



**BERJAYA**  
**BERJAYA LAND BERHAD**  
(Company No. 201765-A)

برجاي لاند برحد  
成功置地有限公司

# ANNUAL REPORT 2016





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.

## OUR MISSION AND VISION

To generate consistently profitable returns for our shareholders from investments in core business activities:-

- By providing direction, financial resources and management support for each operating unit;
- Through establishing a major market presence for each activity; and
- Through dynamic and innovative management, teamwork and a commitment to excellence.

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Artist impression of Kensington Gardens, Penang.

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

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

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

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

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

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

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman

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

### Chief Executive Officer

Dato' Ng Sooi Lin

### Executive Directors

Tan Thiam Chai  
Phan Yoke Seng  
Nerine Tan Sheik Ping  
Chryseis Tan Sheik Ling  
Pee Kang Seng @ Lim Kang Seng

### Non-Independent/Non-Executive Director

Dato' Dickson Tan Yong Loong

### Independent/Non-Executive Directors

Datuk Robert Yong Kuen Loke  
Datuk Kee Mustafa

## AUDIT COMMITTEE

### Chairman/Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

### Independent/Non-Executive Directors

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

## SECRETARIES

Su Swee Hong (MAICSA No. 0776729)  
Tham Lai Heng, Michelle (MAICSA No. 7013702)

## SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd  
Lot 06-03 Level 6 (East Wing)  
Berjaya Times Square  
No. 1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2145 0533  
Fax : 03-2145 9702

## AUDITORS

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

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

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

## STOCK SHORT NAME

BJLAND (4219)

## PLACE OF INCORPORATION AND DOMICILE

Malaysia

## PROFILE OF DIRECTORS



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

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

Tan Sri Datuk Seri Razman Md Hashim was appointed to the Board as Chairman on 3 September 2007. He completed his early secondary education in Australia and upon completion, pursued a study in Accounting and Banking where he became a member of the Australian Institute of Bankers.

Upon his return to Malaysia, he started his career with Standard Chartered Bank Malaysia Berhad (“SCB”) as an Officer Trainee in 1967. Throughout his 32 years of banking experience in SCB, he served in various capacities including secondments to the bank’s branches in London, Europe, Hong Kong and Singapore. In Malaysia, he held various senior positions and was appointed as the Executive Director of SCB in 1994 until his retirement in June 1999.

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

Currently, he holds directorships in several public listed companies namely, Silk Holdings Berhad, MAA Group Berhad, Sunway Berhad and Mycron Steel Berhad. He also holds directorships in several other private limited companies.

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



**DATO' NG SOOI LIN**

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

He was appointed to the Board on 28 March 2003 as an Executive Director and was appointed the Chief Executive Officer of the Company on 21 December 2006. He holds a Bachelor in Engineering from the University of Liverpool and a Full Technology Certificate from the City & Guild’s of London. He is also a member of the Institute of Electrical Engineers, U.K. (M.I.E.E.) Chartered Engineers.

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

He joined Berjaya Land Berhad in November 1994 and was the Senior General Manager (Group Properties & Development) prior to his appointment as Executive Director of the Company. He also holds directorships in Berjaya Golf Resort Berhad, Berjaya Vacation Club Berhad, Indah Corporation Berhad, Staffield Country Resort Berhad, Tioman Island Resort Berhad and several other private limited companies in the Berjaya Corporation Group of Companies.

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

## PROFILE OF DIRECTORS



### TAN THIAM CHAI

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

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

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

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

Currently, he is the Chief Financial Officer of Berjaya Corporation Berhad. He is also a Director of Atlan Holdings Bhd, Berjaya Food Berhad, Cosway Corporation Berhad, Indah Corporation Berhad, Tioman Island Resort Berhad, Berjaya Vacation Club Berhad, Cosway Corporation Limited (Hong Kong) and Taiga Building Products Ltd (Canada). He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

Tan Thiam Chai is a member of the Risk Management Committee of the Company.



### PHAN YOKE SENG

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

He was appointed to the Board on 16 April 2015 as an Executive Director.

He holds a Master of Engineering (Civil & Structural) from Nanyang Technological University, Singapore. He is a certified Lean Master, from Ross School of Business, University of Michigan, USA. He also holds a Post Graduate Diploma in Finance and Business Administration, from Manchester Business School, University of Manchester, UK.

He has extensive range of expertise that culminates all aspects of residential and mixed-use developments experience of over two decades in the construction and property development industry that transcended local boundaries encompassing the Middle East, China, Japan, Singapore and Australia. He began his career with a local conglomerate, Sunway Construction Berhad for over a decade, as a Graduate Engineer before assuming on the role of Head of Special Unit at the Group level.

He joined Dijaya Corporation Berhad (now known as Tropicana Corporation Berhad) in 2010 as General Manager-Property Development (Central Region) and his last position was Executive Director-Property Development. Prior to joining the Company, he was an Executive Director of Perdana Parkcity Sdn Bhd overseeing the group's business development particularly in East Malaysia as well as new developments in the Klang Valley.

He was responsible for a number of key achievements where he and his strategic team have been instrumental in securing award winning accolades throughout his professional career in various organizations such as Best Master-planned Townships, Best Landed Residential Development (FIABCI 2014 Award), and Top 10 Property Developers in Malaysia (BCA 2010).

Phan Yoke Seng is a member of the Risk Management Committee of the Company.



**NERINE TAN SHEIK PING**

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

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

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

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

In February 2007, she was appointed as a General Manager (Sales & Marketing) of Sports Toto Malaysia Sdn Bhd (“STMSB”) and was subsequently promoted as an Executive Director of STMSB in April 2010. Currently, she is overseeing the sales and marketing activities of STMSB including dealings with Government authorities.

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

Her sister, Chryseis Tan Sheik Ling and her cousin, Dato’ Dickson Tan Yong Loong, are also members of the Board.

Nerine Tan Sheik Ping is a member of the Risk Management Committee of the Company.



**CHRYSEIS TAN SHEIK LING**

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

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

Currently, she is a Director of Berjaya Assets Food (BAF) Sdn Bhd (“BAF”), a subsidiary of Berjaya Assets Berhad which is involved in the Food & Beverage industry. BAF has secured the right to manage the franchise of Greyhound Café in Malaysia with the successful opening of its first outlet in Jalan Bukit Bintang, Kuala Lumpur. Greyhound Café is a franchised chain of restaurants established in Bangkok, Thailand.

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

Presently, she is also the Head of Marketing for Four Seasons Hotel and Hotel Residences Kyoto, Japan a hotel and residences development project undertaken by Berjaya Kyoto Development (S) Pte Ltd, an associated company of Berjaya Land Berhad.

She was previously an Executive Director of Berjaya Times Square Sdn Bhd (“BTSSB”) from September 2013 to April 2015 and currently, she is the Chief Executive Officer of BTSSB mainly involved in the marketing and overall management of Berjaya Times Square mall located in Kuala Lumpur.

Her sister, Nerine Tan Sheik Ping and her cousin, Dato’ Dickson Tan Yong Loong, are also members of the Board.

Chryseis Tan Sheik Ling is a member of the Risk Management Committee of the Company.

## PROFILE OF DIRECTORS



### PEE KANG SENG @ LIM KANG SENG

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

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

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

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

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

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

Pee Kang Seng @ Lim Kang Seng is a member of the Risk Management Committee of the Company.



### DATO' DICKSON TAN YONG LOONG

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

He was appointed to the Board on 22 March 2011. He graduated with a Bachelor of Science (Honours) Degree in Business Management from King's College, University of London, United Kingdom, in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom, in 2003.

He joined Tropicana Corporation Berhad ("Tropicana") as Business Development Manager in 2005 and has been promoted to several senior management positions prior to his current position as the Deputy Group Chief Executive Officer of Tropicana. Currently, he is overseeing group corporate strategy, marketing, planning and risk management of the Tropicana group of companies. He is also a Director of several other local and international private limited companies involved in investment holding, services, media, leisure and retail.

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

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

His cousins, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, are also members of the Board.



**DATUK KEE MUSTAFA**  
66 years of age, Malaysian, Male  
(Independent/Non-Executive Director)

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

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

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

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



**DATUK ROBERT YONG KUEN LOKE**  
64 years of age, Malaysian, Male  
(Independent/Non-Executive Director)

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

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

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

Save as disclosed, none of the Directors have:-

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

# KEY SENIOR MANAGEMENT

## **DATO' SRI ROBIN TAN YEONG CHING**

**42 years of age, Malaysian, Male**

**Chief Executive Officer, Berjaya Sports Toto Berhad**

He was appointed to the Board of Berjaya Sports Toto Berhad on 21 February 1998 as an Executive Director and subsequently appointed as the Chief Executive Officer of the Company on 21 December 2006. He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chairman and Chief Executive Officer of Berjaya Corporation Berhad and an Executive Director of Sports Toto Malaysia Sdn Bhd. He is the Executive Chairman of Berjaya Food Berhad and the Chairman of Berjaya Media Berhad, Sun Media Corporation Sdn Bhd and Informatics Education Ltd, Singapore. He is also a Director of Atlan Holdings Bhd, Berjaya Sompo Insurance Berhad, Berjaya Golf Resort Berhad and KDE Recreation Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

Save as disclosed, his sisters, Nerene Tan Sheik Ping and Chryseis Tan Sheik Ling, and his cousin Dato' Dickson Tan Yong Loong, are members of the Board of the Company.

## **HANLEY CHEW**

**51 years of age, Malaysian, Male**

**Chief Executive Officer, Hotels and Resorts Division, Berjaya Land Berhad**

He was appointed Chief Executive Officer of Berjaya Hotels & Resorts Division on 1 April 2016. He brings with him over 25 years of experience in the hospitality, travel and timeshare industries.

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

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

## **KHOR POH WAA**

**60 years of age, Malaysian, Male**

**President, Berjaya Vacation Club Berhad**

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

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

Currently, he is Chairman of the Malaysian Golf & Recreational Owners Association for the period 2015 to 2017. He was the Chairman of the Malaysian Holiday Timeshare Developer's Federation from 1995 to 2015.

## **FOO TOON KEE**

**50 years of age, Malaysian, Male**

**Chief Operating Officer, Hotels & Resorts Division, Berjaya Land Berhad**

He holds a Bachelor's Degree in Business from University of Southern Queensland, Australia and is a member of the Malaysian Institute of Accountants. He started his career with Ernst & Young and has worked in several public listed and private limited companies before joining the Company in 1998.

He was appointed as Chief Operating Officer of Berjaya Hotels & Resorts Division on 1 January 2013. Prior to his current role, he was the Senior General Manager and Acting Head of Berjaya Hotels, Resorts & Clubs from April 2003 to December 2012.

### SEOW SWEE PIN

59 years of age, Malaysian, Male

**Non-Independent/ Executive Director, Berjaya Sports Toto Berhad**

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

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

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

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

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

### TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

64 years of age, Malaysian, Male

**Managing Director/Chief Executive Officer, Sports Toto Malaysia Sdn Bhd**

He is an entrepreneur with diverse interests in property development and investment, gaming, stockbroking, manufacturing, retailing, trading, hospitality, Internet-related businesses, environmental and utilities, media, food and beverage, telecommunications, insurance and education through various public and private companies, namely, Berjaya Corporation group of companies, Berjaya Media Berhad, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad, Berjaya Retail Berhad, Cosway Corporation Limited, Informatics Education Ltd, Intan Utilities Berhad, U Mobile Sdn Bhd and MOL Ventures Pte Ltd.

Currently, he is the Executive Chairman of Berjaya Times Square Sdn Bhd and the Chairman of U Mobile Sdn Bhd. He is also the Managing Director/Chief Executive Officer of Sports Toto Malaysia Sdn Bhd. He also holds directorships in several other private limited companies.

He is the father of Dato' Sri Robin Tan Yeong Ching, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, and the uncle of Dato' Dickson Tan Yong Loong.

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

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

# CHAIRMAN'S STATEMENT

**On behalf of the Board of Directors of Berjaya Land Berhad ("B-Land"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2016.**

## FINANCIAL RESULTS

For the financial year ended 30 April 2016, the Group registered a revenue and pre-tax profit of RM6.28 billion and RM8.96 million respectively, compared to a revenue and pre-tax profit of RM5.91 billion and RM25.28 million respectively in the previous financial year.

The increase in revenue was primarily attributed to the sales of several parcels of land by the property development and investment business segment and the higher revenue reported by H.R. Owen Plc ("H.R. Owen") as a result of additional sales outlets as well as the introduction of new models by car manufacturers. H.R. Owen's results also benefited from the favourable effect of foreign exchange translation to Ringgit Malaysia.

The lower pre-tax profit was mainly due to the lower profit contribution reported by the gaming business segment as a result of higher prize payout and the impact from the implementation of Goods and Services Tax ("GST"), lower overall average room rates and higher operating costs reported by the hotels and resorts business segment as well as higher operating expenses incurred by H.R. Owen. In addition, the lower pre-tax profit was also due to the non-cash impairment losses of goodwill amounting to RM373.27 million in respect of the Malaysian gaming business segment which continued to be affected by the challenging economy and regulatory environment, amortization of gaming rights in respect of the Philippines gaming business segment amounting to RM28.35 million, impairment of investment in associated companies amounting to RM28.65 million, impairment of assets held for sale amounting to RM131.61 million in respect of the proposed sale of project by Berjaya (China) Great Mall Co. Ltd. which is pending completion. These impairment losses were partly mitigated by the gain on disposal and the gain on remeasurement of retained equity interest in Berjaya Kyoto Development (S) Pte. Ltd. ("BKyoto") totalling RM148.23 million.

## DIVIDEND

The Board did not recommend any dividend to be paid for the financial year ended 30 April 2016.

## SIGNIFICANT CORPORATE DEVELOPMENTS

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

1. As announced on 18 December 2012 and pursuant to the Supplemental Agreement dated 13 August 2012 entered into between Selangor Turf Club ("STC") and Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd), STC granted extension of time to 18 January 2017 to fulfill the remaining conditions precedent pursuant to the proposed acquisition of the Sungai Besi Land.
2. On 21 July 2015, B-Land announced that the Company has entered into a Subscription Agreement with Berjaya Corporation Berhad ("BCorp") and BKyoto for the proposed deemed disposal of 50% of B-Land's equity interest in BKyoto for a cash subscription of SGD34.66 million (about RM97.28 million).

In conjunction with the proposed deemed disposal, BCorp will advance to the BKyoto Group up to RM152.74 million to part-settle the inter-company debts between the BKyoto Group and B-Land as well as to fund working capital of the BKyoto Group in proportion to its shareholdings in BKyoto.

Upon completion, B-Land's equity interest in BKyoto was diluted from 100% to 50%.

3. On 6 November 2015, B-Land announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), has instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for the breach by JDC of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea ("Jeju Project") and to claim for losses and damages incurred as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the lands acquired thereunder to BJR free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of land which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence, JDC had breached the terms of the Land SPA as it failed to transfer good and unencumbered title to the said land to BJR. A consequence of the Korean Supreme Court decision is that certain former owners of the said land had filed a suit demanding that the said land be returned to them. Under the circumstances, the on-going development works on the Jeju Project has been suspended pending the resolution of this matter by JDC with the affected landowners.

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC had repurchased part of the land (under Phases 2 to 9) for KRW107.0 billion (about RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction cost due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. The JDC Lawsuit is still on-going.

4. On 16 December 2015, B-Land announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited had entered into a Construction Project Transfer Agreement with Beijing SkyOcean International Holdings Limited for the proposed disposal of the Berjaya (China) Great Mall Recreation Centre, which is under construction and located in Sanhe City, Hebei Province of the People's Republic of China for a cash consideration of RMB2.08 billion (about RM1.39 billion). The proposed disposal is pending completion.
5. On 20 January 2016, Berjaya Sports Toto Berhad ("BToto") and BCorp jointly announced that the Investment Registration Certificate was issued to BCorp and Vietnam Computerized Lottery One Member Limited Liability Company ("Vietlott") by the Hanoi Department of Planning and Investment, certifying the award of an exclusive 18-year contract to invest in and operate a nationwide computerized lottery system in Vietnam ("Project"). The Project is being carried out by the indirect subsidiary of BCorp namely Berjaya Gia Thinh Investment Technology Joint Stock Company ("Berjaya GTI"). Berjaya GTI, 51% owned by Berjaya Lottery Vietnam Limited ("BLV") which is in turn 80% owned by BCorp and 20% owned by BToto, commenced operation on 18 July 2016.



Dato' Sri Robin Tan together with the senior representatives from Vietnam's Finance Ministry, Vietnam Computerized Lottery One Member Company Ltd and Berjaya Gia Thinh Investment Technology Joint Stock Company launched the Mega 6/45 Lotto game in Ho Chi Minh City, Vietnam on 18 July 2016.

## CHAIRMAN'S STATEMENT

### CORPORATE SOCIAL RESPONSIBILITY ("CSR")

B-Land and its subsidiaries continued to bring positive difference in the lives of those in need by extending support and contributions to various social initiatives locally and internationally.

### REACHING OUT TO THE COMMUNITIES

B-Land and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate groups by hosting various festive gatherings for more than 20,000 Malaysians across the country, most notably through the annual Sports Toto Chinese New Year Ang Pow Donation Campaign. The event which marked its 28th anniversary benefited more than 17,000 needy senior citizens in 45 cities and towns throughout the country.

Sports Toto collaborated with NTV7 for the sixth consecutive year in producing of a 13-episode charity-themed TV programme – "Helping Hands Season 6" which provided impoverished families, indigenous groups, micro-sized primary schools and charitable organisations with the necessary home improvements, medical provisions and other necessities to improve their living conditions. This programme has benefited a total of 71 beneficiaries since its inception in 2011.

### SPORTS

Sports Toto also collaborated with the Olympic Council of Malaysia ("OCM") in recognising outstanding Malaysian athletes through the OCM-Sports Toto Outstanding Athletes of The Games Award 2015. The awards were presented to 29 individual gold medalists and 5 team gold medalists for their achievements at the 28th SEA Games 2015 held in Singapore.

Sports Toto also supported numerous sporting events such as the Go For It! – FTKLAA Cross Country 2016, Penang Bridge International Marathon 2015, Seremban Half Marathon 2015, 204KM KL – Maran Big Walk 2015, Kenny Rogers Chicken Run 2015, Milo – FTKLAA Walk Circuit 2015, AmBank City Day Run 2015, MBPJ Squash Open Championship 2015, Asean Basketball League 2015, Sports Toto 3-On-3 Basketball Jamboree at Kuching Festival 2015 and Sports Integration With The Society of The Blind, among others.

### EDUCATION

In line with its objective of promoting literacy and education, B-Land and its subsidiaries supported the operation cost of five community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country.

Sports Toto also extended the "Reading My Companion" learning programme to 23 Chinese primary schools in the rural areas of various states across the country. Since 2012, the well-received programme has reached out to approximately 5,600 students in 45 Chinese primary schools in Selangor, Perak, Negeri Sembilan, Melaka and Pahang.

### ENVIRONMENT

As part of its effort towards marine conservation, B-Land and its subsidiaries supported the "Shelter in The Sea for Marine Life" coral reef propagation project in August 2015. The project involved the laying of 67 concrete pipes, ranging from one to two metres in diameter, on the seabed between Berjaya Tioman Resort Dive Centre and Renggis Island off Johor to encourage coral growth and also provide protection for marine life.



The annual Sports Toto Chinese New Year Ang Pow Donation Campaign.



Recipients of OCM-Sports Toto Outstanding Athletes of the Games Award 2015.

Berjaya Hotels & Resorts ("BHR") continued to spread awareness on environment conservation through the annual Tioman World Ocean Day ("TWOD") with activities such as a clean-up dive to remove sea debris and Crown of Thorns from the sea beds, beach clean-up and a workshop for school children about the importance of sharks in the marine ecosystem conducted by Shark Savers'.

### ARTS AND CULTURE

In the promotion of arts and culture, Sports Toto supported Padawan Festival, Yin Ngai Heart to Heart Charity Night 2015, Pesta Tanglong Muar 2015, Penang Chingay Parade 2015, Por Tor Festival, Muar Chinese New Year Street Show, Nine Emperor God Festival and Hungry Ghost Festival.



The annual Tioman Island Clean-Up Day by Berjaya Hotels & Resorts.

### FUTURE OUTLOOK

The global economic environment is expected to remain modest due to the fragility of recovery in advanced economies, lower prices of crude oil and other key commodities and weak global trade. Against this scenario, the recent United Kingdom's referendum to leave the European Union or Brexit has also created heightened economic uncertainty which is likely to put added pressure on the global economy in the months or years to come.

On the domestic front, the Malaysian economy registered a lower growth of 4.1% in the first quarter of 2016 compared to 4.5% in the fourth quarter of 2015 due to slower growth in the manufacturing and services sectors as businesses and households continue to hold back on spending. In order to ensure the country remains firm to weather the economic challenges, the Government restructured and recalibrated Budget 2016 which focused on strengthening domestic resilience.

The local property market outlook is expected to remain subdued in light of the weaker economic environment, poor consumer sentiment and stringent financing requirements imposed by Bank Negara Malaysia. The Government has, however, taken proactive measures to increase home ownership among Malaysians, especially first time home buyers from the lower and middle-income groups with a household income of RM10,000 and below. This includes the introduction of The First Home Deposit Funding Scheme ("MyDeposit") for properties priced RM500,000 and below. The property development segment of B-Land is moving in tandem with the Government's aspiration to cater to the needs of the lower and middle-income groups by building more affordable houses to meet the market needs. The demand for these affordable housing projects and other residential properties is anticipated to remain strong especially developments at strategically located areas in Bukit Jalil, Kuala Lumpur with close proximity to urban public transportation systems.

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



Affordable homes project, Akasia Apartments at Berjaya Park, Shah Alam, Selangor.

## CHAIRMAN'S STATEMENT



Artist impression of the Four Seasons Hotel and Hotel Residences Kyoto, Japan.

Meanwhile, the hotel industry is expected to remain challenging due to weakening demand from the leisure and corporate traveller markets amidst a slower economic condition. Despite the foreseeable challenging environment, the hotels and resorts business segment will continue to strengthen its brand presence through the adoption of various innovative marketing strategies and diverse distribution channels to further expand its market reach. These, coupled with the continuous efforts to improve service quality and operating efficiency throughout its operations, will enable the hotels and resorts business segment to weather the headwinds and continue to drive business growth.

On the international front, the Group's associated company's property, the Four Seasons Hotel and Hotel Residences Kyoto, Japan is scheduled to officially open for business in the middle of October 2016. The property with 123 hotel rooms and 57 hotel residences is located on a 20,433.55-square metre site in the historical core of Higashiyama-ku amidst the temples and heritage sites of Kyoto. Given the rapid growth of tourist and business arrivals into Japan for the past few years, the Four Seasons Hotel and Hotel Residences Kyoto is expected to perform well in the future.

In view of the rising cost of living which continues to dampen consumer spending, the impact from the implementation of GST on Sports Toto and increasing illegal gaming activities, the Number Forecast Operators ("NFO") business under BToto is expected to be challenging. Nonetheless, it is expected that Sports Toto would maintain its market share in the NFO sector.

The Company is mindful about the increased challenges and strives to strengthen its portfolio and drive further cost efficiencies to remain competitive. Given the current trajectory and modest growth outlook, the Directors are of the view that the Group's performance will remain challenging in the financial year ending 30 April 2017.

### A NOTE OF APPRECIATION

On behalf of the Board, I would like to convey our sincere thanks to Datuk Maizan bin Shaari who retired from the Board effective 19 October 2015 for his contributions during his tenure as an Independent Non-Executive Director of the Group.

We take this opportunity to warmly welcome a new Independent and Non-Executive Director, Datuk Kee Mustafa and a new Executive Director, Ms Nerine Tan Sheik Ping, both appointed to the Board on 11 January 2016 as well as two new Executive Directors, Ms Chryseis Tan Sheik Ling, who was appointed on 1 April 2016 and Mr Pee Kang Seng @ Lim Kang Seng, appointed on 4 August 2016.

We also would like to convey our appreciation to all our valued customers, business associates, financiers and shareholders as well as the relevant government and regulatory bodies for their continued support. I also wish to accord our heartfelt gratitude to the management team for their leadership as well as the employees and the agents for their steadfast commitment, hard work and resilience, particularly during this challenging period.

To my fellow Directors, thank you for your invaluable wise counsel and support and may we continue to work together as we navigate through another challenging journey ahead.

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

4 August 2016

# MANAGEMENT DISCUSSION & ANALYSIS



A Toto draw in progress.



Sports Toto product leaflets.

## OVERVIEW

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

## PERFORMANCE REVIEW BY BUSINESS SEGMENTS

### GAMING

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

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

For the financial year under review, BToto’s revenue increased by 5.3% to RM5.563 billion due to higher revenue contribution from PGMC and H.R. Owen. Pre-tax profit dropped by 16.5% to RM445.7 million, mainly due to lower profits from its principal subsidiary, Sports Toto and H.R. Owen as well as the refund of RM18.0 million stamp duty (pursuant to the rescission of the share purchase agreement following the aborted listing exercise of Sports Toto Malaysia Trust on the Singapore Exchange Securities Trading Limited) recorded in the previous financial year. The drop in the Group’s pre-tax profit would have been 13.6% if this stamp duty refund had been excluded.

## MALAYSIA

Sports Toto, the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 7 games namely Toto 4D, Toto 4D Jackpot, Toto 5D, Toto 6D, Power Toto 6/55, Supreme Toto 6/58 and Grand Toto 6/63 which are drawn three days a week.

### Revenue

For the financial year ended 30 April 2016, Sports Toto recorded revenue of RM3.18 billion compared to the previous year’s revenue of RM3.23 billion. The company’s revenue for the financial year under review has been stated net of Gaming Tax as well as Goods and Services Tax (“GST”) on gaming supply introduced by the Royal Malaysian Customs on 1 April 2015. The decrease of 1.6% in revenue was mainly due to the implementation of GST on gaming supply for the full twelve months in the financial year ended 30 April 2016, compared to only one month for the corresponding financial year ended 30 April 2015. Setting aside the GST impact, the decrease in revenue would be 0.07% compared to the corresponding financial year ended 30 April 2015. Sports Toto continued to remain as the market leader among all the Number Forecast Operators (“NFO”) in the country in terms of total revenue for the financial year under review.

### Profit Before Tax

Sports Toto’s pre-tax profit decreased by 13.0% to RM415.1 million compared to RM477.2 million in the previous financial year. The lower profit before tax was mainly due to higher prize payout as well as a full twelve-month GST impact in the financial year under review compared to a one-month GST impact in the corresponding financial year ended 30 April 2015.

## MANAGEMENT DISCUSSION & ANALYSIS

### Profit After Tax

Profit after tax decreased by 11.7% to RM298.5 million compared to RM338.1 million in the previous financial year. The lower profit after tax margin of 9.4% compared to 10.5% in the previous financial year was mainly due to higher prize payout as well as a full twelve-month GST impact in the financial year under review, compared to a one-month GST impact in the corresponding financial year ended 30 April 2015.

### THE PHILIPPINES

BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. ("BPI") which is listed on the Philippine Stock Exchange. BPI's major investments include wholly-owned subsidiary Philippine Gaming Management Corporation ("PGMC"), 72.0% equity interest in H.R. Owen and wholly-owned subsidiary Perdana Hotel Philippines Inc. ("PHPI").

PGMC operates the business of leasing online lottery equipment and providing software support in the Luzon Region to the Philippine Charity Sweepstakes Office ("PCSO"), a Philippine government agency responsible for lotteries and sweepstakes, whereas 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, United Kingdom. PHPI operates Berjaya Makati Hotel in Makati City, Metro Manila.

### Revenue

BPI group recorded a slight increase in revenue to Peso26.5 billion from Peso26.47 billion in the previous financial year primarily due to higher revenue contribution from H.R. Owen in the financial year under review.

