1,347,000,000 ordinary shares with voting rights, paid on 10 May 2019	47,145
Fourth interim single tier dividend of 4.5 sen per share on 1,347,000,000 ordinary shares with voting rights, paid on 16 August 2019	<u>60,615</u>
	<u><u>269,400</u></u>

This dividend was accounted for in the shareholders' equity as an appropriation of retained earnings in the financial period ended 30 June 2019.

DIRECTORS' REPORT

DIRECTORS

The directors of the Company in office during the financial period and up to the date of this report are:

Tan Sri Dato' Seri Tan Kok Ping (appointed on 1 August 2018)
Nerine Tan Sheik Ping
Seow Swee Pin
Chan Kien Sing
Datuk Robert Yong Kuen Loke
Dato' Oon Weng Boon
Cheah Tek Kuang (resigned on 1 August 2018)
Dato' Sri Robin Tan Yeong Ching (resigned on 1 June 2018)
Freddie Pang Hock Cheng (retired on 1 June 2018)

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

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, 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, 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 shown in Note 29(a) 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 39 to the financial statements.

The Company maintained a Directors' & 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 the Group. The total amount of insurance premium effected for any director and officer of the Company and of the Group during the financial period was RM38,808. 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 period in shares, warrants and debentures in the Company and its related corporations during the financial period were as follows:

The Company

Berjaya Sports Toto Berhad

	At 1.5.18	Number of ordinary shares		At 30.6.19
		Acquired	Disposed	
Chan Kien Sing	3,610	-	-	3,610
Seow Swee Pin	92,749	-	-	92,749
	7,900 [^]	-	7,900	- [^]
Datuk Robert Yong Kuen Loke	123,667	-	-	123,667

Intermediate Holding Company

Berjaya Land Berhad

	At 1.5.18	Number of ordinary shares		At 30.6.19
		Acquired	Disposed	
Nerine Tan Sheik Ping	2,000,000	-	-	2,000,000
Datuk Robert Yong Kuen Loke	360,808	-	-	360,808

Ultimate Holding Company

Berjaya Corporation Berhad

	At 1.5.18/ date of appointment	Number of ordinary shares		At 30.6.19
		Acquired	Disposed	
Tan Sri Dato' Seri Tan Kok Ping	13,681,892	5,000,000	-	18,681,892
Chan Kien Sing	49,118	-	-	49,118
Datuk Robert Yong Kuen Loke	1,051,545	-	-	1,051,545

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

	At 1.5.18	Acquired	Converted	At 30.6.19
Nerine Tan Sheik Ping	132,000	-	-	132,000
Chan Kien Sing	10,000	-	-	10,000
Datuk Robert Yong Kuen Loke	2,516,508	-	-	2,516,508

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

Ultimate Holding Company Berjaya Corporation Berhad (Cont'd)

	Number of Warrants 2012/2022			At 30.6.19
	At 1.5.18	Acquired	Converted	
Chan Kien Sing	10,000	-	-	10,000
Datuk Robert Yong Kuen Loke	170,108	-	-	170,108

^ Denotes indirect interests held pursuant to Section 59(11)(c) of the CA 2016.

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

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 29 to the financial statements.

SHARE CAPITAL AND TREASURY SHARES

The number and carrying amounts of treasury shares as at 30 June were as follows:

	Number of shares		Carrying amounts	
	30.6.2019 Units '000	30.4.2018 Units '000	30.6.2019 RM'000	30.4.2018 RM'000
Balance as at 1 May	4,030	3,058	12,320	10,061
Acquisition of additional treasury shares during the financial period/year	-	972	-	2,259
Total treasury shares as at 30 June/30 April (Note 20)	<u>4,030</u>	<u>4,030</u>	<u>12,320</u>	<u>12,320</u>

As at 30 June 2019, the issued share capital of the Company with voting rights was 1,347,000,000 (30.4.2018 : 1,347,000,000) ordinary shares.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during the financial period are disclosed in Note 45 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL PERIOD

Significant event subsequent to the financial period is disclosed in Note 46 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 current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - (ii) any contingent liability or financial guarantee of the Group or of the Company which has arisen since the end of the financial period other than as disclosed in Note 37 to the financial statements.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

(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 period 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 period 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 period 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 29 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 period and since the end of the financial period.

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2019

NERINE TAN SHEIK PING

SEOW SWEE PIN

STATEMENT BY DIRECTORS

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

We, NERINE TAN SHEIK PING and SEOW SWEE PIN, being two of the directors of BERJAYA SPORTS TOTO BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 73 to 209 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2019

NERINE TAN SHEIK PING

SEOW SWEE PIN

STATUTORY DECLARATION

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

I, SEOW SWEE PIN, being the director primarily responsible for the financial management of BERJAYA SPORTS TOTO BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 73 to 209 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	}	
SEOW SWEE PIN at Kuala Lumpur in the Federal	}	SEOW SWEE PIN
Territory on 9 October 2019	}	MIA NO. 2962

Before me,

YM TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W533)

Commissioner for Oaths

Kuala Lumpur, Malaysia

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	Group			Company	
		30.6.2019	30.4.2018	As at	30.6.2019	30.4.2018
				1.5.2017		
		RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)	(Restated)		
ASSETS						
Non-current assets						
Property, plant and equipment	3	191,538	183,036	214,658	1,678	2,309
Investment in subsidiary companies	4	-	-	-	4,317,272	4,561,692
Investment in associated companies	5	70,580	83,133	66,596	14,823	16,152
Investment in joint venture	6	-	-	-	-	-
Long term investments	7	146,620	104,912	95,173	-	113
Investment properties	8	114,230	136,719	112,935	-	-
Deferred tax assets	9	27,433	27,208	34,258	-	-
Retirement benefit assets	21	2,667	3,506	-	-	-
Intangible assets	10	688,601	768,916	788,150	-	-
		1,241,669	1,307,430	1,311,770	4,333,773	4,580,266
Current assets						
Inventories	11	486,267	406,768	382,909	-	-
Receivables	12	458,635	488,969	498,014	71,727	64,941
Contract assets	13	8,599	2,448	3,525	-	-
Tax recoverable		36	5,814	22,012	-	-
Amounts due from subsidiary companies	14	-	-	-	263,728	327,714
Deposits with financial institutions	15	276,839	290,030	252,393	7,000	66,400
Cash and bank balances	15	145,546	128,149	134,622	2,588	3,399
		1,375,922	1,322,178	1,293,475	345,043	462,454
Assets of disposal group/Non-current asset classified as held for sale	16	49,080	-	-	-	-
		1,425,002	1,322,178	1,293,475	345,043	462,454
TOTAL ASSETS		2,666,671	2,629,608	2,605,245	4,678,816	5,042,720

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

Note	Group			Company	
	30.6.2019	30.4.2018	As at 1.5.2017	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000	RM'000
		(Restated)	(Restated)		
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	135,103	135,103	135,103	135,103
Reserves	18	276,991	290,074	-	-
Retained earnings	19	321,658	333,831	3,559,559	3,967,834
Equity funds		733,752	759,008	3,694,662	4,102,937
Treasury shares	20	(12,320)	(12,320)	(12,320)	(12,320)
Net equity funds		721,432	746,688	3,682,342	4,090,617
Non-controlling interests		53,531	55,091	-	-
Total equity		774,963	801,779	3,682,342	4,090,617
Non-current liabilities					
Retirement benefit obligations	21	413	1,774	-	-
Long term borrowings	22	754,716	530,415	-	-
Other long term liabilities	23	2,021	7,317	253	386
Amount due to a subsidiary company	27	-	-	697,478	514,957
Deferred tax liabilities	9	19,244	17,698	-	-
		776,394	557,204	697,731	515,343
Current liabilities					
Short term borrowings	24	366,157	626,256	-	-
Provisions	25	1,771	2,683	-	-
Payables	26	567,132	508,605	61,667	54,848
Contract liabilities	13	152,295	125,378	-	-
Amounts due to subsidiary companies	27	-	-	236,979	381,912
Tax payable		15,866	7,703	97	-
		1,103,221	1,270,625	298,743	436,760
Liabilities directly associated with disposal group	16	12,093	-	-	-
		1,115,314	1,270,625	298,743	436,760
TOTAL LIABILITIES		1,891,708	1,827,829	996,474	952,103
TOTAL EQUITY AND LIABILITIES		2,666,671	2,629,608	4,678,816	5,042,720

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

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Note	Group		Company	
		14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000 (Restated)	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Revenue	28	6,693,389	5,665,331	260,277	296,797
Less: Revenue from discontinued operation		(113,734)	(132,398)	-	-
Revenue from continuing operations		6,579,655	5,532,933	260,277	296,797
Cost of sales		(5,372,659)	(4,527,652)	-	-
Gross profit		1,206,996	1,005,281	260,277	296,797
Selling and distribution expenses		(356,434)	(294,061)	-	-
General and administrative expenses		(384,328)	(345,695)	(19,510)	(16,538)
Profit before other income and expenses	29	466,234	365,525	240,767	280,259
Investment related income	30	4,009	3,061	-	54,709
Investment related expenses	31	(14,703)	(21,633)	(355,084)	(4,958)
Other income	32	33,169	26,774	26,161	20,272
		488,709	373,727	(88,156)	350,282
Finance costs	33	(59,167)	(50,708)	(46,664)	(39,976)
Share of results of associated companies		(10,156)	7,056	-	-
Profit/(loss) before taxation		419,386	330,075	(134,820)	310,306
Taxation	34	(148,721)	(121,608)	(4,055)	-
Profit/(loss) for the financial period/year from continuing operations		270,665	208,467	(138,875)	310,306
Discontinued operation					
(Loss)/profit for the financial period/year from discontinued operation		(40,702)	33,017	-	-
Profit/(loss) for the financial period/year		229,963	241,484	(138,875)	310,306
Attributable to:					
Owners of the parent					
- from continuing operations		268,023	205,126	(138,875)	310,306
- from discontinued operation		(41,175)	28,072	-	-
		226,848	233,198	(138,875)	310,306
Non-controlling interests		3,115	8,286	-	-
		229,963	241,484	(138,875)	310,306
Earnings per share (sen)	35				
Attributable to owners of the parent:					
- from continuing operations		19.90	15.23		
- from discontinued operation		(3.06)	2.08		
Basic		16.84	17.31		
Dividend per share (sen)	36				
- First interim dividend				4.00	4.00
- Second interim dividend				4.00	4.00
- Third interim dividend				3.50	4.00
- Fourth interim dividend				4.50	4.00

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Profit/(loss) after taxation	229,963	241,484	(138,875)	310,306
Other comprehensive income				
Continuing operations				
<u>Items that may be reclassified</u>				
<u>subsequently to profit or loss</u>				
Net changes on available-for-sale ("AFS") financial assets				
- Changes in fair value of AFS investments	-	(11,519)	-	-
- Transfer to profit or loss due to:				
- Disposal of AFS investments	-	4,140	-	-
- Impairment of AFS investments	-	17,493	-	-
Effects of foreign exchange differences	28,412	(72,620)	-	-
<u>Items that will not be reclassified</u>				
<u>subsequently to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(13,398)	-	-	-
Revaluation of land and building	-	2,952	-	-
Actuarial (loss)/gain recognised in defined benefit pension scheme	21(ii) (1,002)	3,534	-	-
Tax effect relating to revaluation of land and building	9 -	(502)	-	-
Tax effect relating to defined benefit pension scheme	9 154	(759)	-	-
Share of other comprehensive income of an associated company	3	2	-	-
Total comprehensive income/ (loss) for the financial period/year	244,132	184,205	(138,875)	310,306
Total comprehensive income/ (loss) attributable to				
Owners of the parent	244,671	172,212	(138,875)	310,306
Non-controlling interests	(539)	11,993	-	-
	244,132	184,205	(138,875)	310,306

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Attributable to Owners of the Parent

	Attributable to Owners of the Parent												
	Reserve of disposal asset classified as held for sale					Distributable							
	Share capital	Treasury shares	Exchange reserve	AFS reserve	FVTOCI reserve	Reserve of disposal asset classified as held for sale	Capital reserve	Conso- lidation reserve	Revalua- tion reserve	Retained earnings	Total to owners of parent company	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP													
As at 1 May 2017 (as previously reported)	135,103	(10,061)	123,301	3,759	-	285,306	(57,822)	-	-	288,434	768,020	44,232	812,252
Effects of adoption MFRS 15 (Note 2.3(c))	-	-	-	-	-	-	-	-	-	11,842	11,842	-	11,842
	135,103	(10,061)	123,301	3,759	-	285,306	(57,822)	-	-	300,276	779,862	44,232	824,094
Profit for the financial year	-	-	-	-	-	-	-	-	-	233,198	233,198	8,286	241,484
Other comprehensive income for the financial year	-	-	(74,074)	8,505	-	-	-	2,147	-	2,436	(60,986)	3,707	(57,279)
Total comprehensive income for the financial year	-	-	(74,074)	8,505	-	-	-	2,147	-	235,634	172,212	11,993	184,205
Transactions with owners													
Dividends (Note 36)	-	-	-	-	-	-	-	-	-	(202,079)	(202,079)	-	(202,079)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(1,048)	-	-	-	(1,048)	(1,134)	(2,182)
Purchase of treasury shares (Note 20)	-	(2,259)	-	-	-	-	-	-	-	-	(2,259)	-	(2,259)
Total transactions with owners	-	(2,259)	-	-	-	-	(1,048)	-	-	(202,079)	(205,386)	(1,134)	(206,520)
As at 30 April 2018	135,103	(12,320)	49,227	12,264	-	285,306	(58,870)	2,147	-	333,831	746,688	55,091	801,779

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Attributable to Owners of the Parent											
	Reserve of disposal asset					Distributable						
	Share capital RM'000	Treasury shares RM'000	Exchange reserve RM'000	AFS reserve RM'000	FVTOCI reserve RM'000	Capital reserve RM'000	Conso- lidation reserve RM'000	Revalua- tion reserve RM'000	Retained earnings RM'000	Total to owners of parent company RM'000	Non- controlling interests RM'000	Total equity RM'000
GROUP (CONT'D)												
As at 1 May 2018 (as previously reported)	135,103	(12,320)	49,227	12,264	-	285,306	(58,870)	2,147	318,449	731,306	55,091	786,397
Effects of adoption MFRS 15 (Note 2.3(c))	-	-	-	-	-	-	-	-	11,842	11,842	-	11,842
- As at 1 May 2017	-	-	-	-	-	-	-	-	3,540	3,540	-	3,540
- For the financial year ended 30 April 2018	-	-	-	-	-	-	-	-	15,382	15,382	-	15,382
As at 1 May 2018 (as adjusted)	135,103	(12,320)	49,227	12,264	-	285,306	(58,870)	2,147	333,831	746,688	55,091	801,779
Effects of adoption MFRS 9 (Note 2.3(c))	-	-	-	(12,264)	(20,070)	-	-	-	32,334	-	-	-
As at 1 May 2018 (as restated)	135,103	(12,320)	49,227	-	(20,070)	285,306	(58,870)	2,147	366,165	746,688	55,091	801,779
Profit for the financial period	-	-	-	-	-	-	-	-	226,848	226,848	3,115	229,963
Other comprehensive income for the financial period	-	-	30,913	-	(12,344)	-	-	-	(746)	17,823	(3,654)	14,169
Effects arising from disposal of investments at FVTOCI	-	-	-	-	1,209	-	-	-	(1,209)	-	-	-
Total comprehensive income for the financial period	-	-	30,913	-	(11,135)	-	-	-	224,893	244,671	(539)	244,132
Transactions with owners												
Dividends (Note 36)	-	-	-	-	-	-	-	-	(269,400)	(269,400)	-	(269,400)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(527)	-	-	(527)	(1,021)	(1,548)
Transfer of reserves	-	-	-	-	-	-	-	(2,147)	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	(527)	(2,147)	(269,400)	(269,927)	(1,021)	(270,948)
As at 30 June 2019	135,103	(12,320)	80,140	-	(31,205)	285,306	(59,397)	-	321,658	721,432	53,531	774,963

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Share capital RM'000	Treasury shares RM'000	<u>Distributable</u> Retained earnings RM'000	Total equity RM'000
COMPANY				
As at 1 May 2017	135,103	(10,061)	3,859,607	3,984,649
Total comprehensive income for the financial year	-	-	310,306	310,306
Transactions with owners				
Dividends (Note 36)	-	-	(202,079)	(202,079)
Purchase of treasury shares (Note 20)	-	(2,259)	-	(2,259)
Total transactions with owners	-	(2,259)	(202,079)	(204,338)
As at 30 April 2018	135,103	(12,320)	3,967,834	4,090,617
As at 1 May 2018	135,103	(12,320)	3,967,834	4,090,617
Total comprehensive loss for the financial period	-	-	(138,875)	(138,875)
Transactions with owners				
Dividends (Note 36)	-	-	(269,400)	(269,400)
Total transactions with owners	-	-	(269,400)	(269,400)
As at 30 June 2019	135,103	(12,320)	3,559,559	3,682,342

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	GROUP	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,998,446	6,109,289
Payments to prize winners, suppliers and for other operating expenses	(5,793,251)	(5,068,122)
Payments for pool betting duties, gaming tax, sales and service tax, goods and services tax and other government contributions	(702,671)	(634,292)
Payment of taxes	(145,966)	(109,124)
Refund of taxes	114	86
Other receipts	491	299
Net cash generated from operating activities	357,163	298,136
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	11,245	915
Proceeds from disposal of long term investments	2,883	15,043
Acquisition of property, plant and equipment (Note A)	(55,766)	(31,470)
Acquisition of additional equity interest in a subsidiary company	(1,548)	(2,182)
Acquisition of investment in associated companies	(4,485)	(20,004)
Acquisition/additional cost of investment properties	(2,300)	(469)
Acquisition of long term investments	(50,350)	(47,008)
Payment for other intangible assets	(16)	(1,049)
Dividends received	8,759	5,750
Interest received	15,005	20,343
Other receipts arising from investments	572	417
Other payment arising from investments	(9,901)	(35,202)
Net withdrawals from fund managers	86,642	26,060
Net cash generated from/(used in) investing activities	740	(68,856)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	GROUP	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of medium term notes	553,866	280,000
Repayment of medium term notes	(555,000)	(255,000)
Drawdown of borrowings	8,907	106,330
Repayment of borrowings	(18,014)	(142,961)
Movements of vehicle stocking loans	(18,026)	38,782
Repayment of hire purchase liabilities	(701)	(811)
Finance costs paid	(60,557)	(50,829)
Dividends paid to shareholders of the Company	(262,665)	(148,660)
Treasury shares acquired	-	(2,259)
Net cash used in financing activities	<u>(352,190)</u>	<u>(175,408)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,713	53,872
CASH AND CASH EQUIVALENTS AS AT 1 MAY	415,272	384,052
Effects of exchange rate changes	8,521	(22,652)
CASH AND CASH EQUIVALENTS AS AT 30 JUNE/30 APRIL (Note B)	<u><u>429,506</u></u>	<u><u>415,272</u></u>
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Note A Acquisition of property, plant and equipment		
Hire purchase	128	847
Cash	55,766	31,470
	<u>55,894</u>	<u>32,317</u>
Note B Cash and cash equivalents comprise the following:		
Deposits with financial institutions (Note 15)	276,839	290,030
Cash and bank balances (Note 15)	145,546	128,149
	422,385	418,179
Less: Cash and cash equivalents restricted for use		
- Deposits with financial institutions	(2,834)	(2,907)
	419,551	415,272
Including: Cash and cash equivalents classified as disposal group		
- Cash and bank balances (Note 16)	9,955	-
	<u>429,506</u>	<u>415,272</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Reconciliation of liabilities arising from financing activities

	Medium term notes RM'000	Borrowings and stocking loans RM'000	Hire purchase liabilities RM'000	Total RM'000
30.6.2019				
At 1 May 2018	800,000	356,671	1,710	1,158,381
Drawdown of borrowings	553,866	8,907	-	562,773
Additional hire purchase liabilities	-	-	128	128
Repayment of borrowings	(555,000)	(36,040)	-	(591,040)
Repayment of hire purchase liabilities	-	-	(701)	(701)
Exchange differences	-	(7,531)	-	(7,531)
At 30 June 2019	<u>798,866</u>	<u>322,007</u>	<u>1,137</u>	<u>1,122,010</u>
30.4.2018 (Restated)				
At 1 May 2017	775,000	368,000	1,674	1,144,674
Drawdown of borrowings	280,000	145,112	-	425,112
Additional hire purchase liabilities	-	-	847	847
Repayment of borrowings	(255,000)	(142,961)	-	(397,961)
Repayment of hire purchase liabilities	-	-	(811)	(811)
Exchange differences	-	(13,480)	-	(13,480)
At 30 April 2018	<u>800,000</u>	<u>356,671</u>	<u>1,710</u>	<u>1,158,381</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	COMPANY	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment for operating expenses	(18,641)	(16,702)
Dividends received	253,176	262,740
Payment of taxes	(3,958)	-
Net cash generated from operating activities	230,577	246,038
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Note A)	(7)	(884)
Proceeds from disposal of property, plant and equipment	260	-
Interest received	558	461
Acquisition of investment in an associated company	(1,138)	(3,271)
Advances given to subsidiary companies	(18,808)	(22,003)
Net cash used in investing activities	(19,135)	(25,697)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(262,665)	(148,660)
Interest paid	(47)	(38)
Repayment of hire purchase liabilities	(224)	(266)
Treasury shares acquired	-	(2,259)
Repayment to subsidiary companies	(8,717)	(17,566)
Net cash used in financing activities	(271,653)	(168,789)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(60,211)	51,552
CASH AND CASH EQUIVALENTS AS AT 1 MAY	69,799	18,247
CASH AND CASH EQUIVALENTS AS AT 30 JUNE/30 APRIL (Note B)	9,588	69,799
Note A Acquisition of property, plant and equipment		
Hire purchase	-	398
Cash	7	884
	7	1,282
Note B Cash and cash equivalents comprise the following:		
Deposits with financial institutions (Note 15)	7,000	66,400
Cash and bank balances (Note 15)	2,588	3,399
	9,588	69,799

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Reconciliation of liabilities arising from financing activities

	Hire purchase liabilities RM'000	Amounts due to subsidiary companies RM'000	Total RM'000
30.6.2019			
At 1 May 2018	586	896,869	897,455
Repayment of hire purchase liabilities	(224)	-	(224)
Repayment to subsidiary companies	-	(8,717)	(8,717)
Interest on advances from a subsidiary company	-	46,305	46,305
At 30 June 2019	<u>362</u>	<u>934,457</u>	<u>934,819</u>
30.4.2018			
At 1 May 2017	454	875,300	875,754
Additional hire purchase liabilities	398	-	398
Repayment of hire purchase liabilities	(266)	-	(266)
Repayment to subsidiary companies	-	(17,566)	(17,566)
Interest on advances from a subsidiary company	-	39,135	39,135
At 30 April 2018	<u>586</u>	<u>896,869</u>	<u>897,455</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

1 CORPORATE INFORMATION

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

The principal activities of the subsidiary companies consist of:

- operation of Toto betting under Section 5 of the Pool Betting Act, 1967;
- motor retailing, repair and maintenance and provision of aftersales and insurance services;
- leasing of online lottery equipment and provision of software support;
- development, manufacturing and distribution of computerised wagering and voting systems;
- property investment and development;
- operation of hotel; and
- investment holding and others.