PGMC recorded revenue of Peso1.58 billion, a decrease of 1.9% from Peso1.61 billion in the previous financial year due to a net decrease in lease rental income as a result of a revision of equipment lease rate in the Equipment Lease Agreement which was renewed via a Supplemental Agreement signed on 13 August 2015. It is envisaged that the lease rental income will grow in tandem with the growth in sales from the number forecast games in play.

BPI's other subsidiary, PHPI which operates Berjaya Makati Hotel in Makati City, recorded an increase in revenue of Peso146.5 million compared to Peso143.5 million in the previous financial year. The increase of 2.0% in revenue was mainly due to an increase in average room rate compared to the previous financial year. In March 2016, PHPI was awarded the "Halal" certification by the Department of Tourism, Philippines.



A Lotto outlet in the Philippines.

### Profit Before Tax

BPI group recorded profit before tax of Peso931.3 million, a decrease of Peso307.0 million or 24.8% from the previous financial year, despite an increase in revenue mainly due to higher operating expenses incurred in the financial year under review.

PGMC's pre-tax profit decreased by 10.7% to Peso856.5 million compared to Peso958.7 million in the previous financial year mainly due to lower lease rental income earned as well as higher operating expenses incurred during the financial year under review.

PHPI's pre-tax profit increased by 19.2% to Peso3.9 million compared to Peso3.2 million in the previous financial year, mainly due to higher revenue from hotel rooms as well as other income during the financial year under review.

### Profit After Tax

BPI group's profit after tax decreased by 25.7% to Peso706.3 million compared to Peso951.0 million in the previous financial year. The effective tax rate for the financial year ended 30 April 2016 was slightly higher at 24.2% compared to 23.2% in the previous financial year.



The H.R. Owen Ferrari showroom in South Kensington, London, United Kingdom.

**THE UNITED STATES OF AMERICA**

In the United States, BToto’s subsidiary, International Lottery & Totalizator Systems, Inc. (“ILTS”) provides computerised wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide. ILTS owns 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, and Unisyn became the first U.S. voting company to receive, in January 2010, the U.S. 2005 Voluntary Voting System Guidelines (“VVSG”) certification from the United States Election Assistance Commission (“EAC”) for its OpenElect® election system.

**Revenue/Profit Before Tax**

For the financial year ended 30 April 2016, ILTS recorded a higher revenue, and also profit before tax of USD3.4 million compared to loss before tax of USD1.2 million in the previous financial year. This was mainly due to increased contract sales in the voting segment and increased spare parts orders from both the gaming and voting segments.

**UNITED KINGDOM**

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

**Revenue**

For the financial year ended 30 April 2016, H.R. Owen recorded revenue of £355.6 million compared to £349.8 million in the previous financial year mainly due to an increase in the number of new and pre-owned prestige cars sold, contribution from additional sales outlets as well as income from auto body repair and servicing.

**Profit Before Tax**

H.R. Owen’s pre-tax profit for the financial year ended 30 April 2016 was lower at £1.6 million compared to £4.0 million in the previous financial year, mainly due to higher operating expenses incurred arising from more showrooms for its luxury and prestige car dealerships and purchase of additional facilities during the financial year under review.

**FUTURE PROSPECTS**

On the domestic front, with the impact of the GST, increasing illegal gaming activities and the rising costs resulting from difficult economic conditions which continue to dampen consumer spending, the Directors expect the NFO business to be challenging in the financial year ending 30 April 2017. However, it is expected that Sports Toto will continue to maintain its market share in the NFO sector.

Having attained an economic growth of 5.8% in 2015, the Philippines remained a strong performer in the region. Its economic growth is likely to remain strong and is projected to accelerate to 6.4% in 2016, driven by favourable domestic factors in spite of a weak global market.

## MANAGEMENT DISCUSSION & ANALYSIS

Moving forward, PCSO is expected to introduce new games to create more excitement for the betting customers and increase the frequency of betting draws to boost sales volume. PCSO is also looking into increasing its lotto outlet network in the Luzon area to provide more venues for the sale of betting tickets.

The tourism industry remains exciting with tourist arrivals expected to increase significantly in the Philippines. Berjaya Makati Hotel will continue to put in place strategies to leverage on its strategic location, competitive hotel room rates and “Halal” banquet food certification to attract more tourists from the Middle East and Southeast Asia.

ILTS will continue to explore new and emerging technologies based on the current industry developments with the intention to increase its market share and improve competitiveness, as well as explore new markets where ILTS’s core competencies can be applied.

One of ILTS’s corporate strategies is to pursue growth through strategic alliances to gain access to new and tactically important geographical locations and business opportunities, and capitalise on existing business relationships.

Meanwhile, H.R. Owen’s sales started well for the current financial year and should continue throughout the remainder of the year ending 30 April 2017. The results for 2017 are expected to moderately improve, as the manufacturer cycles continue to see encouraging improvement.

### HOTELS AND RESORTS

The hotels and resorts business segment of B-Land Group is operated via the Berjaya Hotels and Resorts Division (“BHR”). BHR owns and operates 15 hotels and resorts locally and internationally.

For the financial year under review, BHR’s total gross revenue increased to RM274.0 million from RM268.6 million registered in the previous financial year while profit before tax decreased by 43.9% to RM15.3 million compared to RM27.2 million in the previous financial year.

The increase in gross revenue was mainly contributed by higher occupancy level and room revenue which is in tandem with the growth in leisure arrivals. However, the room night bookings declined for both the Corporate FIT and Corporate Group market segments. The lower pre-tax profit was mainly due to higher operating expenses, depreciation charges and finance costs incurred during the financial year under review.



Berjaya Times Square Hotel, Kuala Lumpur.

Despite improvement in occupancy levels by 1.7 percentage points to 60.7%, stiff competition and continued pricing pressure had resulted in a 3.8% reduction in Average Room Rate (“ARR”) compared to the previous financial year. The marginal growth in the room occupancy level was insufficient to offset the reduction in ARR which contributed to a decrease in Revenue per Available Room (“RevPAR”) by 1.1% compared to the previous financial year.

### MALAYSIA HOTELS & RESORTS

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

#### Revenue

The Malaysian-based hotels and resorts were generally affected by the lower room night bookings from Corporate FIT and Corporate Group segments especially from Japan, Australia and Malaysia markets for the financial year ended 30 April 2016. However, the effect was mitigated by higher room night bookings in the Leisure Group segment from the China market. The overall occupancy level increased by 1.0 percentage point to 60.6% while the ARR decreased by 5.5%. The marginal growth in the occupancy level was insufficient to mitigate the reduction in the ARR which resulted in a decrease in RevPAR by 4.0% to RM174. With the slower rooms and food and beverage businesses, the total gross revenue decreased 3.8% to RM199.7 million compared to RM207.6 million in the previous financial year.



Aerial view of Berjaya Langkawi Resort, Malaysia.

**Profit Before Tax**

The Malaysian-based properties recorded a decrease of 32.1% in profit before tax to RM16.4 million compared to RM24.2 million in the previous financial year, attributed to lower revenue, higher depreciation charges and finance costs.

**Berjaya Langkawi Resort, Langkawi**

The resort’s room occupancy level increased by 1.1 percentage point to 67.2% mainly supported by the room night bookings from the Transient FIT, Leisure FIT and Leisure Group segments of China, Middle East and India. Due to pricing pressure, the resort’s ARR fell 3.6% which resulted in a decrease of 4.5% in room revenue. Consequently, the resort recorded a marginal decrease of 3.1% in gross revenue to RM70.2 million from RM72.4 million in the previous financial year. Nonetheless, the profit before tax of RM25.9 million remained at par with the previous financial year’s results.

**Berjaya Times Square Hotel, Kuala Lumpur**

The hotel experienced lower demand from the corporate markets especially the room night bookings from the Corporate FIT and Corporate Group segments of Japan and Australia. However, this was mitigated by higher room occupancy level from the Leisure FIT and Leisure Group. The room occupancy level stood at 66.0% compared to 65.8% in the previous financial year. With the reduction in ARR by 3.5% and fewer corporate events, the hotel’s gross revenue decreased by 4.8% to RM68.0 million from RM71.4 million in the previous financial year. However, profit before tax declined to RM0.8 million from RM9.7 million mainly due to lower revenue recorded, higher finance costs and higher non-recurring non-operating expenses incurred during the financial year.

**Berjaya Tioman Resort, Tioman**

For the financial year under review, the resort recorded an increase in room night bookings from its leisure travel market. As a result, room occupancy level increased by 0.8 percentage point to 41.0% from 40.2% in the previous financial year mainly contributed by Transient FIT, Leisure FIT and vacation timeshare market segments of Malaysia and Singapore. Since scheduled commercial flight services to the island are no longer available, the resort offered special packages with discounted rates to attract more individual leisure arrivals which resulted in a decrease of 15.2% in ARR. However, with the improvement in food and beverage business, the gross revenue increased by 1.3% to RM18.9 million compared to RM18.7 million in the previous financial year.

**The Taaras Beach & Spa Resort, Redang (“The Taaras”)**

The non-availability of scheduled commercial flight services to the island has made The Taaras less attractive to foreign guests. Despite an increase in room occupancy level by 5.4 percentage points to 29.8% from 24.4% in the previous financial year, room revenue decreased by 1.6% mainly due to the reduction of 19.6% in ARR. The resort recorded lower revenue of RM17.5 million compared to RM18.9 million in the previous financial year.

**ANSA Kuala Lumpur (“ANSA”)**

With effect from October 2015, boutique hotel Piccolo Hotel Kuala Lumpur changed its name to ANSA Kuala Lumpur. During the financial year under review, ANSA experienced stiff competition and pricing pressures from new hoteliers within its vicinity. With this, ANSA changed its marketing strategy to focus more on Transient FIT business instead of the Leisure FIT market segment. ANSA recorded an increase in room occupancy level to 71.5% from 70.6% in the previous financial year. However, the increase in room occupancy level was insufficient to mitigate the reduction in ARR, which led to the decrease in RevPAR to RM158 compared to RM171 in the previous financial year. Consequently, revenue decreased by 6.6% to RM9.9 million for the financial year under review.

**Georgetown City Hotel, Penang**

During the financial year under review, the hotel’s room occupancy level increased marginally to 68.5% compared to 67.5% in the previous financial year. The hotel’s room night bookings were mainly contributed by Transient FIT, individual business and leisure travellers from the market segments of Malaysia and Indonesia as well as from the vacation timeshare market. Overall, the hotel’s revenue of RM13.5 million is at par with the previous financial year while profit before tax decreased by 7.2% mainly due to write-off of certain assets relating to its renovation exercise.

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERSEAS HOTELS & RESORTS

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

The overseas hotels and resorts recorded an improvement in room occupancy level by 4.0 percentage points to 61.0% compared with 57.0% in the previous financial year attributed to an increase in room night bookings from the Transient FIT, Leisure FIT and Leisure Group market segments.

Overall, revenue from BHR's overseas properties increased to RM74.3 million from RM60.9 million in the previous financial year mainly due to the improvement in operating results of Berjaya Hotel Colombo, Sri Lanka and Castleton Hotel in London, United Kingdom. However, higher operating expenses, lower ARR for its hotel rooms and higher depreciation charges had resulted in BHR's overseas properties incurring loss before tax of RM1.0 million versus profit before tax of RM3.0 million in the previous financial year.

#### **Berjaya Beau Vallon Bay Resort & Casino (“BBVB”) and Berjaya Praslin Resort (“BPR”), Seycelles**

In Seycelles, the steady growth in leisure arrivals led to an increase in BBVB and BPR's room occupancy levels by 6.2 percentage points to 59.5% and 13.5 percentage points to 49.2% respectively. As a result, the combined RevPAR increased by 10.3% compared to the previous financial year. The higher room night bookings were mainly from Transient FIT and Leisure FIT segments from its key markets of Europe, China and India. For the financial year under review, BBVB and BPR recorded combined revenue of RM34.9 million

compared to RM30.3 million registered in the previous financial year. In spite of the higher revenue, BBVB and BPR recorded combined loss before tax of RM0.82 million mainly due to lower ARR, higher operating expenses and depreciation charges as compared to profit before tax of RM1.2 million in the previous financial year.

#### **Berjaya Hotel Colombo, Sri Lanka**

During the financial year under review, the hotel achieved better operating results with higher room night bookings from its key market, the Leisure FIT segment. As a result, room occupancy level increased to 67.2% from 47.8% in the previous financial year. However, the ARR dropped by 5.5% as the hotel adopted a flexible rate strategy and introduced competitive special deals packages to drive business volumes. The hotel experienced an impressive growth in revenue of 42.6% to RM8.7 million from RM6.1 million in the previous financial year due to stronger demand in food and beverage for banqueting and corporate meetings.

#### **Berjaya Eden Park Hotel, London**

Berjaya Eden Park Hotel recorded a marginal decline in room occupancy level by 1.4 percentage point to 87.0% compared to 88.3% in the previous financial year. The room night bookings were mainly contributed by the Transient FIT and Leisure FIT market segments. The hotel experienced a relatively flat performance with revenue of RM15.2 million registered for the financial year under review.

#### **Castleton Hotel, London**

For the financial year under review, the hotel recorded a room occupancy level of 85.4% with a total gross revenue of RM7.4 million. The room night bookings were mainly contributed by the Transient FIT market segment.



Berjaya Hotel Colombo, Sri Lanka.



InterContinental Hanoi Westlake, Vietnam.

### JOINT VENTURE HOTELS

B-Land Group also has interests in two joint ventures in Vietnam which operate Sheraton Hanoi Hotel and InterContinental Hanoi Westlake.

During the financial year under review, Sheraton Hanoi Hotel performed well due to an increase in domestic tourists and international arrivals. The hotel registered an increase in revenue by 29.6% to RM61.2 million supported by higher room occupancy level and higher ARR. Room occupancy level increased to 82.9% from 73.0% in the previous financial year while ARR increased by 16%. As a result, RevPAR rose by 32% to RM291 compared to RM220 in the previous financial year.

InterContinental Hanoi Westlake recorded a 2.1 percentage point increase in room occupancy level to 82.8% from 80.7% in the previous financial year. As a result, the hotel registered a higher RevPAR driven by stronger business demand from the Transient FIT, Corporate FIT and Leisure Group market segments.

### FUTURE PROSPECTS

The overall outlook for the global tourism industry is expected to remain challenging amid slower economic conditions.

On the local front, the hotel industry is expected to benefit from various initiatives by the Malaysian Government and Tourism Malaysia in making Malaysia an attractive tourist destination.

While challenging market conditions are expected to persist, BHR will continue to place greater emphasis on implementing innovative marketing strategies with attractive promotions and packages as well as enhancing our distribution channels to drive business growth. Alongside these efforts, BHR will continue to improve its service quality and operating efficiency throughout its operations.

### CLUBS & RECREATION

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

Staffield Country Resort have been awarded with Most Improved Golf Course in 2015 under the Malaysian Golf Awards, and Bukit Jalil Golf & Country Resort, have recently been awarded by Pargolf People’s Choice Award 2016 for the “Most Improved Golf Course Malaysia” – Top 3.

The Clubs have a total membership of 16,475 as at 30 April 2016 of which 8,471 are golf membership and 8,004 are non-golf membership.

#### Revenue

The revenue for the financial year ended 30 April 2016 has decreased to RM53.8 million compared with RM57.1 million in the previous financial year, resulting from the hikes of revenue in previous financial year on group termination exercise.

#### Profit Before Tax

For the financial year ended 30 April 2016, The Clubs reported a pre-tax profit of RM4.9 million compared with RM8.1 million in the previous financial year. The decrease of the pre-tax profit was due to lower revenue generated from the reduced membership base after the group termination exercise.



Bukit Jalil Golf & Country Resort, Kuala Lumpur.

## MANAGEMENT DISCUSSION & ANALYSIS

### FUTURE PROSPECTS

The financial year ending 2017 will remain competitive and challenging for the recreation club industry. Moving forward, The Clubs will continue to upgrade its facilities on male changing room for Bukit Jalil Golf & Country Resort and Bukit Banang Golf & Country Club as well as golf course improvement for the latter. With the existing membership base and improved visitors patronizing The Clubs, the Club's performance will remain strong in its present position.

### VACATION TIMESHARE

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

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

#### Revenue

For the financial year ended 30 April 2016, BVC reported a slight decrease in revenue to RM10.6 million from RM10.8 million registered in the previous financial year mainly due to fewer bookings made by members for affiliated hotels, which consequently reduced surcharges.

#### Operating Profit

Operating profit decreased to RM3.8 million from RM4.5 million in previous financial year due to the lower advance licence fee recognised from the termination of delinquent memberships.

### FUTURE PROSPECTS

The timeshare industry in Malaysia has generally reached its maturity stage with no major changes or new players coming into the industry. Barring any unforeseen circumstances, the timeshare segment is expected to maintain its operating performance.

### PROPERTY DEVELOPMENT

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

The financial year under review has been a challenging year for the PD Division as the property market softened considerably due to the various cooling measures introduced by the Government to curb speculative market and impact from the implementation of the Goods and Services Tax ("GST") coupled with declining crude oil prices and the weakening of the Ringgit against the US dollar.

Despite the multiple challenges, the PD Division remained resilient by focusing its efforts on managing the on-going projects and enhancing its marketing strategies for existing stock as well as future project launches.

The financial year under review saw the completion of KM1 East at Bukit Jalil, Kuala Lumpur comprising one block of 154 units of high-rise and one block of 24 units of low-rise luxurious condominium units. As at 30 April 2016, more than 95% of the total units available have been sold with a total sales value of RM227 million. The completed units were progressively delivered to purchasers in the first quarter of 2016.



Entrance of KM1 East Condominiums at Bukit Jalil, Kuala Lumpur.

The construction work for Phase 1 of Link 2, Bukit Jalil is at a progressive stage with more than 33% works completed. The Link 2 is a mixed development comprising shop offices, street mall commercial lots and residences within a self-contained development that embodies the concept of "Live, Work and Play". As at 30 April 2016, the project has generated a total sales value of RM428 million.

The PD Division is scheduled to launch Phase 2 of the Link 2 in the first quarter of 2017 featuring 16 units of 4-storey and 6-storey shops, 252 units of retail outlets and kiosks spread on a 5-level street mall and 3 blocks of service apartment suites with a total of 1,061 units comprising 2-bedroom and 3-bedroom types. The total gross development value ("GDV") for this project is estimated at RM857 million.

Up north in Penang Island, the Phase 1 of Jesselton Villas, Kensington Gardens showcases 69 units of bungalow lots with sizes ranging from 5,995 to 9,634 square feet priced averagely at RM644 per square foot. As at 30 April 2016, more than 49% of the total units have been sold with a total sales value of RM147 million. Construction works have commenced and the project is anticipated to be completed by the middle of 2017.

On the international front, the Group's associated company's property, luxurious Four Seasons Hotel and Hotel Residences ("Four Seasons Hotel") project in Kyoto, Japan is anticipated to be completed in September 2016. Whilst the main structure works of the buildings have been fully completed, works for the interior design are still on-going. The project features 123 hotel rooms and 57 hotel residences with a fine blend of Japanese heritage and elegance. Scheduled for opening in October 2016, Four Seasons Hotel Kyoto will offer a unique state-of-the-art experience that honours the rich Japanese heritage while the 57 hotel residences offer a once-in-a-lifetime opportunity for the discerning few to own a premium residence in the heart of Kyoto City with exclusive enjoyment of the Four Seasons Hotel hospitality plus extensive protection of resident privacy.



The Four Seasons Hotel and Hotel Residences Kyoto is scheduled to open for business in October 2016.

### Revenue

Despite the subdued economic environment and slowdown in property market amid tighter lending conditions imposed by banks, the PD Division still registered an increase in revenue of 42.7% to RM331.9 million from RM232.6 million in the previous financial year due to higher progress billings and disposal of several parcels of non-strategic land.

### Profit Before Tax

The PD Division recorded a loss before tax of RM125.2 million as compared to a profit before tax of RM21.6 million in the previous financial year.

The loss before tax was mainly due to the impairment of assets held for sale amounting to RM131.6 million and other incidental selling expenses incurred in respect of the proposed disposal of a foreign development project.

The Malaysian based PD projects reported a profit before tax of RM102.6 million as compared to corresponding figure of RM63.4 million in the preceding financial year. The significant improvement of 61.8% was mainly contributed by profit recognition from higher percentage of works completion for existing projects and lucrative capital gains from disposal of several parcels of non-strategic land banks.

### Profit After Tax

In line with the above, PD Division reported a loss after tax of RM160.5 million as compared to profit after tax of RM2.1 million registered in the previous financial year.

### FUTURE PROJECTS

Another project within Bukit Jalil, Kuala Lumpur currently in the planning stage is a high end luxurious condominium project, KM2 which will be developed in four phases over a land area of 12.24 acres. KM2 will feature four blocks of 22-storey and 33-storey condominiums totalling 1,500 units with sizes ranging from 850 square feet to 2,200 square feet and is projected to be launched by the first quarter of 2019.

## MANAGEMENT DISCUSSION & ANALYSIS

Over in Seputeh Heights, Kuala Lumpur, the Ajani, an exclusive high-end semi-detached development featuring 3-storey freehold villas within a gated and guarded sanctuary, is scheduled to be unveiled by the first quarter of 2017. With only 42 units on 4.8 acres of land, this low density niche development will offer luxury and contemporary modern living homes with layout, features and fittings. The planning and other pre-construction work are in progress and well under way. The PD Division is anticipating a GDV of RM271 million from this project.

In line with Budget 2016 and the Government's concerted effort to address the demand for affordable housing projects targeted at young buyers of middle and lower income groups, the next project in the pipeline for the PD Division is Residensi Lanai @ Bukit Jalil, Kuala Lumpur targeted to be launched by the third quarter of 2016. The affordable homes project spread over a plot of 2.157 acres land comprises 648 units of 3-bedroom unit with a built-up of 800 square feet priced at RM300,000 per unit. The project is strategically located with easy accessibility to networks of highways and public transportation hubs surrounded by an established neighbourhood and comprehensive amenities. The total estimated GDV for this project is RM194 million.



Artist impression of Ajani at Seputeh Heights, Kuala Lumpur.



Artist impression of the superlink double storey terrace homes in Taman Kinrara, Puchong, Selangor.

Another affordable home project currently in planning is the "Build Then Sell" medium cost apartment at Berjaya Park, Shah Alam. This will be the PD Division's second "Build Then Sell" apartment project after the successful sales of Akasia at Berjaya Park, Shah Alam. The project features 220 units of 3-bedroom apartments priced from RM412,000 onwards. The project is expected to be completed and launched by the third quarter of 2019 with a total estimated GDV of RM95 million.

The final phase of the landed residential units at Taman Kinrara Section 4, Puchong will be unveiled within the third quarter of 2016 featuring 34 units comprising 29 units of 20 feet x 65 feet (IRIS) and 5 units of 24 feet x 97 feet superlink (JASMINE) double storey terrace homes with built-up ranging from 1,527 square feet to 2,452 square feet. Based on the sustained demand for landed properties, IRIS and JASMINE are anticipated to be well-received and will generate a total GDV of RM28 million.

Up north, the PD Division is also planning an affordable home project within Jesselton Villas in Penang Island. Mutiara Jesselton comprises 334 units of apartments ranging from 750 square feet to 850 square feet and 16 units of shophots with facilities such as covered carparks, swimming pool, gymnasium, community hall, children's playground, shophots and security system. This project is targeted to be launched by the third quarter of 2016 with an estimated total GDV of RM122 million.



Artist impression of Mutiara Jesselton, Penang.

### FUTURE PROSPECTS

The PD Division is mindful that the year ahead will bring its fair share of challenges for the local property market due to the slower economic momentum, cautious bank lending practices, increasing supply of new properties and rising competition among developers.

Against this backdrop, the residential market segment will continue to be the main driver of the property sector albeit at a slower growth momentum. The demand for landed properties that are competitively priced and strategically located with good accessibility and good development concept will remain strong due to scarcity of supply.

The PD Division is cautiously optimistic that its development projects in the much sought-after locations of Bukit Jalil and around the Klang Valley will continue to enjoy sustained interest and contribute positively to its revenue. The Division strives to achieve better operational excellence and financial prudence while focusing its efforts on sustainability and innovation in meeting the market needs.

### PROPERTY INVESTMENT

The Property Investment Division (“PI Division”) owns 3 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur and Berjaya Megamall in Kuantan, Pahang. Collectively, these properties achieved an average occupancy rate of 93% during the financial year under review compared to 89% in the previous financial year.

#### Revenue

The PI Division registered a marginal decline in revenue to RM30.9 million compared to RM31.6 million in the previous financial year primarily attributed to the lower occupancy rate at Kota Raya Complex, Kuala Lumpur.

#### Profit Before Tax And Profit After Tax

For the financial year under review, the PI Division reported an increase in profit before tax of 44.6% to RM25.6 million from RM17.7 million recorded in the previous financial year due to higher fair value gains of investment properties.

Profit after tax increased by 50.7% to RM21.4 million compared to RM14.2 million in the previous financial year.

### FUTURE PROSPECTS

The Group’s complexes in Kuala Lumpur are expected to remain resilient despite stiff competition from the growing number of complexes in the Klang Valley. With their strategic locations within the city centre of Kuala Lumpur and easy accessibility, the Group’s complexes will continue to perform well. The Group’s complexes will continue to implement innovative marketing strategies and exciting promotional activities in an effort to strengthen their market presence.

# CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures as at 4 August 2016

## BERJAYA LAND BERHAD

### HOTELS, RESORTS, RECREATION DEVELOPMENT, VACATION TIMESHARE AND OTHERS

|               |   |               |   |
|---------------|---|---------------|---|
| <b>100%</b>   | <b>Berjaya Vacation Club Berhad</b>   | <b>92.6%</b>  | <b>Berjaya Mount Royal Beach Hotel Limited</b>  |
|               | • Georgetown City Hotel, Penang – Malaysia  |               | • Berjaya Hotel Colombo – Sri Lanka   |
| <b>100%</b>   | <b>Berjaya Vacation Club (Cayman) Limited</b>                                       | <b>50%</b>    | <b>Berjaya Hotay Joint Venture Company Limited</b>  |
|               | • Berjaya Eden Park London Hotel – United Kingdom                                   |               | • Sheraton Hanoi Hotel, Hanoi – Vietnam   |
| <b>100%</b>   | <b>BHR (Cayman) Limited</b>   | <b>75%</b>    | <b>T.P.C. Nghi Tam Village Ltd</b>  |
|               | • Castleton Hotel, London – United Kingdom  |               | • InterContinental Hanoi Westlake, Hanoi – Vietnam  |
| <b>100%</b>   | <b>ANSA Hotel KL Sdn Bhd<br/>(formerly known as Absolute Prestige Sdn Bhd)</b>      | <b>100%</b>   | <b>Bukit Kiara Resort Berhad</b>  |
|               | • ANSA Kuala Lumpur – Malaysia<br>(formerly known as Piccolo Hotel Kuala Lumpur)    |               | • Bukit Kiara Equestrian & Country Resort, Kuala Lumpur   |
| <b>100%</b>   | <b>Berjaya Langkawi Beach Resort Sdn Bhd</b>  | <b>100%</b>   | <b>KDE Recreation Berhad</b>  |
|               | • Berjaya Langkawi Resort – Malaysia  |               | • Kelab Darul Ehsan, Selangor   |
| <b>99.5%</b>  | <b>The Taaras Beach &amp; Spa Resort (Redang) Sdn Bhd</b>                           | <b>100%</b>   | <b>Berjaya Golf Resort Berhad</b>   |
|               | • The Taaras Beach & Spa Resort, Redang Island<br>• Redang Island Resort – Malaysia |               | • Bukit Jalil Golf & Country Resort, Kuala Lumpur<br>• Arena Green Apartments, Kuala Lumpur<br>• Greenfields Apartments, Kuala Lumpur<br>• Green Avenue Condominiums, Kuala Lumpur<br>• Savanna Condominiums, Kuala Lumpur<br>• Savanna 2, Kuala Lumpur<br>• Covillea, Kuala Lumpur<br>• Jalil Link @ Bukit Jalil, Kuala Lumpur<br>• KM1 West Condominiums, Kuala Lumpur<br>• KM1 East Condominiums, Kuala Lumpur<br>• The Link 2, Kuala Lumpur |
| <b>86.25%</b> | <b>Tioman Island Resort Berhad</b>  | <b>80%</b>    | <b>Staffield Country Resort Berhad</b>  |
|               | • Berjaya Tioman Resort – Malaysia<br>• Tioman Island Resort – Malaysia             |               | • Staffield Country Resort, Negeri Sembilan   |
| <b>100%</b>   | <b>BTS Hotel Sdn Bhd</b>  | <b>100%</b>   | <b>Indah Corporation Berhad</b>   |
|               | • Berjaya Times Square Hotel, Kuala Lumpur – Malaysia                               |               | • Bukit Banang Golf & Country Club, Johor   |
| <b>100%</b>   | <b>Berjaya Beau Vallon Bay Beach Resort Limited</b>                                 | <b>100%</b>   | <b>Berjaya Air Sdn Bhd</b>  |
|               | • Berjaya Beau Vallon Bay Resort & Casino – Seychelles                              |               | <b>72.03%</b>   |
| <b>100%</b>   | <b>Berjaya Praslin Limited</b>  |               | <b>H.R. Owen Plc, United Kingdom #</b>  |
|               | • Berjaya Praslin Resort – Seychelles   | <b>27.09%</b> | <b>Informatics Education Ltd, Singapore</b>   |
| <b>70%</b>    | <b>Berjaya Long Beach Limited Liability Company</b>                                 |               |   |
|               | • Long Beach Resort, Phu Quoc – Vietnam   |               |   |
| <b>100%</b>   | <b>Perdana Hotel Philippines Inc. #</b>   |               |   |
|               | • Berjaya Makati Hotel – Makati, Philippines #                                      |               |   |
| <b>50%</b>    | <b>Kyoto Higashiyama Hospitality Assets TMK *</b>                                   |               |   |
|               | • Four Seasons Hotel & Hotel Residences, Kyoto – Japan                              |               |   |

# subsidiary companies of Berjaya Philippines Inc.

\* subsidiary company of Berjaya Corporation Berhad

PROPERTY INVESTMENT & DEVELOPMENT

**100%** Taman Tar Development Sdn Bhd

- The Peak @ Taman TAR, Ampang, Selangor

**100%** Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd)

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

**80%** Pakar Angsana Sdn Bhd

- Berjaya Park, Shah Alam, Selangor

**100%** Sri Panglima Sdn Bhd

- Taman Kinrara IV, Puchong, Kuala Lumpur

**100%** Berjaya Land Development Sdn Bhd

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

**100%** Securiservices Sdn Bhd

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

**80%** Berjaya-Handico12 Co, Limited

- Ha Noi Garden City, Hanoi – Vietnam

**100%** Berjaya Vietnam Financial Center Limited

- Vietnam Financial Center, Ho Chi Minh City – Vietnam

**75%** Berjaya-D2D Co. Limited

- Bien Hoa City Square, Dong Nai Province – Vietnam

**100%** Berjaya VIUT Limited

- Vietnam International University Township Ho Chi Minh City – Vietnam

**72.6%** Berjaya Jeju Resort Limited

- Berjaya Jeju Airst City, Yerae-Dong Jeju Island – South Korea

**100%** Berjaya Okinawa Development Co. Ltd

**100%** Nural Enterprise Sdn Bhd

- Plaza Berjaya, Kuala Lumpur

**100%** Kota Raya Development Sdn Bhd

- Kota Raya Complex, Kuala Lumpur

**100%** Cempaka Properties Sdn Bhd

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

+

**14.09%** Berjaya Assets Berhad

- Berjaya Times Square, Kuala Lumpur
- Natural Avenue Sdn Bhd
- Berjaya Waterfront Hotel, Johor Bahru, Johor
- Berjaya Waterfront Complex, Johor Bahru, Johor
- Menara MSC Cyberport, Johor Bahru, Johor
- Islington on the Green, London – United Kingdom

GAMING & LOTTERY MANAGEMENT

+

**92%** Berjaya International Casino Management (Seychelles) Limited

+

**40.05%** Berjaya Sports Toto Berhad

**100%** Sports Toto Malaysia Sdn Bhd

+

**88.26%** Berjaya Philippines Inc.

**100%** Philippine Gaming Management Corporation

**100%** International Lottery & Totalizator Systems, Inc. (USA)

**100%** Unisyn Voting Solutions, Inc.

■ Listed Companies  
+ Combined Interest

# GROUP FINANCIAL SUMMARY

| Description  | 2016             |                   | 2015<br>RM'000    | 2014<br>RM'000    | 2013<br>RM'000    | 2012<br>RM'000    |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | US\$'000         | RM'000            |                   |                   |                   |                   |
| Revenue  | 1,616,254        | 6,283,997         | 5,910,163         | 5,021,299         | 4,246,613         | 4,195,638         |
| Profit Before Tax                                  | 2,305            | 8,961             | 25,276            | 535,248           | 461,390           | 488,402           |
| (Loss)/Profit for the Year                         | (42,444)         | (165,024)         | (161,828)         | 309,013           | 272,996           | 304,036           |
| (Loss)/Profit Attributable to Owners of the Parent | (69,608)         | (270,637)         | (382,960)         | 104,620           | 33,033            | 73,386            |
| Share Capital                                      | 643,047          | 2,500,168         | 2,500,168         | 2,500,168         | 2,500,168         | 2,500,168         |
| Reserves   | 588,050          | 2,286,337         | 2,445,151         | 2,906,379         | 2,748,873         | 2,794,776         |
| Equity Funds                                       | 1,231,097        | 4,786,505         | 4,945,319         | 5,406,547         | 5,249,041         | 5,294,944         |
| Treasury Shares                                    | (5,324)          | (20,699)          | (20,699)          | (45,466)          | (45,466)          | (45,466)          |
| Net Equity Funds                                   | 1,225,773        | 4,765,806         | 4,924,620         | 5,361,081         | 5,203,575         | 5,249,478         |
| Non-controlling Interests                          | 836,468          | 3,252,188         | 3,292,065         | 3,261,232         | 3,208,319         | 3,156,686         |
| Total Equity                                       | 2,062,241        | 8,017,994         | 8,216,685         | 8,622,313         | 8,411,894         | 8,406,164         |
| Long Term Loans                                    | 750,301          | 2,917,170         | 3,238,987         | 2,456,877         | 1,353,043         | 1,943,780         |
| Deferred Tax Liabilities                           | 38,804           | 150,869           | 117,054           | 118,878           | 95,242            | 95,166            |
| Other Non-Current Liabilities                      | 35,693           | 138,775           | 165,513           | 176,609           | 180,016           | 191,541           |
| Current Liabilities                                | 821,561          | 3,194,224         | 2,432,891         | 2,658,863         | 2,250,783         | 1,262,291         |
| <b>Total Equity and Liabilities</b>                | <b>3,708,600</b> | <b>14,419,032</b> | <b>14,171,130</b> | <b>14,033,540</b> | <b>12,290,978</b> | <b>11,898,942</b> |
| Property, Plant And Equipment                      | 445,576          | 1,732,398         | 2,586,999         | 2,396,591         | 1,838,930         | 1,856,716         |
| Intangible Assets                                  | 1,209,092        | 4,700,949         | 5,093,609         | 5,572,627         | 5,463,962         | 5,457,319         |
| Other Non-Current Assets                           | 875,152          | 3,402,592         | 2,634,335         | 2,680,652         | 2,716,861         | 2,351,102         |
| Current Assets                                     | 926,778          | 3,603,311         | 3,798,178         | 3,370,139         | 2,242,921         | 2,229,024         |
| Assets Held for Sale                               | 252,002          | 979,782           | 58,009            | 13,531            | 28,304            | 4,781             |
| <b>Total Assets</b>                                | <b>3,708,600</b> | <b>14,419,032</b> | <b>14,171,130</b> | <b>14,033,540</b> | <b>12,290,978</b> | <b>11,898,942</b> |
| Net Assets Per Share (US\$/RM)*                    | 0.25             | 0.96              | 0.99              | 1.07              | 1.04              | 1.05              |
| Net (Loss)/Earnings Per Share (US\$/RM)*           | (0.014)          | (0.05)            | (0.08)            | 0.02              | 0.01              | 0.01              |
| Dividend (cents/sen)*                              | —                | —                 | —                 | 1.00              | 1.00              | 1.00              |
| Dividend Amount (US\$'000/RM'000)                  | —                | —                 | —                 | 49,894            | 37,322            | 37,322            |

## Notes:

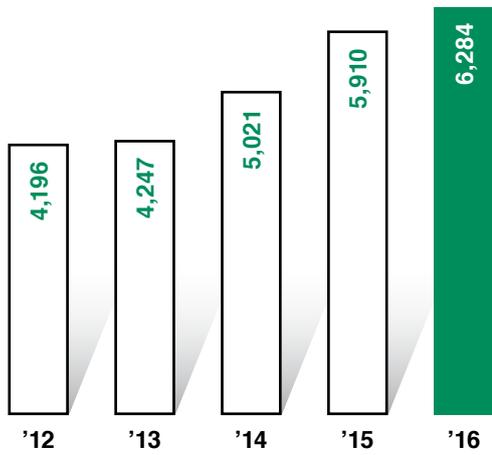
Net assets per share represents the net equity funds divided by the number of outstanding shares with voting rights in issue.

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

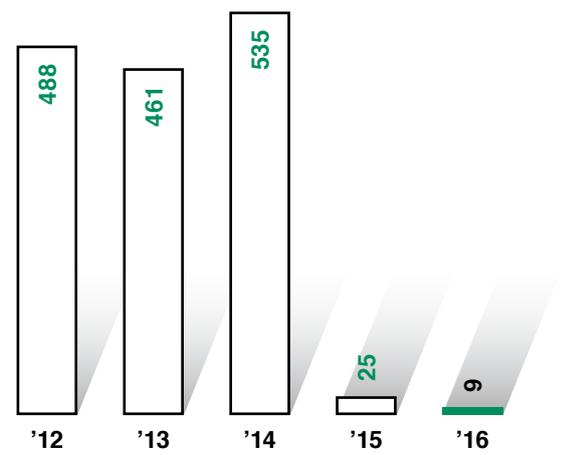
Exchange rate as at 30-4-2016: US\$1.00 = RM3.888

# GROUP FINANCIAL HIGHLIGHTS

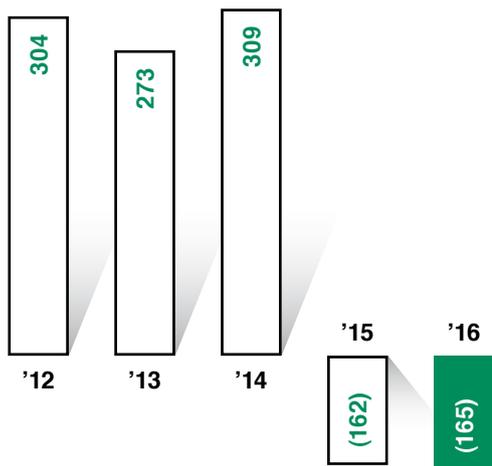
Revenue (RM' Million)



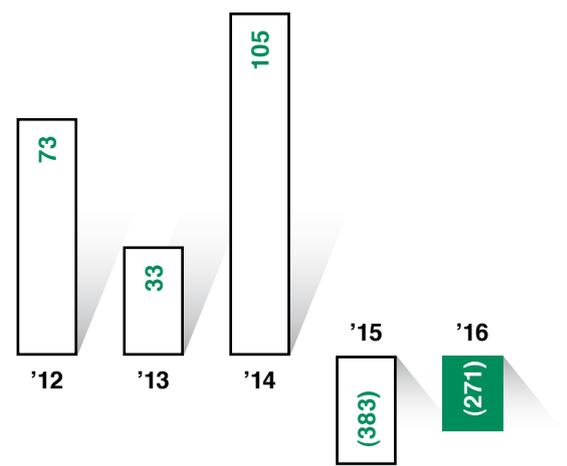
Profit Before Tax (RM' Million)



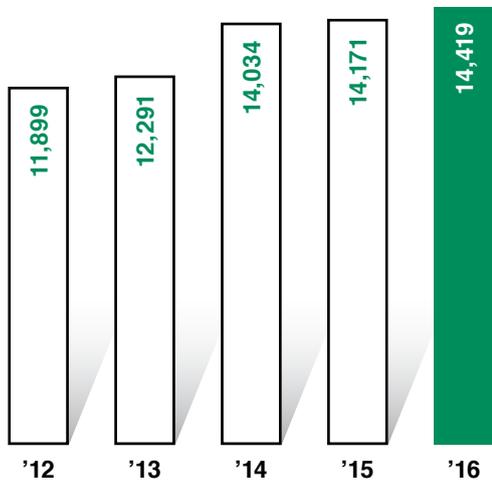
(Loss)/Profit for the Year (RM' Million)



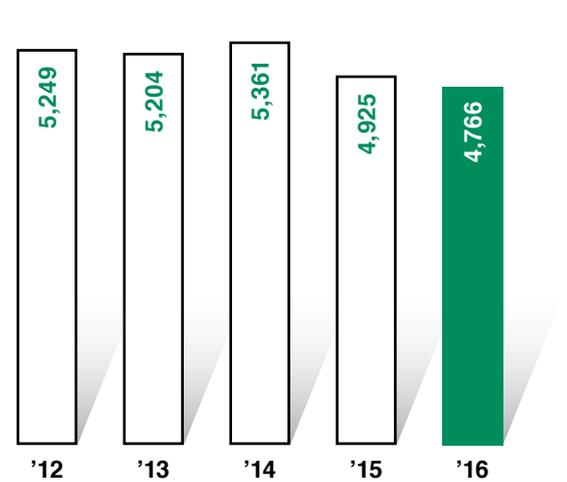
(Loss)/Profit Attributable to Owners of the Parent (RM' Million)



Total Assets (RM' Million)



Net Equity Funds (RM' Million)



# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“Board”) of Berjaya Land Berhad is committed and will continue to endeavour to comply with the principles and recommendations as set out in the Malaysian Code of Corporate Governance 2012 (“MCCG 2012”). The Board will also ensure that good corporate governance, being a fundamental part of the Board’s responsibilities, is practised throughout the Group as an assurance for the continuous and sustainable growth of the Group for the interests of all its stakeholders.

The Board is pleased to provide the following statement which outlined how the Group had applied the principles and recommendations of the MCCG 2012 throughout the financial year ended 30 April 2016.

## (A) ROLES AND RESPONSIBILITIES

### **Board composition and balance**

The Board currently has ten (10) members, comprising three (3) Independent Non-Executive Directors (including the Chairman), the Chief Executive officer, five (5) Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfils the requirements mandated by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher must be independent.

The Directors, with their different backgrounds and specializations, collectively bring with them a wide range of knowledge and expertise particularly in the fields of accountancy, business, banking and finance, sales and marketing, property investment and development and administration for the effective management of the Group’s diversified businesses. The qualifications and experience of each of the Directors are set out in the Directors’ profile on Page 3 to Page 7 of the Annual Report.

The current Board composition is also broadly balanced to reflect the interests of major shareholders, management and minority shareholders.

The Board recognises the importance and contribution of its Independent Directors. They represent the element of objectivity, impartiality and independent judgement of the Board. This ensures that there is adequate check and balance at the Board level. The presence of three (3) Independent Non-Executive Directors on the Board provides a pivotal role in corporate accountability as they provide unbiased and independent views, advice, opinions and judgement to safeguard the interest of minority shareholders.

The positions of Chairman and Chief Executive Officer are held by two different individuals. The distinct and separate role of the Chairman and Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Chairman is primarily responsible for the leadership of the Board and ensures Board effectiveness and standards of conduct and to facilitate constructive deliberation on matters in hand.

He has authority over the agenda for each Board meeting to ensure that all Directors are provided with relevant information on a timely basis. The general agenda may include minutes of previous meetings of the Board and its sub-committees, quarterly financial results of the Group, issues requiring the Board’s deliberation and approval, reports or briefings on operational and financial issues of major subsidiaries and other ad-hoc reportings.

The Chief Executive Officer has overall responsibility for the Group’s business operations, organisational effectiveness and the implementation of Board policies and decisions.

### **Roles and Responsibilities of the Board**

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 that clearly 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](http://www.berjaya.com) and will be subject to review annually by the Board to ensure that it remains consistent with the Board’s objectives and responsibilities.

## STATEMENT ON CORPORATE GOVERNANCE

The Board has adopted, amongst others, the following major responsibilities to facilitate the Board in discharging its fiduciary duties:-

1. Reviewing and adopting strategic plans and policies for the Company and the Group;
2. Overseeing and monitoring the conduct of the businesses and financial performance and major capital commitments of the Company and the Group;
3. Identifying principal risks of the business and ensuring the implementation of appropriate risk management systems to manage these risks;
4. Establishing a succession plan for the Company and the Group including the remuneration and compensation policy thereof;
5. Overseeing the development and implementation of corporate communication policies with the shareholders and investors, other key stakeholders and the public including the whistle blowing policy;
6. Reviewing the adequacy and integrity of the internal control systems and management information of the Company and the Group;
7. Reviewing and adopting budgets and financial results of the Company and the Group, monitoring compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;
8. Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group;
9. Reviewing and approving any material acquisitions and disposals of undertakings and assets in the Group; and
10. Developing a corporate code of conduct to address, amongst others, any conflicts of interest relating to Directors, major shareholders and/or management.

The Board is also supported by the different Board Committees to provide independent overights of management and to ensure that there are appropriate checks and balances. These Board committees are:-

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

The Board Committees have their roles and functions, written terms of reference and authorities clearly 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 still lies with the Board.

### **Directors' Code of Conduct/Ethics**

The Board has 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 promote ethical conduct of the Directors.

The Group has also put in place a Code of Conduct for all its employees and Directors to ensure a high standard of ethical and professional conduct is upheld by all its employees and Directors in the performance of their duties and responsibilities. All employees are required to declare that they have received, read and understood the provisions of the Code of Conduct.

### **Sustainability Strategies**

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

The Group strives to achieve a sustainable long term balance between meeting its business goals, preserving the environment to sustain the ecosystem and 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 corporate social responsibility section of the Chairman's Statement in this Annual Report.

## STATEMENT ON CORPORATE GOVERNANCE

### Supply of Information

All Directors have unrestricted and timely access to all information concerning the Company's and the Group's business and affairs necessary for the discharge of their responsibilities. The Board papers and reports which include the Group's performance and major operational, financial and corporate developments are distributed to the Directors in sufficient time prior to Board Meetings to enable Directors to obtain further clarifications and/or explanations, where necessary, in order to expedite the decision making process.

The Board is supported by suitably qualified, experienced and competent Company Secretaries who are also members of a professional body. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution and advises the Board on any updates relating to new statutory and relevant regulatory requirements pertaining to the duties and responsibilities of Directors as and when necessary.

All Directors have access to the advice and services of the Company Secretaries and the senior Management staff in the Group. They may also obtain independent professional advice at the Company's expense in furtherance of their duties.

### Board Meetings

The Board meets at least five (5) times a year with additional meetings to be held when necessary. During the financial year ended 30 April 2016, ten (10) Board meetings were held and the attendance of the Directors at the Board Meetings were as follows:-

| Directors  | No. of Meetings Attended |
|--|--------------------------|
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim ## | 10/10                    |
| Dato' Ng Sooi Lin  | 10/10                    |
| Tan Thiam Chai   | 10/10                    |
| Phan Yoke Seng   | 10/10                    |
| Dato' Dickson Tan Yong Loong                                 | 8/10                     |
| Datuk Robert Yong Kuen Loke ##                               | 9/10                     |
| Datuk Maizan bin Shaari @                                    | 5/5*                     |
| Datuk Kee Mustafa ** (Appointed on 11 January 2016) ##       | 1/1*                     |
| Nerine Tan Sheik Ping ** (Appointed on 11 January 2016)      | 1/1*                     |
| Chryseis Tan Sheik Ling (Appointed on 1 April 2016) ^        | ^                        |

## Denotes Independent Non-Executive Director.

@ During the financial year, Datuk Maizan Bin Shaari retired as an Independent Non Executive Director of the Company at the conclusion of the Company's last Annual General Meeting held on 19 October 2015.

\*\* Datuk Kee Mustafa was appointed as an Independent Non-Executive Director of the Company on 11 January 2016 and Nerine Tan Sheik Ping was appointed as an Executive Director of the Company on 11 January 2016.

^ Ms Chryseis Tan Sheik Ling was appointed as an Executive Director of the Company on 1 April 2016. There was no Board Meeting being held subsequent to the date of her appointment up to 30 April 2016.

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

Subsequent to the financial year ended 30 April 2016, Mr Pee Kang Seng @ Lim Kang Seng has been appointed as an Executive Director of the Company on 4 August 2016.

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

## (B) COMPOSITION

### 1. Nomination Committee

The Nomination Committee of the Company comprises exclusively of Independent Non-Executive Directors. Its composition is as follows:-

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

The Nomination Committee meets as and when required, and at least once a year. The Nomination Committee met thrice during the financial year ended 30 April 2016.

The Chairman of the Nomination Committee, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns relating to the affairs of the Group may be conveyed.

Under its terms of reference, the Nomination Committee is tasked with the duties of, among others, the following:-

- identifying, assessing and recommending the right candidates to the Board with the necessary skills, knowledge, experience and competency for new appointments;
- conducting an annual assessment on the effectiveness of the Board as a whole (inter-alia, the required mix of skills, size and composition, experience, core competencies and other qualities of the Board), the Board Committees and the contribution of every Director (including the assessment of independence of the Independent Directors);
- recommending retiring directors for re-election or re-appointment as directors;
- ensuring orderly succession at the Board level and boardroom diversity; and
- ensuring adequate training and orientation are provided for new members of the Board.

The terms of reference of the Nomination Committee is available at the Company's website at [www.berjaya.com](http://www.berjaya.com).

#### **Develop, maintain and review criteria for recruitment and annual assessment of Directors**

##### ***Appointment to the Board***

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.

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, shareholders and/or other consultants;
2. In evaluating the suitability of candidates 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 candidate's independence;
3. Recommendation to be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

## STATEMENT ON CORPORATE GOVERNANCE

### **Re-elections 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, 1965.

The Company’s Articles of Association provides that a Director appointed during the year is required to retire and seek election by shareholders at the following AGM immediately after their appointment. The Articles also requires that one-third of the Directors including the Managing Director, if any, to retire by rotation and seek re-election at each AGM and that each Director shall submit himself/herself for re-election once every three (3) years.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director who is over seventy (70) years of age shall retire at the conclusion of each AGM of the Company and may offer himself for re-appointment to hold office until the next AGM.

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

The Directors who will retire by rotation and eligible for re-election pursuant to Article 101 of the Company’s Articles of Association at the forthcoming Twenty-Sixth AGM are Tan Thiam Chai and Dato’ Dickson Tan Yong Loong. The newly appointed Directors, namely Datuk Kee Mustafa, Ms Nerine Tan Sheik Ping, Ms Chryseis Tan Sheik Ling and Mr Pee Kang Seng @ Lim Kang Seng who were appointed during the year will also retire at the forthcoming AGM pursuant to Article 106 of the Company’s Articles of Association. The profiles of these Directors are set out on pages 4 to 7 of the Annual Report.

The Senior Independent Non-Executive Director, namely Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, is now over seventy (70) years of age and his office shall become vacant upon the conclusion of the forthcoming Twenty-Sixth AGM. However, he has been recommended for re-appointment as a Director of the Company at the forthcoming Twenty-Sixth AGM, pursuant to Section 129(6) of the Companies Act, 1965 and his profile is set out on page 3 of the Annual Report.

The Nomination Committee has assessed the performances of all the above Directors due for re-election and has made recommendations to the Board for their re-election to be tabled for shareholders’ approval at the forthcoming AGM. To assist the shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings of the Directors standing for re-election have been disclosed in this Annual Report.

### **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 – Towards Boardroom Excellence. 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 financial year under review, the Nomination Committee reviewed and recommended to the Board the appointment of Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling as new members of the Board. In addition, the Nomination Committee also reviewed and recommended to the Board the appointment of Datuk Kee Mustafa as a new Independent Non-Executive Director to fill the vacancy following the retirement of Datuk Maizan Bin Shaari as an Independent Non-Executive Director at the conclusion of the Company’s last AGM held on 19 October 2015.

The Nomination Committee also carried the following activities during the meeting held on 23 June 2016:-

- 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;
- nominating the Directors who are retiring and who are eligible for re-election and/or re-appointment; and
- reviewed the performance of the Audit Committee and its members.

**Boardroom Diversity**

The Board acknowledges the importance of gender, age, nationality, ethnicity and socio-economic background diversity and recognises the benefits that it can bring. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

The Company does not set any specific target for boardroom diversity but will actively work towards achieving the appropriate boardroom diversity.

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

**2. Remuneration Committee**

The Remuneration Committee of the Company comprises a majority of non-executive Directors and its composition is as follows:-

- Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim – Chairman/Independent Non-Executive
- Datuk Kee Mustafa – Independent/Non-Executive
- Dato’ Ng Sooi Lin – Chief Executive Officer/Non-Independent Executive

The Remuneration Committee is responsible for reviewing the policy and making recommendations to the Board on all elements of the remuneration package and other terms of employment of the Executive Directors. The remuneration of Directors is determined at levels which enables the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The determination of the remuneration for the Non-Executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommends the Directors’ fees payable to the Non-Executive Directors on a yearly basis to the shareholders for approval at the Annual General Meeting.

**Details of the Directors’ Remuneration**

The aggregate Directors’ remuneration paid or payable to the Directors in office at the end of the financial year by the Company and the Group categorised into appropriate components for the financial year ended 30 April 2016 were as follows:-

**Company**

|               | ← RM’000 → |                      |                                     |           |              |
|---------------|------------|----------------------|-------------------------------------|-----------|--------------|
|               | Fees       | Benefits-<br>in-kind | Salaries<br>and other<br>emoluments | Bonus     | Total        |
| Executive     | –          | 57                   | 1,149                               | 66        | 1,272        |
| Non-Executive | 119        | –                    | 16                                  | –         | 135          |
|               | <b>119</b> | <b>57</b>            | <b>1,165</b>                        | <b>66</b> | <b>1,407</b> |

**Group**

|               | ← RM’000 → |                      |                                     |            |              |
|---------------|------------|----------------------|-------------------------------------|------------|--------------|
|               | Fees       | Benefits-<br>in-kind | Salaries<br>and other<br>emoluments | Bonus      | Total        |
| Executive     | –          | 62                   | 3,511                               | 196        | 3,769        |
| Non-Executive | 164        | 21                   | 789                                 | 13         | 987          |
|               | <b>164</b> | <b>83</b>            | <b>4,300</b>                        | <b>209</b> | <b>4,756</b> |

## STATEMENT ON CORPORATE GOVERNANCE

The number of Directors as at the end of the financial year and their total remuneration from the Group categorized in the various bands were as follows:-

| Range of Remuneration     | Number of Directors |               |
|---------------------------|---------------------|---------------|
|                           | Executive           | Non-Executive |
| RM1 – RM50,000            | 1                   | 1             |
| RM100,001 – RM150,000     | –                   | 1             |
| RM250,001 – RM300,000     | –                   | 1             |
| RM300,001 – RM350,000     | 1                   | –             |
| RM550,001 – RM600,000     | –                   | 1             |
| RM900,001 – RM950,000     | 1                   | –             |
| RM1,000,001 – RM1,050,000 | 1                   | –             |
| RM1,400,001 – RM1,450,000 | 1                   | –             |
|                           | 5                   | 4             |

### (C) INDEPENDENCE

#### Assessment of Independent Directors

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 communities in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, assesses the Independence of its Independent Non-Executive Directors on an annual basis based on the same criteria used in the definition of “Independent Directors” as prescribed in Chapter 1 of the Bursa Securities Listing Requirements (“LR”) in its assessment of the Independent Directors.