There have been no significant changes in the nature of the above principal activities during the financial period.

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. 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.

During the current financial period, the Company changed its financial year end from 30 April 2019 to 30 June 2019. The current financial statements of the Group and of the Company are prepared for the financial period of fourteen (14) months from 1 May 2018 to 30 June 2019. As a result, the comparative information stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes to the financial statements, which were prepared for a twelve (12) months financial period ended 30 April 2018, are not comparable.

The intermediate holding and ultimate holding companies are Berjaya Land Berhad and Berjaya Corporation Berhad ("BCorp") respectively, both of which are incorporated and domiciled in Malaysia and are listed on the Main Market of Bursa Malaysia Securities Berhad.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 9 October 2019.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared on the historical cost basis unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards 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 otherwise indicated.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and basis of consolidation

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

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(a) Subsidiaries and basis of consolidation (cont'd)**

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

When control in a business is acquired 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 business combination, as the case maybe, 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 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and 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 liability is re-measured at subsequent reporting dates in accordance with MFRS 9: Financial Instruments or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, 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. Intra-group 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 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 a 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 are recognised directly in equity attributable to owners of the parent.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(a) Subsidiaries and basis of consolidation (cont'd)**

Changes in the Group's ownership interests in 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 interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

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

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

is recognised in 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.

(b) Associated companies and joint venture

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

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

Investments in associated companies and joint venture 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 financial statements of the associated companies and the joint venture made up to the Group's financial period end. Uniform accounting policies are adopted for like transactions and events of similar circumstances upon applying equity method of accounting.

NOTES TO THE FINANCIAL STATEMENTS

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2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(b) Associated companies and joint venture (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise impairment loss on its investment in its associated companies or the joint venture. 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 or the joint venture and its carrying value, then recognises the impairment in the statement of profit or loss.

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

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

Under the equity method, the investment in 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 venture acquired or disposed of during the financial period, 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 venture are eliminated to the extent of the Group's interest in the associated companies or the joint venture.

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, investment in associated companies and joint venture are stated at cost less impairment losses.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(c) 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 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) Dealership rights

The cost of dealership rights acquired in a business combination is at their fair value at the date of acquisition. Following the initial recognition, the dealership rights are carried at cost less any accumulated impairment losses. The dealership rights are assessed and recognised based on the dealership agreements signed with the selected luxury brand car manufacturers that satisfied the criterion to be separately identified as intangible assets and highly likely to contribute significant future economic benefits. The dealership rights, 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 dealership rights 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.

(iii) 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.

(iv) 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 the 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 yearly at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

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2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(d) 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 Company and the cost of the item can be measured reliably. Subsequent to recognition, when a property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Freehold land has an unlimited useful life and therefore is not depreciated but 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 and buildings	Amortised over the lease period
Buildings	2%
Plant and machinery	10% - 33%
Computer equipment	10% - 33%
Office equipment	10% - 67%
Furniture and fittings	10% - 20%
Motor vehicles	20% - 33%
Renovation	10% - 20%
Gym equipment	20%
Hotel and kitchen equipment and utensils	20%

The residual values, useful life and depreciation method are reviewed at each financial period 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 gains or losses on the derecognition of the asset are included in profit or loss in the financial period the asset is derecognised.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(e) Investment properties**

Investment properties are properties which are held either to earn lease 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 financial period in which they arise.

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

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

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

(f) Impairment of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(f) Impairment of non-financial assets (cont'd)

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

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

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments 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 financial 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 that 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 an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(g) 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 method. Net realisable value represents the estimated selling price less all estimated costs to completion and the estimated costs necessary to make the sale.

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.

(h) Fair value measurement

The Group measures financial instruments, such as, short term investments and 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 the Group.

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(h) Fair value measurement (cont'd)

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 40.

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 determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

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

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(i) Financial instruments (cont'd)****(a) Financial assets (cont'd)**

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

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

Subsequent measurement

Subsequent measurement of financial assets depends on its classification. The classification of financial assets are described below:

(i) Amortised cost

This category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the amortised cost of a financial asset is the amount at initial recognition minus principal repayments plus cumulative amortisation using the effective interest method and reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(i) Financial instruments (cont'd)

(a) Financial assets (cont'd)

(ii) Fair value through other comprehensive income

Debt instruments

This category comprises investments in debt instrument ("debt investments"), which are held within a business model whose objective is collecting contractual cash flows and selling the debt investments, and its contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss. Fair value changes are recognised in other comprehensive income.

On derecognition of these financial assets, fair value changes accumulated in other comprehensive income are recycled to profit or loss.

Equity instruments

This category comprises investments in equity instrument that are not held for trading, and where the Group and the Company irrevocably elect to account for subsequent changes in the investments' fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividends clearly represent part recovery of the cost of investment in such investments. Other net gains and losses are recognised in other comprehensive income.

On derecognition of these financial assets, fair value changes and other net gains and losses accumulated in other comprehensive income are not recycled to profit or loss.

(iii) Fair value through profit or loss

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(i) Financial instruments (cont'd)****(a) Financial assets (cont'd)****(iii) Fair value through profit or loss (cont'd)**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

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

Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(i) Financial instruments (cont'd)

(a) Financial assets (cont'd)

Impairment of financial assets (cont'd)

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

For debt instruments at fair value through other comprehensive income, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

In certain cases, the Group or the Company may consider a financial asset to be in default when internal or external information indicates that the Group or the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(i) Financial instruments (cont'd)****(a) Financial assets (cont'd)****Derecognition**

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, but is not able to derecognise the asset, then the Group continue to recognise the transferred asset to the extent of its continuing involvement and to recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(b) Financial liabilities**Initial recognition and measurement**

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

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(i) Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

The Group and the Company measure the financial liabilities depending on their classification, as described below:

(i) Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that exactly discounts the estimated future cash flows (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of a financial liability.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

(ii) Fair value through profit or loss

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

Derecognition

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(i) Financial instruments (cont'd)****(c) Offsetting of financial instruments**

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

(j) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments with a maturity of three months or less which have an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(k) Current and non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(l) Equity instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity. 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. No gain or loss is recognised in profit or loss on the sale, reissuance or cancellation of treasury shares. Treasury shares may be acquired and held by the Company. Consideration paid or received is recognised directly in equity.

(m) 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 financial period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(n) 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 financial period 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 or the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in the 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 lease expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains 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 lease 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 lease on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(o) 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, either in other comprehensive income or directly in equity.

(ii) Sales and Service Tax ("SST"), Goods and Services Tax ("GST") and Value Added Tax ("VAT")

Revenue are recognised net of the amount of GST, SST or VAT.

The amount of SST payable to taxation authority is included as part of payables in the statements of financial position.

Where the SST, 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 other payables or other receivables respectively in the statements of financial position.

(iii) 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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(o) Taxes (cont'd)****(iii) Deferred tax (cont'd)**

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

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint venture, 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(o) Taxes (cont'd)

(iii) Deferred tax (cont'd)

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.

(p) 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 there 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.

(q) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(q) Employee benefits (cont'd)****(ii) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the 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 subsidiaries also make contributions to its respective countries' statutory pension schemes.

(iii) Defined benefit plans

Pension benefits are provided to eligible employees of the Group's certain foreign subsidiaries through their respective 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. 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 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 plans is the discounted present value of the defined benefit obligation using an 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 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(q) Employee benefits (cont'd)

(iii) Defined benefit plans (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 financial period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past-service costs are recognised immediately 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.

(r) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(r) Foreign currencies (cont'd)****(ii) Foreign currency transactions (cont'd)**

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the financial 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 exchange 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 operation 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 financial 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 recognised directly in equity.

(iii) Foreign operations

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the financial period, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the 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 and 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 subsidiaries 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 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(s) 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 the specified debtor fails to make when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value, net of transaction costs. Subsequently, they are measured at the higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with MFRS 15.

(t) Revenue and other income recognition

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

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

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

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group or the Company expect(s) to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(t) Revenue and other income recognition (cont'd)**

- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group or the Company need(s) to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.
- (v) Recognise revenue when the Group or the Company satisfy(s) a performance obligation or as the Group or the Company is satisfying a performance obligation by transferring a promised goods or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue is recognised at the point in time at which the performance obligation is satisfied. However, the Group or the Company transfers the control of an asset over time, if its performance:

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

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(i) Lease income**(a) 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 value-added tax and trade discounts.

(b) Lease income from investment properties

Lease income earned from leasing of investment properties are recognised over the term of the respective leases on a straight-line basis as disclosed in 2.2(n)(ii).

(ii) Investment income

Dividend 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(t) Revenue and other income recognition (cont'd)

(iii) Other income

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

(u) Contract assets and liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group or the Company has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance with MFRS 9: Financial Instruments.

Contract liability is the obligation of the Group or the Company to transfer goods and services to a customer for which it has received the consideration (or an amount of consideration is due) from the customer. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities are recognised as revenue when the Group or the Company performs its obligation under the contract. Contract liabilities also include advance payment and downpayments received from customers before the goods are delivered or services are provided by the Group or the Company. If a customer pays consideration or the Group or the Company has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

(v) 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 of the Company except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Summary of Significant Accounting Policies (Cont'd)****(w) Segmental reporting**

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 presented under geographical segments are based on location where the sales are 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 the assets. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

(x) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. 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 MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies

On 1 May 2018, the Group and the Company adopted the following new MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretation:

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9: Financial Instruments with MFRS 4: Insurance Contracts
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfer of Investment Property
Annual Improvements to MFRSs 2014-2016 Cycle	Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
Annual Improvements to MFRSs 2014-2016 Cycle	Amendments to MFRS 128: Investments in Associates and Joint Ventures
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new MFRSs, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretation did not have any effect on the financial performance or position of the Group and of the Company except as disclosed below:

(a) MFRS 9: Financial Instruments

MFRS 9 replaced the guidance of MFRS 139: Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all these aspects of the accounting for financial instruments : classifications, impairment and hedge accounting. Retrospective approach application is required, but restatement of comparative information is not compulsory.

As permitted by the transitional provision of MFRS 9, the Group and the Company has elected not to restate the comparative information for prior periods with respect to classification, measurement and impairment requirements. The comparative information continue to be reported under MFRS 139. The Group and the Company recognised any difference between carrying amount of financial instruments under MFRS 139 and the restated carrying amount under MFRS 9 in the opening balance of retained earnings (or other equity components) as 1 May 2018.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.3 Changes in Accounting Policies (Cont'd)****(a) MFRS 9: Financial Instruments (cont'd)****Impact of the adoption of MFRS 9**

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the new disclosures relating to financial instruments, which the Group and the Company have complied with in the current financial period, the adoption of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below:

(i) Classification and measurement

The following are the changes in the classification of the Group's and the Company's financial assets:

(i) Financial assets previously classified as loans and receivables

Other long term receivables, trade and other receivables, deposits with financial institutions and cash and bank balances previously classified as Loans and Receivables under MFRS 139 as at 30 April 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. The above two criteria meet the definition to be classified and measured as amortised cost under MFRS 9 effective 1 May 2018.

(ii) Financial assets previously classified as available-for-sale ("AFS") financial assets

Investments in quoted and unquoted equity instruments previously classified as AFS as at 30 April 2018 are classified and measured as equity instruments at fair value through other comprehensive income ("FVTOCI") with no recycling of cumulative gains or losses upon derecognition beginning 1 May 2018. The Group and the Company irrevocably elected to classify these investments previously classified as AFS to FVTOCI because these investments are not held for trading.

Under MFRS 139, any changes in fair value of AFS were recognised in other comprehensive income, except that impairment losses were recognised in profit or loss. The investments in unquoted AFS instrument whose fair value cannot be measured reliably were measured at cost less accumulated impairment.

At date of application of MFRS 9, the accumulated losses relating to impairment of AFS investments in the retained earnings, if any, were reclassified to FVTOCI reserves. The investments in which were previously not measured at fair value, were now remeasured at fair value at the date of application, and any remeasurement differences were accounted for in FVTOCI reserves.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies (Cont'd)

(a) MFRS 9: Financial Instruments (cont'd)

(ii) Impairments on financial assets

In previous financial years, trade and other receivables and/or unquoted AFS investments are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables and/or unquoted AFS investments (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the receivables and/or unquoted AFS investments ("incurred loss model"). The quoted investments are impaired if there is objective evidence of impairment. 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 quoted investments are impaired. A significant (i.e. more than 20%) or prolonged (i.e. 12 months) decline in fair values of investments in equity instruments below its cost is also an objective evidence of impairment.

MFRS 9 replaces the "incurred loss" model in MFRS 139 as described above with the ECL model as described in Note 2.2(i)(a). This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

(b) MFRS 15: Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111: Construction Contracts, MFRS 118: Revenue and related interpretations which were applicable prior to 1 January 2018 and it applies, with limited exceptions, to all revenue arising from contracts with its customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosure.

The Group adopted MFRS 15 using the full retrospective method and apply all the practical expedients available, if applicable, for full retrospective approach. The initial application was applied to uncompleted contracts as at the date of initial application, i.e. as at 1 May 2017.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies (Cont'd)

(b) MFRS 15: Revenue from Contracts with Customers (cont'd)

The key effects as a result of adopting this standard on the business activities of the Group are as follows:

Wagering and voting product sales

It requires the identification of separate performance obligations arising from the wagering and voting systems business of which revenue is derived from long term contracts. Some of these contracts have multiple performance obligations and the Group allocates the contracts' transaction price to each performance obligation and recognise the revenue when the respective performance obligation is satisfied.

With the identification of the separate performance obligation, a certain performance obligation of the wagering contracts is now recognised at point in time, generally upon shipment of terminals rather than previously under the percentage-of-completion method. In addition, the revenue for annual licence fee is recognised at the inception of the annual renewal period, rather than over the term of the licence. The timing differences in revenue recognition and milestone or progress billings under the cost input method are presented as contract assets and contract liabilities in accordance with MFRS 15.

Deposits received from customers for sale of motor vehicles

Prior to adoption of MFRS 15, the Group recorded deposits received from customers for sale of motor vehicles under other payables. With the adoption of MFRS 15, those deposits received from customers of which the motor vehicles production phase has commenced will be recognised as contract liabilities in the statement of financial position. Customer deposits would be recognised as revenue upon sale of vehicles to the customers.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies (Cont'd)

(c) Financial Impact from adoption of MFRS 9: Financial Instruments and MFRS 15: Revenue from Contracts with Customers

The financial impact from the initial adoption of MFRS 15 on full retrospective basis as at 1 May 2017 are as follows:

	Note	As previously reported RM'000	Effects of MFRS 15 adoption RM'000	As restated RM'000
Group				
Statement of Financial Position				
As at 1.5.2017				
Contract assets	13	-	3,525	3,525
Deferred tax assets (after set off) *	9	38,348	(4,090)	34,258
Receivables	12	496,656	1,358	498,014
Provisions	25	2,359	(22)	2,337
Contract liabilities	13	-	105,022	105,022
Payables	26	619,241	(116,049)	503,192
Retained earnings	19	288,434	11,842	300,276

* The deferred tax assets disclosed are after set off against deferred tax liabilities of RM6,472,000.

The financial impact from the initial adoption of MFRS 9 as at 1 May 2018 and the effects of adjustments of MFRS 15 for the financial year ended 30 April 2018 are as follows:

	Note	As previously reported RM'000	Effects of MFRS 15 adoption RM'000	Effects of MFRS 9 adoption RM'000	As restated RM'000
Group					
Statement of Financial Position					
As at 30.4.2018					
Contract assets	13	-	2,448	-	2,448
Deferred tax assets	9	30,913	(3,705)	-	27,208
Receivables	12	489,161	(192)	-	488,969
Deferred tax liabilities	9	16,687	1,011	-	17,698
Provisions	25	2,593	90	-	2,683
Contract liabilities	13	-	125,378	-	125,378
Payables	26	651,915	(143,310)	-	508,605
As at 1.5.2018					
Available-for-sale reserve	18	12,264	-	(12,264)	-
Fair value through other comprehensive income reserve	18	-	-	(20,070)	(20,070)
Retained earnings	19	318,449	15,382	32,334	366,165

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies (Cont'd)

(c) Financial Impact from adoption of MFRS 9: Financial Instruments and MFRS 15: Revenue from Contracts with Customers (cont'd)

	Note	As previously reported RM'000	Effects of MFRS 15 adoption RM'000	Effects of MFRS 9 adoption RM'000	As restated RM'000
Group					
Statement of Profit or Loss					
Financial year					
ended 30.4.2018					
Revenue	28	5,660,587	4,744	-	5,665,331
Cost of sales		4,527,533	119	-	4,527,652
Taxation	34	139,289	1,085	-	140,374
- Reclassification for discontinued operation as disclosed in Note 48		(18,766)	-	-	(18,766)
		120,523	1,085	-	121,608

2.4 Standards Issued but Not Yet Effective

At the date of authorisation for issue of these financial statements, the following new MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs were issued but not yet effective and have not been applied by the Group and the Company.

Effective for financial periods beginning on or after 1 January 2019

Amendments to MFRS 9

Financial Instruments:

Prepayment Features with Negative Compensation

MFRS 16

Leases

Amendments to MFRS 119

Employee Benefits: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128

Long Term Interests in Associates and Joint Ventures

IC Interpretation 23

Uncertainty over Income Tax Treatments

Annual Improvements to

MFRSs 2015-2017 Cycle

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Standards Issued but Not Yet Effective (Cont'd)

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 101 ^	Presentation of Financial Statements - Definition of Material
Amendments to MFRS 108 ^	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
Revised Conceptual Framework For Financial Reporting	

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 ^	Insurance Contracts
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Effective date yet to be determined

Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
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^ This would result in consequential changes to other standards which make reference to these standards.

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Standards Issued but Not Yet Effective (Cont'd)**

The Group is currently assessing the impact that these standards below will have on the financial position and performance.

(a) MFRS 16: Leases

MFRS 16 will replace MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Subject to certain exceptions, the right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Standards Issued but Not Yet Effective (Cont'd)

(a) MFRS 16: Leases (cont'd)

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group and the Company will adopt the new standard on the required effective date using the modified retrospective approach. The Group and the Company will not restate the comparative information, which continues to be reported under MFRS 117.

The Group and the Company are in the midst of assessing the impact of the application of this standard on their existing operating leases where they are lessees and expect to recognise right-of-use assets and their corresponding liabilities in respect of non-cancellable operating leases of properties and equipment upon the initial adoption of this standard.

2.5 Significant Accounting Estimates and Judgements

The preparation of the Group's and of the Company'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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant Accounting Estimates and Judgements (Cont'd)

(a) Critical judgements made in applying accounting policies

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

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

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

Some properties comprise a portion that is held to earn lease income or for capital appreciation and another portion that is held for own use. Since these properties cannot be sold separately and the portion held for own use is insignificant, the Group has classified the whole of its properties as investment properties.

(ii) Useful life of intangible assets

The Group considers that the goodwill and dealership rights arising respectively, from Toto betting operations and motor dealership have indefinite useful life because they are expected to contribute to the Group's net cash flows indefinitely. The Group intends to continue the Toto betting and motor dealership operations and is confident that these rights can be maintained indefinitely. Historically, there has been no compelling challenge to the renewal of these rights.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant Accounting Estimates and Judgements (Cont'd)

(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 discussed below:

(i) Impairment of goodwill and dealership rights

The Group determines whether goodwill and dealership rights are impaired at least on an annual basis. This requires an estimation of the value-in-use ("VIU") of the CGU to which goodwill and dealership rights are allocated. Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the CGU and also to apply a discount rate that reflects the specific risk relating to the respective CGU in order to calculate the present value of those cash flows. Details of the goodwill and dealership rights are disclosed in Note 10.

The Group carries goodwill of RM547,686,000 (30.4.2018 : RM547,686,000) in respect of Toto betting operations in Malaysia ("Licence"). In regard to the impairment review of the CGU for the Licence, the Group intends to continue with the annual renewal of the Licence indefinitely and considers that the annual renewal of the Licence is expected to contribute to the Group's net cash flows indefinitely. Historically, there has been no compelling challenge to the renewal of the Licence. The technology used in the gaming activities is supplied and with support 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 has fully impaired the goodwill of RM75,949,000 on the lottery equipment lease agreement in the Philippines ("ELA") during the current financial period. This arose from Berjaya Philippines Inc.'s disposal and deemed disposal of its equity interests in Philippine Gaming Management Corporation ("PGMC") of 20% and 40% respectively subsequent to the financial period as disclosed in Note 46. With that, the total assets and liabilities of PGMC have been reclassified as disposal group on the Group's Statement of Financial Position. The Group carried out the impairment test based on assessment of the fair value less cost to sell of the net assets of disposal group and recognised a total impairment on goodwill of RM75,949,000 during the current financial period.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.5 Significant Accounting Estimates and Judgements (Cont'd)****(b) Key sources of estimation uncertainty (cont'd)****(ii) Provision for expected credit losses ("ECL") of trade and other receivables and contract assets**

The Group has applied the simplified approach to calculate expected credit losses which uses a lifetime expected loss allowance on all trade receivables. The Group's provision matrix is based on its historical credit loss experience with trade receivables of similar credit risk characteristics.

Based on the ECL model of provision of impairment loss, the Group and the Company assess the credit risk of the trade and other receivables, and contracts assets at each reporting date on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. In assessing credit risks for purposes of applying the ECL model, the Group and the Company consider the need to incorporate forward-looking factors, which are likely to be judgemental and subject to estimation uncertainties.

With regards to other receivables, where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. All financial assets subject to ECL assessment are written off either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The information about the ECLs on the Group's receivables are disclosed in Note 12.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant Accounting Estimates and Judgements (Cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iv) Impairment of investment in subsidiary companies

The Company conducted an annual impairment review of its investment in subsidiary companies. The Company carried out the impairment test based on assessment of the fair value less costs to sell of the investees' assets or CGU or based on the estimation of the VIU of the CGU of the investees. Estimating the VIU requires the Company to make an estimate of the expected future cash flows from the CGU and also to apply a discount rate that reflects the specific risk relating to respective CGU in order to calculate the present value of those cash flows. An impairment loss will be recognised if the carrying values of these CGUs are assessed to be in excess of their VIU.

The annual impairment review resulted in the Company recognising an impairment loss amounting to RM352,420,000 during the financial period in respect of its investment in subsidiary companies. A net reversal impairment loss amounting to RM54,709,000 was recognised in the last financial year. Details of the impairment review are disclosed in Note 4.

As at 30 June 2019, the carrying amount of investment in subsidiaries of the Company was RM4,317,272,000 (30.4.2018 : RM4,561,692,000).