The current three (3) Independent Non-Executive Directors of the Company namely, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Datuk Robert Yong Kuen Loke and Datuk Kee Mustafa have fulfilled the criteria of “independence” as prescribed under Chapter 1 of the Listing Requirements of Bursa Securities. The Board had assessed and concluded that the three (3) Independent Non-Executive Directors of the Company remain objective and independent.

#### Tenure of Independent Directors

The Company does not have term limits for its Independent Directors. 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 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 Nomination Committee noted that pursuant to Recommendation 3.2 of the MCCG 2012, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to being re-designated as a Non-Independent Director.

## STATEMENT ON CORPORATE GOVERNANCE

The Nomination Committee also noted that pursuant to Recommendation 3.3 of the MCCG 2012, the Board may provide justifications and seek shareholders' approval in the event there is intention to retain a Director who has served a cumulative term of nine (9) years as an Independent Director.

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

The Board has decided to retain him as an Independent Director notwithstanding his service tenure as Independent Director shall exceed nine (9) years by September 2016 after the assessment and recommendation by the Nomination Committee.

In line with Recommendation 3.3 of the MCCG 2012, the Board will seek approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director of the Company when his tenure has exceeded the nine (9) years based on the following justifications:-

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

### (D) COMMITMENT

Recommendation 4.1 of the MCCG 2012 recommends that the Board should set out the expectations on time commitment for its members and protocols for accepting new directorships. Hence, each Director is required to notify the Chairman of the Board prior to accepting directorships outside the Group. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships. The notification will also include an approximate indication of time that will be spent by the Directors on the new directorships.

#### **Directors' Training**

All the Directors had attended the Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad ("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 updated by the Company Secretaries on the latest update/amendments on the Listing Requirements of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

## STATEMENT ON CORPORATE GOVERNANCE

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

| Director   | Title of Programmes/Seminars/Courses/Forums  |
|--|--|
| Tan Sri Datuk Seri Razman Md Hashim<br>Bin Che Din Md Hashim | <ul style="list-style-type: none"><li>– Sunway Managers Conference</li><li>– Enterprise Risk Management by Trace Management Services Sdn Bhd</li></ul>   |
| Dato' Ng Sooi Lin  | <ul style="list-style-type: none"><li>– Bursa Malaysia ASEAN CAP10 Sustainability Symposium</li></ul>  |
| Tan Thiam Chai   | <ul style="list-style-type: none"><li>– Enhanced Understanding of Risk Management &amp; Internal Control for Chief Financial Officers/Internal Auditors/Risk Officers</li><li>– Opportunities for Public Listed Companies in Shariah-compliant Landscape</li></ul>   |
| Phan Yoke Seng   | <ul style="list-style-type: none"><li>– Mandatory Accreditation Programme for Directors of Public Listed Companies</li><li>– The Interplay between Corporate Governance, Non-Financial Information and Investment Decision</li><li>– Mission Impossible of Strata Management Act and Regulations</li><li>– International Real Estate Federation Malaysia – Property Outlook 2016</li><li>– International Real Estate Federation Malaysia – Updates and Hotspots in Northern Region</li><li>– Nurture, Engage, Exchange 2016 Penang Leadership Conference</li></ul> |
| Nerine Tan Sheik Ping  | <ul style="list-style-type: none"><li>– Mandatory Accreditation Programme for Directors of Public Listed Companies</li></ul>   |
| Dato' Dickson Tan Yong Loong                                 | <ul style="list-style-type: none"><li>– Briefing on the amendments to the Housing Development (Control &amp; Licensing) Act 1966 and the Strata Management Act 2013</li></ul>  |
| Datuk Robert Yong Kuen Loke                                  | <ul style="list-style-type: none"><li>– Datuk Robert Yong kept himself abreast with the latest developments on the various accounting, finance and business issues both locally and globally through his extensive networking, reading of various magazines and journals and serving as a council member of the Malaysian Institute of Certified Public Accountants</li></ul>  |
| Datuk Kee Mustafa  | <ul style="list-style-type: none"><li>– Sustainability Engagement Series for Directors/Chief Executive Officer</li><li>– MSWG – Institutional Investor Council Governance Week 2016</li></ul>  |

Subsequent to the financial year ended 30 April 2016, Ms Chryseis Tan Sheik Ling had attended the Mandatory Accreditation Programme on 1 and 2 June 2016.

### (E) INTEGRITY IN FINANCIAL REPORTING

#### i. Financial Reporting

The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the Audit Committee for Board's approval are prepared in accordance with the provisions of the Companies Act, 1965, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the state of affairs of the Group.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

### ii. Statement of Directors' Responsibility in respect of the Financial Statements

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:-

- (a) select suitable accounting policies and then apply them consistently;
- (b) state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- (c) make judgements and estimates that are reasonable and prudent; and
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which will enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### iii. 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 CEO and Senior Management to enable exchange of views on issues requiring attention.

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

To support the Audit Committee's assessment of their independence, the External Auditors will provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors are required to declare their independence annually to the Audit Committee as specified by 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.

The Audit Committee also ensures that the External Auditors are independent of the activities they audit and will review the contracts for provision of non-audit services by the External Auditors. The recurring non-audit services comprise mainly review of financial disclosures due to application of new accounting standards and review of component auditors' work papers, tax compliance, services as scrutineers at the Company's annual general meeting, the annual review of the Risk Management and Internal Control Statement. The non-recurring non-audit services are acting as reporting accountants for any corporate exercises.

## STATEMENT ON CORPORATE GOVERNANCE

During the financial year, the amount of non-audit fees paid to the External Auditors and/or to its affiliates by the Company and the Group respectively for the financial year ended 30 April 2016 were as follows:-

|  | Company           |                   | Group             |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | FYE2016<br>RM'000 | FYE2015<br>RM'000 | FYE2016<br>RM'000 | FYE2015<br>RM'000 |
| Statutory audit fees paid/payable to:- |                   |                   |                   |                   |
| – Ernst & Young (“EY”) Malaysia        | 150               | 150               | 1,351             | 1,385             |
| – Affiliates of EY Malaysia            | –                 | –                 | 256               | 261               |
| Total (a)                              | 150               | 150               | 1,607             | 1,601             |
| Non-audit fees paid/payable to*:-      |                   |                   |                   |                   |
| – EY Malaysia                          | 341               | 391               | 430               | 591               |
| – Affiliates of EY Malaysia            | 8                 | 8                 | 215               | 226               |
| Total (b)                              | 349               | 399               | 645               | 817               |
| % of non-audit fees (b/a)              | 233%              | 266%              | 40%               | 56%               |

\* Non-audit fees comprised mainly fees for services rendered to review financial disclosures due to application of new accounting standards and review of component auditors’ work papers, tax compliance and services as scrutineers at annual general meeting.

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 re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders’ approval at the AGM.

### (F) RISK MANAGEMENT

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 shareholders’ investments and the Company’s assets, 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.

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 Page 42 of the Annual Report.

### (G) TIMELY DISCLOSURES

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

The Company continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board endeavour to keep its shareholders and investors informed of its progress through a comprehensive annual report and financial statements, circulars to shareholders, quarterly financial reports, periodic press releases and the various announcements made during the year. These will enable the shareholders, investors and members of the public to have an overview of the Group's performance and operations.

The Company also maintains a corporate website at [www.berjaya.com](http://www.berjaya.com) whereby shareholders as well as members of the public may access for the latest information on the Company and the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Malaysia Securities Berhad at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### (H) RELATIONSHIPS BETWEEN COMPANY AND SHAREHOLDERS

The Company's Annual General Meeting ("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.

The Chairman as well as the CEO will respond to shareholders' questions at the AGM. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-one days before the AGM, which gives sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

#### **Poll Voting**

In line with the MCCG 2012, all the resolutions passed by the shareholders at the previous AGM held on 19 October 2015 were voted by way of a poll. The shareholders were briefed on the voting procedures by the Share Registrar while the results of the poll were verified and announced by the independent scrutineer, Ernst & Young.

Pursuant to Paragraph 8.29A (1) of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

#### **Dialogue between the Company and shareholders**

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](http://www.berjaya.com) where shareholders can access corporate information, annual reports, press release, financial information and company announcements.

### (I) COMPLIANCE WITH THE MCCG 2012

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the MCCG 2012 that were in place during the financial year ended 30 April 2016.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## RESPONSIBILITY

The Board of Directors of Berjaya Land Berhad (“BLand” or “the Group”) recognises that it is responsible for the Group’s system of internal control and for reviewing its adequacy and integrity. The Board’s responsibility in relation to the system of internal control extends to all the subsidiaries of the Group. In view of the limitations that are inherent in any system of internal control, the Group’s internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, the system can only provide reasonable but not absolute assurance against material misstatement or loss.

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

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

## 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 be in line with the Malaysian Code of Corporate Governance. The management teams of business units maintain risk registers which outlines the risk policies including the procedures of risk identification, risk tolerance and the evaluation and managing process.

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

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

The members of the RMC during the financial year ended 30 April 2016 are Datuk Robert Yong Kuen Loke (Chairman), Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Dato’ Ng Sooi Lin, Tan Thiam Chai, Phan Yoke Seng, Nerine Tan Sheik Ping, Chryseis Tan Sheik Ling and Datuk Kee Mustafa.

The RMC terms of reference include, inter alia:

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

For the financial year ended 30 April 2016, the RMC held meetings where it reviewed risk management reports of various unlisted operating subsidiary companies (i.e. Staffield Country Resort Berhad, Bukit Banang Golf & Country Club and Tioman Island Resort) and risk assessment of an overseas project in Japan, Berjaya Kyoto Development Co Ltd and recommended certain measures to be adopted to mitigate their business risks.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

## MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

The Group's operations are divided into three main divisions:

- Gaming and Lottery Management ("Gaming Division");
- Vacation Timeshare, Hotels, Resorts and Recreation Development ("Leisure Division"); and
- Property Investment and Development ("Property Division").

The Chief Executive Officer and Executive Directors are assigned to manage the businesses of the Group and act as the channel of communication between the Board and the management of various divisions.

The Executive Directors, together with their respective management team, attend various management and operations meetings and review financial and operations reports, in order to monitor the performance and profitability of the Group's businesses. The Group also prides itself in the "open-door" and "close-to-operations" policy practised by the Executive Directors and management. Any matters arising are promptly and efficiently dealt with by drawing on the experience and knowledge of employees throughout the Group.

Both the Leisure and Property Divisions have in place stringent processes to ensure that employees understand the importance of and adhere to the policies and procedures that are outlined in the respective divisions' system of internal control. Among such processes are the Daily Morning briefing meetings and customer feedback evaluation at the Leisure Division's hotels, and various Site and Project meetings with consultants, the Tender Committee's review and recommendation of contractors at the Property Division.

The Group's Gaming Division operates through its subsidiary company, BToto and an associated company, Berjaya Assets Berhad ("BAssets"). The Board has a process in place whereby representatives of the Group sit on the Boards of BToto and BAssets respectively, to serve the Group's interests.

At Sports Toto Malaysia Sdn Bhd, BToto's principal subsidiary company, operations are divided into key regions and areas due to 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 respective executive directors of the BToto Group who are assigned to manage these overseas operations. In addition, the respective executive directors also made field visits to these overseas operations as well as to conduct periodic performance review meetings with the management personnel, thus ensuring the business plans and targets are met.

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

## INTERNAL CONTROL PROCESSES

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

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

## STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

### ASSURANCE MECHANISM

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

The Internal Audit function furnishes the Audit Committee with reports from visits conducted at various operating units. These independent and objective reports on the state of internal controls of the operating units within the Group assist the Audit Committee in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the Audit Committee 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 Audit Committee. The internal audit function is principally carried out by the Group's Internal Audit Division.

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 Audit Committee through management letters, or are articulated at the Audit Committee meetings. The Audit Committee also hold private meetings with the external auditors to have exchange of views on any areas that require their attention. Apart from the statutory audit, the external auditors also review the Statement of Risk Management and Internal Control ("SRMIC") in accordance with Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the disclosures in SRMIC are inconsistent with their understanding of the ongoing processes that the Board has in place for identifying, evaluating and managing the significant risks in achieving the objectives and strategies of the Group.

The Board also reviews the minutes of meetings of the Audit Committee. The Report of the Audit Committee is set on pages 45 to 48 of the Annual Report.

### KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

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

- Clear organisation structure and delineated reporting lines
- Defined levels of authority
- Timely financial and operations reports
- Scheduled operations and management meetings
- Standard operating procedures for the Leisure Division
- Capable workforce with ongoing training efforts
- Formal employee appraisal system which enables appraisal of employees and rewarding employees based on performance
- Payment functions controlled at Head Office
- Physical security and systems access controls
- Centralised procurement function that ensures approval procedures are adhered to, as well as to leverage on the Group's purchasing power
- Surprise checks on agents to ensure compliance with the Group's policies and procedures
- Independent assurance on the system of internal control from regular internal audit visits
- Business Continuity Planning
- Succession planning to ensure that key positions in the Group are always held by capable employees who are well aware of the Group's risks, and operating policies and procedures

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

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

# AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Land Berhad (“BLand”) is pleased to present the report of the Audit Committee for the financial year ended 30 April 2016.

## AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprises the following:-

**Datuk Robert Yong Kuen Loke**

Chairman/Independent/Non-Executive Director

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

Independent/Non-Executive Director

**Datuk Kee Mustafa**

Independent/Non-Executive Director

The Audit Committee held six (6) meetings during the financial year ended 30 April 2016. The details of attendance of the Audit Committee members are as follows:-

| Name  | Attendance |
|---|------------|
| Datuk Robert Yong Kuen Loke                               | 5/6        |
| Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim | 6/6        |
| Datuk Kee Mustafa #                                       | 1/1*       |
| Datuk Maizan Bin Shaari @                                 | 4/4*       |

@ During the financial year, Datuk Maizan Bin Shaari has retired as an Independent Non Executive Director of the Company at the conclusion of the Company’s last Annual General Meeting held on 19 October 2015.

# Datuk Kee Mustafa has been appointed as an Independent Non-Executive Director of the Company on 11 January 2016.

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

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

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

## SUMMARY OF WORK OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee are set out in its terms of reference, a copy of which is available at [www.berjaya.com](http://www.berjaya.com).

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

### Financial Reporting

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

| Date of Meetings  | Quarterly Financial Statements Reviewed   |
|-------------------|---|
| 26 June 2015      | Fourth quarter results as well as the unaudited results of the Group for the financial year ended 30 April 2015 |
| 21 September 2015 | First quarter results for financial year ended 30 April 2016  |
| 21 December 2015  | Second quarter results for financial year ended 30 April 2016   |
| 23 March 2016     | Third quarter results for financial year ended 30 April 2016  |

## AUDIT COMMITTEE REPORT

The above review is to ensure that BLand's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting 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 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 2015 together with the Management and the External Auditors at its meeting held on 26 August 2015 to ensure that it presented a true and fair view of the Company's financial position and performance for the year and is in compliance with all disclosure and regulatory requirements before recommending the audited financial statements to the Board for approval.

### External Audit

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 April 2015 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The Audit Committee, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year end of 30 April 2016 at its meeting held on 26 August 2015.
- (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 a private discussion with EY on 26 August 2015 without the presence of Management during the review of the audited financial statements for the year ended 30 April 2015 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 23 March 2016, their audit plan in respect of the financial year end of 30 April 2016, 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 fifteenth (15) Internal Audit reports on the various non-listed operating subsidiaries of the Group during the financial year under review. Areas covered by the Internal Audit included the following:-
- Management and internal controls
  - Finance and cash handling management
  - Human Resource related matters
  - Logistic/transportation matters
  - Club memberships
  - Sales and Marketing
  - Information Technology
  - Refurbishment/Renovation exercise
  - Purchasing, inventories & maintenance
  - Administrative and control issue

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

- (b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2017 to ensure that the scope and coverage of the internal audit on the operations of the BLand Group is adequate and comprehensive and that all the risk areas are audited annually.

**Recurrent Related Party Transactions**

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

The framework set up for identifying and monitoring the recurrent related party transactions includes inter-alia, the following:-

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

**Related Party Transactions**

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

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

- (i) Disposals of the entire 211,220,823 0% 10-Year Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal amount each (“ICULS”) in Berjaya Corporation Berhad (“BCorporation”) via direct business transaction by the Company’s subsidiaries, namely Gateway Benefit Sdn Bhd, Immediate Capital Sdn Bhd, Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd) and Regnis Industries (Malaysia) Sdn Bhd for a total cash consideration of about RM42.24 million or at RM0.20 per BCorporation ICULS.
- (ii) Proposed subscription by the Company’s ultimate holding company, Berjaya Corporation Berhad (“BCorp”) of 1 new ordinary share representing 50% of the enlarged issued share capital of Berjaya Kyoto Development (S) Pte. Ltd. (“BKyoto”), for a cash subscription of SGD34.66 million (about RM97.28 million) which will result in dilution of the Company’s equity interest in BKyoto from 100% to 50% (“Proposed Dilution”).

In conjunction with the Proposed Dilution, BCorp will undertake to advance up to RM152.74 million to the BKyoto Group to part-settle the inter-company debts between BKyoto Group and the Company as well as to fund working capital of BKyoto Group in proportion to its shareholdings in BKyoto.

## AUDIT COMMITTEE REPORT

### Other activities

- (a) Reviewed and recommended to the Board for approval, the Audit Committee Report, Statement of Corporate Governance and Statement on Risk Management and Internal Control for inclusion in the Annual Report.

### SUMMARY OF THE WORK OF THE INTERNAL AUDIT FUNCTION

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

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

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2016 included the following:

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

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

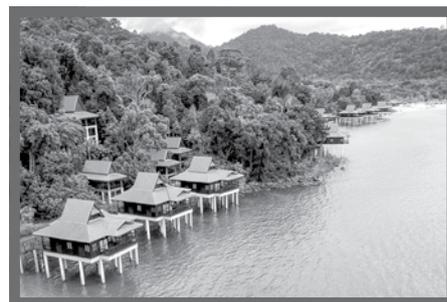
The cost incurred for the Internal Audit function of the Group in respect of the financial year ended 30 April 2016 was approximately RM1,252,560.

### TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference of Audit Committee which laid down its duties is accessible via the Company's website at [www.berjaya.com](http://www.berjaya.com).

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# DIRECTORS' REPORT

## DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2016.

## PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies consist of:

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

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

## RESULTS

|                                | <b>GROUP<br/>RM'000</b> | <b>COMPANY<br/>RM'000</b> |
|--------------------------------|-------------------------|---------------------------|
| (Loss)/Profit for the year     | <u>(165,024)</u>        | <u>193,972</u>            |
| (Loss)/Profit attributable to: |                         |                           |
| Owners of the Parent           | (270,637)               | 193,972                   |
| Non-controlling interests      | <u>105,613</u>          | <u>-</u>                  |
|                                | <u>(165,024)</u>        | <u>193,972</u>            |

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

In the opinion of the Directors, the results of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 31 and 32 to the financial statements.

## DIVIDENDS

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

The Board does not recommend any final dividend for the current financial year ended 30 April 2016.

**DIRECTORS**

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

|   |                                |
|---|--------------------------------|
| Tan Sri Datuk Seri Razman Md Hashim bin Che Din Md Hashim |                                |
| Dato' Ng Sooi Lin   |                                |
| Tan Thiam Chai  |                                |
| Phan Yoke Seng  |                                |
| Dato' Dickson Tan Yong Loong                              |                                |
| Datuk Robert Yong Kuen Loke                               |                                |
| Nerine Tan Sheik Ping                                     | (Appointed on 11 January 2016) |
| Chryseis Tan Sheik Ling                                   | (Appointed on 1 April 2016)    |
| Pee Kang Seng @ Lim Kang Seng                             | (Appointed on 4 August 2016)   |
| Datuk Kee Mustafa   | (Appointed on 11 January 2016) |
| Datuk Maizan bin Shaari                                   | (Retired on 19 October 2015)   |

**DIRECTORS' BENEFITS**

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 35 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 42 to the financial statements.

**DIRECTORS' INTERESTS**

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

**THE COMPANY**

|                             | <b>No. of Ordinary Shares of RM0.50 each</b>       |               |             |                     |
|-----------------------------|--|---------------|-------------|---------------------|
|                             | <b>At 1.5.2015/<br/>At date of<br/>appointment</b> | <b>Bought</b> | <b>Sold</b> | <b>At 30.4.2016</b> |
| <b>Berjaya Land Berhad</b>  |  |               |             |                     |
| Dato' Ng Sooi Lin           | 224,000  | -             | -           | 224,000             |
| Tan Thiam Chai              | 40,000   | -             | -           | 40,000              |
| Nerine Tan Sheik Ping       | 2,000,000  | -             | -           | 2,000,000           |
| Chryseis Tan Sheik Ling     | 5,000,000  | -             | -           | 5,000,000           |
| Datuk Robert Yong Kuen Loke | 360,808  | -             | -           | 360,808             |

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS (CONT'D)

#### ULTIMATE HOLDING COMPANY

|   | No. of Ordinary Shares of RM1.00 each     |                      |      |              |
|---|---|----------------------|------|--------------|
|   | At 1.5.2015/<br>At date of<br>appointment | Bought/<br>Converted | Sold | At 30.4.2016 |
| <b>Berjaya Corporation Berhad ("BCorp")</b> |   |                      |      |              |
| Dato' Ng Sooi Lin                           | 100,000                                   | 32,700 #             | -    | 132,700      |
| Tan Thiam Chai                              | 123,294                                   | -                    | -    | 123,294      |
|   | 104,164 ^                                 | -                    | -    | 104,164 ^    |
| Phan Yoke Seng                              | 100                                       | -                    | -    | 100          |
| Chryseis Tan Sheik Ling                     | 197,000                                   | -                    | -    | 197,000      |
| Datuk Robert Yong Kuen Loke                 | 1,020,548                                 | 370 #                | -    | 1,020,918    |

#### No. of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal value each ("0% ICULS")

|                             | At 1.5.2015 | Bought | Converted | At 30.4.2016 |
|-----------------------------|-------------|--------|-----------|--------------|
| Dato' Ng Sooi Lin           | 65,400      | -      | 65,400 #  | -            |
| Datuk Robert Yong Kuen Loke | 741         | -      | 741 #     | -            |

#### No. of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each

|                             | No. of 5% Irredeemable Convertible Unsecured<br>Loan Stocks 2012/2022 of RM1.00 nominal value each |        |      |              |
|-----------------------------|--|--------|------|--------------|
|                             | At 1.5.2015/<br>At date of<br>appointment  | Bought | Sold | At 30.4.2016 |
| Dato' Ng Sooi Lin           | 16,666   | -      | -    | 16,666       |
| Tan Thiam Chai              | 20,600   | -      | -    | 20,600       |
|                             | 17,400 ^   | -      | -    | 17,400 ^     |
| Nerine Tan Sheik Ping       | 132,000  | -      | -    | 132,000      |
| Chryseis Tan Sheik Ling     | 275,000  | -      | -    | 275,000      |
| Datuk Robert Yong Kuen Loke | 2,516,508  | -      | -    | 2,516,508    |

#### No. of Warrants 2012/2022

|                             | At 1.5.2015 | Bought | Sold | At 30.4.2016 |
|-----------------------------|-------------|--------|------|--------------|
| Dato' Ng Sooi Lin           | 16,666      | -      | -    | 16,666       |
| Tan Thiam Chai              | 20,600      | -      | -    | 20,600       |
|                             | 17,400 ^    | -      | -    | 17,400 ^     |
| Datuk Robert Yong Kuen Loke | 170,108     | -      | -    | 170,108      |

### RELATED COMPANIES

| Berjaya Sports Toto Berhad ("BToto") | No. of Ordinary Shares of RM0.10 each |         |      |              |
|--------------------------------------|---------------------------------------|---------|------|--------------|
|                                      | At 1.5.2015                           | Bought  | Sold | At 30.4.2016 |
| Tan Thiam Chai                       | 171,063                               | 1,221 * | -    | 172,284      |
|                                      | 132,221 ^                             | 944 *   | -    | 133,165 ^    |
| Phan Yoke Seng                       | 10,459                                | 74 *    | -    | 10,533       |
| Dato' Dickson Tan Yong Loong         | 13,200                                | 94 *    | -    | 13,294       |
| Datuk Robert Yong Kuen Loke          | 122,790                               | 877 *   | -    | 123,667      |

**DIRECTORS' INTERESTS (CONT'D)**

| Berjaya Food Berhad ("BFood") | No. of Ordinary Shares of RM0.50 each |          |      |              |
|-------------------------------|---------------------------------------|----------|------|--------------|
|                               | At 1.5.2015                           | Bought   | Sold | At 30.4.2016 |
| Tan Thiam Chai                | 260,000                               | 65,800 + | -    | 325,800      |

|                | No. of Ordinary Shares of RM0.50 each under employees' share option scheme ("ESOS") |         |           |              |
|----------------|---|---------|-----------|--------------|
|                | At 1.5.2015   | Granted | Exercised | At 30.4.2016 |
| Tan Thiam Chai | 65,800  | -       | 65,800 +  | -            |

|                | No. of Warrants |        |      |              |
|----------------|-----------------|--------|------|--------------|
|                | At 1.5.2015     | Bought | Sold | At 30.4.2016 |
| Tan Thiam Chai | 120,000         | -      | -    | 120,000      |

Notes

- ^ Indirect interests pursuant to Section 134(12)(c) of the Companies Act, 1965.
- # BCorp 0% ICULS had been automatically converted into ordinary shares on the basis of two (2) BCorp 0% ICULS for one (1) BCorp share upon its maturity on 30 October 2015.
- \* Share dividend distribution by BToto on the basis of one (1) BToto treasury share for every one hundred and forty (140) existing BToto ordinary shares on 23 October 2015.
- + BFood 's ESOS had expired on 7 March 2016.

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

**SHARE CAPITAL AND TREASURY SHARES**

During the financial year, the Company did not purchase or sold any treasury shares. The number of treasury shares brought forward and held in hand as at 30 April 2016 is as follows:

|                                  | Average price per share (RM) | Number of shares '000 | Amount RM'000 |
|----------------------------------|------------------------------|-----------------------|---------------|
| Balance as at 30 April 2016/2015 | 1.89                         | 10,943                | 20,699        |

As at 30 April 2016, the number of ordinary shares in issue and fully paid with voting rights was 4,989,394,000 ordinary shares of RM0.50 each (30 April 2015 : 4,989,394,000 ordinary shares).

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

Significant events during the financial year are disclosed in Note 48 to the financial statements.

## DIRECTORS' REPORT

### SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

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

### OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position, statements of profit or loss and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

### OTHER STATUTORY INFORMATION (CONT'D)

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

### AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 4 August 2016.

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

DATO' NG SOOI LIN

# STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

We, TAN SRI DATUK SERI RAZMAN MD HASHIM BIN CHE DIN MD HASHIM and DATO' NG SOOI LIN, being two of the Directors of BERJAYA LAND BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 12 to 158 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and their financial performance and cash flows of the Group and of the Company for the year then ended.

The information set out in Note 52 on page 159 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 4 August 2016.

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

DATO' NG SOOI LIN

# STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, TAN THIAM CHAI, being the Director primarily responsible for the financial management of BERJAYA LAND BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 159 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed TAN THIAM CHAI at  
Kuala Lumpur in the Federal Territory  
on 4 August 2016.

TAN THIAM CHAI

Before me,

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

# INDEPENDENT AUDITORS' REPORT

to the members of Berjaya Land Berhad  
(Incorporated in Malaysia)

## Report on the financial statements

We have audited the financial statements of Berjaya Land Berhad, which comprise the statements of financial position as at 30 April 2016 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 158.