(v) Useful life of customer relationships

The customer relationships are recognised separately from goodwill on acquisition of a subsidiary company. The Group estimates the useful life of customer relationships to be up to 10 years which is determined based on customer attrition from the acquired relationships. The estimated useful live of customer relationships are reviewed periodically.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3 PROPERTY, PLANT AND EQUIPMENT

Group	Net book value as at 1 May 2018		Additions		Disposals		Write-off		Revaluation before transfer to investment properties		Reclassification to disposal group		Depreciation		Reclassification to disposal group		Net book value as at 30 June 2019		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 30 June 2019																			
Freehold land	7,107	7,655	-	-	-	-	-	-	-	-	(210)	-	-	-	-	-	-	14,552	
Building - hotel	46,130	-	-	-	-	-	-	-	-	-	3,029	(1,316)	-	(1,316)	-	-	-	47,843	
Land and buildings	7,737	-	-	-	-	-	-	-	-	-	-	(188)	-	(188)	-	-	-	7,549	
Plant and machinery	24,659	3,746	(3,210)	-	-	-	-	-	-	-	(580)	(7,664)	-	(7,664)	-	-	-	16,951	
Computer equipment	14,353	18,386	(21)	(12)	(21)	-	(12)	-	-	190	1,799	(8,315)	(1,607)	(8,315)	(1,607)	-	-	24,773	
Office equipment	3,499	904	-	(50)	-	-	(50)	-	-	-	29	(1,304)	(314)	(1,304)	(314)	-	-	2,764	
Furniture and fittings	1,199	267	-	(34)	-	-	(34)	-	-	-	-	(292)	-	(292)	-	-	-	1,140	
Motor vehicles	23,414	3,657	(1,318)	-	-	-	-	-	-	-	28	(5,809)	(583)	(5,809)	(583)	-	-	19,389	
Renovation	54,585	6,884	(6,963)	(142)	(6,963)	-	(142)	-	-	-	(1,297)	(10,992)	(23)	(10,992)	(23)	-	-	42,052	
Gym equipment	56	21	-	-	-	-	-	-	-	-	-	(16)	-	(16)	-	-	-	61	
Hotel and kitchen equipment and utensils	117	70	(1)	-	(1)	-	-	-	-	-	18	(34)	-	(34)	-	-	-	170	
Capital work-in-progress	180	14,304	-	-	-	-	-	-	-	(190)	-	-	-	-	-	-	-	14,294	
	183,036	55,894	(11,513)	(238)	(11,513)	(238)	(238)	(238)	-	-	2,816	(35,930)	(2,527)	(35,930)	(2,527)	-	-	191,538	

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

	Net book value as at 1 May 2017	Additions	Disposals	Write-off	Revaluation before transfer to investment properties	Reclassification	Exchange differences	Depreciation	Reclassification to disposal group	Net book value as at 30 April 2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 April 2018										
Freehold land	7,267	-	-	-	-	-	(160)	-	-	7,107
Building - hotel	54,143	-	-	-	-	-	(6,848)	(1,165)	-	46,130
Land and buildings	26,376	1,628	-	-	2,952	(22,412)	(440)	(367)	-	7,737
Plant and machinery	27,230	5,797	-	(26)	-	309	(486)	(8,165)	-	24,659
Computer equipment	18,133	1,701	(15)	(5)	-	1,344	(245)	(6,560)	-	14,353
Office equipment	3,769	941	(9)	(11)	-	-	(63)	(1,128)	-	3,499
Furniture and fittings	1,208	254	-	(2)	-	-	(1)	(260)	-	1,199
Motor vehicles	21,862	8,189	(1,038)	(136)	-	-	(95)	(5,368)	-	23,414
Renovation	52,868	13,367	-	(7)	-	-	(986)	(10,657)	-	54,585
Gym equipment	13	49	-	-	-	-	-	(6)	-	56
Hotel and kitchen equipment and utensils	162	15	(1)	-	-	-	(20)	(39)	-	117
Capital work-in-progress	1,627	376	-	(8)	-	(1,653)	(162)	-	-	180
	214,658	32,317	(1,063)	(195)	2,952	(22,412)	(9,506)	(33,715)	-	183,036

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 30 June 2019			
Freehold land	14,552	-	14,552
Building - hotel	58,327	(10,484)	47,843
Land and buildings	9,040	(1,491)	7,549
Plant and machinery	49,417	(32,466)	16,951
Computer equipment	52,278	(27,505)	24,773
Office equipment	13,107	(10,343)	2,764
Furniture and fittings	8,925	(7,785)	1,140
Motor vehicles	51,785	(32,396)	19,389
Renovation	113,757	(71,705)	42,052
Gym equipment	1,120	(1,059)	61
Hotel and kitchen equipment and utensils	1,095	(925)	170
Capital work-in-progress	14,294	-	14,294
	387,697	(196,159)	191,538
At 30 April 2018			
Freehold land	7,107	-	7,107
Building - hotel	54,679	(8,549)	46,130
Land and buildings	9,040	(1,303)	7,737
Plant and machinery	60,662	(36,003)	24,659
Computer equipment	118,032	(103,679)	14,353
Office equipment	15,816	(12,317)	3,499
Furniture and fittings	8,711	(7,512)	1,199
Motor vehicles	57,875	(34,461)	23,414
Renovation	126,079	(71,494)	54,585
Gym equipment	1,099	(1,043)	56
Hotel and kitchen equipment and utensils	973	(856)	117
Capital work-in-progress	180	-	180
	460,253	(277,217)	183,036

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

- (a) As at the reporting date, a hotel building of the Group with net carrying value of RM47,843,000 (30.4.2018 : RM46,130,000) was pledged to a financial institution for credit facilities granted to a foreign subsidiary company as disclosed in Note 22.
- (b) A total carrying amount of RM2,527,000 was reclassified to assets of disposal group held for sale at the reporting date as disclosed in Note 16.
- (c) During the last financial year, the Group's reclassification included an amount of RM22,412,000 which represented the carrying amount of a property (after fair value adjustment of RM2,952,000) that was transferred to investment property as disclosed in Notes 8 and 18(b).
- (d) Net book value of property, plant and equipment of the Group held under hire purchase arrangements are as follows:

	30.6.2019 RM'000	30.4.2018 RM'000
Motor vehicles	1,646	2,739

Company

	Net book value as at 1 May 2018 RM'000	Additions RM'000	Disposal RM'000	Depreciation RM'000	Net book value as at 30 June 2019 RM'000
At 30.6.2019					
Computer equipment	13	5	-	(6)	12
Office equipment	77	-	-	(22)	55
Furniture and fittings	176	2	-	(56)	122
Motor vehicles	1,846	-	(130)	(363)	1,353
Renovation	197	-	-	(61)	136
	2,309	7	(130)	(508)	1,678

	Net book value as at 1 May 2017 RM'000	Additions RM'000	Write-off RM'000	Depreciation RM'000	Net book value as at 30 April 2018 RM'000
At 30.4.2018					
Computer equipment	16	5	-	(8)	13
Office equipment	91	9	(3)	(20)	77
Furniture and fittings	226	-	-	(50)	176
Motor vehicles	811	1,268	-	(233)	1,846
Renovation	249	-	-	(52)	197
	1,393	1,282	(3)	(363)	2,309

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company (Cont'd)

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
As at 30 June 2019			
Computer equipment	699	(687)	12
Office equipment	326	(271)	55
Furniture and fittings	5,598	(5,476)	122
Motor vehicles	2,316	(963)	1,353
Renovation	3,679	(3,543)	136
	<u>12,618</u>	<u>(10,940)</u>	<u>1,678</u>
As at 30 April 2018			
Computer equipment	724	(711)	13
Office equipment	372	(295)	77
Furniture and fittings	5,598	(5,422)	176
Motor vehicles	2,790	(944)	1,846
Renovation	3,679	(3,482)	197
	<u>13,163</u>	<u>(10,854)</u>	<u>2,309</u>

Net book value of property, plant and equipment of the Company held under hire purchase arrangements are as follows:

	30.6.2019 RM'000	30.4.2018 RM'000
Motor vehicles	<u>500</u>	<u>1,041</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES

	<u>Company</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	RM'000	RM'000
Unquoted shares, at cost	6,717,472	6,609,472
Less : Accumulated impairment losses (Notes 30 and 31)	(2,400,200)	(2,047,780)
	<u>4,317,272</u>	<u>4,561,692</u>

At the reporting date, the Company conducted impairment review of the investment in its subsidiary companies.

The review gave rise to the recognition of impairment losses of investment in certain subsidiary companies as disclosed in Note 31 of RM352,420,000 (30.4.2018 : net reversal of impairment losses RM54,709,000 was recognised as disclosed in Note 30) as the carrying values exceeded the value-in-use amounts estimated by the Company. As at 30 June 2019, the recoverable amounts of the investment in these subsidiary companies were RM3,637,272,000 (30.4.2018 : RM3,981,692,000).

Details of the subsidiary companies are as follows:

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Equity interest</u>	
			30.6.2019	30.4.2018
			%	%
Subsidiary companies of Berjaya Sports Toto Berhad				
FEAB Properties Sdn Bhd (Note a)	Malaysia	Property investment and investment holding	100	100
FEAB Land Sdn Bhd	Malaysia	Property development and property investment	100	100
FEAB Equities Sdn Bhd	Malaysia	Investment holding	100	100
Sports Toto Fitness Sdn Bhd	Malaysia	Operation of health and fitness centre	100	100
STM Resort Sdn Bhd	Malaysia	Property investment	100	100
Sports Toto Malaysia Sdn Bhd ^^	Malaysia	Toto betting operations	100	100
Magna Mahsuri Sdn Bhd (Note b)	Malaysia	Property investment and investment holding	100	100
Berjaya-ILTS Limited #	Hong Kong	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Equity interest</u>	
			30.6.2019 %	30.4.2018 %
Subsidiary company of FEAB Land Sdn Bhd				
FEAB Realty Sdn Bhd	Malaysia	Dormant	100	100
Subsidiary companies of Magna Mahsuri Sdn Bhd				
Berjaya Sports Toto (Cayman) Limited ("BSTC")	Cayman Islands	Investment holding	100	100
Sports Toto Products Sdn Bhd	Malaysia	Dormant	100	100
Sports Toto Apparel Sdn Bhd	Malaysia	Dormant	100	100
Sports Toto Computer Sdn Bhd	Malaysia	Computer consultancy services	100	100
Subsidiary company of Berjaya Sports Toto (Cayman) Limited				
Berjaya Lottery Management (HK) Limited ("BLM") #	Hong Kong	Investment holding	100	100
Subsidiary companies of Berjaya Lottery Management (HK) Limited				
Berjaya Philippines Inc. ("BPI") *	Philippines	Investment holding	74.20	^ 74.20 ^
International Lottery & Totalizator Systems, Inc. *	United States of America	Development, manufacturing, distribution of computerised wagering systems and provision of software licences and support	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Equity interest</u>	
			30.6.2019 %	30.4.2018 %
Subsidiary companies of Berjaya Philippines Inc.				
Philippine Gaming Management Corporation * ("PGMC")	Philippines	Leasing of online lottery equipment and provision of software support	100	100
Perdana Hotel Philippines Inc. *	Philippines	Operation of a hotel in the Philippines	100	100
H.R. Owen Plc * ("H.R. Owen") (Note c)	United Kingdom	Investment holding	100	99.30
Floridablanca Enviro Corporation *	Philippines	Service business of protecting and cleaning the environment	100	100
eDoc Holdings Limited * (Note d)	United Kingdom	Investment holding	100	-
Subsidiary companies of International Lottery & Totalizator Systems, Inc.				
Unisyn Voting Solutions, Inc. *	United States of America	Development, manufacturing, distribution of voting systems and provision of software licences and support	100	100
ILTS Vietnam Company Limited *	Socialist Republic of Vietnam	Provision of lottery technical support services	100	100
Subsidiary companies of H.R. Owen Plc				
Broughtons of Cheltenham Limited *	United Kingdom	Motor retailing and provision of aftersales services	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Equity interest</u>	
			<u>30.6.2019</u> %	<u>30.4.2018</u> %
Subsidiary companies of H.R. Owen Plc (Cont'd)				
H.R. Owen Dealerships Limited *	United Kingdom	Motor retailing and provision of aftersales services	100	100
Holland Park Limited *	United Kingdom	Provision of aftersales services	100	100
Jack Barclay Limited *	United Kingdom	Motor retailing and provision of aftersales services	100	100
Bodytechnics Limited *	United Kingdom	Maintenance and repair of motor vehicles	100	100
H R Owen Insurance Services Limited *	United Kingdom	Provision of insurance agent and broker services	60	60
Upbrook Mews Limited *	United Kingdom	Letting and operating of own or leased real estate	100	100
eDoc Holdings Limited * ("eDoc Holdings") (Note d)	United Kingdom	Investment holding	-	100
Hatfield 6939 Limited * ("Hatfield 6939") (Note e)	United Kingdom	Dormant	100	-
Pangbourne 6939 Limited * ("Pangbourne 6939") (Note f)	United Kingdom	Dormant	100	-
Shepperton 6939 Limited * ("Shepperton 6939") (Note g)	United Kingdom	Dormant	100	-
Heathrow Limited *	United Kingdom	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

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4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Equity interest</u>	
			30.6.2019 %	30.4.2018 %
Subsidiary companies of H.R. Owen Plc (Cont'd)				
Malaya Dealerships Limited *	United Kingdom	Dormant	100	100
H.R. Owen Vehicle Leasing Company Limited *	United Kingdom	Dormant	100	100
H.R. Owen Motor Dealerships Limited *	United Kingdom	Dormant	100	100
H.R. Owen Leasing Limited *	United Kingdom	Dormant	100	100
H.R. Owen Motor Properties Limited *	United Kingdom	Dormant	100	100
Netprofit.com Limited ("Netprofit") *	United Kingdom	Dormant	100 @	100 @
London Lotus Centre Limited *	United Kingdom	Dormant	100	100
Bradshaw Webb (Chelsea) Limited *	United Kingdom	Dormant	100	100
H.R. Owen Investments Limited *	United Kingdom	Dormant	100	100

* Audited by firms of auditors other than Ernst & Young

Audited by other member firms of Ernst & Young Global

^ The total equity interests held by the Group in BPI is 88.26% (30.4.2018 : 88.26%) and it is held by the following companies respectively:

	2019 %	2018 %
(i) BLM	74.20	74.20
(ii) BSTC	14.06	14.06
	<u>88.26</u>	<u>88.26</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

@ The total equity interests held by H.R. Owen Plc group in Netprofit is 100% (30.4.2018 : 100%) and it is held by the following companies respectively:

	30.6.2019	30.4.2018
	%	%
(i) H.R. Owen	50.00	50.00
(ii) Bradshaw Webb (Chelsea) Limited	50.00	50.00
	<u>100.00</u>	<u>100.00</u>

Note a On 30 April 2019, the Company subscribed for 8,000,000 new ordinary shares issued by FEAB Properties Sdn Bhd for a consideration of RM8,000,000 satisfied via capitalisation of intercompany advances.

Note b On 30 April 2019, the Company subscribed for 100,000,000 new ordinary shares issued by Magna Mahsuri Sdn Bhd for a consideration of RM100,000,000 satisfied via capitalisation of intercompany advances.

Note c On 14 August 2018, BPI acquired additional 174,180 ordinary shares at GBP1.70 each in H.R. Owen, representing additional 0.7% equity interest in H.R. Owen, for a total cash consideration of GBP297,681 (equivalent to RM1,548,000). Consequently, H.R. Owen became a wholly-owned subsidiary company of BPI.

Note d On 30 April 2019, BPI acquired the share in eDoc Holdings from H.R. Owen pursuant to an internal restructuring exercise for a consideration of GBP1.00 (equivalent to RM6) and eDoc Holdings is now a direct subsidiary of BPI.

Note e H.R. Owen incorporated a wholly-owned subsidiary company namely Hatfield 6939 with subscription of 1 ordinary share for GBP1.00 (equivalent to RM6) on 6 March 2019.

Note f H.R. Owen incorporated a wholly-owned subsidiary company namely Pangbourne 6939 with subscription of 1 ordinary share for GBP1.00 (equivalent to RM6) on 6 March 2019.

Note g H.R. Owen incorporated a wholly-owned subsidiary company namely Shepperton 6939 with subscription of 1 ordinary share for GBP1.00 (equivalent to RM6) on 7 March 2019.

^^ The medium term notes issued by Sports Toto Malaysia Sdn Bhd are secured by a third party first equitable charge over the unquoted shares of the said subsidiary company as disclosed in Note 22. The carrying value of the unquoted shares were RM3,625,624,000 (30.4.2018 : RM3,976,270,000) at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiary companies with material non-controlling interests

The subsidiary companies with non-controlling interests of which the Group regards as material are set out below.

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	30.6.2019 %	30.4.2018 %
BPI (on consolidated basis)	Philippines	11.74	11.74

The summarised financial information presented below is the amount before inter-company elimination and after reflecting the fair value adjustments arising from business combination.

(i) Summarised statement of financial position

	30.6.2019 RM'000	30.4.2018 RM'000
<u>BPI</u>		
Non-current assets	472,764	493,270
Current assets	894,499	831,504
Total assets	1,367,263	1,324,774
Non-current liabilities	19,260	39,651
Current liabilities	670,600	639,715
Total liabilities	689,860	679,366
Net assets	677,403	645,408
Equity attributable to equity holders of the Parent	623,872	590,317
Non-controlling interests	53,531	55,091
Total equity	677,403	645,408

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

4 INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiary companies with material non-controlling interests (Cont'd)

(ii) Summarised statement of profit or loss and other comprehensive income

	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
<u>BPI</u>		
Revenue		
- from continuing operations	2,853,804	2,352,923
- from discontinued operation	113,734	132,398
	<u>2,967,538</u>	<u>2,485,321</u>
Profit/(loss) for the financial period/year attributable to:		
Owners of the parent		
- from continuing operations	61,471	27,838
- from discontinued operation	(41,175)	28,072
	20,296	55,910
Non-controlling interests	3,115	8,286
Profit for the financial period/year	<u>23,411</u>	<u>64,196</u>
Other comprehensive (loss)/income (net of tax) attributable to:		
- Owners of the parent	(27,154)	23,430
- Non-controlling interests	(3,654)	3,707
Other comprehensive (loss)/income for the financial period/year	<u>(30,808)</u>	<u>27,137</u>
Total comprehensive (loss)/income for the period/year	<u>(7,397)</u>	<u>91,333</u>
Total comprehensive (loss)/income attributable to:		
- Owners of the parent	(6,858)	79,340
- Non-controlling interests	(539)	11,993
Total comprehensive (loss)/income for the financial period/year	<u>(7,397)</u>	<u>91,333</u>

(iii) Summarised statement of cash flows

	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
<u>BPI</u>		
Net cash generated from/(used in):		
Operating activities	32,360	89,322
Investing activities	14,111	(66,975)
Financing activities	(42,371)	(23,879)
Net change in cash and cash equivalents	<u>4,100</u>	<u>(1,532)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5 INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	82,846	78,361	27,386	26,248
Share of post-acquisition reserves	(2,857)	12,701	-	-
	79,989	91,062	27,386	26,248
Exchange differences	(697)	(4,573)	-	-
	79,292	86,489	27,386	26,248
Less: Accumulated impairment losses (Note 31)	(8,712)	(3,356)	(12,563)	(10,096)
	70,580	83,133	14,823	16,152

Details of the associated companies are as follows:

Name of Company	Country of Incorporation	Principal Activities	Equity Interest	
			30.6.2019	30.4.2018
			%	%
Associated companies of Berjaya Sports Toto Berhad				
Berjaya Racing Management Sdn Bhd *	Malaysia	Dormant	20	20
Berjaya Lottery Vietnam Limited ("Berjaya Lottery Vietnam") (Note a)	Malaysia	Investment holding	20	20
Associated company of FEAB Properties Sdn Bhd				
Cashsystems Asia Technology Sdn Bhd ("Cashsystems") *	Malaysia	Dormant, under liquidation	30	30
Associated companies of BPI				
Perdana Land Philippines Inc. * ("Perdana Land") (Note b)	Philippines	Acquire, develop and lease real estate	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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Equity Interest</u>	
			30.6.2019 %	30.4.2018 %
Associated companies of BPI (Cont'd)				
Bermaz Auto Philippines Inc. * ("BAPI")	Philippines	Selling and distribution of Mazda brand cars within the territory of the Philippines	28.28	28.28
Ssangyong Berjaya Motor Philippines Inc. * ("Ssangyong") (Note c)	Philippines	Selling and distribution of Ssangyong brand vehicles within the territory of the Philippines	21.67	20
Neptune Properties, Incorporated * ("Neptune")	Philippines	Engage in real estate business	41.46	41.46
Chailease Berjaya Finance Corporation *	Philippines	Provision of hire purchase and loan financing services	25	25
Cosway Philippines Inc. *	Philippines	Dormant	40	40
Associated company of eDoc Holdings Limited				
VideoDoc Limited *	United Kingdom	Provision of general and specialists medical practice services	20.15	20.15

* Audited by firms of auditors other than Ernst & Young

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

The following transactions occurred during the financial period:

Note a On 4 January 2019, the Company subscribed for a total of 270,000 new ordinary shares of USD1.00 each issued by Berjaya Lottery Vietnam for a total cash consideration of USD270,000 (equivalent to approximately RM1,138,000). The Company's equity interest in this associated company remains unchanged, subsequent to the subscription.

Note b On 29 March 2019, BPI subscribed for a total of 32,000,000 new ordinary shares of PHP1.00 each issued by Perdana Land for a total consideration of PHP32.0 million (equivalent to approximately RM2,537,000). BPI's equity interest in Perdana Land remains unchanged at 40%, subsequent to the subscription.

Note c On 12 February 2019, BPI subscribed for a total of 10,000,000 new ordinary shares of PHP1.00 each issued by Ssangyong for a total consideration of PHP10.0 million (equivalent to approximately RM810,000). Subsequent to the subscription, BPI's equity interest in Ssangyong increased from 20.0% to 21.67%.