### *Directors' responsibility for the financial statements*

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

### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

## INDEPENDENT AUDITORS' REPORT

to the members of Berjaya Land Berhad  
(Incorporated in Malaysia)

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### **Report on other legal and regulatory requirements**

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 51 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

### **Other reporting responsibilities**

The supplementary information set out in Note 52 on page 159 is disclosed to meet the requirements of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## **INDEPENDENT AUDITORS' REPORT**

to the members of Berjaya Land Berhad  
(Incorporated in Malaysia)

### **Other matters**

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

ERNST & YOUNG  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
4 August 2016

LOW KHUNG LEONG  
2697/01/17(J)  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

as at 30 April 2016

|                                    | Note | GROUP             |                   | COMPANY          |                  |
|------------------------------------|------|-------------------|-------------------|------------------|------------------|
|                                    |      | 2016<br>RM'000    | 2015<br>RM'000    | 2016<br>RM'000   | 2015<br>RM'000   |
| <b>NON-CURRENT ASSETS</b>          |      |                   |                   |                  |                  |
| Property, plant and equipment      | 3    | 1,732,398         | 2,586,999         | 2,558            | 2,991            |
| Investment properties              | 4    | 621,903           | 607,758           | -                | -                |
| Land held for development          | 5    | 1,499,753         | 849,888           | -                | -                |
| Prepaid land lease premium         | 6    | -                 | 1,018             | -                | -                |
| Subsidiary companies               | 7    | -                 | -                 | 2,654,439        | 2,656,942        |
| Associated companies               | 8    | 484,462           | 378,015           | 40,591           | 40,591           |
| Joint ventures                     | 9    | 45,310            | 44,812            | -                | -                |
| Investments                        | 10   | 93,618            | 165,350           | 7,408            | 8,859            |
| Intangible assets                  | 11   | 4,700,949         | 5,093,609         | -                | -                |
| Receivables                        | 14   | 612,198           | 564,539           | 1,252,370        | 1,107,171        |
| Deferred tax assets                | 25   | 45,348            | 22,955            | -                | -                |
|                                    |      | <u>9,835,939</u>  | <u>10,314,943</u> | <u>3,957,366</u> | <u>3,816,554</u> |
| <b>CURRENT ASSETS</b>              |      |                   |                   |                  |                  |
| Property development costs         | 12   | 245,383           | 1,351,288         | -                | -                |
| Inventories                        | 13   | 585,356           | 479,542           | -                | -                |
| Receivables                        | 14   | 1,097,204         | 871,823           | 1,508,214        | 1,243,660        |
| Tax recoverable                    |      | 12,348            | 10,364            | 1,845            | 5,446            |
| Short term investments             | 15   | 9,302             | 3,087             | -                | -                |
| Deposits                           | 16   | 529,328           | 477,064           | 26,082           | 43,308           |
| Cash and bank balances             | 17   | 1,124,390         | 605,010           | 7,509            | 8,409            |
|                                    |      | <u>3,603,311</u>  | <u>3,798,178</u>  | <u>1,543,650</u> | <u>1,300,823</u> |
| Assets classified as held for sale | 18   | 979,782           | 58,009            | -                | -                |
|                                    |      | <u>4,583,093</u>  | <u>3,856,187</u>  | <u>1,543,650</u> | <u>1,300,823</u> |
| <b>TOTAL ASSETS</b>                |      | <u>14,419,032</u> | <u>14,171,130</u> | <u>5,501,016</u> | <u>5,117,377</u> |

## STATEMENTS OF FINANCIAL POSITION

as at 30 April 2016

|                                     | Note | GROUP             |                   | COMPANY          |                  |
|-------------------------------------|------|-------------------|-------------------|------------------|------------------|
|                                     |      | 2016<br>RM'000    | 2015<br>RM'000    | 2016<br>RM'000   | 2015<br>RM'000   |
| <b>EQUITY</b>                       |      |                   |                   |                  |                  |
| Share capital                       | 19   | 2,500,168         | 2,500,168         | 2,500,168        | 2,500,168        |
| Reserves                            | 20   | 2,286,337         | 2,445,151         | 786,831          | 592,859          |
| Equity funds                        |      | 4,786,505         | 4,945,319         | 3,286,999        | 3,093,027        |
| Treasury shares                     | 21   | (20,699)          | (20,699)          | (20,699)         | (20,699)         |
| Net equity funds                    |      | 4,765,806         | 4,924,620         | 3,266,300        | 3,072,328        |
| Non-controlling interests           |      | 3,252,188         | 3,292,065         | -                | -                |
| Total Equity                        |      | 8,017,994         | 8,216,685         | 3,266,300        | 3,072,328        |
| <b>NON-CURRENT LIABILITIES</b>      |      |                   |                   |                  |                  |
| Long term borrowings                | 22   | 2,859,025         | 3,238,987         | 1,022,970        | 1,134,674        |
| Long term liabilities               | 23   | 129,100           | 156,002           | -                | -                |
| Retirement benefit obligations      | 24   | 9,675             | 9,511             | -                | -                |
| Deferred tax liabilities            | 25   | 150,869           | 117,054           | -                | -                |
|                                     |      | 3,148,669         | 3,521,554         | 1,022,970        | 1,134,674        |
| <b>CURRENT LIABILITIES</b>          |      |                   |                   |                  |                  |
| Payables                            | 26   | 2,299,005         | 1,384,318         | 995,609          | 695,300          |
| Short term borrowings               | 27   | 933,385           | 1,034,232         | 216,137          | 215,075          |
| Retirement benefit obligations      | 24   | 15                | 12                | -                | -                |
| Provisions                          | 28   | 1,418             | 1,095             | -                | -                |
| Tax payable                         |      | 18,546            | 13,234            | -                | -                |
|                                     |      | 3,252,369         | 2,432,891         | 1,211,746        | 910,375          |
| Total Liabilities                   |      | 6,401,038         | 5,954,445         | 2,234,716        | 2,045,049        |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b>14,419,032</b> | <b>14,171,130</b> | <b>5,501,016</b> | <b>5,117,377</b> |

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

# STATEMENTS OF PROFIT OR LOSS

for the year ended 30 April 2016

|  | Note | GROUP            |                  | COMPANY        |                |
|--|------|------------------|------------------|----------------|----------------|
|  |      | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000 | 2015<br>RM'000 |
| <b>Revenue</b>   | 29   | 6,283,997        | 5,910,163        | 140,757        | 179,170        |
| Cost of sales  |      | (4,653,954)      | (4,312,148)      | -              | -              |
| <b>Gross profit</b>  |      | <u>1,630,043</u> | <u>1,598,015</u> | <u>140,757</u> | <u>179,170</u> |
| Other income   | 30   | 146,504          | 85,594           | 40,880         | 41             |
| Administrative expenses  |      | (895,272)        | (822,331)        | (51,947)       | (44,629)       |
| Selling and marketing expenses                                   |      | (329,315)        | (303,138)        | -              | -              |
|  |      | <u>551,960</u>   | <u>558,140</u>   | <u>129,690</u> | <u>134,582</u> |
| Investment related income  | 31   | 265,285          | 128,076          | 294,501        | 56,754         |
| Investment related expenses                                      | 32   | (569,601)        | (459,039)        | (125,357)      | (65,996)       |
| Finance costs  | 33   | (204,437)        | (189,719)        | (102,751)      | (97,302)       |
| Share of results of associated companies                         |      | (16,673)         | 10,011           | -              | -              |
| Share of results of joint ventures                               |      | (17,573)         | (22,193)         | -              | -              |
| <b>Profit before tax</b>   | 34   | <u>8,961</u>     | <u>25,276</u>    | <u>196,083</u> | <u>28,038</u>  |
| Taxation   | 37   | (173,985)        | (187,104)        | (2,111)        | 968            |
| <b>(Loss)/Profit for the year</b>                                |      | <u>(165,024)</u> | <u>(161,828)</u> | <u>193,972</u> | <u>29,006</u>  |
| <b>Attributable to:</b>  |      |                  |                  |                |                |
| Owners of the Parent   |      | (270,637)        | (382,960)        | 193,972        | 29,006         |
| Non-controlling interests  |      | 105,613          | 221,132          | -              | -              |
|  |      | <u>(165,024)</u> | <u>(161,828)</u> | <u>193,972</u> | <u>29,006</u>  |
| <b>Loss per share attributable to owners of the Parent (sen)</b> | 38   |                  |                  |                |                |
| Basic  |      | <u>(5.42)</u>    | <u>(7.68)</u>    |                |                |

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

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 April 2016

|   | GROUP           |                  | COMPANY        |                |
|---|-----------------|------------------|----------------|----------------|
|   | 2016<br>RM'000  | 2015<br>RM'000   | 2016<br>RM'000 | 2015<br>RM'000 |
| <b>(Loss)/Profit for the year</b>   | (165,024)       | (161,828)        | 193,972        | 29,006         |
| Other comprehensive income:   |                 |                  |                |                |
| <u>Items that may be reclassified</u><br><u>subsequently to profit or loss</u>                                  |                 |                  |                |                |
| Net change on available-for-sale ("AFS")<br>reserves:   |                 |                  |                |                |
| - Loss on fair value changes  | (16,998)        | (685)            | -              | -              |
| - Transfer to profit or loss upon disposal  | 1,191           | (18,794)         | -              | -              |
| Share of associated companies'<br>changes in fair values of AFS investments                                     | (439)           | (1,684)          | -              | -              |
| Impairment of gaming rights   | (9,848)         | (133,228)        | -              | -              |
| Change in fair value reserve upon<br>recognition of deferred tax liability<br>on gaming rights with finite life | (15,429)        | -                | -              | -              |
| Currency translation differences  |                 |                  |                |                |
| - Movement during the year  | 126,762         | 139,244          | -              | -              |
| - Transfer to profit or loss upon disposal  | 37,690          | -                | -              | -              |
| Tax effect relating to components<br>of other comprehensive income  | -               | -                | -              | -              |
| <u>Items that will not be reclassified</u><br><u>subsequently to profit or loss</u>                             |                 |                  |                |                |
| Actuarial loss recognised in<br>defined benefit pension scheme  | 658             | (543)            | -              | -              |
| Tax effect relating to components<br>of other comprehensive income  | (132)           | 149              | -              | -              |
| <b>Total comprehensive income for the year</b>  | <b>(41,569)</b> | <b>(177,369)</b> | <b>193,972</b> | <b>29,006</b>  |
| <b>Attributable to:</b>   |                 |                  |                |                |
| Owners of the Parent  | (171,845)       | (374,047)        | 193,972        | 29,006         |
| Non-controlling interests   | 130,276         | 196,678          | -              | -              |
|   | <b>(41,569)</b> | <b>(177,369)</b> | <b>193,972</b> | <b>29,006</b>  |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2016

|   | Attributable to owners of the Parent |   |   |                                 |                                    |                              |                                |                              |                               |  |                           |
|---|--------------------------------------|---|---|---------------------------------|------------------------------------|------------------------------|--------------------------------|------------------------------|-------------------------------|--|---------------------------|
|   | Non-distributable                    |   |   |                                 |                                    | Distributable                |                                |                              |                               |  |                           |
| GROUP   | Share capital<br>RM'000              | Foreign<br>currency<br>translation<br>reserve<br>RM'000 | Available-<br>for-sale<br>reserve<br>RM'000 | Fair value<br>reserve<br>RM'000 | Consolidation<br>reserve<br>RM'000 | Capital<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Treasury<br>shares<br>RM'000 | Net equity<br>funds<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| At 1 May 2015   | 2,500,168                            | (3,354)   | 13,114                                      | 1,935,385                       | 21,220                             | 10,804                       | 467,982                        | (20,699)                     | 4,924,620                     | 3,292,065                                  | 8,216,685                 |
| Total comprehensive income  | -                                    | 125,879   | (8,223)                                     | (19,001)                        | -                                  | -                            | (270,500)                      | -                            | (171,845)                     | 130,276                                    | (41,569)                  |
| Share of an associated company's effect arising on acquisition of additional interest in its subsidiary company | -                                    | -   | -   | -                               | -                                  | -                            | 19,168                         | -                            | 19,168                        | -  | 19,168                    |
| Effects of amortisation and recognition of deferred tax and realignment adjustments on gaming rights            | -                                    | -   | -   | (16,224)                        | -                                  | -                            | 10,087                         | -                            | (6,137)                       | (20,951)                                   | (27,088)                  |
| Transactions with owners:   |                                      |   |   |                                 |                                    |                              |                                |                              |                               |  |                           |
| Non-controlling interests arising from accretion of equity interest in a subsidiary company                     | -                                    | -   | -   | -                               | -                                  | -                            | -                              | -                            | -                             | (18,253)                                   | (18,253)                  |
| Dividends paid to non-controlling interests   | -                                    | -   | -   | -                               | -                                  | -                            | -                              | -                            | -                             | (130,949)                                  | (130,949)                 |
|   | -                                    | -   | -   | -                               | -                                  | -                            | -                              | -                            | -                             | (149,202)                                  | (149,202)                 |
| <b>At 30 April 2016</b>   | <b>2,500,168</b>                     | <b>122,525</b>  | <b>4,891</b>                                | <b>1,900,160</b>                | <b>21,220</b>                      | <b>10,804</b>                | <b>226,737</b>                 | <b>(20,699)</b>              | <b>4,765,806</b>              | <b>3,252,188</b>                           | <b>8,017,994</b>          |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2016

| GROUP   | Attributable to owners of the Parent |   |                                   |                           |                              |                        |                          |                        |                         |                                  | Total equity RM'000 |
|---|--------------------------------------|---|-----------------------------------|---------------------------|------------------------------|------------------------|--------------------------|------------------------|-------------------------|----------------------------------|---------------------|
|   | Non-distributable                    |   |                                   |                           |                              | Distributable          |                          |                        |                         |                                  |                     |
|   | Share capital RM'000                 | Foreign currency translation reserve RM'000 | Available-for-sale reserve RM'000 | Fair value reserve RM'000 | Consolidation reserve RM'000 | Capital reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Net equity funds RM'000 | Non-controlling interests RM'000 |                     |
| At 1 May 2014   | 2,500,168                            | (79,273)                                    | 31,873                            | 1,983,501                 | 17,782                       | 10,804                 | 941,692                  | (45,466)               | 5,361,081               | 3,261,232                        | 8,622,313           |
| Total comprehensive income  | -                                    | 75,919                                      | (18,759)                          | (48,116)                  | -                            | -                      | (383,091)                | -                      | (374,047)               | 196,678                          | (177,369)           |
| Share of an associated company's loss on partial disposal of its subsidiary company | -                                    | -   | -                                 | -                         | -                            | -                      | (658)                    | -                      | (658)                   | -                                | (658)               |
| Transactions with owners:   |                                      |   |                                   |                           |                              |                        |                          |                        |                         |                                  |                     |
| Non-controlling interests arising from:   |                                      |   |                                   |                           |                              |                        |                          |                        |                         |                                  |                     |
| - additional subscription of shares in a subsidiary company                         | -                                    | -   | -                                 | -                         | -                            | -                      | -                        | -                      | -                       | 40,947                           | 40,947              |
| - partial disposal of equity interest in a subsidiary company                       | -                                    | -   | -                                 | -                         | 3,438                        | -                      | -                        | -                      | 3,438                   | 27,090                           | 30,528              |
| - acquisition of additional equity interests in subsidiary companies                | -                                    | -   | -                                 | -                         | -                            | -                      | (26,360)                 | -                      | (26,360)                | (33,162)                         | (59,522)            |
| - accretion of equity interest in a subsidiary company                              | -                                    | -   | -                                 | -                         | -                            | -                      | -                        | -                      | -                       | (12,851)                         | (12,851)            |
| Sale of treasury shares   | -                                    | -   | -                                 | -                         | -                            | -                      | (13,707)                 | 24,767                 | 11,060                  | -                                | 11,060              |
| Dividends *   | -                                    | -   | -                                 | -                         | -                            | -                      | (49,894)                 | -                      | (49,894)                | -                                | (49,894)            |
| Dividends paid to non-controlling interests   | -                                    | -   | -                                 | -                         | -                            | -                      | -                        | -                      | -                       | (187,869)                        | (187,869)           |
|   | -                                    | -   | -                                 | -                         | 3,438                        | -                      | (89,961)                 | 24,767                 | (61,756)                | (166,845)                        | (227,601)           |
| <b>At 30 April 2015</b>   | <b>2,500,168</b>                     | <b>(3,354)</b>                              | <b>13,114</b>                     | <b>1,935,385</b>          | <b>21,220</b>                | <b>10,804</b>          | <b>467,982</b>           | <b>(20,699)</b>        | <b>4,924,620</b>        | <b>3,292,065</b>                 | <b>8,216,685</b>    |

\* In respect of financial year ended 30 April 2014

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2016

| <b>COMPANY</b>             | <b>Share<br/>capital<br/>RM'000</b> | <b>Distributable<br/>Retained<br/>earnings<br/>RM'000</b> | <b>Treasury<br/>shares<br/>RM'000</b> | <b>Total<br/>equity<br/>RM'000</b> |
|----------------------------|-------------------------------------|---|---------------------------------------|------------------------------------|
| At 1 May 2015              | 2,500,168                           | 592,859   | (20,699)                              | 3,072,328                          |
| Total comprehensive income | -                                   | 193,972   | -                                     | 193,972                            |
| <b>At 30 April 2016</b>    | <b>2,500,168</b>                    | <b>786,831</b>  | <b>(20,699)</b>                       | <b>3,266,300</b>                   |
| At 1 May 2014              | 2,500,168                           | 627,454   | (45,466)                              | 3,082,156                          |
| Total comprehensive income | -                                   | 29,006  | -                                     | 29,006                             |
| Transactions with owners:  |                                     |   |                                       |                                    |
| Sale of treasury shares    | -                                   | (13,707)  | 24,767                                | 11,060                             |
| Dividends *                | -                                   | (49,894)  | -                                     | (49,894)                           |
| <b>At 30 April 2015</b>    | <b>2,500,168</b>                    | <b>592,859</b>  | <b>(20,699)</b>                       | <b>3,072,328</b>                   |

\* In respect of financial year ended 30 April 2014

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2016

|   | Note | GROUP          |                  |
|---|------|----------------|------------------|
|   |      | 2016<br>RM'000 | 2015<br>RM'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |      |                |                  |
| Receipts from customers/operating revenue   |      | 6,724,678      | 6,243,376        |
| Receipt of part of the sales consideration<br>from the disposal of development project                    |      | 680,899        | -                |
| Payment to prize winners, suppliers and other operating expenses  |      | (5,240,481)    | (4,932,429)      |
| Payment for pool betting duties, gaming tax,<br>goods and services tax and other government contributions |      | (646,015)      | (536,931)        |
| Payment of development expenditure  |      | (429,707)      | (348,306)        |
| Payment of taxes  |      | (199,421)      | (221,014)        |
| Refund of taxes   |      | 13,171         | 1,845            |
| Other receipts  |      | 11,853         | 22,872           |
| Net cash generated from operating activities  |      | <u>914,977</u> | <u>229,413</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |      |                |                  |
| Sale of property, plant and equipment and other non-current assets  |      | 404,554        | 102,042          |
| Sale of investments   |      | 44,592         | 89,047           |
| Partial disposal of equity interest in a subsidiary company   |      | -              | 30,528           |
| Sale of short term investments  |      | 1,395          | 3,254            |
| Acquisition of property, plant and equipment  | (a)  | (151,816)      | (294,094)        |
| Acquisition of properties and other non-current assets  |      | (28,726)       | (534)            |
| Acquisition of business operations (Note 11(a))   |      | -              | (68,488)         |
| Acquisition of treasury shares by subsidiary companies  |      | (18,253)       | (12,852)         |
| Acquisition of treasury shares from<br>non-controlling interests by a foreign subsidiary company          |      | -              | (17,362)         |
| Sale of treasury shares   |      | -              | 11,060           |
| Acquisition of equity interest in a subsidiary company  | (b)  | (13,714)       | -                |
| Net cash outflow from deemed disposal of a subsidiary company   | (c)  | (26,829)       | -                |
| Acquisition of additional equity interest in subsidiary companies   |      | -              | (40,294)         |
| Acquisition of equity interest in associated companies  |      | (20,281)       | (1,029)          |
| Subscription of shares in a joint venture   |      | (765)          | -                |
| Acquisition of investments  |      | (9,181)        | (17,468)         |
| Expenditure incurred on liquidated associated company   |      | -              | (6,532)          |
| Acquisition of computer software classified as intangible assets  |      | (674)          | (977)            |
| Interest received   |      | 24,644         | 25,505           |
| Dividends received  |      | 2,753          | 5,278            |
| Net repayment of advances from a former subsidiary company  |      | 63,618         | -                |
| Net advances/repayment from related companies   |      | 86,099         | 3,124            |
| Net repayment from/(advances to) joint ventures   |      | 10,962         | (7,979)          |
| Deposit placements with investment brokers  |      | (53,154)       | -                |
| Other receipts arising from investments   |      | 6,302          | 5,753            |
| Net cash generated from/(used in) investing activities  |      | <u>321,526</u> | <u>(192,018)</u> |

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2016

|  | Note | GROUP                 |                       |
|--|------|-----------------------|-----------------------|
|  |      | 2016<br>RM'000        | 2015<br>RM'000        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>            |      |                       |                       |
| Issuance of share capital to non-controlling interests |      | -                     | 37,928                |
| Issuance of medium term notes                          |      | 305,000               | 945,000               |
| Drawdown of bank borrowings and other loans            |      | 757,865               | 1,097,738             |
| Repayment of advances to a shareholder                 |      | -                     | (47,000)              |
| Repayment of bank borrowings and other loans           |      | (1,178,392)           | (1,304,367)           |
| Redemption of medium term notes                        |      | (200,000)             | (180,000)             |
| Interest paid  |      | (195,056)             | (193,372)             |
| Payment of hire purchase/lease liabilities             |      | (7,687)               | (75,048)              |
| Dividends paid to shareholders of the Company          |      | -                     | (49,903)              |
| Dividends paid to non-controlling interests            |      | (131,011)             | (188,504)             |
| Placements in banks as security pledged for borrowings |      | (542,200)             | (136,481)             |
| Net cash used in financing activities                  |      | <u>(1,191,481)</u>    | <u>(94,009)</u>       |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>         |      | 45,022                | (56,614)              |
| <b>EFFECTS OF EXCHANGE RATE CHANGES</b>                |      | (1,897)               | 28,463                |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>               |      | 795,008               | 823,159               |
| <b>CLOSING CASH AND CASH EQUIVALENTS</b>               | (d)  | <u><u>838,133</u></u> | <u><u>795,008</u></u> |

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

|  | GROUP                 |                       |
|--|-----------------------|-----------------------|
|  | 2016<br>RM'000        | 2015<br>RM'000        |
| Cash   | 151,816               | 294,094               |
| Hire purchase and leasing                              | 2,767                 | 1,579                 |
| Assets acquired under business operations (Note 11(a)) | -                     | 54,645                |
|  | <u><u>154,583</u></u> | <u><u>350,318</u></u> |

(b) Analysis of the effects of the acquisition of equity interest in a subsidiary company on cash flows was as follows:

|   | GROUP                |
|---|----------------------|
|   | 2016<br>RM'000       |
| Property, plant and equipment   | 1,752                |
| Net other assets acquired   | 5,785                |
| Goodwill on consolidation (Note 11)                                   | 5,573                |
| Intangible assets on consolidation (Note 11)                          | 3,831                |
| Net assets acquired   | <u>16,941</u>        |
| Excluding: Cash and cash equivalents of a subsidiary company acquired | <u>(3,227)</u>       |
| Cash flows on acquisition   | <u><u>13,714</u></u> |

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2016

- (c) Analysis of the effects of the deemed disposal of a subsidiary company which is now retained as an associated company on cash flows in the current financial year was as follows:

|   | <b>GROUP</b>    |
|---|-----------------|
|   | <b>2016</b>     |
|   | <b>RM'000</b>   |
| Property, plant and equipment   | 405,533         |
| Net other liabilities disposed  | (495,139)       |
| Add: Gain on remeasurement (Note (i))   | 141,116         |
| Less: Reclassification to associated company at fair value                              | (96,313)        |
|   | <u>(44,803)</u> |
| Excluding: Cash and cash equivalents of a subsidiary company deemed disposed            | (26,829)        |
| Add: Gain on deemed disposal (Note (ii))  | 44,803          |
| Net cash outflow from deemed disposal of a subsidiary company                           | <u>(26,829)</u> |
| <br>  |                 |
| (i) Gain on remeasurement   | 141,116         |
| Foreign currency translation reserve transferred to profit or loss upon deemed disposal | (18,845)        |
| Net gain on remeasurement recognised in profit or loss (Note 31)                        | <u>122,271</u>  |
| <br>  |                 |
| (ii) Gain on deemed disposal  | 44,803          |
| Foreign currency translation reserve transferred to profit or loss upon deemed disposal | (18,845)        |
| Net gain on deemed disposal recognised in profit or loss (Note 31)                      | <u>25,958</u>   |

- (d) The closing cash and cash equivalents comprise the following:

|   | <b>GROUP</b>     |                  |
|---|------------------|------------------|
|   | <b>2016</b>      | <b>2015</b>      |
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| Deposits (Note 16)                                  | 529,328          | 477,064          |
| Cash and bank balances                              | 1,124,390        | 605,010          |
| Bank overdrafts (Note 27)                           | (9,586)          | (23,267)         |
|   | <u>1,644,132</u> | <u>1,058,807</u> |
| Less: Cash and cash equivalents restricted in usage |                  |                  |
| - Deposits (Note 16)                                | (42,838)         | (74,875)         |
| - Cash and bank balances (Note 17)                  | (763,161)        | (188,924)        |
|   | <u>838,133</u>   | <u>795,008</u>   |

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

# STATEMENT OF CASH FLOWS

for the year ended 30 April 2016

|   | COMPANY             |                       |
|---|---------------------|-----------------------|
|   | 2016<br>RM'000      | 2015<br>RM'000        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |                     |                       |
| Dividends received  | 159,252             | 87,512                |
| Payment for operating expenses  | (38,468)            | (33,725)              |
| Payment for taxes   | (510)               | (3,878)               |
| Refund of taxes   | 2,000               | -                     |
| Other receipts  | 817                 | 806                   |
| Net cash generated from operating activities                              | <u>123,091</u>      | <u>50,715</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |                     |                       |
| Sale of property, plant and equipment                                     | 59                  | 41                    |
| Sale of investments   | -                   | 643                   |
| Sale of treasury shares   | -                   | 11,060                |
| Net repayment of advances from a former subsidiary company                | 63,618              | -                     |
| Acquisition of property, plant and equipment (a)                          | (499)               | (281)                 |
| Subscription of additional shares in a subsidiary company                 | -                   | (34)                  |
| Expenditure incurred on liquidated associated company                     | -                   | (6,532)               |
| Interest received   | 1,442               | 414                   |
| Inter-company receipts  | 400,533             | 394,332               |
| Inter-company advances  | (411,458)           | (441,416)             |
| Other payments arising from investments                                   | (368)               | (636)                 |
| Net cash generated from/(used in) investing activities                    | <u>53,327</u>       | <u>(42,409)</u>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |                     |                       |
| Issuance of medium term notes   | -                   | 650,000               |
| Drawdown of bank borrowings and term loans                                | 83,000              | 200,000               |
| Repayment of advances from a shareholder                                  | -                   | (47,000)              |
| Interest paid   | (69,354)            | (68,278)              |
| Payment of hire purchase liabilities                                      | (652)               | (652)                 |
| Repayment of bank borrowings and other loans                              | (192,684)           | (649,784)             |
| Dividends paid to shareholders of the Company                             | -                   | (49,903)              |
| Withdrawals from/(Placements in) banks as security pledged for borrowings | 11,605              | (41,880)              |
| Net cash used in financing activities                                     | <u>(168,085)</u>    | <u>(7,497)</u>        |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                            | <b>8,333</b>        | <b>809</b>            |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>                                  | <b>(5,017)</b>      | <b>(5,826)</b>        |
| <b>CLOSING CASH AND CASH EQUIVALENTS (b)</b>                              | <b><u>3,316</u></b> | <b><u>(5,017)</u></b> |

## STATEMENT OF CASH FLOWS

for the year ended 30 April 2016

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

|               | <b>COMPANY</b>         |                        |
|---------------|------------------------|------------------------|
|               | <b>2016<br/>RM'000</b> | <b>2015<br/>RM'000</b> |
| Cash          | 499                    | 281                    |
| Hire purchase | 585                    | 584                    |
|               | <b>1,084</b>           | <b>865</b>             |

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

|   | <b>COMPANY</b>         |                        |
|---|------------------------|------------------------|
|   | <b>2016<br/>RM'000</b> | <b>2015<br/>RM'000</b> |
| Deposits (Note 16)                                  | 26,082                 | 43,308                 |
| Cash and bank balances                              | 7,509                  | 8,409                  |
| Bank overdrafts (Note 27)                           | -                      | (14,854)               |
|   | <b>33,591</b>          | <b>36,863</b>          |
| Less: Cash and cash equivalents restricted in usage |                        |                        |
| - Deposits (Note 16)                                | (26,082)               | (36,307)               |
| - Cash and bank balances (Note 17)                  | (4,193)                | (5,573)                |
|   | <b>3,316</b>           | <b>(5,017)</b>         |

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 1 CORPORATE INFORMATION

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

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

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

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 4 August 2016.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared on a historical cost basis unless otherwise indicated in the accounting policies below and comply with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

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

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (1) Basis of Consolidation

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (1) Basis of Consolidation (Cont'd)

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

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

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

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

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

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

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (1) Basis of Consolidation (Cont'd)

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (1) Basis of Consolidation (Cont'd)

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

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

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

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

#### (2) Associated Companies and Joint Ventures

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

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

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

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

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

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

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

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

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

**(3) Property, Plant and Equipment and Depreciation**

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

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

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

|                                     |   |
|-------------------------------------|---|
| Leasehold land                      | Ranging from 50 to 99 years                         |
| Buildings                           | 1.25% - 2.78%                                       |
| Plant and equipment                 | 10% - 33%   |
| Computer equipment                  | 10% - 50%   |
| Renovation                          | 10% - 33%   |
| Furniture and fittings              | 5% - 20%  |
| Office equipment                    | 10% - 67%   |
| Motor vehicles                      | 20% - 33%   |
| Aircraft                            | Ranging from 5 to 20 years or based on flying hours |
| Golf course development expenditure | 1% - 1.75%  |
| Others                              | 10% - 25%   |

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

#### (4) Investment Properties

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

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

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

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

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(5) Land Held for Development and Property Development Costs**

(i) Land Held for Development

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

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

(ii) Property Development Costs

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

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

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

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

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

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

**(6) Intangible Assets**

(i) Goodwill

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (6) Intangible Assets (Cont'd)

##### (ii) Gaming Rights

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

- a licence for Toto betting operations in Malaysia under Section 5 of the Pool Betting Act, 1967 ("Licence") which is renewable annually;
- an equipment lease agreement, maintenance and repair services agreements of online lottery equipment with Philippine Charity Sweepstakes Office, Luzon Island, Philippines ("ELA") expiring in August 2018; and
- trademarks, trade dress, gaming design and processes and agency network.

The Licence has been renewed annually since 1985 while the ELA has been entered into and renewed/extended since 1995.

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

##### (iii) Dealership Rights

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

##### (iv) Customer Relationships

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (6) Intangible Assets (Cont'd)

##### (v) Other Intangible Assets

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

#### (7) Inventories

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

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

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

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

#### (8) Impairment of Non-Financial Assets

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

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

#### (9) Fair Value Measurement

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

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

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

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

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (9) Fair Value Measurement (Cont'd)

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 44.

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

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

#### (10) Financial Assets

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (10) Financial Assets (Cont'd)

##### (ii) Loans and Receivables

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

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

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

##### (iii) Held-To-Maturity Investments

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

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

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

##### (iv) Available-For-Sale Financial Assets

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

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

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (11) Impairment of Financial Assets

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

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

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

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

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

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

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

(ii) Unquoted Equity Securities Carried at Cost

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

(iii) Available-For-Sale Financial Assets

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

#### (12) Cash and Cash Equivalents

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

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

#### (13) Financial Liabilities

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

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

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (13) Financial Liabilities (Cont'd)

##### (ii) Other Financial Liabilities

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

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

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

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

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

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

#### (14) Financial Guarantee Contracts

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

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

#### (15) Borrowing Costs

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (16) Equity Instruments

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

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

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

#### (17) Provisions

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

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

#### (18) Leases

##### (i) As Lessee

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (18) Leases (Cont'd)

##### (ii) As Lessor

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

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

#### (19) Income Taxes

##### (i) Current Tax

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

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

##### (ii) Deferred Tax

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (19) Income Taxes (Cont'd)

##### (ii) Deferred Tax (Cont'd)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

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

##### (iii) Gaming and Sales Tax

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

Receivables and payables are stated with the amount of sales tax included.

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

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(19) Income Taxes (Cont'd)**

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

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

**(20) Employee Benefits**

- (i) Short Term Benefits

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

- (ii) Defined Contribution Plans

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

- (iii) Defined Benefit Plans

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

a) Funded Defined Benefit Plan

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (20) Employee Benefits (Cont'd)

##### (iii) Defined Benefit Plans (Cont'd)

###### a) Funded Defined Benefit Plan (Cont'd)

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

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

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

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

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

###### b) Unfunded Defined Benefit Plan

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

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

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

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (21) Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants related to assets, measured at nominal value, are presented in the statement of financial position by deducting the grants in arriving at the carrying amount of the assets. These grants are recognised as income on a systematic basis over the useful lives of the related assets.

#### (22) Foreign Currencies

##### (i) Functional and Presentation Currencies

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

##### (ii) Foreign Currency Transactions

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

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

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

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

##### (iii) Foreign Operations

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (22) Foreign Currencies (Cont'd)

##### (iii) Foreign Operations (Cont'd)

- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions; and
- All the resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under foreign currency translation reserve.

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

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

The principal closing rates used in translation are as follows:

| Foreign currency       | Currency code | 2016<br>RM | 2015<br>RM |
|------------------------|---------------|------------|------------|
| 1 Great Britain Pound  | GBP           | 5.682      | 5.474      |
| 1 Euro                 | EUR           | 4.416      | 3.940      |
| 1 United States Dollar | USD           | 3.888      | 3.545      |
| 1 Australian Dollar    | AUD           | 2.966      | 2.842      |
| 1 Singapore Dollar     | SGD           | 2.893      | 2.686      |
| 1 Chinese Renminbi     | CNY           | 0.604      | 0.575      |
| 1 Hong Kong Dollar     | HKD           | 0.501      | 0.457      |
| 1 Seychelles Rupee     | SCR           | 0.295      | 0.260      |
| 1 Thai Baht            | THB           | 0.112      | 0.108      |
| 1 Philippine Peso      | PHP           | 0.083      | 0.080      |
| 1 Sri Lanka Rupee      | LKR           | 0.027      | 0.027      |
| 100 Vietnam Dong       | VND           | 0.018      | 0.017      |
| 100 South Korean Won   | KRW           | 0.343      | 0.331      |
| 100 Japanese Yen       | JPY           | 3.599      | 2.979      |

#### (23) Contingencies

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (24) Revenue Recognition

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

(i) Investment Income

Dividend income is recognised when the shareholders' rights to receive the dividend payment are established.

Interest income from short term deposits and advances are recognised on an accrual basis.

(ii) Development Properties

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold.

(iii) Enrolment Fees

Entrance fees for members joining the golf and recreational club are recognised as revenue upon the admission of the applicants to the membership register. Advance licence fees which are deferred are recognised as income over the membership period.

Membership fees for members joining the fitness centre are recognised on an accrual basis over the membership period. Membership fees received in advance are only recognised when they are due.

(iv) Rental Income

Rental income, including those from investment properties and hotel operations, is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on a receipt basis.

(v) Revenue from Water Theme Park Operations

Entrance fee to the water theme park is recognised when tickets are sold and services are rendered. Revenue from the sale of food and beverage is recognised based on invoiced value of goods sold.

(vi) Revenue from Casino Operations

Revenue from casino operations is recognised on a receipt basis and is stated net of gaming tax.

(vii) Sale of Goods, Property Inventories and Services

Revenue is recognised when significant risks and rewards of ownership of the goods and property inventories have been passed to the buyer. Revenue from services is recognised when rendered. Both revenues are recognised net of sales tax or GST and service tax, and discount where applicable.

(viii) Management Fee Income

Management fee income is recognised on an accrual basis.

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (24) Revenue Recognition (Cont'd)

(ix) Toto Betting

Revenue from toto betting is recognised based on ticket sales, net of gaming tax and GST relating to draw days within the financial year.

(x) 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 the foreign VAT and trade discount.

(xi) Lottery and Voting Product Sales, Services and Licensing Income

Revenue from lottery and voting product sales, services and licensing income are recognised on the basis of shipment of products, performance of services and percentage of completion method for long term contracts. The percentage of completion is estimated by comparing the cost incurred to date against the estimated cost to completion. Revenue relating to the sale of certain assets, when the ultimate total collection is not reasonably assured, are being recorded under the cost recovery method.

(xii) Sales of Vehicles, Parts and Accessories

Revenue on sales of vehicles are recognised when substantially all the risks and rewards of ownership have been transferred to the customer, generally deemed at the time of delivery to the customer. Revenue on sales of parts and accessories are recognised on delivery to the customer.

Revenue is recognised net of foreign VAT and discounts, where applicable.

(xiii) Servicing, Repair and Bodyshop Sales

Revenue is recognised on completion of the agreed work, net of foreign VAT and discounts, where applicable.

(xiv) Other Income

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

#### (25) Non-Current Assets Held For Sale

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

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Thereafter on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefit assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(26) Segmental Information**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

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

Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets.

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

**(27) Current and non-current classification**

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 CHANGES IN ACCOUNTING POLICIES

On 1 May 2015, the Group and the Company adopted the following Amendments to FRS and Annual Improvements to FRSs which are effective for annual periods beginning on or after 1 July 2014:

Amendments to FRS 119: Employee Benefits (Defined Benefit Plans – Employee Contributions)  
Annual Improvements to FRSs 2010-2012 Cycle  
Annual Improvements to FRSs 2011-2013 Cycle

Adoption of the above Amendments to FRS and Annual Improvements to FRSs did not have any effect on the financial performance or position of the Group and the Company.

### 2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following new FRSs, Amendments to FRSs and Annual Improvements to FRSs 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 2016**

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities – Applying the Consolidation Exception  
Amendments to FRS 11: Joint Arrangement – Accounting for Acquisitions of Interests in Joint Operations  
FRS 14: Regulatory Deferral Accounts  
Amendment to FRS 101: Disclosure Initiative  
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation And Amortisation  
Amendments to FRS 127: Separate Financial Statements – Equity Method in Separate Financial Statements  
Annual Improvements to FRSs 2012-2014 Cycle

#### **Effective for financial periods beginning on or after 1 January 2017**

Amendments to FRS 107: Statement of Cash Flows – Disclosure Initiative  
Amendments to FRS 112: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

#### **Effective for financial periods beginning on or after 1 January 2018**

FRS 9: Financial Instruments (2014)

#### **Effective date yet to be determined**

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

Unless otherwise described below, the new FRSs, Amendments to FRSs and Annual Improvements to FRSs 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

#### Amendments to FRS 127: Separate Financial Statements – Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiary companies, joint ventures and associated companies in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply to this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

#### FRS 9: Financial Instruments (2014)

In November 2014, MASB issued the final version of FRS 9 which reflects all phases of the financial instruments project and replaces FRS 139: Financial Instruments – Recognition and Measurement and all previous version of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

#### **Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: Agriculture and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 April 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning on 1 May 2018.

At the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the Group. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 30 April 2016 could be different if prepared under the MFRS Framework.

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

#### Malaysian Financial Reporting Standards (Cont'd)

The new and amended standards (which are applicable upon adoption of MFRS Framework) that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below.

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

MFRS 15: Revenue from Contracts with Customers

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

MFRS 16: Leases

#### MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective.

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

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

#### MFRS 16: Leases

The scope of MFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

MFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of "low-value" assets (e.g. personal computers) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the term (i.e. the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change of lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.4 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)**

**Malaysian Financial Reporting Standards (Cont'd)**

MFRS 16: Leases (Cont'd)

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019 with early adoption permitted.

**2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**(a) Critical Judgements Made in Applying Accounting Policies**

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

(i) Control over Berjaya Sports Toto Berhad ("BToto")

At the reporting date, the Group held 41.10% equity interest in BToto. The Group has obtained written undertakings from two other shareholders of BToto namely, BCorp Group and Tan Sri Dato' Seri Vincent Tan Chee Yioun that they will vote as directed by the Group on all shareholders' resolutions of BToto. The Group together with the abovementioned parties held 51.60% of the voting rights of BToto at the reporting date. Hence, in accordance with the requirements of FRS 10, the Group is able to exercise control and continues to regard BToto as a subsidiary company.

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

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment only if an insignificant portion is held in use for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### (a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

(iii) Leases - as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(iv) Useful lives of Gaming Rights, Dealerships and Customer Relationships

The Gaming Rights consist of Licence for the Toto betting operations in Malaysia and ELA for the Philippines.

The Group considers that the Licence and Dealerships have indefinite useful lives because they are expected to contribute to the Group's net cash inflows indefinitely. The Group intends to continue the annual renewal of the Licence and to maintain the Dealerships indefinitely. Historically, there has been no compelling challenge to the Licence and Dealership renewals. The technology used in the gaming activities is supplied and support is provided by a subsidiary company of the Group and is not expected to be replaced by another technology at any time in the foreseeable future.

The Group previously recognised Gaming Rights - ELA as an intangible asset with indefinite life as there was no compelling challenge to the ELA extension since 1995. Each extension then was for a tenure of at least 5 years. However, in the previous financial year, ELA was transitionally extended for a period of 3 years to August 2018. The Group is however, confident that the ELA will continue to be extended and generate net cash inflows for an additional 2 years beyond August 2018. Since the latest extension period was transitional, the Group had reassessed that the useful life of the Gaming Rights - ELA to be finite with a term of 5 years.

The Customer Relationships are recognised separably from goodwill on acquisition of a subsidiary company. The useful lives of the Customer Relationships are estimated to be 10 years, determined based on customer attrition from the acquired relationships. However, they are not amortised during the financial year due to the proximity of the acquisition to the year end.

(v) Joint ventures

The Group has interest in several investments which it regards as joint ventures although the Group owns more than half of the equity interest in these entities. These entities have not been regarded as subsidiaries of the Group as management have assessed that the contractual arrangements with the respective joint venture parties have given rise to joint-control over these entities in accordance with FRS 128 : Investment in Associates and Joint Ventures.

(vi) Classification of fair value through profit or loss investments

The Group designated warrants issued by an associated company, unit trust funds and certain equity investments as fair value through profit or loss investments. The Group manages these investments in accordance to an investment strategy to maximise its total returns in fair value changes. The fair values of the equity investments and unit trust funds at 30 April 2016 were RM6,859,000 and RM9,302,000 (2015 : RM13,718,000 and RM3,087,000) respectively, as disclosed in Note 45(a). Further details of the fair value changes are disclosed in Notes 31 and 32.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

##### (vii) Impairment of available-for-sale investments

The Group reviews its equity instruments classified as available-for-sale investments at each reporting date to assess whether they are impaired. These investments are considered impaired when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. During the current financial year, the Group impaired quoted and unquoted equity instruments with "significant" decline in fair value greater than 20%, and "prolonged" period of greater than 12 months.

For the financial year ended 30 April 2016, the amount of total impairment loss recognised for quoted and unquoted available-for-sale investments was RM8,061,000 (2015 : RM12,007,000) as disclosed in Note 32.

##### (viii) Income tax on deferred income

The Inland Revenue Board ("IRB") had previously issued a letter to certain subsidiary companies of the Group and also to the Malaysian Association of Golf & Recreational Club Owners Berhad ("MAGRO") and the Malaysian Holiday Timeshare Developers' Federation respectively to inform them that the income earned from sales of golf, recreational and timeshare memberships which are deferred over their respective tenures, will be brought to tax in the year it is collected and not over the years when it is amortised to profit or loss as income. This follows a decision made by the Special Commissioners of Income Tax ("SCIT") in favour of IRB on this matter in relation to a recreational club which is a member of MAGRO.

IRB has however given a 3-year or 6-year concession to allow the deferred income brought forward as at 30 April 2013 to be taxed over a period of 3 years or 6 years from year of assessment 2014 to 2016, or year of assessment 2014 to 2019 respectively.

On 5 February 2014, the High Court had overturned the abovementioned SCIT's decision and ruled in favour of the recreational club, agreeing in principle that deferred membership fees should be recognised as and when services are rendered and the amount is amortised to profit or loss as income. IRB has appealed against this decision to the Court of Appeal and has informed MAGRO that the tax issue on deferred income is postponed pending the outcome of the appeal.

On 22 June 2015, the Court of Appeal upheld the decision by the High Court which ruled in favour of the recreational club. The Court of Appeal affirmed that advance licence fees received by the recreational club were security instead of deposit, and will be accrued to the recreational club upon services being rendered. In such circumstances, advance licence fees were not income and cannot be subjected to income tax in those years they were collected.

The Group has assessed that the features of the memberships issued by its subsidiary companies are largely similar to those of the abovementioned recreational club, and have hence concluded that no provision for income tax is required to be made on its deferred membership income.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### (a) Critical Judgements Made in Applying Accounting Policies (Cont'd)

(ix) Recoverability of Berjaya Jeju Resort Limited ("BJR") project costs

BJR, a subsidiary company of the Group had previously commenced development activities on Jeju Island, South Korea ("Jeju Project") over certain parcels of land purchased from the Jeju Free International City Development Center ("JDC") in 2009. These lands were expropriated by JDC from various landowners. On 20 March 2015, the Korean Supreme Court ruled that the expropriation of the lands by JDC from these landowners was invalid. As explained in Note 41, BJR has suspended the development of the Jeju Project due to the breach of the terms and conditions of the land sale and purchase agreement ("Land SPA") by JDC when it failed to deliver unencumbered titles of the said lands to BJR. BJR has commenced legal proceedings against JDC seeking compensation for damages incurred which include the costs incurred by BJR in developing the Jeju Project. The outcome of the legal proceedings will determine whether BJR is able to recover the costs of RM541,965,000 incurred to-date on this development.

Based on the legal opinion obtained from its lawyers, BJR has determined that it has the legal right to claim for damages under the Land SPA, Korean Civil Code and case precedents established in the Korean Courts. BJR's lawyers have also opined that it is probable that BJR will prevail in the lawsuit against JDC on the claim for costs incurred. Based on this premise, BJR has determined that it is appropriate to continue to recognise the Jeju Project development cost as an asset in the statements of financial position. However, due to inherent uncertainty over the timing of the resolution of the lawsuit, BJR has reclassified the entire Jeju Project development cost as a non-current asset.

(x) Provision for minimum wages

As explained in Note 39(b), trade dispute proceedings have been instituted by the National Union of Hotel, Bar & Restaurant Workers Peninsular ("Trade Union") at the Industrial Court of Malaysia ("Industrial Court") against several Malaysian hotels and resorts of the Group, regarding the topping up minimum wages over and above service charges imposed ("Trade Dispute Proceedings"). The Trade Dispute Proceedings are still ongoing.

Recently, in another trade dispute proceeding between the Trade Union and another hotel, the Industrial Court has ruled in favour of the Trade Union that an employee shall be paid the minimum wage, in accordance to Minimum Wage Order 2012, over and above the service charges imposed.

The Group is of the opinion that the Industrial Court ruling can be challenged by way of judicial review proceedings. Furthermore, the Malaysian Association of Hotels and Malaysian Association of Hotel Owners representing the hospitality industry are in the midst of discussion with the relevant authorities on this matter.

As such, the Group concluded that no provision for additional minimum wages is required.

(xi) Significant influence over Berjaya Assets Berhad ("BASSETS")

Although the Group holds less than 20% of the voting shares in BASSETS, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of BASSETS through representation on the board of directors of BASSETS.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

**(a) Critical Judgements Made in Applying Accounting Policies (Cont'd)**

(xii) Loss of control over Berjaya Kyoto Development (S) Pte Ltd ("BKDS")

The Company and BCorp are the 2 shareholders of BKDS, each holding 50% equity interest in BKDS respectively. However, based on the subscription agreement between the Company, BCorp and BKDS on 21 July 2015, BCorp has the right to nominate and appoint the majority number of directors onto the board of directors of BKDS and to direct the relevant activities that affect the returns of BKDS. As such, in accordance to FRS 10, the Company has ceased to have control over BKDS and regards BKDS as its associated company.

(xiii) Recoverability of prepayments for the relocation of turf club project

A subsidiary company, Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd) ("BTSB") had in 2004, entered into a sale and purchase agreement ("SPA") to acquire several parcels of land from a related company, BerjayaCity Sdn Bhd ("BCity") for the relocation of turf club project as disclosed in Note 48(g). The transaction relating to the relocation of the turf club is still pending the fulfillment of several conditions precedent which are detailed in the same note, of which several conditions precedent affect the SPA with BCity.

At the reporting date, BTSB had made prepayments totalling RM230,724,000 (2015 : RM230,724,000) in respect of this project. In the event the SPA with BCity is not completed due to non-performance by BCity, BTSB has legal recourse under the SPA to seek relief and/or recover the payments made.

(xiv) Financial guarantee contracts

The Company determines the fair value of the guarantees at initial recognition based on the likelihood of the guaranteed party defaulting within the guaranteed period and estimates the loss exposure after considering the value of physical assets pledged for the loans/borrowings obtained from external financiers.

The Company has assessed the existing financial guarantee contracts and determined that the guarantees are more likely not to be called upon by the financiers. The financial impact of such guarantees is not material.

**(b) Key Sources of Estimation Uncertainty**

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

(i) Fair values of the Gaming Rights, Dealerships and Customer Relationships

The Gaming Rights, Dealerships and Customer Relationships have been valued based on the Multi-period Excess Earnings Method. This valuation method requires the Group to make estimates about expected future profits from operations, discount rates and useful lives, and hence they are subject to uncertainties.

The carrying amounts of the Gaming Rights, Dealerships and Customer Relationships at 30 April 2016 are disclosed in Note 11.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### (b) Key Sources of Estimation Uncertainty (Cont'd)

###### (ii) Impairment of property, plant and equipment

During the current financial year, the Group has recognised a net reversal of impairment loss in respect of certain subsidiary companies' property, plant and equipment. The Group carried out the impairment test based on the assessment of the fair value of the respective assets' or cash generating units' ("CGU") fair value less costs to sell or based on the estimation of the value-in-use ("VIU") of the CGU to which the property, plant and equipment are allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the net impairment loss recognised are disclosed in Note 3(a).

The carrying amount of property, plant and equipment of the Group as at 30 April 2016 are disclosed in Note 3.

###### (iii) Depreciation of property, plant and equipment

The costs of hotel properties are depreciated on a straight-line basis over their remaining useful lives. Management estimates that these hotel properties have a useful life of 50 years from the date of completion or from the date of acquisition, based on normal life expectancies applied in the hotel industry. The remaining useful lives of the Group's hotel properties range between 17 and 49 years. The residual values of the hotel properties are estimated by the Group based on their age and their condition at the end of their useful lives.

The useful lives and residual values of other components of property, plant and equipment are also estimated based on the normal life expectancies and commercial factors applied in the various respective industries.

The estimated useful lives of property, plant and equipment are reviewed periodically and changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

###### (iv) Amortisation of Gaming Rights - ELA and Customer Relationships

Intangible asset with a finite useful life is amortised by allocating its depreciable amount on a systematic basis over its useful life. Useful life is the period over which the intangible asset is expected to generate economic benefits. Depreciable amount is the carrying amount of the intangible asset less its residual value.

The useful life of Gaming Rights - ELA is estimated to be 5 years whilst its residual value is assumed to be zero in the absence of an active market. The carrying amount of Gaming Rights - ELA is now amortised on a straight line basis over its useful life of 5 years.

The Group estimates the useful lives of Customer Relationships based on the period over which the assets are expected to generate economic benefits to the Group. The estimated useful lives of Customer Relationships are reviewed periodically.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****(b) Key Sources of Estimation Uncertainty (Cont'd)**

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

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

The annual impairment review resulted in the following:

- a) the Company recognising a net impairment loss in respect of its investment in subsidiary companies. Details of the net impairment loss recognised are disclosed in Note 7; and
- b) the Group recognising impairment losses in respect of its investments in an associated company which is quoted outside Malaysia. Details of the impairment losses recognised are disclosed in Note 8.

The Group did not recognise any impairment in value of an associated company, of which its shares are quoted in Malaysia, as the Directors have determined its recoverable amount to be higher than its carrying value.

No impairment loss has been recognised in respect of the investments in joint ventures.

The carrying amounts of investments in associated companies and joint ventures of the Group are disclosed in Notes 8 and 9 respectively whilst the carrying amounts of investments in subsidiary companies of the Company are disclosed in Note 7.

- (vi) Impairment of Gaming Rights, Dealerships, Customer Relationships and goodwill

The Group performs an impairment test on its Gaming Rights, Dealerships, Customer Relationships and goodwill at least on an annual basis or when there is evidence of impairment. This requires an estimation of the VIU of the CGU to which the Gaming Rights, Dealerships, Customer Relationships and goodwill are allocated. Estimating a VIU amount requires the management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

During the current financial year, the Group recognised certain impairment loss in respect of:

- a) goodwill allocated to the Malaysian toto betting operations; and
- b) Gaming Rights - ELA allocated to the Philippines leasing of online lottery equipment operations, as the carrying values of these CGUs were assessed to be in excess of their respective VIU.

The Malaysian toto betting operations were affected by the continued challenging economic and regulatory environment. The Gaming Rights - ELA was subject to an impairment test as the Group has reassessed that its useful life is no longer indefinite.

With regards to the impairment review of the CGU for the Dealerships and Customer Relationships, the Group has assessed the VIU amounts that could sufficiently address the carrying amount of these CGUs.

# NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (b) Key Sources of Estimation Uncertainty (Cont'd)

- (vi) Impairment of Gaming Rights, Dealerships, Customer Relationships and goodwill (Cont'd)

The carrying amounts of Gaming Rights, Dealerships, Customer Relationships and goodwill of the Group as at 30 April 2016 are disclosed in Note 11.

- (vii) Impairment of assets held for sale

An impairment in value of assets held for sale amounting to RM131,612,000 was recognised in respect of the sale of project by Berjaya (China) Great Mall Co Ltd which is pending completion as disclosed in Note 48(e). These assets held for sale have been written down to the lower of its carrying amount and fair value less costs to sell, after taking into consideration of provisional amounts of project progress billings yet to be billed by contractors as well as various estimated business, land value appreciation and other types of taxes to be incurred.

- (viii) Property development

The Group recognises property development revenue and expenses in the income statement by applying the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Details of property development costs are disclosed in Note 12.

- (ix) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Details of impairment of loans and receivables are disclosed in Note 14.

- (x) Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 37.

**2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

**(b) Key Sources of Estimation Uncertainty (Cont'd)**

(xi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and investment tax allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 25.

(xii) 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.

(xiii) Fair value gain on remeasurement of investment retained as an associated company

The fair value gain on remeasurement of investment in BKDS retained as an associated company upon the loss of control by the Group over BKDS of RM96,313,000 is based on the Group's share of the valuation of BKDS's hotel development project amounting to JPY42,813,000,000 (equivalent to approximately RM1,318,000,000), less budgeted costs to complete the project. The valuation was conducted by an independent qualified valuer based in Japan, who holds recognised qualifications and has experience in valuing this type of hotel property.