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(i) Summarised statement of financial position

	BAPI RM'000	Neptune RM'000	Total RM'000
<u>At 30 June 2019</u>			
Non-current assets	28,216	81,520	109,736
Current assets	176,592	15,977	192,569
Total assets	<u>204,808</u>	<u>97,497</u>	<u>302,305</u>
Non-current liabilities	10,954	14	10,968
Current liabilities	74,435	79,872	154,307
Total liabilities	<u>85,389</u>	<u>79,886</u>	<u>165,275</u>
Net assets	<u>119,419</u>	<u>17,611</u>	<u>137,030</u>
Group's share of net assets	<u>32,929</u>	<u>7,302</u>	<u>40,231</u>
<u>At 30 April 2018</u>			
Non-current assets	16,495	69,875	86,370
Current assets	195,720	20,748	216,468
Total assets	<u>212,215</u>	<u>90,623</u>	<u>302,838</u>
Non-current liabilities	11,793	13	11,806
Current liabilities	77,423	70,481	147,904
Total liabilities	<u>89,216</u>	<u>70,494</u>	<u>159,710</u>
Net assets	<u>122,999</u>	<u>20,129</u>	<u>143,128</u>
Group's share of net assets	<u>34,066</u>	<u>8,345</u>	<u>42,411</u>

(ii) Summarised statement of profit or loss and other comprehensive income

	BAPI RM'000	Neptune RM'000	Total RM'000
<u>For 14 Months financial period ended 30 June 2019</u>			
Revenue	363,646	1,676	365,322
Profit/(loss) for the period	7,884	(3,625)	4,259
Other comprehensive income	11	-	11
Total comprehensive income/(loss) for the financial period	<u>7,895</u>	<u>(3,625)</u>	<u>4,270</u>
Group's share of profit/(loss) for the financial period	<u>2,233</u>	<u>(1,503)</u>	<u>730</u>
Dividend received during the financial period	5,402	-	5,402

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(ii) Summarised statement of profit or loss and other comprehensive income (Cont'd)

	BAPI RM'000	Neptune RM'000	Total RM'000
<u>For 12 Months financial year ended 30 April 2018</u>			
Revenue	519,675	1,365	521,040
Profit/(loss) for the financial year	27,592	(2,585)	25,007
Other comprehensive income	9	-	9
Total comprehensive income/(loss) for the financial year	27,601	(2,585)	25,016
Group's share of profit/(loss) for the financial year	7,178	(1,071)	6,107
Dividend received during the financial year	3,864	-	3,864

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associated companies

	BAPI RM'000	Neptune RM'000	Total RM'000
<u>At 30 June 2019</u>			
Net assets as at 1 May 2018			
prior to equity contribution	120,460	20,129	140,589
Exchange differences	7,186	1,107	8,293
Profit/(loss) for the financial period	7,884	(3,625)	4,259
Other comprehensive income	11	-	11
Dividend paid during the financial period	(19,102)	-	(19,102)
	116,439	17,611	134,050
Equity contribution from parent	3,170	-	3,170
Exchange differences	(190)	-	(190)
Net assets as at 30 June 2019	119,419	17,611	137,030
Interest in the associated companies	28.28%	41.46%	
Group's equity interests	32,929	7,302	40,231
Goodwill	2,208	3,829	6,037
Carrying value of the Group's interest in the associated companies	35,137	11,131	46,268

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

5 INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associated companies (Cont'd)

	BAPI RM'000	Neptune RM'000	Total RM'000
<u>At 30 April 2018</u>			
Net assets as at 1 May 2017			
prior to equity contribution	123,966	25,921	149,887
Exchange differences	(17,443)	(3,207)	(20,650)
Profit/(loss) for the financial year	27,592	(2,585)	25,007
Other comprehensive income	9	-	9
Dividend paid during the financial year	(13,664)	-	(13,664)
	120,460	20,129	140,589
Equity contribution from parent	2,897	-	2,897
Exchange differences	(358)	-	(358)
Net assets as at 30 April 2018	122,999	20,129	143,128
Interest in the associated companies	28.28%	41.46%	
Group's equity interests	34,066	8,345	42,411
Goodwill	2,073	3,552	5,625
Carrying value of the Group's interest in the associated companies	36,139	11,897	48,036

- (iv) Aggregate information of associated companies that are not individually material to the Group

	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
The Group's share of (loss)/profit for the financial period/year, representing total comprehensive (loss)/profit for the financial period/year	(10,886)	949
Aggregate carrying amounts of the total Group's interests in these associated companies	24,312	35,097

The Group has discontinued the recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interest in these associated companies. As at the reporting date, the Group's cumulative unrecognised share of losses in these associated companies amounted to PHP89,173,000 equivalent to RM7,221,000 (30.4.2018 : PHP43,008,000 equivalent to RM3,265,000).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

6 INVESTMENT IN JOINT VENTURE

	<u>Group</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
Unquoted share, at cost	* -	-

Details of the joint venture are as follows:

<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Principal Activity</u>	<u>Equity interest</u>	
			<u>30.6.2019</u>	<u>30.4.2018</u>
			%	%
FEAB Cylabs Sdn Bhd	Malaysia	Dormant	50	-

* Denotes RM1

7 LONG TERM INVESTMENTS

	<u>Group</u>		<u>Company</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Non-current				
- Quoted shares in Malaysia	96,081	75,612	-	-
- Quoted shares outside Malaysia	1,687	3,146	-	-
- Quoted warrants in Malaysia	1,154	423	-	-
- Quoted loan stocks in Malaysia	5,467	3,656	-	-
- Unquoted shares outside Malaysia	38,967	10,012	-	-
- Malaysian Government Securities	3,186	2,996	-	-
At fair value	146,542	95,845	-	-
Unquoted shares outside Malaysia at cost	-	8,876	-	-
Club memberships at cost	1,044	1,044	416	416
Less: Accumulated impairment losses	(966)	(853)	(416)	(303)
	78	191	-	113
	146,620	104,912	-	113

During the last financial year, the Group recognised an impairment loss amounting to RM17,493,000 in respect of certain quoted and unquoted investments designated as available-for-sale financial assets (as disclosed in Note 31) due to significant decline of more than 20% or prolonged decline of more than 12 months in the fair values of these investments.

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 4.5% (30.4.2018 : 4.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

8 INVESTMENT PROPERTIES

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	136,719	112,935
Acquisition/additional cost	2,300	469
Transfer from property, plant and equipment upon change of use (Note 3)	-	22,412
Transfer to non-current assets classified as held for sale (Note 16)	(21,749)	-
Fair value adjustments (Notes 30 and 31)	(2,030)	1,175
Exchange differences	(1,010)	(272)
At 30 June/30 April	<u>114,230</u>	<u>136,719</u>
The carrying amount of investment properties held under lease terms are as follows:		
Buildings	<u>1,800</u>	<u>1,800</u>

The carrying amounts of the investment properties were valued by an independent valuer, who holds recognised qualifications and has relevant experience in valuing these types of properties. The fair values were determined based on comparison method.

The subdivision of title for the freehold land of a subsidiary company with carrying amount of RM3,400,000 (30.4.2018 : RM3,400,000) was successfully completed during the financial period pursuant to its conversion of leasehold to freehold status.

During the last financial year, a property that was previously classified as property, plant and equipment with carrying amount of RM22,412,000 was not occupied by the foreign subsidiary company of the Group, thus, qualified as investment property according to MFRS 140: Investment Property and has been reclassified accordingly as disclosed in Notes 3 and 18(b). This property was pledged to a financial institution for credit facilities granted to a foreign subsidiary company as disclosed in Note 22. This property has been disposed of subsequent to the financial reporting period. Therefore, the carrying amount of this property at the reporting date of RM21,749,000 was presented as non-current asset classified as held for sale. The charge on this property has been discharged subsequent to the financial reporting period following the completion of the disposal as disclosed in Notes 16(b) and 22.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

9 DEFERRED TAX (ASSETS) / LIABILITIES

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
At 1 May (as previously reported)	(14,226)	(22,034)	-	-
Effects of MFRS 15 adoption (Note 2.3(c))	4,716	4,090	-	-
At 1 May (as restated)	(9,510)	(17,944)	-	-
Recognised in the statement				
of profit or loss (Note 34)	2,395	6,861	-	-
Recognised in other				
comprehensive income	(154)	1,261	-	-
Transfer to disposal group (Note 16)	1,120	-	-	-
Recognised directly in intangible assets	(1,091)	(517)	-	-
Exchange differences	(949)	829	-	-
At 30 June/30 April	(8,189)	(9,510)	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(27,433)	(27,208)	-	-
Deferred tax liabilities	19,244	17,698	-	-
	(8,189)	(9,510)	-	-

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

Deferred Tax Assets of the Group:

	Retirement cost obligation	Payables	Unabsorbed tax losses and capital allowances	Total
	RM'000	RM'000	RM'000	RM'000
30.6.2019				
At 1 May 2018 (as previously reported)	(433)	(30,613)	(4,646)	(35,692)
Effects of MFRS 15 adoption (Note 2.3(c))	-	-	3,705	3,705
At 1 May 2018 (as restated)	(433)	(30,613)	(941)	(31,987)
Recognised in the statement of profit or loss	(440)	(68)	(281)	(789)
Recognised in other comprehensive income	(154)	-	-	(154)
Transfer to disposal group	1,123	-	(3)	1,120
Exchange differences	(96)	(497)	(33)	(626)
At 30 June 2019	-	(31,178)	(1,258)	(32,436)
Less: set-off against deferred tax liabilities				5,003
				(27,433)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

9 DEFERRED TAX (ASSETS) / LIABILITIES (CONT'D)

Deferred Tax Assets of the Group (Cont'd):

	Retirement cost obligation RM'000	Payables RM'000	Unabsorbed tax losses and capital allowances RM'000	Total RM'000
30.4.2018				
At 1 May 2017 (as previously reported)	(1,376)	(32,492)	(10,952)	(44,820)
Effects of MFRS 15 adoption (Note 2.3(c))	-	-	4,090	4,090
At 1 May 2017 (as restated)	(1,376)	(32,492)	(6,862)	(40,730)
Recognised in the statement of profit or loss	1	1,192	5,506	6,699
Recognised in other comprehensive income	759	-	-	759
Exchange differences	183	687	415	1,285
At 30 April 2018	(433)	(30,613)	(941)	(31,987)
Less: set-off against deferred tax liabilities				4,779
				(27,208)

Deferred Tax Liabilities of the Group:

	Intangible assets RM'000	Accelerated capital allowances RM'000	Investment properties RM'000	Others RM'000	Total RM'000
30.6.2019					
At 1 May 2018 (as previously stated)	10,674	8,439	1,474	879	21,466
Effects of MFRS 15 adoption (Note 2.3(c))	-	-	-	1,011	1,011
At 1 May 2018 (as restated)	10,674	8,439	1,474	1,890	22,477
Recognised in the statement of profit or loss	-	(515)	1,220	2,479	3,184
Recognised directly in intangible assets	(1,091)	-	-	-	(1,091)
Exchange differences	(309)	(114)	-	100	(323)
At 30 June 2019	9,274	7,810	2,694	4,469	24,247
Less: set-off against deferred tax assets					(5,003)
					19,244

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

9 DEFERRED TAX (ASSETS) / LIABILITIES (CONT'D)

Deferred Tax Liabilities of the Group (Cont'd):

	Intangible assets RM'000	Accelerated capital allowances RM'000	Investment properties RM'000	Others RM'000	Total RM'000
30.4.2018					
At 1 May 2017	11,451	9,430	1,432	473	22,786
Recognised in the statement of profit or loss	-	(903)	42	1,023	162
Recognised in other comprehensive income	-	-	-	502	502
Recognised directly in intangible assets	(517)	-	-	-	(517)
Exchange differences	(260)	(88)	-	(108)	(456)
At 30 April 2018	<u>10,674</u>	<u>8,439</u>	<u>1,474</u>	<u>1,890</u>	<u>22,477</u>
Less: set-off against deferred tax assets					<u>(4,779)</u>
					<u>17,698</u>

Deferred Tax Assets of the Company:

	Other payables RM'000	Unabsorbed capital allowances RM'000	Total RM'000
30.6.2019			
At 1 May 2018	(29)	(29)	(58)
Recognised in the statement of profit or loss	29	11	40
At 30 June 2019	<u>-</u>	<u>(18)</u>	<u>(18)</u>
Less: set-off against deferred tax liability			18
			<u>-</u>
30.4.2018			
At 1 May 2017	(27)	-	(27)
Recognised in the statement of profit or loss	(2)	(29)	(31)
At 30 April 2018	<u>(29)</u>	<u>(29)</u>	<u>(58)</u>
Less: set-off against deferred tax liability			58
			<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

9 DEFERRED TAX (ASSETS) / LIABILITIES (CONT'D)

Deferred Tax Liability of the Company:

	Accelerated capital allowances RM'000
30.6.2019	
At 1 May 2018	58
Recognised in the statement of profit or loss	(40)
At 30 June 2019	18
Less: set-off against deferred tax assets	(18)
	-
30.4.2018	
At 1 May 2017	27
Recognised in the statement of profit or loss	31
At 30 April 2018	58
Less: set-off against deferred tax assets	(58)
	-

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

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Unutilised tax losses		
-Malaysian income tax	8,678	7,095
-foreign tax	10,312	10,312
Unabsorbed capital allowances	517	320
Others	300	312
	19,807	18,039

Deferred tax assets have not been recognised in respect of the above unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences of Malaysian resident entities 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 and other deductible temporary differences can be utilised.

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e. from years of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

9 DEFERRED TAX (ASSETS) / LIABILITIES (CONT'D)

However, for any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 7 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised tax losses are applicable to a foreign subsidiary company which are pre-determined by the tax legislations of that country. Deferred tax asset in respect of foreign unutilised tax losses has not been recognised as it is not probable that future taxable profits will be available against which the unutilised foreign tax losses can be utilised.

10 INTANGIBLE ASSETS

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
At carrying amount:		
Goodwill on consolidation		
At 1 May	709,301	727,850
Deferred tax liabilities recognised	(1,091)	(517)
Impairment loss (Note 31)	(75,949)	(11,800)
Exchange differences	(1,071)	(6,232)
At 30 June/30 April	<u>631,190</u>	<u>709,301</u>
Dealership rights		
At 1 May	56,220	57,487
Exchange differences	(1,663)	(1,267)
At 30 June/30 April	<u>54,557</u>	<u>56,220</u>
Customer relationships		
At 1 May	2,431	2,813
Amortisation (Note 29)	(368)	(327)
Exchange differences	(67)	(55)
At 30 June/30 April	<u>1,996</u>	<u>2,431</u>
Other intangible asset		
At 1 May	964	-
Additions	16	1,049
Amortisation (Note 29)	(177)	(90)
Exchange differences	55	5
At 30 June/30 April	<u>858</u>	<u>964</u>
Total	<u><u>688,601</u></u>	<u><u>768,916</u></u>

10 INTANGIBLE ASSETS (CONT'D)

(a) Impairment test on goodwill, dealership rights and customer relationships

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Toto betting operations and leasing of lottery equipment	547,686	623,204
Motor dealership	71,545	74,842
Others	11,959	11,255
	631,190	709,301

Allocation of dealership rights and customer relationships and other intangible asset

Dealership rights and customer relationships are allocated solely to the Group's motor dealership operations. Other intangible asset is the capitalised software development costs that is allocated to the Group's manufacture and distribution of computerised wagering and voting systems operation.

(a) Impairment test on goodwill

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets covering five-year period (30.4.2018 : two-year four-month period to five-year period).

The key assumptions used for value-in-use calculations are:

- (i) Budgeted gross margin and growth rate
The basis used to determine the value assigned to the budgeted gross margin is the average gross margin and the expected future growth rate based on growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.
- (ii) Discount rates
The significant post-tax discount rates, applied to post-tax cash flows, used for the respective identified CGUs are in the range of 7.8% to 11.8% (30.4.2018 : 7.8% to 11.8%).
- (iii) 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% (30.4.2018 : 1.0% to 1.5%) of which 1.5% (30.4.2018 : 1.5%) has been applied to the Toto betting operations segment.

NOTES TO THE FINANCIAL STATEMENTS

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10 INTANGIBLE ASSETS (CONT'D)

(a) Impairment test on goodwill, dealership rights and customer relationships (Cont'd)

(a) Impairment test on goodwill (cont'd)

Sensitivity to changes in assumptions

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

The Group has fully impaired the goodwill amounting to RM75,949,000 of leasing of lottery equipment pursuant to the lease agreement in the Philippines ("ELA") during the current financial period as a result of the fair value assessment arising from BPI's disposal and deemed disposal of its equity interests in PGMC resulting in its loss of control in PGMC subsequent to the financial period as disclosed in Note 2.5(b)(i).

(b) Impairment test on dealership rights and customer relationships

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

The key assumptions used for value-in-use calculations are:

(i) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin and average growth rate achieved in the years before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

(ii) Discount rate

The significant post-tax discount rate, applied to post-tax cash flows, used for the identified CGUs is 11.8% (30.4.2018 : 11.8%).

(iii) Terminal growth rate

The terminal growth rate used for identified CGUs is estimated with reference to published research and does not exceed the long term growth rate for the country relevant to the CGUs. The applicable terminal growth rate used is 1.0% (30.4.2018 : 1.0%).

Sensitivity to changes in assumptions

The management believes that there are no reasonably possible change in any of the above key assumptions which would cause the carrying values of the dealership rights and customer relationships to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

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11 INVENTORIES

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At cost:		
Vehicles	318,917	282,747
Gaming equipment components and parts	412	1,287
Raw materials	27,822	12,695
Work-in-progress	1,202	3,110
Ticket inventories	3,328	4,541
Parts and consumables	4,326	15,253
Finished goods and inventories for resale	5,640	4,880
	361,647	324,513
At net realisable value:		
Vehicles	104,912	80,923
Parts and consumables	19,708	1,332
	486,267	406,768

The cost of inventories recognised as an expense during the financial period/year amounted to RM2,453,039,000 (30.4.2018 : RM2,044,707,000).

The carrying amounts of inventories pledged for vehicle stocking loans amounted to RM376,443,000 (30.4.2018 : RM331,767,000).

12 RECEIVABLES

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Trade receivables	201,367	160,863	-	-
Other receivables	42,995	149,233	76	-
Refundable deposits	10,351	6,486	725	725
Amounts due from associated companies	149,949	115,072	-	-
	404,662	431,654	801	725
Less : Allowance for doubtful debts				
- trade receivables	(3,703)	(1,589)	-	-
- other receivables	(200)	(207)	-	-
- Amount due from an associated company	(7,204)	-	-	-
	393,555	429,858	801	725
<u>Other current assets</u>				
Dividend receivable	-	-	70,889	64,138
Other receivables	8,608	15,678	-	-
Prepayments	56,472	43,433	37	78
	458,635	488,969	71,727	64,941

NOTES TO THE FINANCIAL STATEMENTS

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12 RECEIVABLES (CONT'D)

The Group's trade receivables are non-interest bearing with credit term ranging from 1 to 60 days (30.4.2018 : 1 to 60 days). Included in the trade receivables of the Group is an amount due from a related company of a foreign subsidiary of the Group amounting to RM86,603,000 (30.4.2018 : RM69,403,000). The amount due from this related company is unsecured and considered as a significant concentration of credit risk to the Group.

(a) Trade receivables

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Neither past due nor impaired	88,681	66,424
Past due but not impaired	108,983	92,850
Impaired	3,703	1,589
	<u>201,367</u>	<u>160,863</u>

Receivables that are neither past due nor impaired

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

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period/year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM108,983,000 (30.4.2018 : RM92,850,000) that are past due at the reporting date but not impaired as there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

Receivables that are impaired

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

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
<u>Individually impaired</u>		
Trade receivables - nominal amounts	3,703	1,589
Less: Allowance for impairment	(3,703)	(1,589)
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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12 RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Movement in allowance accounts

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	1,589	1,427
- Net charge for the financial period/year (Note 29)	2,163	352
- Written off during the financial period/year	-	(127)
- Exchange differences	(49)	(63)
At 30 June/30 April	3,703	1,589

The Group measures allowance for impairment losses of trade receivables based on lifetime ECL.

The expected credit losses on trade receivables are estimated by reference to historical loss experience of the trade receivables and an analysis of the trade receivable's current financial position, adjusted for forward looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or on an account-by-account basis. However, for certain sectors, the Group has established provision matrices to facilitate the measurement of the expected credit losses by applying provision rates based on the days past due of the trade receivable balances.

(b) Other receivables

Other receivables that are impaired

Included in the allowance for doubtful debts of other receivables are provision for individually impaired receivables which have been fully provided for as at the end of the reporting date.

Movement in allowance accounts

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	207	104
- Net charge for the financial period/year (Note 29)	-	105
- Written off during the financial period/year	(5)	-
- Exchange differences	(2)	(2)
At 30 June/30 April	200	207

(c) Amounts due from associated companies

Amounts due from associated companies of foreign subsidiary companies are unsecured, repayable on demand and non-interest bearing except for a total amount of RM113,952,000 (30.4.2018 : RM94,891,000) that is interest bearing. Out of the amount that is interest bearing, an amount of RM19,000,000 (30.4.2018 : RM16,000,000) is secured by shareholders' guarantee of the associated company and RM87,315,000 (30.4.2018 : RM82,234,000) represents advances made to foreign property investment venture companies.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

13 CONTRACT ASSETS / (CONTRACT LIABILITIES)

(a) Wagering and voting contracts

Contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings.

In the case of wagering and voting contracts, contract assets are the excess of cumulative revenue earned over cumulative billings to-date. Contract liabilities are recorded when the cumulative billings to-date exceeds the revenue recognised under the cost input method.

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
<u>Current:</u>		
<u>Contract assets</u>		
At 1 May	2,448	3,525
Add: Revenue recognised during the financial period/year	12,676	6,763
Less: Progress billings during the financial period/year	(6,771)	(7,168)
Exchange differences	246	(672)
At 30 June/30 April	8,599	2,448
<u>Current:</u>		
<u>Contract liabilities</u>		
At 1 May	(979)	(970)
Add: Deferred during the financial period/year	(278)	(238)
Less: Revenue recognised during the financial period/year	111	127
Exchange differences	(51)	102
At 30 June/30 April	(1,197)	(979)

(b) Deposits received from customers for sale of motor vehicles

Customer deposits received of which the motor vehicles production phase has commenced will be recorded as contract liabilities. Contract liabilities for sale of motor vehicles are recognised as revenue at point in time when the risks and rewards of the motor vehicles are transferred to the customers i.e. performance obligations satisfied.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

13 CONTRACT ASSETS / (CONTRACT LIABILITIES) (CONT'D)

(b) Deposits received from customers for sale of motor vehicles (Cont'd)

	<u>Group</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Current:</u>		
<u>Contract liabilities</u>		
At 1 May	(124,399)	(104,052)
Add: Deferred during the financial period/year	(151,095)	(124,399)
Less: Revenue recognised during the financial period/year	122,332	103,679
Exchange differences	2,064	373
At 30 June/30 April	<u>(151,098)</u>	<u>(124,399)</u>
Represented by:		
Contract assets	8,599	2,448
Contract liabilities	<u>(152,295)</u>	<u>(125,378)</u>
	<u>(143,696)</u>	<u>(122,930)</u>

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at financial period/year end are as follows:

	<u>Group</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>At end of financial period/year:</u>		
Within a year	<u>152,295</u>	<u>125,378</u>

Set out below is the amount of revenue recognised from:

	<u>Group</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
Amounts included in contract liabilities at the beginning of the financial period/year	<u>125,378</u>	<u>105,022</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

14 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
Amounts due from subsidiary companies	263,981	327,883
Less: Allowance for impairment	(253)	(169)
	263,728	327,714
Movement in allowance accounts:		
At 1 May	169	163
Charge for the financial period/year (Note 31)	84	6
At 30 June/30 April	253	169

Amounts due from subsidiary companies are unsecured, interest bearing and repayable on demand except for an amount of RM346,000 (30.4.2018 : RM249,000) which is non-interest bearing.

15 DEPOSITS WITH FINANCIAL INSTITUTIONS, CASH AND BANK BALANCES

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with financial institutions	276,839	290,030	7,000	66,400
Cash and bank balances	145,546	128,149	2,588	3,399
	422,385	418,179	9,588	69,799
Fixed deposits with financial institutions comprise term deposits with:				
- Licensed banks	274,203	271,292	7,000	66,400
- Other financial institutions	2,636	18,738	-	-
	276,839	290,030	7,000	66,400

Included in the Group's deposits with financial institutions are deposits of RM2,834,000 (30.4.2018 : RM2,907,000) which are pledged to banks for facilities granted to subsidiary companies.

The weighted average effective interest rates per annum of deposits at the reporting date were as follows:

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
Licensed banks	3.17%	3.36%	2.85%	3.15%
Other financial institutions	-	1.88%	-	-
Other financial institutions (restricted for use)	0.90%	0.90%	-	-

The average maturities of deposits as at the end of the financial period/year were as follows:

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
Licensed banks	11 days	7 days	3 days	2 days
Other financial institutions	-	26 days	-	-
Other financial institutions (restricted for use)	365 days	365 days	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

16 DISPOSAL GROUP/NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

Included in the disposal group/non-current asset classified as held for sale on the consolidated statement of financial position as at 30 June 2019 were:

- (a) the assets and liabilities of PGMC. The disposal and deemed disposal were completed subsequent to the financial period end as disclosed in Note 46. The operation of PGMC is deemed as "discontinued operation" in the current financial period in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations and accordingly, its results are presented separately on the statements of profit or loss as "results from discontinued operation"; and
- (b) an investment property with the carrying amount of RM21,749,000. The foreign subsidiary entered into an agreement to dispose of the investment property during the financial period and the disposal was completed subsequent to the financial reporting date.

The details of assets and liabilities classified as disposal group and non-current asset held for sale were as follows:

	Group	
	Carrying value as at	
	30.6.2019	30.4.2018
Assets		
Property, plant and equipment (Note 3)	2,527	-
Deferred tax asset (Note 9)	1,120	-
Inventories	1,956	-
Receivables	11,773	-
Cash and bank balances	9,955	-
	27,331	-
Non-current asset classified as held for sale		
Investment property (Note 8)	21,749	-
Assets of disposal group/Non-current asset held for sale	49,080	-
	Group	
	Carrying value as at	
	30.6.2019	30.4.2018
Liabilities		
Payables	3,900	-
Retirement benefit obligation (Note 21)	2,403	-
Tax payable	608	-
Provision for legal claims (Note 23)	5,182	-
Liabilities of disposal group classified as held for sale	12,093	-
Cash and cash equivalents		
Cash and bank balances, representing cash and cash equivalents of the disposal group classified as held for sale	9,955	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

16 DISPOSAL GROUP/NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE (CONT'D)

The results of PGMC, which is deemed as "discontinued operation", for the financial period/year ended 30 June 2019 and 30 April 2018 are as follows:

	Group	
	14 months to 30.6.2019	12 months to 30.4.2018
Revenue	113,734	132,398
General and administrative expenses	(62,947)	(68,645)
Profit before other income and expenses	50,787	63,753
Investment related expenses	(75,949)	(11,800)
Other income	186	97
	(24,976)	52,050
Finance costs	(148)	(267)
(Loss)/profit before tax of discontinued operation	(25,124)	51,783
Taxation	(15,578)	(18,766)
(Loss)/profit for the financial period/year from discontinued operation	(40,702)	33,017
The cash flows attributable to discontinued operation are as follows:		
Net cash generated from/(used in):		
Operating activities	28,636	50,463
Investing activities	81	(1)
Financing activities	(148)	(267)
	28,569	50,195

17 SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	30.6.2019 Units '000	30.4.2018 Units '000	30.6.2019 RM'000	30.4.2018 RM'000
Issued:				
At beginning/end of the financial period/year	1,351,030	1,351,030	135,103	135,103

The number of issued shares with voting rights as at 30 June/30 April are as follows:

	Number of ordinary shares	
	30.6.2019 Units '000	30.4.2018 Units '000
Total number of issued ordinary shares	1,351,030	1,351,030
Less : Ordinary shares held as treasury shares (Note 20)	(4,030)	(4,030)
	1,347,000	1,347,000

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

17 SHARE CAPITAL (CONT'D)

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 ordinary shares (other than treasury shares) rank equally with regard to the Company's residual assets.

18 RESERVES

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Capital reserve (Note a)	285,306	285,306
Revaluation reserve (Note b)	-	2,147
Reserve of disposal asset classified as held for sale (Note b)	2,147	-
Consolidation reserve (Note c)	(59,397)	(58,870)
Exchange reserve (Note d)	80,140	49,227
Available-for-sale ("AFS") reserve (Note e)	-	12,264
Fair value through other comprehensive income ("FVTOCI") reserve (Note f)	(31,205)	-
	<u>276,991</u>	<u>290,074</u>

- (a) The capital reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.
- (b) The revaluation reserve arose from fair value adjustment (net of tax effect) relating to transfer of property, plant and equipment to investment property in accordance with MFRS 116 : Property, Plant and Equipment during the last financial year as disclosed in Notes 3 and 8. This reserve is transferred to reserve of disposal asset classified as held for sale at the reporting date in correspondence with its non-current asset classified as held for sale as disclosed in Note 16(b).
- (c) The consolidation reserve comprises the consolidation effects of changes in the Group's equity interests in subsidiary companies which do not result in loss of control.

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	(58,870)	(57,822)
Arising from increase in equity interest in a subsidiary company	(527)	(1,048)
At 30 June/30 April	<u>(59,397)</u>	<u>(58,870)</u>

- (d) Exchange reserve

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	49,227	123,301
Currency exchange differences	30,913	(74,074)
At 30 June/30 April	<u>80,140</u>	<u>49,227</u>

NOTES TO THE FINANCIAL STATEMENTS

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18 RESERVES (CONT'D)

(e) AFS reserve

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	12,264	3,759
Loss on fair value changes through comprehensive income	-	(10,433)
Transfer to profit or loss upon disposal/derecognition	-	3,575
Transfer to profit or loss upon impairment	-	15,363
Transfer to FVTOCI reserve upon adoption of MFRS 9 (Note 2.3(c))	(12,264)	-
At 30 June/30 April	-	12,264

The AFS reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed or impaired prior to adoption of MFRS 9. Upon initial adoption of MFRS 9 on 1 May 2018, the balance of RM12,264,000 was transferred to FVTOCI reserve.

(f) FVTOCI reserve

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At 1 May	-	-
Effect of adoption of MFRS 9 (Note 2.3(c))	(20,070)	-
Loss on fair value changes through other comprehensive income	(12,344)	-
Transfer to equity upon disposal/derecognition	1,209	-
At 30 June/30 April	(31,205)	-

The FVTOCI reserve represents the cumulative fair value changes of FVTOCI financial assets until they are disposed of or impaired.

19 RETAINED EARNINGS

The entire retained earnings of the Company, subject to Section 131 of the Companies Act 2016 and the implied reduction effect of treasury shares balance, is available for distribution as single tier dividends.

NOTES TO THE FINANCIAL STATEMENTS

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20 TREASURY SHARES

	Group and Company			
	Number of shares		Amount	
	30.6.2019 Units '000	30.4.2018 Units '000	30.6.2019 RM'000	30.4.2018 RM'000
At 1 May	4,030	3,058	12,320	10,061
Shares bought back during the financial period/year	-	972	-	2,259
At 30 June/30 April	4,030	4,030	12,320	12,320

The renewal of the Company's plan and mandate relating to the share buyback was approved by the shareholders of the Company on 12 October 2018 granting the directors of the Company the authority to buyback its own shares up to 10% of the existing total issued number of issued shares, inclusive of all treasury shares that have been bought back.

21 RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
At 1 May	(1,732)	3,231
Recognised in statement of profit or loss	2,044	697
Recognised in statement of other comprehensive income	1,002	(3,534)
Employer's contribution	(1,385)	(1,701)
Transfer to disposal group (Note 16)	(2,403)	-
Exchange differences	220	(425)
At 30 June/30 April	(2,254)	(1,732)
Presented after appropriate offsetting as follows:		
Retirement benefit assets	(2,667)	(3,506)
Retirement benefit obligations	413	1,774
	(2,254)	(1,732)

The foreign subsidiary companies maintained separate funded and unfunded retirement plans for its eligible employees. Actuarial valuations are made regularly to update the retirement benefit costs.

NOTES TO THE FINANCIAL STATEMENTS

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21 RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

The amounts of retirement benefit obligation recognised in the consolidated statement of financial position are determined as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Present value of retirement benefit obligation	72,563	73,321
Fair value of plan assets	(74,817)	(75,053)
Surplus in plan assets	<u>(2,254)</u>	<u>(1,732)</u>

The movements in present value of the retirement benefit obligation recognised are as follows:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning of year	73,321	80,711
Current service cost and interest cost	3,101	2,784
Actuarial (gain)/loss	5,069	(2,930)
Benefits paid by the plan	(4,167)	(1,656)
Past service costs	1,277	-
Liabilities extinguished on settlements	-	(3,357)
Transfer to disposal group (Note 16)	(4,067)	-
Exchange differences	(1,971)	(2,231)
At end of financial period/year	<u>72,563</u>	<u>73,321</u>

The movements in fair value of plan assets are presented below:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
At beginning of financial year	75,053	77,480
Interest income	2,334	2,047
Return on plan assets	4,067	604
Employer's contribution	1,385	1,701
Benefits paid by the plan	(4,167)	(1,656)
Assets distributed on settlements	-	(3,317)
Transfer to disposal group (Note 16)	(1,664)	-
Exchange differences	(2,191)	(1,806)
At end of financial period/year	<u>74,817</u>	<u>75,053</u>

NOTES TO THE FINANCIAL STATEMENTS

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21 RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

The plan assets consist of the following:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Fixed income assets	74,599	74,717
Cash in bank	218	336
	74,817	75,053

The components of amounts recognised in the consolidated profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

(i) Reported in the consolidated statement of profit or loss:

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Current service costs (net of gain on settlements) recognised in directors' remuneration and employee benefit expenses (Notes 29 and 29(b))		
<u>Current service costs</u>		
- continuing operations	523	374
- discontinued operation	225	222
	748	596
<u>Past service costs</u>		
- continuing operations	1,277	-
	2,025	596
Net interest costs (Note 33)		
- continuing operations	(100)	(25)
- discontinued operation	119	126
	19	101
Retirement benefits recognised in profit or loss	2,044	697

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

21 RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

(ii) Reported in the consolidated statement of other comprehensive income:

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Remeasurement (losses)/gain arising from:		
Actuarial changes in financial assumptions	(5,569)	2,648
Actuarial changes in demographic assumptions	572	382
Return on plan assets	4,067	604
Experience adjustments arising from defined benefit obligations	(72)	(100)
Actuarial (loss)/gain recognised in other comprehensive income	(1,002)	3,534
Deferred tax benefit/(expense)		
- Continuing operations	20	(633)
- Discontinued operation	134	(126)
	154	(759)
	(848)	2,775
Attributable to:		
Owners of the parent *		
- Continuing operations	(472)	2,175
- Discontinued operation	(277)	259
	(749)	2,434
Non-controlling interests	(99)	341
	(848)	2,775

* Recognised in the consolidated retained earnings through other comprehensive income.

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 are included within items that would not be subsequently reclassified to profit or loss.

Presented below is the historical information related to the present value of the retirement benefit obligation, fair value of plan assets and (surplus)/deficit in the plan.

	30.6.2019 RM'000	30.4.2018 RM'000	30.4.2017 RM'000	30.4.2016 RM'000	30.4.2015 RM'000
Present value					
of the obligation	72,563	73,321	80,711	70,183	71,452
Fair value of the plan assets	(74,817)	(75,053)	(77,480)	(66,798)	(67,634)
(Surplus)/deficit in the plan	(2,254)	(1,732)	3,231	3,385	3,818

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

21 RETIREMENT BENEFIT (ASSETS)/OBLIGATIONS (CONT'D)

For the determination of retirement benefit obligation, the following actuarial assumptions were used:

	30.6.2019	30.4.2018
Discount rate	2.30%-6.09%	2.70%-6.84%

Sensitivity analysis for retirement benefit obligation

The management is of the view that any change in the assumptions will not have significant impact to the Group.

22 LONG TERM BORROWINGS

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Secured:		
At carrying value:		
Medium term notes ("MTN") (Note a)		
Maturities of MTN:		
- Within one year after reporting date	60,000	300,000
- Later than one year but not later than two years	25,000	400,000
- More than two years but not later than five years	394,678	100,000
- More than five years	319,188	-
	798,866	800,000
Portion repayable within 12 months included under short term borrowings (Note 24)	(60,000)	(300,000)
	738,866	500,000
Total term loans and revolving promissory note line (Note b)		
Maturities of total term loans and revolving promissory note line:		
- Within one year after reporting date	19,756	12,552
- Later than one year but not later than two years	8,219	12,552
- More than two years but not later than five years	7,631	17,863
	35,606	42,967
Portion repayable within 12 months included under short term borrowings (Note 24)	(19,756)	(12,552)
	15,850	30,415
Total long term borrowings	754,716	530,415

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

22 LONG TERM BORROWINGS (CONT'D)

	Maturity	Group	
		30.6.2019 RM'000	30.4.2018 RM'000
The MTN shall mature and be redeemed in the following years:			
4.30% p.a. fixed rate MTN	June 2018	-	50,000
4.47% p.a. fixed rate MTN	June 2018	-	30,000
4.73% p.a. fixed rate MTN	June 2018	-	95,000
4.40% p.a. fixed rate MTN	July 2018	-	125,000
4.82% p.a. fixed rate MTN	June 2019	-	200,000
4.53% p.a. fixed rate MTN	June 2019	-	55,000
4.88% p.a. fixed rate MTN	July 2019	-	145,000
4.65% p.a. fixed rate MTN	June 2020	60,000	60,000
4.75% p.a. fixed rate MTN	June 2021 *	25,000	-
4.90% p.a. fixed rate MTN	September 2021	30,000	-
4.95% p.a. fixed rate MTN	June 2022 *	80,000	-
4.82% p.a. fixed rate MTN	June 2022	40,000	40,000
4.95% p.a. fixed rate MTN	June 2022	115,000	-
4.90% p.a. fixed rate MTN	June 2022 *	65,000	-
5.14% p.a. fixed rate MTN	January 2024	25,000	-
5.05% p.a. fixed rate MTN	June 2024 *	40,000	-
5.25% p.a. fixed rate MTN	June 2026	140,000	-
5.45% p.a. fixed rate MTN	June 2028 *	55,000	-
5.55% p.a. fixed rate MTN	June 2029 *	125,000	-
		<u>800,000</u>	<u>800,000</u>

- (a) The medium term notes programme of up to RM800.0 million in nominal value was established by a wholly-owned subsidiary, Sports Toto Malaysia Sdn Bhd ("STM"). As at 30 June 2019, total medium term notes amounting to RM800.0 million (30.4.2018 : RM800.0 million) in nominal value remain outstanding.

The medium term notes are secured by:

- (i) a third party first equitable charge over the entire issued share capital of a subsidiary company which is the issuer as disclosed in Note 4; and
- (ii) corporate guarantee provided by the Company.

- * At the reporting date STM has secured and executed the subscription agreements for the new issuance from the 15-year Medium Term Notes Programme ("MTN") to refinance the total MTNs amount of RM390.0 million which were due in July 2019. As such, the repayment terms of these new MTNs issuance are reflected in the note above.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

22 LONG TERM BORROWINGS (CONT'D)

(b) The term loans obtained by foreign subsidiary companies are secured by:

- (i) a hotel building of the Group as disclosed in Note 3;
- (ii) an investment property of the Group as disclosed in Note 8; and
- (iii) parcels of land owned by a foreign associated company of the Group.

The term loan of a foreign subsidiary company amounting to RM13,278,000 (30.4.2018 : RM12,552,000) was secured by an investment property of the Group. That investment property was presented as non-current asset classified as held for sale during the financial period. It has been discharged as collateral of the term loan subsequent to the financial reporting period following the completion of its disposal as disclosed in Notes 8 and 16(b).

23 OTHER LONG TERM LIABILITIES

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Hire purchase payables (Note a)	703	1,101	253	386
Loan from a related party of a foreign subsidiary company (Note b)	1,318	1,359	-	-
Provision for legal claims (Note c)	-	4,857	-	-
	<u>2,021</u>	<u>7,317</u>	<u>253</u>	<u>386</u>

(a) Hire purchase payables

Future minimum lease payments for hire purchase payables are summarised as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Gross amount payable:				
Within one year after reporting date	512	728	135	241
More than one year but not later than two years	355	512	132	143
More than two years but not later than five years	421	728	146	300
	<u>1,288</u>	<u>1,968</u>	<u>413</u>	<u>684</u>
Less: Unexpired interests	(151)	(258)	(51)	(98)
	<u>1,137</u>	<u>1,710</u>	<u>362</u>	<u>586</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

23 OTHER LONG TERM LIABILITIES (CONT'D)

(a) Hire purchase payables (Cont'd)

The present value of hire purchase payables are summarised as follows:

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Within one year after reporting date	434	609	109	200
More than one year				
but not later than two years	308	437	115	115
More than two years				
but not later than five years	395	664	138	271
	<u>1,137</u>	<u>1,710</u>	<u>362</u>	<u>586</u>
Less : Amount payable				
within 12 months (Note 26)	(434)	(609)	(109)	(200)
Amount payable after 12 months	<u>703</u>	<u>1,101</u>	<u>253</u>	<u>386</u>

(b) The loan from a related party of a subsidiary company is unsecured, interest bearing and repayable after 12 months from the reporting date.

(c) The provision for legal claims is related to discontinued operation and was transferred to disposal group classified as held for sale at the reporting date as disclosed in Note 16.

24 SHORT TERM BORROWINGS

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Secured:		
Term loans (Note 22)	13,278	12,552
Revolving promissory note line (Note 22)	6,478	-
Vehicle stocking loans	286,401	313,704
Medium term notes (Note 22)	60,000	300,000
	<u>366,157</u>	<u>626,256</u>

The vehicle stocking loans of RM286,401,000 (30.4.2018 : RM313,704,000) obtained by foreign subsidiary companies are secured by fixed and floating charges on certain vehicle inventories held.

The range of interest rates per annum at the reporting date for borrowings was as follows:

	Group	
	30.6.2019 %	30.4.2018 %
Secured:		
Term loans	3.25 - 6.50	3.00 - 4.00
Revolving promissory note line	6.75	-
Vehicle stocking loans	2.80 - 4.75	2.75 - 4.75
Medium term notes	4.65 - 5.25	4.30 - 4.88

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

25 PROVISIONS

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
		(Restated)
Sales warranty		
At 1 May	1,712	1,366
(Reversal)/additional provision during the financial period/year (Note 29)	(864)	571
Utilised during the financial period/year	(66)	(59)
Exchange differences	18	(166)
At 30 June/30 April	800	1,712
Restoration costs		
At beginning/end of the financial period/year	971	971
Total	1,771	2,683

(a) Sales warranty

A foreign subsidiary provides 3 to 12 months (30.4.2018 : 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.

(b) Dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration is the estimated cost of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition and use of such assets, which are capitalised and included in the cost of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

26 PAYABLES

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Trade payables	158,249	127,188	-	-
Other payables	25,182	11,578	109	12
Accruals	221,989	211,031	817	733
Agency deposits	37,373	37,750	-	-
Hire purchase payable within 12 months (Note 23)	434	609	109	200
	443,227	388,156	1,035	945
<u>Other current liabilities</u>				
Pool betting duty and other duties payable	31,883	29,510	-	6
Dividend payables	60,661	53,926	60,632	53,897
Other payables	26,627	32,887	-	-
Deferred income	4,734	4,126	-	-
	567,132	508,605	61,667	54,848

Included in accruals of the Group are accrued contribution to the National Sports Council and accrual for gaming tax payable to the Ministry of Finance.

Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

The normal trade credit terms granted to the Group ranges from 1 to 184 days (30.4.2018 : 1 to 184 days).