This valuation method requires making estimates about expected future cashflows/profits from operations, costs to completion and discount rates, and hence are subject to uncertainties.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 3 PROPERTY, PLANT AND EQUIPMENT

#### GROUP

|                                     | Net carrying amount at 1.5.2015 RM'000 | Reclassification RM'000 | Transfers/ Adjustments RM'000 | Additions RM'000 | Acquisition of subsidiary company RM'000 | Disposal of subsidiary company RM'000 | Impairment losses net of reversals RM'000 | Write-off/ Disposals RM'000 | Depreciation and amortisation RM'000 | Exchange differences RM'000 | Net carrying amount at 30.4.2016 RM'000 |
|-------------------------------------|--|-------------------------|-------------------------------|------------------|--|---------------------------------------|---|-----------------------------|--------------------------------------|-----------------------------|---|
| <b>At 30 April 2016</b>             |  |                         |                               |                  |  |                                       |   |                             |                                      |                             |   |
| Freehold land                       | 106,604                                | -                       | -                             | -                | -  | -                                     | -   | -                           | -                                    | 553                         | 107,157                                 |
| Long leasehold land                 | 53,456                                 | -                       | -                             | -                | -  | -                                     | -   | -                           | (869)                                | -                           | 52,587                                  |
| Short leasehold land                | 48,494                                 | -                       | -                             | -                | -  | -                                     | -   | -                           | (1,236)                              | -                           | 47,258                                  |
| Buildings                           | 1,082,854                              | 5,834                   | -                             | 23,101           | -  | -                                     | 23,057                                    | -                           | (36,219)                             | 15,593                      | 1,114,220                               |
| Plant and equipment                 | 24,176                                 | 365                     | -                             | 16,143           | 895                                      | -                                     | 8,000                                     | (33)                        | (12,624)                             | 1,141                       | 38,063                                  |
| Computer equipment                  | 25,523                                 | -                       | -                             | 1,769            | -  | -                                     | -   | (174)                       | (8,291)                              | 235                         | 19,062                                  |
| Renovation                          | 52,966                                 | -                       | -                             | 31,862           | 857                                      | -                                     | -   | (208)                       | (12,183)                             | 2,289                       | 75,583                                  |
| Furniture and fittings              | 32,426                                 | -                       | -                             | 2,858            | -  | (53)                                  | -   | (36)                        | (8,377)                              | 1,809                       | 28,627                                  |
| Office equipment                    | 7,587                                  | -                       | -                             | 2,910            | -  | -                                     | -   | (32)                        | (2,205)                              | 56                          | 8,316                                   |
| Motor vehicles                      | 27,616                                 | -                       | -                             | 9,487            | -  | -                                     | (16,266)                                  | (1,368)                     | (7,559)                              | 141                         | 28,317                                  |
| Aircraft                            | 155,646                                | -                       | -                             | 41               | -  | -                                     | -   | (3,614)                     | (9,455)                              | 2,566                       | 128,918                                 |
| Golf course development expenditure | 73,062                                 | (5,834)                 | (578,106)                     | 65,570           | -  | (405,480)                             | -   | (69)                        | (1,149)                              | -                           | 71,913                                  |
| Capital work-in-progress            | 895,132                                | (365)                   | -                             | 842              | -  | -                                     | -   | -                           | -                                    | 39,591                      | 10,804                                  |
| Others                              | 1,457                                  | -                       | -                             | -                | -  | -                                     | -   | (11)                        | (390)                                | 40                          | 1,573                                   |
|                                     | 2,586,999                              | -                       | (578,106)                     | 154,583          | 1,752                                    | (405,533)                             | 14,791                                    | (5,545)                     | (100,557)                            | 64,014                      | 1,732,398                               |

|                                     | Net carrying amount at 1.5.2014 RM'000 | Reclassification RM'000 | Transfers/ Adjustments RM'000 | Additions RM'000 | Acquisition of subsidiary company RM'000 | Disposal of subsidiary company RM'000 | Impairment losses net of reversals RM'000 | Write-off/ Disposals RM'000 | Depreciation and amortisation RM'000 | Exchange differences RM'000 | Net carrying amount at 30.4.2015 RM'000 |
|-------------------------------------|--|-------------------------|-------------------------------|------------------|--|---------------------------------------|---|-----------------------------|--------------------------------------|-----------------------------|---|
| <b>At 30 April 2015</b>             |  |                         |                               |                  |  |                                       |   |                             |                                      |                             |   |
| Freehold land                       | 99,535                                 | -                       | -                             | 7,147            | -  | -                                     | -   | -                           | -                                    | (78)                        | 106,604                                 |
| Long leasehold land                 | 53,612                                 | -                       | -                             | 506              | -  | -                                     | -   | -                           | (662)                                | -                           | 53,456                                  |
| Short leasehold land                | 49,747                                 | -                       | -                             | -                | -  | -                                     | -   | -                           | (1,253)                              | -                           | 48,494                                  |
| Buildings                           | 1,026,172                              | 16,487                  | -                             | 60,019           | -  | -                                     | 7,981                                     | (289)                       | (33,461)                             | 5,945                       | 1,082,854                               |
| Plant and equipment                 | 20,642                                 | 204                     | -                             | 11,384           | -  | -                                     | -   | (34)                        | (7,933)                              | (87)                        | 24,176                                  |
| Computer equipment                  | 34,351                                 | 228                     | -                             | 2,066            | -  | -                                     | -   | (11)                        | (11,488)                             | 377                         | 25,523                                  |
| Renovation                          | 53,076                                 | -                       | -                             | 10,391           | -  | -                                     | -   | (179)                       | (10,586)                             | 264                         | 52,966                                  |
| Furniture and fittings              | 37,464                                 | 649                     | -                             | 2,531            | -  | -                                     | -   | (115)                       | (7,264)                              | (839)                       | 32,426                                  |
| Office equipment                    | 8,892                                  | 268                     | -                             | 1,018            | -  | -                                     | -   | (101)                       | (2,550)                              | 60                          | 7,587                                   |
| Motor vehicles                      | 31,000                                 | (61)                    | -                             | 5,409            | -  | -                                     | -   | (1,154)                     | (7,749)                              | 171                         | 27,616                                  |
| Aircraft                            | 264,123                                | -                       | -                             | -                | -  | -                                     | (18,689)                                  | (86,398)                    | (12,435)                             | 9,045                       | 155,646                                 |
| Golf course development expenditure | 74,216                                 | (17,438)                | (3,685)                       | 248,841          | -  | -                                     | -   | -                           | (1,154)                              | -                           | 73,062                                  |
| Capital work-in-progress            | 640,544                                | (337)                   | -                             | 1,006            | -  | -                                     | (519)                                     | -                           | -                                    | 26,870                      | 895,132                                 |
| Others                              | 3,217                                  | -                       | -                             | -                | -  | -                                     | -   | (36)                        | (1,889)                              | 15                          | 1,457                                   |
|                                     | 2,396,591                              | -                       | (3,685)                       | 350,318          | -  | -                                     | (11,227)                                  | (88,317)                    | (98,424)                             | 41,743                      | 2,586,999                               |

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

|                                     | Cost<br>RM'000   | Accumulated<br>depreciation<br>RM'000 | Accumulated<br>impairment<br>losses<br>RM'000 | Net carrying<br>amount<br>RM'000 |
|-------------------------------------|------------------|---------------------------------------|---|----------------------------------|
| <b>At 30 April 2016</b>             |                  |                                       |   |                                  |
| Freehold land                       | 110,269          | -                                     | 3,112   | 107,157                          |
| Long leasehold land                 | 64,373           | 11,786                                | -   | 52,587                           |
| Short leasehold land                | 65,213           | 17,955                                | -   | 47,258                           |
| Buildings                           | 1,504,759        | 374,119                               | 16,420  | 1,114,220                        |
| Plant and equipment                 | 209,376          | 162,022                               | 9,291   | 38,063                           |
| Computer equipment                  | 147,627          | 128,565                               | -   | 19,062                           |
| Renovation                          | 175,867          | 100,284                               | -   | 75,583                           |
| Furniture and fittings              | 143,187          | 114,560                               | -   | 28,627                           |
| Office equipment                    | 44,205           | 35,889                                | -   | 8,316                            |
| Motor vehicles                      | 96,118           | 67,801                                | -   | 28,317                           |
| Aircraft                            | 305,070          | 117,378                               | 58,774  | 128,918                          |
| Golf course development expenditure | 105,631          | 19,881                                | 13,837  | 71,913                           |
| Capital work-in-progress            | 14,806           | -                                     | 4,002   | 10,804                           |
| Others                              | 13,743           | 9,322                                 | 2,848   | 1,573                            |
|                                     | <b>3,000,244</b> | <b>1,159,562</b>                      | <b>108,284</b>                                | <b>1,732,398</b>                 |

At 30 April 2015

|                                     |                  |                  |                |                  |
|-------------------------------------|------------------|------------------|----------------|------------------|
| Freehold land                       | 109,716          | -                | 3,112          | 106,604          |
| Long leasehold land                 | 64,373           | 10,917           | -              | 53,456           |
| Short leasehold land                | 65,213           | 16,719           | -              | 48,494           |
| Buildings                           | 1,449,532        | 327,201          | 39,477         | 1,082,854        |
| Plant and equipment                 | 191,576          | 150,109          | 17,291         | 24,176           |
| Computer equipment                  | 146,415          | 120,892          | -              | 25,523           |
| Renovation                          | 139,648          | 86,682           | -              | 52,966           |
| Furniture and fittings              | 135,763          | 103,337          | -              | 32,426           |
| Office equipment                    | 41,539           | 33,952           | -              | 7,587            |
| Motor vehicles                      | 94,462           | 66,846           | -              | 27,616           |
| Aircraft                            | 326,577          | 127,161          | 43,770         | 155,646          |
| Golf course development expenditure | 105,631          | 18,732           | 13,837         | 73,062           |
| Capital work-in-progress            | 899,134          | -                | 4,002          | 895,132          |
| Others                              | 14,223           | 9,918            | 2,848          | 1,457            |
|                                     | <b>3,783,802</b> | <b>1,072,466</b> | <b>124,337</b> | <b>2,586,999</b> |

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) During the current financial year, the Group conducted a review of the recoverable amount of certain subsidiary companies' assets. The review has led to the recognition of a net reversal of impairment loss of RM14,791,000 (2015 : a net impairment loss of RM11,227,000) of certain assets as disclosed in Notes 31 and 32.

The impairment loss of RM16,266,000 (2015 : RM18,689,000) recognised in profit or loss, represented the write-down in value of aircraft, as a result of a decline in their market values. The recoverable amounts of these aircraft were RM103,542,000 (2015 : RM100,324,000) based on the estimated selling price less costs to sell.

The impairment loss of aircraft was mitigated by the reversal of impairment loss of:

- (i) RM22,883,000 in value of certain buildings and related plant and equipment based on recoverable amount of RM28,886,000 as the subsidiary company has commenced negotiations with the relevant authorities prior to reporting date and subsequently entered into a settlement agreement with the relevant authorities on surrendering of these assets. As a consequence, certain premiums incurred on the land classified under land held for development, prepaid land lease premium and property development costs amounting to RM8,802,000, RM1,018,000 and RM7,119,000 respectively would also be recoverable and are now transferred to receivables. The total recoverable amount of these premiums are RM17,319,000; and
- (ii) RM8,174,000 in value of certain properties as the fair values of these assets are higher than their carrying amounts. The fair values of these assets totalling RM256,500,000 (2015 : RM171,956,000) are based on the valuations by an independent qualified valuer. Fair values are based on primarily the comparison and the depreciable replacement cost method.
- (b) The transfers/adjustments of property, plant and equipment of the current financial year comprise mainly of a reclassification of capital work-in-progress to assets classified as held for sale by a foreign subsidiary company after it entered into an agreement to dispose of its development project.

In the previous financial year, the transfers/adjustments of property, plant and equipment comprised mainly of the reclassification of capital work-in-progress to land held for development by a foreign subsidiary company after the change in plans of the intended hotel development.

- (c) Properties and aircraft of the Group with carrying amounts totalling RM847,322,000 (2015 : RM1,006,098,000) are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.
- (d) Carrying amounts of property, plant and equipment of the Group held under finance lease and hire purchase arrangements are as follows:

|                | Group          |                |
|----------------|----------------|----------------|
|                | 2016<br>RM'000 | 2015<br>RM'000 |
| Motor vehicles | 5,871          | 6,294          |
| Aircraft       | 85,536         | 100,297        |
|                | <u>91,407</u>  | <u>106,591</u> |

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| COMPANY                 | Net carrying amount at 1.5.2015 RM'000 | Additions RM'000 | Depreciation RM'000 | Net carrying amount at 30.4.2016 RM'000 |
|-------------------------|--|------------------|---------------------|---|
| <b>At 30 April 2016</b> |  |                  |                     |   |
| Furniture and fittings  | 90                                     | 19               | (77)                | 32                                      |
| Office equipment        | 514                                    | 214              | (223)               | 505                                     |
| Renovation              | 510                                    | 185              | (241)               | 454                                     |
| Motor vehicles          | 1,877                                  | 666              | (976)               | 1,567                                   |
|                         | <u>2,991</u>                           | <u>1,084</u>     | <u>(1,517)</u>      | <u>2,558</u>                            |

| COMPANY                 | Net carrying amount at 1.5.2014 RM'000 | Additions RM'000 | Depreciation RM'000 | Net carrying amount at 30.4.2015 RM'000 |
|-------------------------|--|------------------|---------------------|---|
| <b>At 30 April 2015</b> |  |                  |                     |   |
| Furniture and fittings  | 165                                    | -                | (75)                | 90                                      |
| Office equipment        | 416                                    | 255              | (157)               | 514                                     |
| Renovation              | 722                                    | 10               | (222)               | 510                                     |
| Motor vehicles          | 1,922                                  | 600              | (645)               | 1,877                                   |
|                         | <u>3,225</u>                           | <u>865</u>       | <u>(1,099)</u>      | <u>2,991</u>                            |

| COMPANY                 | Cost RM'000   | Accumulated depreciation RM'000 | Net carrying amount RM'000 |
|-------------------------|---------------|---------------------------------|----------------------------|
| <b>At 30 April 2016</b> |               |                                 |                            |
| Furniture and fittings  | 2,043         | 2,011                           | 32                         |
| Office equipment        | 7,007         | 6,502                           | 505                        |
| Renovation              | 3,190         | 2,736                           | 454                        |
| Motor vehicles          | 6,862         | 5,295                           | 1,567                      |
|                         | <u>19,102</u> | <u>16,544</u>                   | <u>2,558</u>               |

| COMPANY                 | Cost RM'000   | Accumulated depreciation RM'000 | Net carrying amount RM'000 |
|-------------------------|---------------|---------------------------------|----------------------------|
| <b>At 30 April 2015</b> |               |                                 |                            |
| Furniture and fittings  | 2,024         | 1,934                           | 90                         |
| Office equipment        | 6,793         | 6,279                           | 514                        |
| Renovation              | 3,005         | 2,495                           | 510                        |
| Motor vehicles          | 6,622         | 4,745                           | 1,877                      |
|                         | <u>18,444</u> | <u>15,453</u>                   | <u>2,991</u>               |

Motor vehicles of the Company with carrying amounts totalling RM1,434,000 (2015 : RM1,637,000) are held under hire purchase arrangements.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 4 INVESTMENT PROPERTIES

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                                       | 607,758        | 642,724        |
| Additions during the year                                | 2,800          | 30             |
| Adjustments/Disposals during the year                    | -              | (32)           |
| Transfer to assets classified as held for sale (Note 18) | -              | (25,750)       |
| Net fair value adjustments (Notes 31 and 32)             | 11,345         | (9,214)        |
| At 30 April 2016/2015                                    | <u>621,903</u> | <u>607,758</u> |

Investment properties comprise a number of commercial and other properties leased under operating leases to third and related parties.

Investment properties with carrying amounts totalling RM36,710,000 (2015 : RM36,710,000) are held under lease terms.

Applications for the sub-division and strata titles of the certain leasehold land and buildings (where applicable) of certain subsidiary companies have been submitted to the relevant authorities for processing.

In the previous financial year, a subsidiary company of the Group entered into an agreement to dispose of 371.87 acres of land with a carrying amount of RM25,750,000. This land was then reclassified to assets classified as held for sale.

The carrying amounts of the investment properties were based on a valuation by an independent qualified valuer, who holds recognised qualifications and has relevant experience in valuing these type of properties. Fair value is determined primarily based on the comparison method.

Fair value hierarchy disclosures for investment properties have been provided in Note 44.

Investment properties with carrying amounts totalling RM454,240,000 (2015 : RM443,897,000) are pledged to financial institutions for credit facilities granted to the Company and certain subsidiary companies.

### 5 LAND HELD FOR DEVELOPMENT

|                                      | Group          |                |
|--------------------------------------|----------------|----------------|
|                                      | 2016<br>RM'000 | 2015<br>RM'000 |
| At cost:                             |                |                |
| At 1 May 2015/2014:                  |                |                |
| - freehold land                      | 360,931        | 378,980        |
| - long leasehold land                | 33,844         | 33,915         |
| - land use rights/land lease premium | 174,175        | 163,653        |
| - development costs                  | 297,267        | 282,532        |
|                                      | <u>866,217</u> | <u>859,080</u> |
| Additions:                           |                |                |
| - freehold land                      | 33,715         | 3,488          |
| - development costs                  | 4,303          | 6,247          |
|                                      | <u>38,018</u>  | <u>9,735</u>   |

5 LAND HELD FOR DEVELOPMENT (CONT'D)

|   | Group            |                 |
|---|------------------|-----------------|
|   | 2016<br>RM'000   | 2015<br>RM'000  |
| Transfers/Adjustments during the year:                  |                  |                 |
| - freehold land   | 475,133          | (28,434)        |
| - long leasehold land                                   | (8,802)          | (71)            |
| - land use rights/land lease premium                    | (7,742)          | -               |
| - development costs                                     | 471,261          | (581)           |
|   | <u>929,850</u>   | <u>(29,086)</u> |
| Disposal:   |                  |                 |
| - freehold land   | (222,431)        | -               |
| - development costs                                     | (145,755)        | -               |
|   | <u>(368,186)</u> | <u>-</u>        |
| Exchange differences:                                   |                  |                 |
| - freehold land   | 17,435           | 6,897           |
| - land use rights/land lease premium                    | 11,190           | 10,522          |
| - development costs                                     | 12,756           | 9,069           |
|   | <u>41,381</u>    | <u>26,488</u>   |
| Total costs at 30 April 2016/2015                       | <u>1,507,280</u> | <u>866,217</u>  |
| Accumulated impairment losses:                          |                  |                 |
| At 1 May 2015/2014                                      | (16,329)         | (22,329)        |
| Reversal of impairment loss                             | 8,802            | 6,000           |
| Total accumulated impairment loss at 30 April 2016/2015 | <u>(7,527)</u>   | <u>(16,329)</u> |
| Carrying amount at 30 April 2016/2015                   | <u>1,499,753</u> | <u>849,888</u>  |

Included in land held for development is the Jeju Project referred to in Notes 2.5(a)(ix) and 41. During the current financial year, certain parcels of land of this project with carrying amount of RM367,117,000 are disposed, as disclosed in Note 41. The recovery of the remaining carrying amount of RM541,965,000 on the Jeju Project is subject to the outcome of the lawsuit as disclosed in Note 2.5(a)(ix).

During the current financial year, a subsidiary company recognised a reversal of impairment loss totalling RM8,802,000, as referred to in Note 3(a)(i).

In the previous financial year, a subsidiary company entered into an agreement to dispose of 297.18 acres of land with a carrying amount of RM32,259,000. This land was then reclassified to assets classified as held for sale.

Land held for development with carrying amounts totalling RM536,241,000 (2015: RM327,436,000) are pledged to a licensed bank for credit facility granted to the Company and a subsidiary company.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 6 PREPAID LAND LEASE PREMIUM

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| Prepaid land lease premium                                    | 1,018          | 1,034          |
| Less: Transfer to receivables                                 | (1,018)        | -              |
| Less: Current portion of prepaid land lease premium (Note 14) | -              | (16)           |
|   | <u>-</u>       | <u>1,018</u>   |

During the current financial year, this amount is transferred to receivables as referred to in Note 3(a)(i).

### 7 SUBSIDIARY COMPANIES

|  | Company          |                  |
|--|------------------|------------------|
|  | 2016<br>RM'000   | 2015<br>RM'000   |
| Quoted shares, at cost                                 | 252,366          | 247,785          |
| Unquoted shares, at cost                               | 2,640,300        | 2,636,500        |
|  | <u>2,892,666</u> | <u>2,884,285</u> |
| Less: Accumulated impairment losses of unquoted shares | (238,227)        | (227,343)        |
|  | <u>2,654,439</u> | <u>2,656,942</u> |
| Market value of quoted shares                          | <u>592,114</u>   | <u>630,461</u>   |

Details of the subsidiary companies are set out in Note 51.

At the reporting date, the Company conducted an impairment review of the investments in certain subsidiary companies, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

The review gave rise to the recognition of a net impairment loss of investments in subsidiary companies of RM10,884,000 (2015 : RM5,083,000) as disclosed in Notes 31 and 32 based on recoverable amounts of RM206,994,000 (2015 : RM254,364,000). The Company also recognised a writeback of investment costs amounting to RM3,800,000 (2015 : RMNil) as disclosed in Note 31.

Included in the writeback of investment costs of the current financial year, is an amount of RM2,000,000 relating to a subsidiary company operating a recreational facility (water theme park). The writeback was a result of a settlement agreement entered into subsequent to the financial year end, with the relevant authorities on surrendering of assets, for which negotiations have commenced before the reporting date. The Directors have assessed that notwithstanding that the settlement agreement was entered into subsequent to the financial year end, as at reporting date there were reasonable indications that the agreement would be successfully entered into subsequently and that they do not foresee any impediments in fulfilling the remaining obligations relating to this agreement to facilitate the completion of this transaction. This has also resulted in a reversal of impairment loss and writeback of amounts owing by this subsidiary company of RM199,700,000 as included in Notes 14 and 31.

**7 SUBSIDIARY COMPANIES (CONT'D)**

Certain quoted shares in subsidiary companies of the Group and of the Company with carrying amounts totalling RM1,234,287,000 and RM246,782,000 (2015 : RM1,230,619,000 and RM246,811,000) respectively are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

**(a) Acquisition of subsidiary companies**

During the current financial year, H.R. Owen Plc, a subsidiary company of BToto Group completed the acquisition of 50,000 ordinary shares of GBP1.00 each representing 100% equity interest in Bodytechnics Limited, for a total cash consideration of GBP2,609,000 (equivalent to approximately RM16,941,000).

The fair values of the identifiable assets and liabilities of the acquisitions as at the date of acquisition were as follows:

| <b>Group</b>                                    | <b>2016<br/>RM'000</b> |
|---|------------------------|
| Non-current assets                              | 1,752                  |
| Current assets                                  | 10,294                 |
|   | <u>12,046</u>          |
| Non-current liabilities                         | 35                     |
| Current liabilities                             | 4,474                  |
|   | <u>4,509</u>           |
| Net assets acquired                             | 7,537                  |
| Goodwill on acquisition (Note 11)               | 5,573                  |
| Customer relationships on acquisition (Note 11) | 3,831                  |
| Total cost of acquisition                       | <u><u>16,941</u></u>   |

The net cash flows on acquisition during the financial year are as follows:

| <b>Group</b>   | <b>2016<br/>RM'000</b> |
|--|------------------------|
| Purchase consideration satisfied by cash                                       | 16,941                 |
| Cash and cash equivalents of subsidiary company acquired                       | (3,227)                |
| Net cash outflow on acquisition of a subsidiary company at date of acquisition | <u><u>13,714</u></u>   |

During the previous financial year, the Group completed:

- (i) the incorporation of BHR (Cayman) Limited, a wholly-owned subsidiary company of Berjaya Leisure (Cayman) Limited;
- (ii) the acquisition of additional 49% equity interest in KDE Recreation Berhad ("KDE") by Berjaya Vacation Club Berhad ("BVC") for a total cash consideration of RM17,100,000. KDE is now a wholly-owned subsidiary company of BVC; and
- (iii) the acquisition of additional 40% equity interest in ANSA Hotel KL Sdn Bhd (formerly known as Absolute Prestige Sdn Bhd) ("AHKL") by Sinar Merdu Sdn Bhd ("SMSB") for a total cash consideration of RM23,160,000. AHKL is now a wholly-owned subsidiary company of SMSB.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 7 SUBSIDIARY COMPANIES (CONT'D)

#### b) Disposal of subsidiary companies

During the current financial year, the Group completed the following:

- (i) the deemed disposal of 50% of the Group's equity interest in Berjaya Kyoto Development (S) Pte Ltd ("BKDS") after BCorp subscribed for 1 ordinary share in BKDS for cash consideration of SGD34,660,000 (equivalent to approximately RM96,313,000). As disclosed in Note 2.5(a)(xii), the Group has assessed that it ceased to have control over BKDS pursuant to the requirements of FRS 10;
- (ii) the disposal of 100% equity interest in Mantra Design Sdn Bhd ("MDSB") by the Company for RM2.00 and the full settlement of amount owing by MDSB to the Company of RM12,432;
- (iii) the dilution of the Group's interest in Asia Jet Partners Malaysia Sdn Bhd (formerly known as Berjaya Airport Services Sdn Bhd) ("AJM") from 100% to 51%, after Asia Jet Partners Holdings Limited subscribed for 735,000 shares in AJM's enlarged share capital of 1,500,000 ordinary shares of RM1.00 each, for a cash consideration of RM735,000. Consequently AJM is now regarded as a joint venture of the Group;
- (iv) the winding up of Sports Toto Malaysia Trust ("STM Trust") by BToto Group, upon the completion of the termination of trust deed between Sports Toto Malaysia Management Pte Ltd ("STMM") as the trustee-manager for STM Trust and Berjaya Sports Toto (Cayman) Limited, a wholly-owned subsidiary of BToto, as the sole holder of units in STM Trust; and
- (v) the striking off of STMM from the Register of the Accounting and Corporate Authority ("ACRA") of Singapore.

The analysis of the effects of the deemed disposal of BKDS retained as an associated company on cash flows in the current financial year are as follows:

| <b>Group</b>   | <b>2016<br/>RM'000</b> |
|--|------------------------|
| Property, plant and equipment  | 405,533                |
| Net other liabilities disposed   | (495,139)              |
| Add: Gain on remeasurement (Note (i))  | 141,116                |
| Less: Reclassification to associated company at fair value                   | (96,313)               |
|  | (44,803)               |
| Excluding: Cash and cash equivalents of a subsidiary company deemed disposed | (26,829)               |
| Add: Gain on deemed disposal (Note (ii))                                     | 44,803                 |
| Net cash outflow from deemed disposal of a subsidiary company                | (26,829)               |
|  | 141,116                |
| (i) Gain on remeasurement  | 141,116                |
| Foreign currency translation reserve   | (18,845)               |
| transferred to profit or loss upon deemed disposal                           | (18,845)               |
| Net gain on remeasurement recognised in profit or loss (Note 31)             | 122,271                |
|  | 44,803                 |
| (ii) Gain on deemed disposal   | 44,803                 |
| Foreign currency translation reserve   | (18,845)               |
| transferred to profit or loss upon deemed disposal                           | (18,845)               |
| Net gain on deemed disposal recognised in profit or loss (Note 31)           | 25,958                 |

Items (ii) and (iii) above do not have any material impact to the Group.