27 AMOUNTS DUE TO SUBSIDIARY COMPANIES

	Company	
	30.6.2019	30.4.2018
	RM'000	RM'000
Amounts due to subsidiary companies	934,457	896,869
Less : Amount payable within 12 months	(236,979)	(381,912)
Amount payable after 12 months	697,478	514,957

Amounts due to subsidiary companies are unsecured and interest bearing except for an amount of RM2,621,000 (30.4.2018 : RM2,634,000) which is non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

28 REVENUE

Revenue of the Group and the Company are analysed into significant categories as follows and the intra-group transactions are excluded:

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000 (Restated)	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
<u>Revenue from contract with customers:</u>				
Management fee income	-	-	350	300
Toto betting income	3,643,071	3,119,563	-	-
Sale of motor vehicles, charges for aftersales, insurance, repair and maintenance services rendered	2,841,502	2,341,470	-	-
Sale of lottery, voting systems and spare parts and licensing fee	73,914	53,025	-	-
Income from supply of goods and services from hotel operations	11,600	10,429	-	-
Income from health and fitness centre operation	2,566	2,333	-	-
	6,572,653	5,526,820	350	300
<u>Other revenue:</u>				
Leasing of lottery equipment income	113,734	132,398	-	-
Dividend income	-	-	259,927	296,497
Lease income and service charges from investment properties (Note 29)	7,002	6,113	-	-
	6,693,389	5,665,331	260,277	296,797
Less: Revenue from discontinued operation				
<u>Other revenue:</u>				
Leasing of lottery equipment income	(113,734)	(132,398)	-	-
Revenue from continuing operations	6,579,655	5,532,933	260,277	296,797
Timing of revenue recognition:				
- at point in time	6,398,805	5,393,246	-	-
- over time	173,848	133,574	350	300
	6,572,653	5,526,820	350	300

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

29 PROFIT BEFORE OTHER INCOME AND EXPENSES

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Profit before other income and expenses is stated after charging:				
Auditors' remuneration				
- Statutory audit:				
- auditors of the Company				
- current financial period/year	349	332	117	108
- underprovision in previous financial years	21	21	9	4
- other auditors (other than Ernst & Young)				
- current financial period/year				
- continuing operations	1,001	711	-	-
- discontinued operation	33	34	-	-
- Over provision in previous financial years	-	(103)	-	-
- Other services				
- auditors of the Company	7	7	7	7
Amortisation of intangible assets (Note 10)	545	417	-	-
Depreciation of				
property, plant and equipment				
- continuing operations	34,282	32,222	508	363
- discontinued operation	1,648	1,493	-	-
Directors' remuneration:				
- fees				
- continuing operations	1,286	1,162	214	225
- discontinued operation	133	137	-	-
- Salaries, bonuses and other emoluments	37,603	33,591	1,251	1,028
- defined contribution plans	4,073	3,976	83	78
- defined benefit plans (Note 21(i))	304	258	-	-
Operating lease:				
- minimum lease payments of premises	45,642	39,094	3,520	3,016
- minimum lease payments of equipment	1,855	1,588	8	9
Contribution to National Sports Council	50,366	40,338	-	-
Allowance for impairment				
- trade receivables (Note 12(a))	2,163	352	-	-
- other receivables (Note 12(b))	-	105	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONT'D)

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Profit before other income and expenses is stated after charging (Cont'd):				
Loss on disposal of property, plant and equipment	471	245	-	-
Realised loss on foreign exchange				
- continuing operations	184	994	-	-
- discontinued operation	-	3	-	-
Unrealised loss/(gain) on foreign exchange				
- continuing operations	1,995	(3,935)	-	-
- discontinued operation	(51)	2	-	-
Provision for sales warranty (Note 25)	-	571	-	-
Inventories written down	2,489	296	-	-
Direct operating expenses of investment properties:				
- revenue generating	3,317	2,765	-	-
- non-revenue generating	213	180	-	-
Property, plant and equipment written off:				
- included in general and administrative expenses	238	195	-	3
Employee benefit expenses (Note b): (excluding directors)	295,264	242,332	5,507	4,793
Profit before other income and expenses is stated after crediting:				
Gain on disposal of property, plant and equipment				
- continuing operations	140	97	130	-
- discontinued operation	63	-	-	-
Reversal of provision for sales warranty (Note 25)	864	-	-	-
Lease income and service charges				
- included in revenue (Note 28)	7,002	6,113	-	-
- included in other income (Note 32)	2,296	1,203	-	-

The estimated monetary value of benefits-in-kind received by the directors were RM97,000 (30.4.2018 : RM127,000) for the Group and RM25,000 (30.4.2018 : RM43,000) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONT'D)

(a) 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 period/year received are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>14 months</u> <u>to</u> <u>30.6.2019</u> <u>RM'000</u>	<u>12 months</u> <u>to</u> <u>30.4.2018</u> <u>RM'000</u>	<u>14 months</u> <u>to</u> <u>30.6.2019</u> <u>RM'000</u>	<u>12 months</u> <u>to</u> <u>30.4.2018</u> <u>RM'000</u>
<u>Directors of the Company</u>				
<u>Executive directors</u>				
Fees	62	64	-	-
Salaries, bonuses and other emoluments	3,848	7,866	-	-
Benefits-in-kind	45	72	-	-
<u>Non-Executive directors</u>				
Fees	214	225	214	225
Salaries, bonuses and other emoluments	1,334	1,106	1,334	1,106
Benefits-in-kind	25	43	25	43
	<u>5,528</u>	<u>9,376</u>	<u>1,573</u>	<u>1,374</u>
<u>Other directors of the Group</u>				
Fees	1,143	1,010	-	-
Salaries, bonuses and other emoluments	36,798	28,853	-	-
Benefits-in-kind	27	12	-	-
	<u>37,968</u>	<u>29,875</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

29 PROFIT BEFORE OTHER INCOME AND EXPENSES (CONT'D)

(b) Employee benefit expenses

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Continuing operations:				
Wages, salaries and other allowances	243,859	201,675	4,387	3,796
Social security costs and employee insurance	19,434	16,116	194	123
Bonuses	10,050	8,631	386	390
Pension costs				
- defined contribution plans	12,667	8,951	540	484
- defined benefit plans (Note 21(i))	1,496	116	-	-
Short term compensated absences	(113)	(52)	-	-
	<u>287,393</u>	<u>235,437</u>	<u>5,507</u>	<u>4,793</u>
Discontinued operation:				
Wages, salaries and other allowances	6,562	5,847	-	-
Social security costs and employee insurance	137	115	-	-
Bonuses	947	711	-	-
Pension costs				
- defined benefit plans (Note 21(i))	225	222	-	-
	<u>7,871</u>	<u>6,895</u>	<u>-</u>	<u>-</u>
Total employee benefit expenses	<u>295,264</u>	<u>242,332</u>	<u>5,507</u>	<u>4,793</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

30 INVESTMENT RELATED INCOME

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Dividend income from investments	3,357	1,886	-	-
Fair value gain on investments quoted in Malaysia	652	-	-	-
Fair value adjustments of investment properties (Note 8)	-	1,175	-	-
Net reversal of impairment in value of investment in subsidiary companies (Note 4)	-	-	-	54,709
	<u>4,009</u>	<u>3,061</u>	<u>-</u>	<u>54,709</u>

31 INVESTMENT RELATED EXPENSES

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Continuing operations:				
Impairment in value of investment in subsidiary companies (Note 4)	-	-	352,420	-
Impairment in value of unquoted long term investments (Note 7)	113	-	113	-
Impairment in value of available-for-sale investments (Note 7)	-	17,493	-	-
Impairment in value of amounts due from subsidiary companies (Note 14)	-	-	84	6
Net fair value adjustments of investment properties (Note 8)	2,030	-	-	-
Net fair value loss on available-for-sale investments transferred from equity upon disposal	-	4,140	-	-
Net impairment in value of investment in associated companies (Note 5)	5,356	-	2,467	4,952
Impairment in value of amount due from an associated company	7,204	-	-	-
	<u>14,703</u>	<u>21,633</u>	<u>355,084</u>	<u>4,958</u>
Discontinued operation:				
Impairment of goodwill (Note 10)	75,949	11,800	-	-
	<u>90,652</u>	<u>33,433</u>	<u>355,084</u>	<u>4,958</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

32 OTHER INCOME

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Continuing operations				
Other income comprise:				
Interest income:				
- deposits with financial institutions	11,378	10,976	558	461
- advances to subsidiary companies	-	-	25,603	19,811
- others	10,682	10,107	-	-
Others:				
- operating lease income (Note 29)	2,296	1,203	-	-
- miscellaneous	8,813	4,488	-	-
	<u>33,169</u>	<u>26,774</u>	<u>26,161</u>	<u>20,272</u>
Discontinued operation				
- deposits with financial institutions	177	82	-	-
- others	9	15	-	-
	<u>33,355</u>	<u>26,871</u>	<u>26,161</u>	<u>20,272</u>

33 FINANCE COSTS

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Continuing operations				
Interest on:				
- advances from a subsidiary company	-	-	46,305	39,135
- term loans	1,896	2,014	-	-
- medium term notes	43,484	37,433	-	-
- hire purchase	137	139	47	38
- vehicle stocking loans	12,821	10,150	-	-
- defined benefit pension scheme (Note 21(i))	(100)	(25)	-	-
- revolving credits	453	-	-	-
Other finance charges	476	997	312	803
	<u>59,167</u>	<u>50,708</u>	<u>46,664</u>	<u>39,976</u>
Discontinued operation				
- term loans	29	141	-	-
- defined benefit pension scheme (Note 21(i))	119	126	-	-
	<u>59,315</u>	<u>50,975</u>	<u>46,664</u>	<u>39,976</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

34 TAXATION

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Continuing operations				
Current financial period/year tax expense:				
Malaysian income tax	127,585	104,110	1,197	-
Foreign tax	14,527	9,378	-	-
	142,112	113,488	1,197	-
Underprovision in prior financial years:				
Malaysian income tax	4,186	160	2,858	-
Foreign tax	-	1,117	-	-
	4,186	1,277	2,858	-
	146,298	114,765	4,055	-
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences				
	2,423	6,843	-	-
	148,721	121,608	4,055	-
Discontinued operation				
Current financial period/year tax expense - foreign tax				
	15,606	18,748	-	-
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences				
	(28)	18	-	-
	15,578	18,766	-	-
	164,299	140,374	4,055	-

Domestic current income tax is calculated at the statutory tax rate of 24% (30.4.2018 : 24%) of the estimated assessable profit for the financial period/year. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

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34 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 rate of the Group and the Company is as follows:

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Profit/(loss) before tax				
- Continuing operations	419,386	330,075	(134,820)	310,306
- Discontinued operation	(25,124)	51,783	-	-
	<u>394,262</u>	<u>381,858</u>	<u>(134,820)</u>	<u>310,306</u>
Tax at Malaysian statutory tax rate of 24% (30.4.2018 : 24%)	94,623	91,646	(32,357)	74,473
Different tax rates in the foreign subsidiary companies	721	2,789	-	-
Expenses not deductible for tax purposes	67,232	44,350	100,180	12,517
Income not subject to tax	(5,324)	(5,201)	(66,626)	(87,574)
Effect of share of associated companies' results	2,437	1,693	-	-
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(14)	(39)	-	-
Deferred tax assets not recognised in respect of current financial period/year's tax losses and unabsorbed capital allowances	438	3,859	-	584
Underprovision of tax expense in prior financial years	4,186	1,277	2,858	-
Tax expense for the financial period/year	<u>164,299</u>	<u>140,374</u>	<u>4,055</u>	<u>-</u>
Analysed as follows:				
- Continuing operations	148,721	121,608	4,055	-
- Discontinued operation	15,578	18,766	-	-
	<u>164,299</u>	<u>140,374</u>	<u>4,055</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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35 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit/(loss) for the financial period/year attributable to owners of the parent by the weighted average number of ordinary shares with voting rights in issue during the financial period/year excluding treasury shares held by the Company as follows:

	Group	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Attributable to owners of the parent:		
- Profit from continuing operations	268,023	205,126
- (Loss)/profit from discontinued operation	(41,175)	28,072
	<u>226,848</u>	<u>233,198</u>
Weighted average number of shares with voting rights outstanding ('000)	<u>1,347,000</u>	<u>1,347,210</u>
Basic earnings per share (sen) for:		
Profit from continuing operations	19.90	15.23
(Loss)/profit from discontinued operation	(3.06)	2.08
	<u>16.84</u>	<u>17.31</u>

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares during the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS

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36 DIVIDENDS PER SHARE

	Company			
	14 months to 30.6.2019		12 months to 30.4.2018	
	Dividends per share Sen	Amount of dividend RM'000	Dividends per share Sen	Amount of dividend RM'000
Recognised during the financial period/year:				
<u>In respect of preceding financial year</u>				
- 4th interim - 4 sen single tier per share approved in respect of financial year ended 30 April 2018 (30.4.2018 : 3 sen single tier per share)	4.00	53,880	3.00	40,439
<u>In respect of current financial period/year</u>				
- 1st interim - 4 sen single tier per share (30.4.2018 : 4 sen single tier per share)	4.00	53,880	4.00	53,880
- 2nd interim - 4 sen single tier per share (30.4.2018 : 4 sen single tier per share)	4.00	53,880	4.00	53,880
- 3rd interim - 3.5 sen single tier per share (30.4.2018 : 4 sen single tier per share)	3.50	47,145	4.00	53,880
- 4th interim - 4.5 sen single tier per share (30.4.2018 : 4 sen single tier per share)	4.50	60,615	-	-
		<u>269,400</u>		<u>202,079</u>

37 FINANCIAL GUARANTEE

The financial guarantees provided to financiers for subsidiary and related companies are no longer disclosed as contingent liabilities but would instead be accounted as financial liabilities if considered likely to crystallise. For the current financial period, the Group and the Company have assessed the financial guarantee contracts and determined that the guarantees are not likely to be called upon by the banks.

38 CAPITAL AND LEASE COMMITMENTS

(a) Capital commitments

	Group		Company	
	30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Capital expenditures:				
- Approved and contracted for	273,561	6,869	-	-
- Approved but not contracted for	13,314	12,071	-	-
	<u>286,875</u>	<u>18,940</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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38 CAPITAL AND LEASE COMMITMENTS (CONT'D)

(b) Non-cancellable operating lease commitments - Group and Company as lessees

	Group		Company	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
Future minimum lease payable:				
Not later than one year	40,046	32,237	3,941	2,636
Later than one year but not later than five years	118,998	88,957	1,969	2
Later than five years	157,444	86,976	-	-
	<u>316,488</u>	<u>208,170</u>	<u>5,910</u>	<u>2,638</u>

The Group and the Company entered into operating leases which represent lease payable for the use of premises, vehicles and plant and equipment.

The minimum lease payments recognised in profit or loss during the financial period/year are disclosed in Note 29.

The capital and operating lease commitments for disposal group classified as held for sale are excluded.

(c) Non-cancellable operating lease commitments - Group as lessors

	Group	
	30.6.2019	30.4.2018
	RM'000	RM'000
Future minimum lease income receivable:		
Not later than one year	5,828	5,974
Later than one year but not later than five years	10,471	11,979
Later than five years	-	1,969
	<u>16,299</u>	<u>19,922</u>

The Group entered into commercial property leases on its investment properties portfolio consisting of premises and office space.

A foreign subsidiary company had 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 period/year as disclosed in Note 28. The foreign subsidiary company is classified as disposal group held for sale at the reporting date as disclosed in Notes 16(a) and 46, and became an associated company of the Group upon completed of the disposal subsequent to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

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39 SIGNIFICANT RELATED PARTY DISCLOSURES

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Interest income from				
- Berjaya Sports Toto (Cayman) Limited - (a)	-	-	17,683	13,687
- Magna Mahsuri Sdn Bhd - (a)	-	-	6,977	5,403
- FEAB Properties Sdn Bhd - (a)	-	-	927	704
Interest expense to				
- Sports Toto Malaysia Sdn Bhd - (a)	-	-	(46,305)	(39,135)
Procurement of Toto betting rolls, slips and other printing services from				
- Graphic Press Group Sdn Bhd - (c)	(6,193)	(12,814)	(6)	(5)
- Berjaya Paper Trading Sdn Bhd - (c)	(6,938)	(122)	-	-
(Advances to/repayment to)/repayment from				
- Sports Toto Malaysia Sdn Bhd - (a)	-	-	(8,703)	(17,558)
- FEAB Properties Sdn Bhd - (a)	-	-	(1,448)	(1,530)
- Magna Mahsuri Sdn Bhd - (a)	-	-	(18,015)	(11,729)
- Berjaya Sports Toto (Cayman) Limited - (a)	-	-	1,102	(8,750)
Management fees for services rendered by				
- Berjaya Corporation Berhad - (b)	(840)	(720)	(840)	(720)
Security guard service charges by				
- Berjaya Guard Services Sdn Bhd - (c)	(5,190)	(4,420)	-	-
Lease charges by				
- Nada Embun Sdn Bhd - (c)	(2,181)	(1,868)	(346)	(296)
- Ambilan Imej Sdn Bhd - (c)	(2,957)	(2,535)	(2,957)	(2,535)
- Berjaya Times Square Sdn Bhd - (f)	(602)	(516)	-	-
- Ascot Sports Sdn Bhd - (d)	(350)	(300)	-	-
Lease income from				
- U Mobile Sdn Bhd - (d)	1,465	1,334	-	-
- Berjaya Higher Education Sdn Bhd - (c)	2,720	2,334	-	-
Share registration services rendered by				
- Berjaya Registration Services Sdn Bhd - (c)	(637)	(501)	(637)	(501)
Receipt of leasing and hire purchase facilities from				
- Prime Credit Leasing Berhad - (c)	(128)	(683)	-	(234)
Receipt of education and staff training services				
- Berjaya Education Sdn Bhd - (c)	(289)	(132)	(16)	(41)
Parking charges for leasing of parking bays by				
- BTS Car Park Sdn Bhd - (f)	(499)	(436)	(27)	(23)
Information technology consultancy and management related services as well as purchase of hardware, software and network equipment from				
- Qinetics Services Sdn Bhd - (e)	(1,622)	(1,257)	(1,363)	(926)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

39 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Purchase of motor vehicles, component parts and other related products and services				
- Roda Indah Sdn Bhd - (d)	(86)	(560)	-	-
- Auto Tulin Sdn Bhd - (d)	(792)	(261)	(5)	(5)
Aircraft leasing charges by				
- Berjaya Air Sdn Bhd - (c)	(1,750)	(1,500)	-	-
- Berjaya Jet Charter Sdn Bhd - (c)	(10,962)	(9,491)	-	-
Supply of computerised lottery systems and related services as well as receipt of licensing fee and support fee				
- Berjaya Gia Think Investment Technology Joint Stock Company - (c)	25,030	28,910	-	-
- Natural Avenue Sdn Bhd - (f)	764	631	-	-
Advertising and publishing services charges by				
- Sun Media Corporation Sdn Bhd - (g)	(1,358)	(890)	(48)	(19)

Other significant related party transactions and balances have been disclosed in Notes 12, 14, 23, 26, 27, 28 and 29.

The nature of the related party relationships are as follows:

- (a) subsidiary companies;
- (b) ultimate holding company, BCorp;
- (c) related companies of BCorp Group other than subsidiary or associated companies of the Company;
- (d) a company where a substantial shareholder of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") has interests. TSVT is also the father of Nerine Tan Sheik Ping, a director of the Company;
- (e) a wholly owned subsidiary company of Qinetics Solutions Sdn Bhd which in turn is a subsidiary of MOL.com Sdn Bhd ("MOL"). A substantial shareholder of the Company, namely TSVT has interests in MOL;
- (f) subsidiary companies of Berjaya Assets Berhad ("BAssets"). The Company's subsidiary, related companies of BCorp Group and also a substantial shareholder of the Company, namely TSVT has interests in BAssets;
- (g) a subsidiary company of Berjaya Media Berhad ("BMedia"). The Company's subsidiary and related companies of BCorp Group and also a substantial shareholder of the Company, TSVT has interests in BMedia.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

39 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

Certain professional fee amounting to RM4,790,000 (30.4.2018 : RM5,777,000) was 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.

In the previous year reporting date, a foreign subsidiary company had placements inclusive of interest receivable amounting to RM58,939,000 with a foreign asset management firm of which a director of the foreign subsidiary company has an interest. The placements together with the interest receivable were fully redeemed during the current financial period.

The compensation (including benefits-in-kind) of the key management personnel of the Group and of the Company are as follows:

	Group		Company	
	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000	14 months to 30.6.2019 RM'000	12 months to 30.4.2018 RM'000
Short-term benefits				
- Continuing operations	38,986	34,880	1,490	1,296
- Discontinued operation	133	137	-	-
	39,119	35,017	1,490	1,296
Post-employment benefits	4,377	4,234	83	78
	43,496	39,251	1,573	1,374

40 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

40 FAIR VALUE MEASUREMENT (CONT'D)

(a) Group's assets that are measured at fair value

- (i) The table below analyses the Group's assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	Note	Group			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
At 30 June 2019					
Non-financial assets					
Investment properties	8	-	46,874	67,356	114,230
At 30 April 2018					
Non-financial assets					
Investment properties	8	-	69,363	67,356	136,719

- (ii) Description of valuation techniques used and key inputs to valuation on investment properties:

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.

An investment property which was included in the Level 3 category in the fair value hierarchy is valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors"). The significant unobservable inputs for this investment property, which are the adjustment factors, range between 5% and 19% (30.4.2018 : 3% and 55%) of the respective comparative prices.

Sensitivity analysis

A significant increase or decrease in each of the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value of the investment property.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

40 FAIR VALUE MEASUREMENT (CONT'D)

(a) Group's assets that are measured at fair value (Cont'd)

(iii) Fair value reconciliation of investment properties measured at Level 3:

The carrying amount of investment properties categorised under Level 3 in the fair value hierarchy are as follows:

	<u>Group</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
At beginning/end of the financial period/year	<u>67,356</u>	<u>67,356</u>

(b) Financial instruments that are measured at fair value

As at the reporting date, the Group held the following financial instruments carried at fair values in the statements of financial position:

	Note	<u>Group</u>			Total RM'000
		<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	
<u>At 30 June 2019</u>					
Financial assets					
Long term investments	7	<u>107,575</u>	<u>-</u>	<u>38,967</u>	<u>146,542</u>
<u>At 30 April 2018</u>					
Financial assets					
Long term investments	7	<u>85,833</u>	<u>-</u>	<u>10,012</u>	<u>95,845</u>

The Level 3 long term investments comprise certain equity securities outside Malaysia held by a foreign subsidiary company of which its market value is not quoted in an active market. The fair value of these investments are determined through discounted cash flow valuation technique. The assumptions (including discount rates and expected growth rates) applied by the Group are mainly based on historical performance of the entity, adjusted for market and economic conditions.

Fair value reconciliation of long term investments measured at Level 3:

	<u>Group</u>	
	<u>30.6.2019</u>	<u>30.4.2018</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Other long term investments</u>		
At 1 May (as previously stated)	10,012	7,315
Effect of adoption of MFRS 9	<u>8,876</u>	<u>-</u>
At 1 May (as restated)	18,888	7,315
Addition during the financial period/year	22,730	3,080
Net fair value adjustments through other comprehensive income	(4,119)	239
Exchange differences	1,468	(622)
At 30 June/30 April	<u>38,967</u>	<u>10,012</u>

NOTES TO THE FINANCIAL STATEMENTS

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41 FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

The following table analyses the financial assets and financial 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	
		30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Assets					
<u>Available-for-sale financial assets</u>					
- Long term investments	7	-	104,721	-	-
<u>Loan and receivables</u>					
- Receivables	12	-	429,858	-	725
- Amounts due from subsidiary companies	14	-	-	-	327,714
- Deposits with financial institutions	15	-	290,030	-	66,400
- Cash and bank balances	15	-	128,149	-	3,399
<u>Fair value through other comprehensive income</u>					
- Long term investments	7	145,388	-	-	-
<u>Fair value through profit or loss</u>					
- Long term investments	7	1,154	-	-	-
<u>Amortised cost</u>					
- Receivables	12	393,555	-	801	-
- Amounts due from subsidiary companies	14	-	-	263,728	-
- Deposits with financial institutions	15	276,839	-	7,000	-
- Cash and bank balances	15	145,546	-	2,588	-
Total financial assets		962,482	952,758	274,117	398,238
Total non-financial assets		1,704,189	1,676,850	4,404,699	4,644,482
Total assets		2,666,671	2,629,608	4,678,816	5,042,720

NOTES TO THE FINANCIAL STATEMENTS

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41 FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of Financial Instruments (Cont'd)

	Note	Group		Company	
		30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Liabilities					
<u>Amortised cost</u>					
- Payables	26	443,227	388,156	1,035	945
- Amounts due to subsidiary companies	27	-	-	934,457	896,869
- Other long term liabilities	23	2,021	2,460	253	386
- Long term borrowings	22	754,716	530,415	-	-
- Short term borrowings	24	366,157	626,256	-	-
Total financial liabilities		1,566,121	1,547,287	935,745	898,200
Total non-financial liabilities		325,587	280,542	60,729	53,903
Total liabilities		1,891,708	1,827,829	996,474	952,103

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value are as follows:

	Note	
Receivables	12	*
Deposits with financial institutions	15	*
Cash and bank balances	15	*
Payables	26	*
Amounts due from/(to) subsidiary companies	14 and 27	#
Long term borrowings	22	^
Hire purchase payables	23	^
Short term borrowings	24	*

* The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values as they are either within the normal credit terms or they have short maturity period.

^ The fair values of medium term notes, bank loans and hire purchase payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending at the reporting dates. The carrying amounts of borrowings and hire purchase payables are reasonable approximation of fair value due to the insignificant impact of discounting.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to either insignificant impact of discounting or they are floating rate instruments.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

42 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 credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and equity price risk). The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables as well as amount due from subsidiary companies. For other financial assets (including investment securities, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Credit risk or risk of counterparts defaulting, is controlled by the application of credit approval limits and monitoring procedures.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Other than those disclosed in Note 12 and above, the Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Information regarding trade and other receivables that are neither past due nor impaired and receivables that are impaired as well as the ageing analysis of trade receivables are disclosed in Note 12.

(b) Liquidity Risk

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

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met.

The Group maintains sufficient levels of cash and the availability of funding so as to ensure that its working capital requirements are met.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Analysis of undiscounted financial instruments by remaining contractual maturities

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
30.6.2019				
Financial liabilities:				
Group				
Payables	442,793	-	-	442,793
Borrowings	427,872	551,945	381,378	1,361,195
Hire purchase payables	512	776	-	1,288
	<u>871,177</u>	<u>552,721</u>	<u>381,378</u>	<u>1,805,276</u>
Company				
Payables	926	-	-	926
Amounts due to subsidiary companies	275,269	726,905	-	1,002,174
Hire purchase payables	135	278	-	413
	<u>276,330</u>	<u>727,183</u>	<u>-</u>	<u>1,003,513</u>
30.4.2018				
Financial liabilities:				
Group				
Payables	387,547	-	-	387,547
Borrowings	666,872	553,899	-	1,220,771
Hire purchase payables	728	1,240	-	1,968
	<u>1,055,147</u>	<u>555,139</u>	<u>-</u>	<u>1,610,286</u>
Company				
Payables	745	-	-	745
Amounts due to subsidiary companies	418,565	536,228	-	954,793
Hire purchase payables	241	443	-	684
	<u>419,551</u>	<u>536,671</u>	<u>-</u>	<u>956,222</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Market Risk

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

(i) Interest Rate Risk

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

The Group's primary interest rate risk is related to interest bearing assets and interest bearing borrowings.

The interest bearing assets are made up of deposits with licensed financial institutions and amounts due from subsidiary companies. The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank by placing them as short term deposits and actively reviewing its portfolio of deposits.

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 risk. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

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	
	30.6.2019	30.4.2018	30.6.2019	30.4.2018
	RM'000	RM'000	RM'000	RM'000
<u>Fixed rate instruments</u>				
Financial assets	393,331	455,753	7,000	66,400
Financial liabilities	800,003	801,710	604,299	604,877
<u>Floating rate instruments</u>				
Financial assets	-	-	263,326	327,465
Financial liabilities	323,326	358,029	327,538	289,943

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(c) Market Risk (Cont'd)****(i) Interest Rate Risk (cont'd)**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/(loss) before tax of the Group and the Company to be lower/higher by RM808,000 (30.4.2018 : RM895,000) and RM161,000 (30.4.2018 : RM94,000) respectively, assuming that all other variables remain constant.

(ii) Currency Risk

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

The Group predominantly operates in Malaysia even though it has a few overseas subsidiary companies. The Group has limited exposure to foreign exchange risk as the transactional currencies are mostly in the functional currencies of the respective operating entities other than exposure on the advances to a subsidiary company that was treated as net investment in a foreign operation. The Group has minimal currency transaction exposures. Such exposure mainly arises from intra-group sales and purchases which are eliminated at group level as well as cash and cash equivalents and certain receivables which are denominated in foreign currency.

Sensitivity analysis for currency risk

The Group's exposure to sensitivity of currency risk is insignificant as the transactional currencies are mostly in the functional currencies of the respective operating entities.

(iii) Market Price Risk

The Group is exposed to market price risk arising from its investment in quoted securities. The quoted instruments are listed on Bursa Malaysia Securities Berhad and London Stock Exchange and are classified as FVTOCI and FVTPL financial assets.

The Group manages its market price risk arising from investment in quoted instruments by diversifying and managing its portfolio in accordance with limits set by the Group.

Sensitivity analysis for market price risk

At the reporting date, if the various stock indices had been 1% higher/lower, with all other variables held constant, the Group's FVTOCI reserve would have been RM1,454,000 (30.4.2018 : Group's available-for-sale reserve would have been RM858,000) higher/lower arising as a result of increase/decrease in the fair value of equity instruments designated as FVTOCI financial assets. The Group's profit or loss would have been RM12,000 (30.4.2018 : Nil) higher/lower arising as a result of increase/decrease in the fair value of instruments designated as FVTPL financial assets.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

43 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period/year ended 30 June 2019 and 30 April 2018.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group and the Company include within debt, borrowings and hire purchase payables. The gearing ratios as at 30 June 2019 and 30 April 2018 are as follows:

	Note	Group		Company	
		30.6.2019 RM'000	30.4.2018 RM'000	30.6.2019 RM'000	30.4.2018 RM'000
Long term borrowings	22	754,716	530,415	-	-
Short term borrowings	24	366,157	626,256	-	-
Hire purchase payables	23	1,137	1,710	362	586
Total debts		1,122,010	1,158,381	362	586
Total equity		774,963	801,779	3,682,342	4,090,617
Gearing ratio		1.45	1.44	- *	- *

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

* The amount is negligible as the Company does not have borrowings other than hire purchase payables.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44 SEGMENT INFORMATION

(a) Business Segments:

	External RM'000	Inter- segment RM'000	Total RM'000
Revenue			
30.6.2019			
<u>Revenue from continuing operations</u>			
Toto betting	3,643,071	-	3,643,071
Motor vehicle dealership	2,841,502	702	2,842,204
Others	95,082	19,424	114,506
Inter-segment elimination	-	(20,126)	(20,126)
	6,579,655	-	6,579,655
<u>Revenue from discontinued operation</u>			
Leasing of lottery equipment	113,734	-	113,734
	6,693,389	-	6,693,389
30.4.2018 (Restated)			
<u>Revenue from continuing operations</u>			
Toto betting	3,119,563	-	3,119,563
Motor vehicle dealership	2,341,470	1,025	2,342,495
Others	71,900	19,628	91,528
Inter-segment elimination	-	(20,653)	(20,653)
	5,532,933	-	5,532,933
<u>Revenue from discontinued operation</u>			
Leasing of lottery equipment	132,398	-	132,398
	5,665,331	-	5,665,331

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44 SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd):

	Results from continuing operations RM'000	Results from discontinued operation RM'000	Total RM'000
Results			
30.6.2019			
Toto betting	446,877	-	446,877
Leasing of lottery equipment	-	53,882	53,882
Motor vehicle dealership	61,258	-	61,258
Others	(14,120)	-	(14,120)
Inter-segment elimination	(8,294)	(3,095)	(11,389)
	<u>485,721</u>	<u>50,787</u>	<u>536,508</u>
Unallocated corporate expenses	(19,487)	-	(19,487)
Profit before other income and expenses	466,234	50,787	517,021
Investment related income	4,009	-	4,009
Investment related expenses	(14,703)	(75,949)	(90,652)
Other income	33,169	186	33,355
Finance costs	(59,167)	(148)	(59,315)
Share of results of associated companies	(10,156)	-	(10,156)
Profit/(loss) before tax	419,386	(25,124)	394,262
Taxation	(148,721)	(15,578)	(164,299)
Profit/(loss) for the financial period	270,665	(40,702)	229,963
Non-controlling interests	(2,642)	(473)	(3,115)
Profit/(loss) attributable to owners of the Parent	<u>268,023</u>	<u>(41,175)</u>	<u>226,848</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44 SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd):

	Results from continuing operations RM'000	Results from discontinued operation RM'000	Total RM'000
Results (Restated)			
30.4.2018			
Toto betting	354,393	-	354,393
Leasing of lottery equipment	-	66,449	66,449
Motor vehicle dealership	42,696	-	42,696
Others	(8,714)	-	(8,714)
Inter-segment elimination	(6,329)	(2,696)	(9,025)
	382,046	63,753	445,799
Unallocated corporate expenses	(16,521)	-	(16,521)
Profit before other income and expenses	365,525	63,753	429,278
Investment related income	3,061	-	3,061
Investment related expenses	(21,633)	(11,800)	(33,433)
Other income	26,774	97	26,871
Finance costs	(50,708)	(267)	(50,975)
Share of results of associated companies	7,056	-	7,056
Profit before tax	330,075	51,783	381,858
Taxation	(121,608)	(18,766)	(140,374)
Profit for the financial year	208,467	33,017	241,484
Non-controlling interests	(3,341)	(4,945)	(8,286)
Profit attributable to owners of the Parent	205,126	28,072	233,198

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44 SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd):

	30.6.2019		30.4.2018	
	Assets RM'000	Liabilities RM'000	Assets RM'000 (Restated)	Liabilities RM'000 (Restated)
Assets and Liabilities				
<u>Continuing operations</u>				
Toto betting	1,904,394	369,151	1,784,978	332,042
Motor vehicle dealership	911,699	336,648	894,674	298,574
Others	631,296	293,033	552,557	343,192
Inter-segment elimination	(938,782)	(337,042)	(907,823)	(394,849)
	<u>2,508,607</u>	<u>661,790</u>	<u>2,324,386</u>	<u>578,959</u>
Investment in equity method of associated companies	70,580	-	83,133	-
Unallocated corporate assets/liabilities	38,404	1,217,825	106,046	1,237,285
	<u>2,617,591</u>	<u>1,879,615</u>	<u>2,513,565</u>	<u>1,816,244</u>
<u>Discontinued operation/asset held for sale</u>				
Leasing of lottery equipment	27,331	12,093	116,043	11,585
Others	21,749	-	-	-
	<u>2,666,671</u>	<u>1,891,708</u>	<u>2,629,608</u>	<u>1,827,829</u>

	Capital expenditure RM'000	Depre- ciation/ amortisation RM'000	Property, plant and equipment written off RM'000	Impairment loss RM'000	Other non-cash expenses RM'000
Other information					
30.6.2019					
<u>Continuing operations</u>					
Toto betting	22,947	18,006	139	-	-
Motor vehicle dealership	29,028	17,873	90	-	6,278
Others	3,882	4,308	9	12,560	2,070
Unallocated corporate assets/liabilities	7	508	-	113	-
	<u>55,864</u>	<u>40,695</u>	<u>238</u>	<u>12,673</u>	<u>8,348</u>
<u>Discontinued operation</u>					
Leasing of lottery equipment	30	1,648	-	75,949	344
Inter-segment	-	(5,868)	-	-	-
	<u>55,894</u>	<u>36,475</u>	<u>238</u>	<u>88,622</u>	<u>8,692</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44 SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd):

	Capital expenditure RM'000	Depre- ciation/ amortisation RM'000	Property, plant and equipment written off RM'000	Impairment loss RM'000	Other non-cash expenses RM'000
Other information (cont'd)					
30.4.2018 (restated)					
<u>Continuing operations</u>					
Toto betting	9,027	14,709	156	26	6
Motor vehicle dealership	18,132	17,976	26	-	1,017
Others	2,577	4,144	10	17,467	560
Unallocated corporate assets/liabilities	1,282	363	3	-	-
	31,018	37,192	195	17,493	1,583
<u>Discontinued operation</u>					
Leasing of lottery equipment	1,299	1,493	-	11,800	348
Inter-segment	-	(4,553)	-	-	-
	32,317	34,132	195	29,293	1,931

(b) Geographical Segments:

Total Revenue From External Customers

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
<u>Continuing operations</u>		
Malaysia	3,668,353	3,145,909
Others	2,911,302	2,387,024
	6,579,655	5,532,933
<u>Discontinued operation</u>		
Leasing of lottery equipment	113,734	132,398
	6,693,389	5,665,331

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

44 SEGMENT INFORMATION (CONT'D)

(b) Geographical Segments (Cont'd):

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000 (Restated)
Segment Assets		
<u>Continuing operations</u>		
Malaysia	1,114,932	1,099,120
Others	1,502,659	1,414,445
	<u>2,617,591</u>	<u>2,513,565</u>
<u>Discontinued operation</u>		
Leasing of lottery equipment	27,331	116,043
Others	21,749	-
	<u>2,666,671</u>	<u>2,629,608</u>

	Group	
	30.6.2019 RM'000	30.4.2018 RM'000
Capital Expenditure		
<u>Continuing operations</u>		
Malaysia	23,257	9,748
Others	32,607	21,270
	<u>55,864</u>	<u>31,018</u>
<u>Discontinued operation</u>		
Leasing of lottery equipment	30	1,299
	<u>55,894</u>	<u>32,317</u>

Segment information is presented in respect of the Group's business segments.

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

Unallocated corporate items refer to items relating to investing or financing activities and items that cannot be reasonably allocated to individual segments.

Other non-cash expenses mainly include unrealised loss on foreign exchange, inventories written down, provision for sales warranty, provision for retirement benefit obligations and allowance for doubtful debts.

Inter-segment transactions/items are eliminated on consolidation.

Capital expenditure consists of additions of property, plant and equipment only.

44 SEGMENT INFORMATION (CONT'D)

- * Other business segments include property investment and development and investment holding, development, manufacturing and distribution of computerised wagering and voting systems, operation of hotel, operation of health and fitness centre as well as service business of protecting and cleaning the environment, none of which are of a sufficient size to be reported separately.

45 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (i) On 14 August 2018, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of the Group acquired additional 174,180 ordinary shares at GBP1.70 each in H.R. Owen Plc ("H.R. Owen"), representing 0.7% equity interest in H.R. Owen, for a total cash consideration of GBP297,681 (equivalent to approximately RM1.548 million). Consequently, H.R. Owen became a wholly-owned subsidiary company of BPI.
- (ii) On 11 February 2019, the Company announced that its wholly-owned subsidiary, FEAB Equities Sdn Bhd had on even date entered into a shareholders' agreement with PP Cylabs (M) Sdn Bhd on a 50:50 joint venture basis to set up a joint-venture company, namely FEAB Cylabs Sdn Bhd, to explore business opportunities as well as undertake projects in Sri Lanka.

46 SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL PERIOD

On 8 July 2019, the Company announced that BPI had on 1 July 2019 disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of Philippine Peso ("PHP") 117.15 million (equivalent to approximately RM9.49 million). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of PHP100 each ("Share Subscription"). BPI waived its rights to subscribe for the additional shares issued by PGMC. Upon completion of PGMC's Share Subscription on 3 July 2019, BPI's equity interest was further diluted to 39.99% from 79.99% and PGMC ceased as a subsidiary and became an associated company of BPI. PGMC is presented as disposal group in these financial statements and its results are presented separately as "results from discontinued operation".

47 ARBITRATION PROCEEDINGS

PGMC commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") on 12 March 2014 at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby the 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 1 March 2018, BPI, the immediate holding company of PGMC, released an announcement to Philippine stock Exchange ("PSE") that the Arbitral Tribunal Court had ruled in favour of PCSO. PGMC has filed a petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award issued by the Arbitral Tribunal Court. The appeal process is still ongoing. In spite of the above, on 28 September 2018, BPI announced the execution of a Supplemental Equipment Lease Agreement ("ELA") between PGMC and PCSO for an extension of the ELA for a period of one (1) year to August 2019.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

47 ARBITRATION PROCEEDINGS (CONT'D)

In March 2019, PGMC submitted its proposal for its extension of ELA for a period of three (3) years commencing 23 August 2019. On 3 June 2019, PGMC expressed its intention to bid and took part in the bidding for the five (5) years lease of the PCSO lottery system. On 9 July 2019, during the opening of the submitted bids, only PGMC was declared eligible subject to evaluation. However, subsequently PGMC was informed by PCSO that it failed the qualifications set. PGMC filed a motion with PCSO for reconsideration asserting its claim that it did not fail the bid. The motion was denied.

The ELA expired on 22 August 2019 and PCSO has agreed to extend the ELA up to 22 August 2020 on a month-to-month basis pending the bidding process. With the extension of ELA, PGMC has withdrawn its petition to vacate the final award pertaining to the appeal made against the ruling of the arbitration proceedings and it has also paid the earlier legal claims awarded by the Arbitral Tribunal Court per the judgement made in March 2018.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

48 COMPARATIVES

Certain comparative figures have been adjusted and reclassified to conform with the current financial period's presentation to reflect a fairer presentation:

	As previously reported RM'000	Reclassi- fication RM'000	Effects of MFRS 15 adoption (Note 2.3(c)) RM'000	As restated RM'000
GROUP				
Statement of Profit or Loss				
Revenue				
- Continuing operations *	5,660,587	(132,398)	4,744	5,532,933
- Discontinued operation *	-	132,398	-	132,398
	5,660,587	-	4,744	5,665,331
Administrative expenses *	(414,340)	68,645	-	(345,695)
Investment related expenses *	(33,433)	11,800	-	(21,633)
Other income *	26,871	(97)	-	26,774
Finance costs *	(50,975)	267	-	(50,708)
Taxation				
- Continuing operations *	(139,289)	18,766	(1,085)	(121,608)
- Discontinued operation *	-	(18,766)	-	(18,766)
	(139,289)	-	(1,085)	(140,374)
Statement of Cash Flows				
<u>Cash flow from operating activities</u>				
Payment for prize winners, suppliers and for other operating expenses				
	(5,054,642)	(13,480)	-	(5,068,122)
<u>Cash flow from financing activities</u>				
Repayment of borrowings				
	(117,659)	(25,302)	-	(142,961)
Movements of vehicle stocking loans				
	-	38,782	-	38,782

* These comparative figures have been reclassified as a result of separate presentation of the results from discontinued operation on the statements of profit or loss in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operation as disclosed in Note 16.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Berjaya Sports Toto Berhad, which comprise the statements of financial position as at 30 June 2019 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 209.

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 June 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters 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 financial period. 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 for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Key audit matters (Cont'd)

Key audit matters in respect of the audit of the financial statements of the Group

a) Toto betting revenue and related cost of sales

(Refer to summary of significant accounting policies in Note 2.2 (t), and the disclosure of revenue in Note 28 to the financial statements.)

The Group is involved in the toto betting operations where revenue is derived from a large volume of individually insignificant transactions. The Group relies heavily on its information technology system to account for such revenue. During the financial period, the Group recognised revenue of approximately RM3.6 billion from toto betting operations, which accounted for 54.4% of the Group's revenue. The related cost of sales from toto betting operations was RM2.9 billion, which accounted for 54.0% of the Group's cost of sales.

The amounts recognised for revenue and cost of sales from toto betting operations is a key audit matter because the amounts recognised are significant to the financial statements, and they involve large volume of transactions which are processed by the Group's information technology system.

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 recording of revenue and cost of sales;
- evaluated the operating effectiveness of 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 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 financial period end, including draw sales after financial period end, to establish whether those transactions were recorded in the correct accounting period;
- performed reconciliation of cash receipts to revenue recorded in the financial statements; and
- reviewed and assessed the adequacy of the Group's disclosure relating to revenue and cost of sales.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Key audit matters (Cont'd)

Key audit matters in respect of the audit of the financial statements of the Group (Cont'd)

b) Impairment of goodwill and intangible assets

(Refer to summary of significant accounting policies in Note 2.2 (f), significant accounting estimates and judgement in Note 2.5 (b)(i), and the disclosure of intangible assets in Note 10 to the financial statements.)

Goodwill and dealership rights with an indefinite useful life, amounting to RM631.2 million and RM54.6 million, formed 47.2% and 22.0% of non-current assets and total assets of the Group as at 30 June 2019. Of these amounts, goodwill of RM547.7 million has been allocated to the gaming segment in Malaysia, whilst goodwill and dealership rights of RM126.1 million have been allocated to the car dealership operations in the United Kingdom.

Goodwill and indefinite life dealership rights are subject to an annual impairment test. The Group estimated the recoverable amount of the respective cash generating units ("CGUs") based on their respective value-in-use ("VIU"). Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that would be derived from the CGUs, and discounting them at an appropriate rate.

The cash flow forecasts included a number of significant judgements and estimates such as:

- in respect of the gaming operations, the revenue growth rate, payout ratio, discount rate and terminal growth rate applicable to the respective countries; and
- in respect of the car dealership operations, the forecasted sales volume and pricing, inflationary effects on the cost of purchase of motor vehicles, discount rate and terminal growth rate.

We considered 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 respective CGUs. The accounting policies for goodwill and dealership rights are disclosed in Note 2.2 (c).

Our procedures to address this area of focus included, amongst others, the following:

- involved our internal valuation experts in reviewing the impairment assessment performed by management on the respective CGUs;
- 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, and considered whether it is commonly used in the industry;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Key audit matters (Cont'd)

Key audit matters in respect of the audit of the financial statements of the Group (Cont'd)

b) Impairment of goodwill and intangible assets (cont'd)

- checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- evaluated whether key assumptions which comprised the revenue growth rate and payout ratio for the gaming operations, and the forecasted sales volume and pricing and inflationary effects on the cost of purchase of motor vehicles for the car dealership operations, as well as terminal growth rates, were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth in the respective countries in which the CGU operates;
- 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 in specific international markets in which the Group operates or equivalent data for peer companies; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive. The disclosures on key assumptions and sensitivities are included in Note 10.

c) Inventories valuations

(Refer to summary of significant accounting policies in Note 2.2 (g), and the disclosure of inventories in Note 11 to the financial statements.)

Included in inventories of the Group were inventories amounting to RM423.8 million held by the Group's car dealership segment in the United Kingdom ("UK"), which represented 29.7% and 15.9% of current assets and total assets respectively of the Group. These inventories include new and used cars, and cars used for demonstration purposes, which were stated at the lower of cost and net realisable value ("NRV").

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Key audit matters (Cont'd)

Key audit matters in respect of the audit of the financial statements of the Group (Cont'd)

c) Inventories valuations (cont'd)

We considered this to be an area of focus for our audit as the amounts involved are significant, the estimation process to determine NRV is complex and involved significant management judgements about the market for new and used cars in the UK. The accounting policies for inventories is disclosed in Note 2.2 (g).

Our procedures to address this area of focus included, amongst others, the following:

- held discussions with the component auditors regarding the scope, nature and timing of their work to address this area of focus;
- reviewed the audit procedures carried out by the component auditors and evaluated the adequacy of their work to address this area of concern. The procedures performed by the component auditors include:
 - obtained an understanding of the internal controls performed by management in estimating the NRV of these inventories;
 - considered the accuracy of the costing of the cars, their ageing and management's assessment about market demand; and
 - in addressing the risk of overstatement of inventories, used information from trade guides and other trade publications to corroborate estimated NRV and assessed the headroom between cost and the estimated NRV; and
- reviewed and assessed the adequacy of the Group's disclosures relating to inventories.

Key audit matters in respect of the audit of the financial statements of the Company

a) Impairment assessment of investment in subsidiary companies

(Refer to summary of significant accounting policies in Note 2.2 (f), key sources of estimation uncertainty in Note 2.5 (b)(iv), and the disclosure of investment in subsidiary companies in Note 4 to the financial statements.)

As at 30 June 2019, the carrying amount of the investment in subsidiary companies of the Company amounted to RM4.3 billion, representing 99.6% and 92.3% of the Company's total non-current assets and total assets respectively.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Key audit matters (Cont'd)

Key audit matters in respect of the audit of the financial statements of the Company (Cont'd)

a) Impairment assessment of investment in subsidiary companies (cont'd)

The Company reviewed the investment in subsidiary companies for indications of impairment. Accordingly, the Company performed an impairment assessment to determine the recoverable amounts of investment in subsidiary companies with indications of impairment. The Company estimated the recoverable amount of the respective CGUs based on their respective VIU. Estimating the VIU of the CGUs involved estimates made by the management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at an appropriate rate. The cash flow forecasts, included a number of significant judgements and estimates such as the revenue growth rate, payout ratio, discount rate and terminal growth rate.

We considered 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 made 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:

- involved our internal valuation experts in reviewing the impairment assessment performed by management on the CGUs identified;
- 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, and considered whether it is commonly used in the industry;
- checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- evaluated whether key assumptions which comprised the revenue growth rate and payout ratio for the gaming operations were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Key audit matters (Cont'd)

Key audit matters in respect of the audit of the financial statements of the Company (Cont'd)

- a) Impairment assessment of investment in subsidiary companies (cont'd)
- 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 in specific market in which the respective subsidiary company operates or equivalent data for peer companies; and
 - analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive.

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' reports, 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 express any form of assurance conclusion thereon.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Responsibilities of 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or 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:

- (a) 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;
- (b) 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;
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BERJAYA SPORTS TOTO BERHAD

Auditors' responsibilities for the audit of the financial statements (Cont'd)

- (d) 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;
- (e) 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
- (f) 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 financial period 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 SPORTS TOTO BERHAD

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 4 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

Kuala Lumpur, Malaysia

9 October 2019

Kua Choo Kai

No. 02030/03/2020 J

Chartered Accountant

LIST OF MAJOR PROPERTIES

AS AT 30 JUNE 2019

Location	Tenure	Date of Acquisition	Age of Building	Size	Description/ Existing Use	Fair Value RM'000	Net Book Value RM'000
Lot 174 TS 18 North East District, Penang (74, 76 & 78 Rope Walk, Penang)	Freehold	30.08.1990	79 yrs	4,826 sq. ft.	3 units of 2-storey shophouse for rental	4,200	N/A
Berjaya Times Square 11th Floor No. 1, Jalan Imbi 55100 Kuala Lumpur	Freehold	06.01.1998	16 yrs	104,844 sq. ft.	One floor of office space of an integrated commercial development for rental	65,556	N/A
24, Jalan SS2/66, 47300 Petaling Jaya Selangor Darul Ehsan	Freehold	14.01.1995	47 yrs	5,040 sq. ft.	1 unit of 3-storey shophouse for rental	4,200	N/A
No. 25, Jalan 11/48A, Sentul Raya Boulevard Off Jalan Sentul, Sentul 51000 Kuala Lumpur	Freehold	16.08.2010	23 yrs	10,080 sq. ft.	1 unit of 6-storey shopoffice for rental	5,500	N/A
F130, 1st Floor, Sungei Wang Plaza, Jalan Bukit Bintang, 55100 Kuala Lumpur	Freehold	24.08.2011	42 yrs	645.83 sq. ft.	1 unit of retail shophouse for rental	7,100	N/A
7835 Makati Avenue corner Eduque Street Makati City, Philippines 1209	Freehold	4.12.2009	18 yrs	586 sq. m	Hotel - 223 guest rooms	N/A	47,843
No. 26, Jalan 14/48A, Sentul Raya Boulevard Off Jalan Sentul, Sentul 51000 Kuala Lumpur	Freehold	10.05.2012	23 yrs	8,250 sq. ft.	1 unit of 5-storey shopoffice for rental	4,200	N/A
The Ranges, Shepperton, Surrey, United Kingdom	Freehold	05.03.2015	-	69 acres	Vacant land	N/A	6,897
1053 Great West Road, Brentford, Middlesex, TW8 9AT United Kingdom*	Freehold	27.11.2015	36 yrs	1,685 sq. m	4-storey office block fronting a single storey warehouse at the rear for rental	21,749	N/A
22A Upbrook Mews, Bayswater London W2 3HG, United Kingdom	Freehold	22.09.2016	139 yrs	1,422 sq. ft.	4 Storey mid terraced mews style house - vacant	9,754	N/A

* This investment property was classified as asset held for sale at the reporting date and the disposal was completed subsequent to the financial reporting date.

N/A denotes Not Applicable

MATERIAL CONTRACTS

Other than as disclosed in Notes 12, 26, 28, 29, 38 and 39 of the financial statements for the financial period ended 30 June 2019, neither Berjaya Sports Toto Berhad nor any of its subsidiaries has entered into any material contracts involving directors and major shareholders.

ADDITIONAL INFORMATION

The amount of non-audit fees incurred for services rendered to the Group by the Company's auditors, or a firm affiliated to the auditors' firm, for the financial period ended 30 June 2019 amounted to RM42,000 (30.4.2018 : RM41,000).

RECURRENT RELATED PARTY TRANSACTIONS

OF A REVENUE OR TRADING NATURE FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

The aggregate value of transactions conducted pursuant to shareholders' mandate were as follows:

Related parties	Nature of transactions	Name of companies	Amount transacted during the financial period (RM'000)
Berjaya Corporation Berhad and/or its unlisted subsidiary companies			
Berjaya Corporation Berhad	Management fees for services rendered that include, inter-alia, the provision of finance, secretarial, internal audit and general administrative services	Berjaya Sports Toto Berhad	840
Berjaya Registration Services Sdn Bhd	Receipt of share registration services	Berjaya Sports Toto Berhad	637
Berjaya Higher Education Sdn Bhd	Rental income for renting of premises at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	(2,720)
Inter-Pacific Trading Sdn Bhd	Purchase of stationery products	Berjaya Sports Toto Berhad Group	137
Berjaya Education Sdn Bhd	Receipt of education and staff training services	Berjaya Sports Toto Berhad Group	289
Graphic Press Group Sdn Bhd	Procurement of Toto betting slips and other printing services	Berjaya Sports Toto Berhad Group	6,193
Prime Credit Leasing Berhad	Receipt of leasing and hire purchase facilities	Berjaya Sports Toto Berhad Group	128
Ambilan Imej Sdn Bhd	Rental for renting of office premises at part of Level 12, Berjaya Times Square	Berjaya Sports Toto Berhad	2,957
Stephens Properties Sdn Bhd	Rental for renting of storage space at Wisma Cosway	Berjaya Sports Toto Berhad	6
E.V.A. Management Sdn Bhd	Receipt of human resources management and other related services	Berjaya Sports Toto Berhad Group	98
Berjaya Gia Think Investment Technology Joint Stock Company	Supply of computerised lottery systems and related services as well as receipt of licensing fee and support fee	International Lottery & Totalizator Systems, Inc.	(25,030)
Berjaya Paper Trading Sdn Bhd	Procurement of Toto betting rolls	Sports Toto Malaysia Sdn Bhd	6,938

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Related parties	Nature of transactions	Name of companies	Amount transacted during the financial period (RM'000)
Berjaya Land Berhad and/or its unlisted subsidiary companies			
Berjaya Langkawi Beach Resort Sdn Bhd	Rental for renting of villa at Berjaya Langkawi Resort	Berjaya Sports Toto Berhad	210
	Rental income for renting of restaurant at Pulau Langkawi	FEAB Properties Sdn Bhd	(147)
Berjaya Guard Services Sdn Bhd	Receipt of security guard services	Berjaya Sports Toto Berhad Group	5,190
	Rental income for renting of apartment at Apartment Block, Plaza Berjaya	FEAB Properties Sdn Bhd	(22)
Nada Embun Sdn Bhd	Rental for renting of office premises at part of Level 13, Berjaya Times Square	Berjaya Sports Toto Berhad Sports Toto Malaysia Sdn Bhd	2,181
Berjaya Air Sdn Bhd	Dry lease charges for aircraft leasing facilities	Sports Toto Malaysia Sdn Bhd	1,750
Berjaya Jet Charter Sdn Bhd	Charter fees for aircraft leasing facilities	Berjaya Sports Toto Berhad Group	10,962
Nural Enterprise Sdn Bhd	Rental for renting of apartment at Apartment Block, Plaza Berjaya	Sports Toto Malaysia Sdn Bhd	22
Berjaya Assets Berhad and/or its unlisted subsidiary companies			
Natural Avenue Sdn Bhd	Supply of computerised lottery systems and support services as well as receipt of licensing fee	International Lottery & Totalizator Systems, Inc.	(764)
BTS Car Park Sdn Bhd	Parking charges for leasing of parking bays	Berjaya Sports Toto Berhad Group	499
Berjaya Times Square Sdn Bhd	Rental for renting of shoplot at Lot 06-11 Level 6, Berjaya Times Square	Sports Toto Fitness Sdn Bhd	602

RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

Related parties	Nature of transactions	Name of companies	Amount transacted during the financial period (RM'000)
Berjaya Media Berhad and/or its unlisted subsidiary company			
Sun Media Corporation Sdn Bhd	Procurement of promotion, advertising and publishing services	Berjaya Sports Toto Berhad Group	1,358
Other related parties			
U Mobile Sdn Bhd	Rental income for renting of office premises at part of Level 11, Berjaya Times Square	Magna Mahsuri Sdn Bhd	(1,465)
Roda Indah Sdn Bhd	Purchase of motor vehicles, component parts and other related products and services	Berjaya Sports Toto Berhad Group	86
Qinetics Services Sdn Bhd	Purchase of hardware, software, networking equipment, procurement of information technology consultancy, website and software development, maintenance and management services	Berjaya Sports Toto Berhad Group	1,622
Ascot Sports Sdn Bhd	Rental for renting of office premises at Lot 10-01, Level 10, Berjaya Times Square	Sports Toto Malaysia Sdn Bhd Sports Toto Computer Sdn Bhd	350
Auto Tulin Sdn Bhd	Purchase of motor vehicles, component parts and other related products and services	Berjaya Sports Toto Berhad Group	792
Razer Pay Holdings Pte Ltd	Receipt of e-wallet services	Sports Toto Fitness Sdn Bhd	43

STATEMENT OF DIRECTORS' SHAREHOLDINGS

AS AT 1 OCTOBER 2019

THE COMPANY

	Number of Ordinary shares			
	Direct Interest	%	Deemed Interest	%
Seow Swee Pin	92,749	0.01	-	-
Chan Kien Sing	3,610	0.00	-	-
Datuk Robert Yong Kuen Loke	123,667	0.01	-	-

PENULTIMATE HOLDING COMPANY BERJAYA LAND BERHAD

	Number of Ordinary shares			
	Direct Interest	%	Deemed Interest	%
Nerine Tan Sheik Ping	2,000,000	0.04	-	-
Datuk Robert Yong Kuen Loke	360,808	0.01	-	-

ULTIMATE HOLDING COMPANY BERJAYA CORPORATION BERHAD

	Number of Ordinary shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Tan Kok Ping	18,681,892	0.36	-	-
Chan Kien Sing	49,118	0.00	-	-
Datuk Robert Yong Kuen Loke	1,051,545	0.02	-	-

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Chan Kien Sing	10,000	0.00	-	-
Nerine Tan Sheik Ping	132,000	0.02	-	-
Datuk Robert Yong Kuen Loke	2,516,508	0.39	-	-

	Number of Warrants 2012/2022			
	Direct Interest	%	Deemed Interest	%
Chan Kien Sing	10,000	0.00	-	-
Datuk Robert Yong Kuen Loke	170,108	0.02	-	-

Save as disclosed, none of the other Directors of the Company had any interests in the shares, warrants and debentures of the Company or its related corporations as at 1 October 2019.

STATISTICS ON SHAREHOLDINGS

AS AT 1 OCTOBER 2019

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
less than 100	4,285	10.10	154,326	0.01
100 - 1,000	4,138	9.76	2,108,572	0.16
1,001 - 10,000	26,461	62.40	87,179,713	6.47
10,001 - 100,000	6,780	15.99	170,106,130	12.63
100,001 - 67,349,999	742	1.75	897,935,502	66.66
67,350,000* and above	1	0.00	189,515,757	14.07
Total	42,407	100.00	1,347,000,000	100.00

Note:

Each share entitles the holder to one vote.

* Denote 5% of the total number of issued shares with voting rights.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 1 OCTOBER 2019

Name of Shareholders	No. of Ordinary Shares	(%)
1 Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd</i>	189,515,757	14.07
2 Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad</i>	57,773,540	4.29
3 Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For AIA Bhd.</i>	46,355,091	3.44
4 Berjaya Land Berhad	40,774,656	3.03
5 UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)</i>	26,480,014	1.97
6 Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)</i>	26,102,841	1.94
7 Gateway Benefit Sdn Bhd	24,857,263	1.85
8 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BLB-RC4-Conglo)</i>	24,109,020	1.79
9 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 14)</i>	22,761,800	1.69
10 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (BLB-RC4-Conglo)</i>	20,213,454	1.50
11 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For B.L.Capital Sdn Bhd (BLB-RC4 -Conglo)</i>	19,592,960	1.45
12 B.L. Capital Sdn Bhd	19,419,839	1.44

STATISTICS ON SHAREHOLDINGS

AS AT 1 OCTOBER 2019

Name of Shareholders	No. of Ordinary Shares	(%)
13 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (G-CBDT4-RC2)</i>	18,829,965	1.40
14 Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An For State Street Bank & Trust Company (West CLT OD67)</i>	17,580,899	1.31
15 HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Corporation Berhad</i>	16,895,000	1.25
16 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (BLB-RC5-Conglo2)</i>	15,200,000	1.13
17 HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Emerging Markets Stock Index Fund</i>	13,805,798	1.02
18 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (49486 SFIN)</i>	12,106,867	0.90
19 HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Total International Stock Index Fund</i>	11,424,506	0.85
20 CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (BLB-RC5-Conglo2)</i>	10,900,000	0.81
21 ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gateway Benefit Sdn Bhd (GBSB RC1/RC2)</i>	10,700,124	0.79
22 ABB Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Berhad (RC6 Facility)</i>	10,000,000	0.74
23 UOB Kay Hian Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (Third Party)</i>	8,950,000	0.66
24 Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (414084-91161D)</i>	8,350,000	0.62
25 Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB For Prulink Equity Fund</i>	8,152,800	0.61
26 Cartaban Nominees (Asing) Sdn Bhd <i>State Street London Fund OD80 For Ishares V Public Limited Company</i>	7,339,676	0.54
27 Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Group Berhad</i>	7,213,952	0.54
28 HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Berjaya Land Bhd (BBB)</i>	7,086,592	0.53
29 Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc</i>	6,562,598	0.49
30 Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (LPF)</i>	6,506,700	0.48
	715,561,712	53.13

STATISTICS ON SHAREHOLDINGS

AS AT 1 OCTOBER 2019

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 1 OCTOBER 2019

Names of Substantial Shareholder	← No. of Ordinary Shares →			
	Direct	%	Indirect	%
Gateway Benefit Sdn Bhd	301,769,000	22.40	-	-
Berjaya Land Berhad	190,574,290	14.15	348,859,386 (a)	25.90
Teras Mewah Sdn Bhd	-	-	539,433,676 (b)	40.05
Juara Sejati Sdn Bhd	-	-	547,933,676 (c)	40.68
Berjaya Group Berhad	13,271,094	0.99	590,083,216 (d)	43.81
Berjaya Corporation Berhad	31,075,402	2.31	603,354,310 (e)	44.79
Tan Sri Dato' Seri Vincent Tan Chee Yioun	10,305,641	0.77	646,683,566 (f)	48.01

Notes:

- (a) Deemed interested by virtue of its 100% interests in Gateway Benefit Sdn Bhd, Immediate Capital Sdn Bhd and B.L. Capital Sdn Bhd.
- (b) Deemed interested by virtue of its interest in Berjaya Land Berhad.
- (c) Deemed interested by virtue of its interests in Berjaya Land Berhad and Berjaya Capital Berhad.
- (d) Deemed interested by virtue of its 100% interests in Bizurai Bijak (M) Sdn Bhd, Teras Mewah Sdn Bhd and Juara Sejati Sdn Bhd.
- (e) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad.
- (f) Deemed interested by virtue of his interests in Berjaya Corporation Berhad, B & B Enterprise Sdn Bhd and Berjaya VTCY Sdn Bhd, his interest in Berjaya Assets Berhad, the holding company of Berjaya Bright Sdn Bhd and his deemed interest in Berjaya Retail Sdn Bhd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Berjaya Sports Toto Berhad will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 6 December 2019 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 period ended 30 June 2019 and the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees amounting to RM213,750.00 to the Non-Executive Directors of the Company for the financial period ended 30 June 2019. Ordinary Resolution 1
3. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors of the Company up to an amount of RM1,347,800.00 for the period from 7 December 2019 until the next Annual General Meeting of the Company to be held in 2020. Ordinary Resolution 2
4. To re-elect the following Directors retiring pursuant to Article 98(A) of the Company's Articles of Association:-
 - a) Chan Kien Sing Ordinary Resolution 3
 - b) Seow Swee Pin Ordinary Resolution 4
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5
6. As special business:-
 - (a) To consider and, if thought fit, pass the following Ordinary Resolutions:-
 - (i) **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

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

Ordinary Resolution 6
 - (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 23 October 2019 ("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

NOTICE OF ANNUAL GENERAL MEETING

to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (i) 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;
- (ii) 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
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

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

Ordinary Resolution 7

(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 Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Exchange”) and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company (“BToto 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 BToto Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BToto Shares so purchased by the Company in the following manner:-

- (a) cancel all the BToto Shares so purchased; or
- (b) retain all the BToto Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

Ordinary Resolution 8

(iv) Proposed Retention of Independent Non-Executive Director

“THAT Datuk Robert Yong Kuen Loke be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years.”

Ordinary Resolution 9

- (b) To consider and, if thought fit, pass with or without modifications, the following Special Resolution:-

(i) Proposed Adoption of A New Constitution

“THAT the proposed new Constitution as set out in Appendix II of Part C of the Circular to Shareholders dated 23 October 2019 be and is hereby approved and adopted as the Constitution of the Company to replace the whole of the existing Memorandum and Articles of Association of the Company with immediate effect AND THAT the Board of Directors and/or Secretary of the Company be and are hereby authorised to do all acts and things in any manner as they may deem necessary and/or expedient in order to give full effect to the aforesaid with full powers to assent to any conditions, modifications and/or amendments as may be required or permitted by any relevant authorities.”

Special Resolution

By Order of the Board
THAM LAI HENG MICHELLE
(MAICSA 7013702)
Secretary

Kuala Lumpur
23 October 2019

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Audited Financial Statements

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

2. Directors' Fees

The quantum of the Directors' fees for each of the Non-Executive Directors is the same as the previous financial year ended 30 April 2018.

3. Directors' Remuneration (excluding Directors' Fees)

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' remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company for the period from 7 December 2019 until the next AGM of the Company under Ordinary Resolution 2.

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

In determining the estimated amount of remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board of Directors ("Board"), Board Committees and General Meetings of the Company, assuming full attendance by all the Non-Executive Directors. The estimated amount of remuneration also caters for unforeseen circumstances, for examples, the appointment of additional Directors, additional unscheduled Board meetings and/or Board Committees meetings as well as the provision for an increase in meeting allowances.

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

4. Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the CA 2016

Ordinary Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the CA 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next 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 12 October 2018 and which will lapse at the conclusion of the 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.

NOTICE OF ANNUAL GENERAL MEETING

5. Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 7, 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 23 October 2019 which is despatched together with the Company's 2019 Annual Report.

6. Proposed Renewal of Authority for the Company to Purchase Its Own Shares

Ordinary Resolution 8, 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 23 October 2019 which is despatched together with the Company's 2019 Annual Report.

7. Proposed Retention of Independent Non-Executive Directors

Ordinary Resolution 9 is proposed pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance and if passed, will allow Datuk Robert Yong Kuen Loke to be retained and to continue to act as an Independent Non-Executive Director when he exceeds a cumulative term of nine (9) years after 1 December 2018.

The full details of the Board's justifications for the retention of Datuk Robert Yong Kuen Loke is set out in the Corporate Governance Overview Statement in the Company's 2019 Annual Report.

8. Proposed Adoption of New Constitution

The Special Resolution, if passed, will align the Constitution of the Company with the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The relevant information on the Special Resolution is set out in Part C of the Circular to Shareholders dated 23 October 2019 which is despatched together with the Company's 2019 Annual Report.

The Constitution shall take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the AGM.

9. 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.

NOTICE OF ANNUAL GENERAL MEETING

- 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 29 November 2019 shall be entitled to attend and vote at the meeting.

10. Poll Voting

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

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FORM OF PROXY

BERJAYA SPORTS TOTO BERHAD

(Company No. 9109-K)

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 SPORTS TOTO 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 Annual General Meeting ("AGM") of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 6 December 2019 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
ORDINARY RESOLUTION 1	- To approve payment of Directors' Fees.		
ORDINARY RESOLUTION 2	- To approve payment of Directors' Remuneration (excluding Directors' Fees) for the period from 7 December 2019 until the next Annual General Meeting of the Company.		
ORDINARY RESOLUTION 3	- To re-elect Chan Kien Sing as Director.		
ORDINARY RESOLUTION 4	- To re-elect Seow Swee Pin as Director.		
ORDINARY RESOLUTION 5	- To re-appoint Auditors.		
ORDINARY RESOLUTION 6	- To approve authority to issue and allot shares.		
ORDINARY RESOLUTION 7	- To renew and to seek shareholders' mandate for Recurrent Related Party Transactions.		
ORDINARY RESOLUTION 8	- To renew authority for the Company to purchase its own shares.		
ORDINARY RESOLUTION 9	- To approve the proposed retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director.		
SPECIAL RESOLUTION	- To approve the proposed adoption of a new Constitution.		

No. of Shares Held

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

Dated this _____ day of _____, 2019

NOTES:

- 1) A member of the Company who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member.
- 2) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- 3) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- 4) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- 5) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- 6) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- 7) Only members whose names appear in the Record of Depositors as at 29 November 2019 shall be entitled to attend and vote at the meeting.
- 8) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Fold this flap for sealing

Affix Stamp

**THE COMPANY SECRETARY
BERJAYA SPORTS TOTO BERHAD**

LOT 13-01A, LEVEL13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1, JALAN IMBI
55100 KUALA LUMPUR

2nd fold here

1st fold here

GROUP ADDRESSES

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Philippine Gaming Management Corporation

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H.R. Owen Plc

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For further information, please contact:

The Company Secretary

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