7 SUBSIDIARY COMPANIES (CONT'D)

c) Subsidiary companies with material non-controlling interests

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

| Name                                       | Equity interest held by non-controlling interests |           |
|--|---|-----------|
|  | 2016<br>%   | 2015<br>% |
| BToto (on a consolidated basis)            | 58.90   | 59.08     |
| Berjaya (China) Great Mall Co Ltd ("GMOC") | 49.00   | 49.00     |
| Berjaya Jeju Resort Limited ("BJeju")      | 27.40   | 27.40     |

Summarised financial information in respect of material subsidiary companies of the Group is set out below. These financial information are the amounts before inter-company elimination and after fair value adjustments arising from business combination, where applicable.

| Group<br>At 30 April 2016   | BToto<br>RM'000 | GMOC<br>RM'000 | BJeju<br>RM'000 | Total<br>RM'000 |
|-----------------------------|-----------------|----------------|-----------------|-----------------|
| Non-current assets          | 5,173,852       | 1,000          | 545,252         | 5,720,104       |
| Current assets              | 1,375,662       | 1,596,879      | 9,821           | 2,982,362       |
| Non-current liabilities     | (738,601)       | (211,243)      | -               | (949,844)       |
| Current liabilities         | (1,098,944)     | (887,497)      | (80,609)        | (2,067,050)     |
| Net assets                  | 4,711,969       | 499,139        | 474,464         | 5,685,572       |
| Equity attributable to:     |                 |                |                 |                 |
| - owners of the parent      | 4,638,013       | 499,139        | 474,464         | 5,611,616       |
| - non-controlling interests | 73,956          | -              | -               | 73,956          |
| Total equity                | 4,711,969       | 499,139        | 474,464         | 5,685,572       |
| <b>At 30 April 2015</b>     |                 |                |                 |                 |
| Non-current assets          | 5,114,029       | 559,313        | 392,161         | 6,065,503       |
| Current assets              | 1,074,769       | 419,198        | 439,343         | 1,933,310       |
| Non-current liabilities     | (504,033)       | (160,683)      | (331,000)       | (995,716)       |
| Current liabilities         | (990,098)       | (174,890)      | (27,572)        | (1,192,560)     |
| Net assets                  | 4,694,667       | 642,938        | 472,932         | 5,810,537       |
| Equity attributable to:     |                 |                |                 |                 |
| - owners of the parent      | 4,623,597       | 642,938        | 472,932         | 5,739,467       |
| - non-controlling interests | 71,070          | -              | -               | 71,070          |
| Total equity                | 4,694,667       | 642,938        | 472,932         | 5,810,537       |

## NOTES TO THE FINANCIAL STATEMENTS

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### 7 SUBSIDIARY COMPANIES (CONT'D)

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

| Group<br>Year ended 30 April 2016              | BToto<br>RM'000 | GMOC<br>RM'000 | BJeju<br>RM'000 | Total<br>RM'000 |
|--|-----------------|----------------|-----------------|-----------------|
| Revenue  | 5,563,227       | -              | -               | 5,563,227       |
| Profit/(Loss) for the year                     | 318,092         | (186,142)      | (16,093)        | 115,857         |
| Other comprehensive income                     | 7,528           | 10,422         | 337             | 18,287          |
| Total comprehensive income                     | 325,620         | (175,720)      | (15,756)        | 134,144         |
| Profit/(Loss) for the year<br>attributable to: |                 |                |                 |                 |
| - owners of the parent                         | 308,640         | (186,142)      | (16,093)        | 106,405         |
| - non-controlling interests                    | 9,452           | -              | -               | 9,452           |
|  | 318,092         | (186,142)      | (16,093)        | 115,857         |
| Total comprehensive income<br>attributable to: |                 |                |                 |                 |
| - owners of the parent                         | 322,734         | (175,720)      | (15,756)        | 131,258         |
| - non-controlling interests                    | 2,886           | -              | -               | 2,886           |
|  | 325,620         | (175,720)      | (15,756)        | 134,144         |
| Net cash generated from/(used in):             |                 |                |                 |                 |
| - operating activities                         | 397,754         | 518,608        | (73,195)        | 843,167         |
| - investing activities                         | (141,811)       | (648,845)      | 366,338         | (424,318)       |
| - financing activities                         | (152,825)       | 118,647        | (348,957)       | (383,135)       |
| Net change in<br>cash and cash equivalents     | 103,118         | (11,590)       | (55,814)        | 35,714          |
| Dividends paid to<br>non-controlling interests | 131,011         | -              | -               | 131,011         |
| <b>Year ended 30 April 2015</b>                |                 |                |                 |                 |
| Revenue  | 5,288,356       | -              | -               | 5,288,356       |
| Profit/(Loss) for the year                     | 373,304         | (8,078)        | (7,261)         | 357,965         |
| Other comprehensive income                     | 25,996          | (393)          | (282)           | 25,321          |
| Total comprehensive income                     | 399,300         | (8,471)        | (7,543)         | 383,286         |
| Profit/(Loss) for the year<br>attributable to: |                 |                |                 |                 |
| - owners of the parent                         | 361,610         | (8,078)        | (7,261)         | 346,271         |
| - non-controlling interests                    | 11,694          | -              | -               | 11,694          |
|  | 373,304         | (8,078)        | (7,261)         | 357,965         |

7 SUBSIDIARY COMPANIES (CONT'D)

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

| Group<br>Year ended 30 April 2015           | BToto<br>RM'000 | GMOC<br>RM'000 | BJeju<br>RM'000 | Total<br>RM'000 |
|---|-----------------|----------------|-----------------|-----------------|
| Total comprehensive income attributable to: |                 |                |                 |                 |
| - owners of the parent                      | 391,899         | (8,471)        | (7,543)         | 375,885         |
| - non-controlling interests                 | 7,401           | -              | -               | 7,401           |
|   | <u>399,300</u>  | <u>(8,471)</u> | <u>(7,543)</u>  | <u>383,286</u>  |
| Net cash generated from/(used in):          |                 |                |                 |                 |
| - operating activities                      | 390,660         | (94,311)       | (147,943)       | 148,406         |
| - investing activities                      | (46,492)        | (109,835)      | (12,592)        | (168,919)       |
| - financing activities                      | (414,492)       | 205,149        | 196,038         | (13,305)        |
| Net change in cash and cash equivalents     | <u>(70,324)</u> | <u>1,003</u>   | <u>35,503</u>   | <u>(33,818)</u> |
| Dividends paid to non-controlling interests | <u>187,871</u>  | <u>-</u>       | <u>-</u>        | <u>187,871</u>  |

8 ASSOCIATED COMPANIES

|   | Group           |                 | Company        |                |
|---|-----------------|-----------------|----------------|----------------|
|   | 2016<br>RM'000  | 2015<br>RM'000  | 2016<br>RM'000 | 2015<br>RM'000 |
| Quoted shares in Malaysia, at cost        | 162,044         | 162,044         | 40,591         | 40,591         |
| Quoted shares outside Malaysia, at cost   | 101,490         | 101,490         | -              | -              |
| Unquoted shares, at cost                  | 104,386         | 84,105          | 1,800          | 1,800          |
| Unquoted share, at fair value             | 96,313          | -               | -              | -              |
| Exchange differences                      | 8,537           | 1,967           | -              | -              |
|   | <u>472,770</u>  | <u>349,606</u>  | <u>42,391</u>  | <u>42,391</u>  |
| Share of post acquisition reserves        | 102,685         | 90,752          | -              | -              |
|   | <u>575,455</u>  | <u>440,358</u>  | <u>42,391</u>  | <u>42,391</u>  |
| Less: Accumulated impairment losses       |                 |                 |                |                |
| - quoted shares outside Malaysia          | (44,949)        | (16,299)        | -              | -              |
| - unquoted shares                         | (46,044)        | (46,044)        | (1,800)        | (1,800)        |
|   | <u>(90,993)</u> | <u>(62,343)</u> | <u>(1,800)</u> | <u>(1,800)</u> |
| Total investments in associated companies | <u>484,462</u>  | <u>378,015</u>  | <u>40,591</u>  | <u>40,591</u>  |
| Represented by:                           |                 |                 |                |                |
| Carrying amount of:                       |                 |                 |                |                |
| - quoted shares in Malaysia               | 316,217         | 296,175         | 40,591         | 40,591         |
| - quoted shares outside Malaysia          | 16,977          | 48,323          | -              | -              |
| - unquoted shares                         | 151,268         | 33,517          | -              | -              |
|   | <u>484,462</u>  | <u>378,015</u>  | <u>40,591</u>  | <u>40,591</u>  |

## NOTES TO THE FINANCIAL STATEMENTS

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### 8 ASSOCIATED COMPANIES (CONT'D)

|                              | Group          |                | Company        |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Fair value of quoted shares: |                |                |                |                |
| - in Malaysia                | 123,935        | 130,210        | 26,279         | 27,609         |
| - outside Malaysia           | 16,977         | 48,323         | -              | -              |

Details of the associated companies are set out in Note 51.

Following the deemed disposal of BKDS, as explained in Note 2.5(a)(xii), the Group now regards BKDS as its associated company.

During the current financial year, the Group recognised total impairment loss amounting to RM28,650,000 (2015 : RM17,304,000) as disclosed in Note 32, in respect of one of its quoted associated companies with recoverable amount of RM16,977,000 (2015 : RM48,323,000).

The Group and the Company did not recognise any impairment in value of an associated company, BAssets of which its shares are quoted in Malaysia, as the Directors have determined its recoverable amount to be higher than its carrying value. The recoverable amount of BAssets is based on the Group's share of its net assets after accounting for the fair values of BAssets' investment properties, which are its principal assets, less costs to sell.

The Group regards BKDS, BAssets and Informatics Education Limited ("Informatics") as its material associated companies.

Summarised financial information in respect of material associated companies of the Group is set out below. These financial information represent the amounts in the financial statements of the associated companies and not the Group's share of those amounts.

| Group<br>At 30 April 2016                              | BKDS<br>RM'000 | BAssets<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|--|----------------|-------------------|-----------------------|-----------------|
| Non-current assets                                     | 1,083,672      | 3,190,116         | 877                   | 4,274,665       |
| Current assets   | 227,316        | 294,046           | 52,189                | 573,551         |
| Non-current liabilities                                | (789,989)      | (788,664)         | -                     | (1,578,653)     |
| Current liabilities                                    | (524,673)      | (425,531)         | (15,272)              | (965,476)       |
| Net assets   | (3,674)        | 2,269,967         | 37,794                | 2,304,087       |
| Equity attributable to:                                |                |                   |                       |                 |
| Owners of the associated company                       | (3,674)        | 2,260,437         | 37,794                | 2,294,557       |
| Non-controlling interests<br>of the associated company | -              | 9,530             | -                     | 9,530           |
|  | (3,674)        | 2,269,967         | 37,794                | 2,304,087       |
| <b>At 30 April 2015</b>                                |                |                   |                       |                 |
| Non-current assets                                     | -              | 3,085,970         | 1,346                 | 3,087,316       |
| Current assets   | -              | 331,700           | 70,242                | 401,942         |
| Non-current liabilities                                | -              | (593,464)         | -                     | (593,464)       |
| Current liabilities                                    | -              | (287,611)         | (23,888)              | (311,499)       |
| Net assets   | -              | 2,536,595         | 47,700                | 2,584,295       |

8 ASSOCIATED COMPANIES (CONT'D)

| Group<br>At 30 April 2015                              | BKDS<br>RM'000 | BAssets<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|--|----------------|-------------------|-----------------------|-----------------|
| Equity attributable to:                                |                |                   |                       |                 |
| Owners of the associated company                       | -              | 2,118,182         | 47,700                | 2,165,882       |
| Non-controlling interests<br>of the associated company | -              | 418,413           | -                     | 418,413         |
|  | -              | 2,536,595         | 47,700                | 2,584,295       |

Year ended 30 April 2016

|   |          |         |          |          |
|---|----------|---------|----------|----------|
| Revenue   | -        | 391,993 | 38,251   | 430,244  |
| (Loss)/Profit for the period/year                                 | (31,977) | 24,200  | (14,762) | (22,539) |
| Other comprehensive income  | 21,332   | 832     | 1,180    | 23,344   |
| Total comprehensive income  | (10,645) | 25,032  | (13,582) | 805      |
| (Loss)/Profit for<br>the period/year attributable to:             |          |         |          |          |
| - owners of the associated company                                | (31,977) | 17,192  | (14,762) | (29,547) |
| - non-controlling interests<br>of the associated company          | -        | 7,008   | -        | 7,008    |
|   | (31,977) | 24,200  | (14,762) | (22,539) |
| Total comprehensive income attributable to:                       |          |         |          |          |
| - owners of the associated company                                | (10,645) | 17,343  | (13,582) | (6,884)  |
| - non-controlling interests<br>of the associated company          | -        | 7,689   | -        | 7,689    |
|   | (10,645) | 25,032  | (13,582) | 805      |
| Dividends received from the<br>associated company during the year | -        | 1,570   | -        | 1,570    |

Year ended 30 April 2015

|  |   |          |          |          |
|--|---|----------|----------|----------|
| Revenue  | - | 416,033  | 41,613   | 457,646  |
| Profit/(Loss) for the year                               | - | 83,851   | (12,822) | 71,029   |
| Other comprehensive income                               | - | (10,254) | (1,229)  | (11,483) |
| Total comprehensive income                               | - | 73,597   | (14,051) | 59,546   |
| Profit/(Loss) for the year attributable to:              |   |          |          |          |
| - owners of the associated company                       | - | 73,799   | (12,822) | 60,977   |
| - non-controlling interests<br>of the associated company | - | 10,052   | -        | 10,052   |
|  | - | 83,851   | (12,822) | 71,029   |

## NOTES TO THE FINANCIAL STATEMENTS

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### 8 ASSOCIATED COMPANIES (CONT'D)

| Group<br>Year ended 30 April 2015                                 | BKDS<br>RM'000 | BAssets<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|----------------|-------------------|-----------------------|-----------------|
| Total comprehensive income attributable to:                       |                |                   |                       |                 |
| - owners of the associated company                                | -              | 64,543            | (14,051)              | 50,492          |
| - non-controlling interests<br>of the associated company          | -              | 9,054             | -                     | 9,054           |
|   | -              | 73,597            | (14,051)              | 59,546          |
| Dividends received from the<br>associated company during the year | -              | 3,137             | -                     | 3,137           |

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

| Group<br>2016   | BKDS<br>RM'000 | BAssets<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|----------------|-------------------|-----------------------|-----------------|
| Attributable to the<br>owners of associated companies:        |                |                   |                       |                 |
| Net assets at 1 May 2015                                      | -              | 2,118,182         | 47,700                | 2,165,882       |
| Net assets at date of deemed acquisition                      | 6,708          | -                 | -                     | 6,708           |
| (Loss)/Profit for the period/year                             | (31,977)       | 17,192            | (14,762)              | (29,547)        |
| Dividend paid during the year                                 | -              | (11,130)          | -                     | (11,130)        |
| Other comprehensive income                                    | 21,332         | 151               | 1,180                 | 22,663          |
| Partial acquisition of<br>a subsidiary company                | -              | 136,042           | -                     | 136,042         |
| Exchange differences  | 263            | -                 | 3,676                 | 3,939           |
| Net assets at 30 April 2016                                   | (3,674)        | 2,260,437         | 37,794                | 2,294,557       |
| Group's equity interest                                       | 50%            | 14.09%            | 27.09%                |                 |
| Interest in net assets<br>of associated companies             | (1,837)        | 318,496           | 10,238                | 326,897         |
| Less: Intragroup adjustments                                  | 465            | (2,279)           | (525)                 | (2,339)         |
| Fair value remeasurement                                      | 96,313         | -                 | -                     | 96,313          |
| Goodwill (net of impairment loss)                             | -              | -                 | 7,264                 | 7,264           |
| Carrying value of Group's interest<br>in associated companies | 94,941         | 316,217           | 16,977                | 428,135         |

### 2015

|  |   |           |          |           |
|--|---|-----------|----------|-----------|
| Attributable to the<br>owners of associated companies: |   |           |          |           |
| Net assets at 1 May 2014                               | - | 2,081,613 | 60,093   | 2,141,706 |
| Profit/(Loss) for the year                             | - | 73,799    | (12,822) | 60,977    |
| Dividend paid during the year                          | - | (22,261)  | -        | (22,261)  |
| Other comprehensive income                             | - | (10,254)  | (1,229)  | (11,483)  |
| Partial disposal of a subsidiary company               | - | (4,715)   | -        | (4,715)   |
| Exchange differences                                   | - | -         | 1,658    | 1,658     |
| Net assets at 30 April 2015                            | - | 2,118,182 | 47,700   | 2,165,882 |

8 ASSOCIATED COMPANIES (CONT'D)

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

| Group<br>2015   | BKDS<br>RM'000 | BAssets<br>RM'000 | Informatics<br>RM'000 | Total<br>RM'000 |
|---|----------------|-------------------|-----------------------|-----------------|
| Group's equity interest                                       | 0.00%          | 14.09%            | 27.09%                |                 |
| Interest in net assets<br>of associated companies             | -              | 298,452           | 12,922                | 311,374         |
| Less: Intragroup adjustments                                  | -              | (2,277)           | (513)                 | (2,790)         |
| Goodwill  | -              | -                 | 35,914                | 35,914          |
| Carrying value of Group's<br>interest in associated companies | -              | 296,175           | 48,323                | 344,498         |

Aggregate information of associated companies that are not individually material

| Group  | 2016<br>RM'000 | 2015<br>RM'000 |
|--|----------------|----------------|
| The Group's share of profit for the year,<br>representing total comprehensive income | 892            | 3,199          |
| Aggregate carrying amount of the<br>Group's interests in these associated companies  | 56,327         | 33,517         |

The Group has discontinued recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interests in these associated companies. As such, during the current financial year, the Group did not recognise its share of the current year losses of these associated companies amounting to RM30,000 (2015 : RM1,383,000) and the Group's cumulative share of unrecognised losses of these associated companies amounted to RM25,022,000 (2015 : RM24,992,000).

Certain key associated companies of the Group, namely Berjaya Assets Berhad and Informatics Education Limited, both of which are listed entities, have financial year end of 30 June and 31 March respectively, which are not coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting for these associates, with financial year ends of 30 June and 31 March, the last audited financial statements available and the latest quarterly financial statements announced in the respective stock exchange, made up to a period of no more than 1 month difference from the Group's financial year end have been used. Management has assessed that this would be the most practical method of applying the equity method of accounting for these entities.

Certain quoted shares of the Group and of the Company with carrying amounts of RM149,433,000 and RM40,591,000 (2015 : RM155,635,000 and RM40,591,000) respectively are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

## NOTES TO THE FINANCIAL STATEMENTS

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### 9 JOINT VENTURES

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| Contributed legal capital/cost of investment | 263,267        | 262,502        |
| Share of post-acquisition reserves           | (193,610)      | (192,111)      |
| Exchange differences                         | 4,297          | 3,065          |
|  | <u>73,954</u>  | <u>73,456</u>  |
| Less: Accumulated impairment losses          | (28,644)       | (28,644)       |
|  | <u>45,310</u>  | <u>44,812</u>  |

Details of the joint ventures are as follows:

| Name of<br>Joint Ventures   | Country of<br>Incorporation         | Principal Activities   | Equity Interest Held |           |
|---|-------------------------------------|--|----------------------|-----------|
|   |                                     |  | 2016<br>%            | 2015<br>% |
| Berjaya-Handico12<br>Co Ltd   | Socialist<br>Republic of<br>Vietnam | Property investment<br>and development   | 80                   | 80        |
| Berjaya Hotay<br>Joint Venture<br>Company Limited   | Socialist<br>Republic of<br>Vietnam | Developer and operator<br>of an international standard<br>five star hotel and provision<br>of related services | 50                   | 70        |
| T.P.C. Nghi Tam<br>Village Ltd  | Socialist<br>Republic of<br>Vietnam | Developer and operator<br>of an international standard<br>five star hotel                                      | 75                   | 75        |
| RC Hotel and Resort<br>JV Holdings (BVI)<br>Company Limited   | British<br>Virgin Islands           | Investment holding   | 56.67                | 56.67     |
| Asia Jet Partners<br>Malaysia Sdn Bhd<br>(formerly known as<br>Berjaya Airport Services<br>Sdn Bhd) | Malaysia                            | Aircraft charter services<br>and related business  | 51                   | -         |

The Group has discontinued recognition of its share of losses of certain joint ventures because the share of losses of these joint ventures have exceeded the Group's interest in these joint ventures. As such, during the current financial year, the Group did not recognise its share of the current year losses of these joint ventures and the Group's cumulative share of unrecognised losses of these joint ventures amounted to RM14,599,000.

For the previous financial year, the Group regarded Berjaya Hotay Joint Venture Company Limited ("BHotay") and T.P.C. Nghi Tam Village Ltd ("TPC") as its material joint ventures. TPC is now assessed to be no longer a material joint venture. Hence, only BHotay remains a material joint venture of the Group for the current financial year.

9 JOINT VENTURES (CONT'D)

Summarised financial information in respect of the material joint venture of the Group is set out below. These financial information represents the amounts in the financial statements of the joint venture after fair value adjustments arising from business combination and not the Group's share of those amounts.

| Group   | 2016             | 2015             |                 |
|---|------------------|------------------|-----------------|
|   | BHotay<br>RM'000 | BHotay<br>RM'000 | TPC<br>RM'000   |
| Non-current assets  | 247,650          | 243,822          | 358,311         |
| Current assets  | 11,271           | 7,895            | 8,606           |
| Non-current liabilities   | (150,608)        | (139,808)        | (333,191)       |
| Current liabilities   | (18,485)         | (18,700)         | (29,938)        |
| Net assets  | <u>89,828</u>    | <u>93,209</u>    | <u>3,788</u>    |
| The above amounts of assets and liabilities include the following:                      |                  |                  |                 |
| Cash and cash equivalents   | 8,638            | 3,322            | 4,165           |
| Current financial liabilities<br>(excluding trade and other payables and provision)     | 11,264           | 10,043           | 2,836           |
| Non-current financial liabilities<br>(excluding trade and other payables and provision) | <u>142,183</u>   | <u>135,387</u>   | <u>333,191</u>  |
| Revenue   | <u>61,277</u>    | <u>47,270</u>    | <u>54,589</u>   |
| Loss for the year, representing<br>total comprehensive income for the year              | <u>(9,868)</u>   | <u>(5,694)</u>   | <u>(13,412)</u> |
| The above loss for the year include the following:                                      |                  |                  |                 |
| Depreciation and amortisation   | 16,276           | 14,457           | 14,171          |
| Finance costs   | <u>9,341</u>     | <u>3,275</u>     | <u>12,991</u>   |
| Dividends received from the joint venture during the year                               | -                | -                | -               |

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

| Group  | 2016             | 2015             |               |
|--|------------------|------------------|---------------|
|  | BHotay<br>RM'000 | BHotay<br>RM'000 | TPC<br>RM'000 |
| Net assets at 1 April 2015/2014  | 93,209           | 91,190           | 16,382        |
| Loss for the year, representing<br>total comprehensive income for the year | (9,868)          | (5,694)          | (13,412)      |
| Exchange differences   | 6,487            | 7,713            | 818           |
| Net assets at 30 April 2016/2015 carried forward                           | <u>89,828</u>    | <u>93,209</u>    | <u>3,788</u>  |

## NOTES TO THE FINANCIAL STATEMENTS

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### 9 JOINT VENTURES (CONT'D)

Reconciliation of the summarised financial information presented above to the carrying value of the Group's interest in the joint venture (Cont'd)

| Group   | 2016             | 2015             |               |
|---|------------------|------------------|---------------|
|   | BHotay<br>RM'000 | BHotay<br>RM'000 | TPC<br>RM'000 |
| Net assets at 30 April 2016/2015 brought forward                                      | 89,828           | 93,209           | 3,788         |
| Group's equity interest   | 50%              | 70%              | 75%           |
| Interest in joint venture   | 44,914           | 65,246           | 2,841         |
| Cumulative realignment adjustments<br>due to different percentage of share of profits | -                | 4,009            | -             |
| Carrying amount of Group's interest in the joint venture                              | <u>44,914</u>    | <u>69,255</u>    | <u>2,841</u>  |

Aggregate information of joint ventures that are not individually material

|  | Group          |                 |
|--|----------------|-----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000  |
| The Group's share of profit/(loss) for the year,<br>representing total comprehensive income for the year | 7,400          | (8,718)         |
| Aggregate carrying amount of<br>the Group's interests in these joint ventures                            | <u>396</u>     | <u>(27,284)</u> |

### 10 INVESTMENTS

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Quoted shares at fair value:                              |                |                |                |                |
| - in Malaysia   | 58,760         | 63,839         | -              | -              |
| - outside Malaysia  | 3,855          | 4,016          | -              | -              |
|   | 62,615         | 67,855         | -              | -              |
| Quoted warrants in Malaysia<br>at fair value              | 8,192          | 15,782         | 1,450          | 2,901          |
| Quoted loan stocks in Malaysia<br>at fair value           | 8,046          | 60,485         | -              | -              |
| Malaysian Government Securities<br>at fair value          | 3,066          | 3,065          | -              | -              |
| Total equity investments<br>at fair value carried forward | <u>81,919</u>  | <u>147,187</u> | <u>1,450</u>   | <u>2,901</u>   |

10 INVESTMENTS (CONT'D)

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Total equity investments<br>at fair value brought forward | 81,919         | 147,187        | 1,450          | 2,901          |
| Unquoted shares at cost:                                  |                |                |                |                |
| - in Malaysia   | 15,288         | 15,291         | 13,887         | 13,887         |
| - outside Malaysia  | 19,872         | 21,770         | -              | -              |
|   | 35,160         | 37,061         | 13,887         | 13,887         |
| Less: Accumulated impairment losses                       |                |                |                |                |
| - unquoted shares in Malaysia                             | (9,329)        | (9,329)        | (7,929)        | (7,929)        |
| - unquoted shares outside Malaysia                        | (14,726)       | (10,163)       | -              | -              |
|   | (24,055)       | (19,492)       | (7,929)        | (7,929)        |
| Total unquoted equity investments                         | 11,105         | 17,569         | 5,958          | 5,958          |
| Club memberships  | 594            | 594            | -              | -              |
| Total investments   | 93,618         | 165,350        | 7,408          | 8,859          |

The investment in Malaysian Government Securities is deposited with the Malaysian Government in accordance with the Pool Betting Act, 1967 in connection with the issue of the pool betting licence and yields interest at 4.24% (2015 : 4.24%) per annum.

During the financial year, the Group recognised:

- (i) an impairment loss amounting to RM564,000 (2015 : RM10,607,000) of certain quoted investments designated as available-for-sale financial assets (as disclosed in Note 32) due to significant decline of more than 20% in the fair values of these investments; and
- (ii) a net impairment loss amounting to RM4,974,000 of certain unquoted shares outside Malaysia (2015 : impairment loss of RM1,400,000 of certain other unquoted shares in Malaysia) as disclosed in Notes 31 and 32.

During the current financial year, the entire 18.56% equity interest, comprising 2,188,750 shares of Rs10 each in Navodaya Mass Entertainment Limited with a carrying amount of RM2,523,000 has been reclassified to assets classified as held-for-sale as disclosed in Note 18.

In the previous financial year, certain quoted investments of the Group measured at fair value amounting to RM51,347,000 were pledged to financial institutions for credit facilities granted to certain of its subsidiary companies.

Further details on fair value hierarchy and classification of equity investments are disclosed in Notes 44 and 45 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

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## 11 INTANGIBLE ASSETS

| Group   | Gaming rights<br>RM'000 | Dealership rights<br>RM'000 | Goodwill<br>RM'000 | Customer relationships<br>RM'000 | Computer software<br>RM'000 | Total<br>RM'000 |
|---|-------------------------|-----------------------------|--------------------|----------------------------------|-----------------------------|-----------------|
| <b>Cost:</b>  |                         |                             |                    |                                  |                             |                 |
| At 1 May 2015   | 4,675,000               | 56,542                      | 957,173            | -                                | 5,542                       | 5,694,257       |
| Addition during the year                                  | -                       | -                           | -                  | -                                | 674                         | 674             |
| Adjustments   | -                       | -                           | -                  | -                                | (221)                       | (221)           |
| Arising from acquisition of a subsidiary company (Note 7) | -                       | -                           | 5,573              | 3,831                            | -                           | 9,404           |
| Exchange differences                                      | 5,238                   | 2,130                       | 2,855              | (485)                            | 14                          | 9,752           |
| At 30 April 2016  | 4,680,238               | 58,672                      | 965,601            | 3,346                            | 6,009                       | 5,713,866       |
| <b>Accumulated amortisation/ impairment:</b>              |                         |                             |                    |                                  |                             |                 |
| At 1 May 2015   | (133,228)               | -                           | (464,083)          | -                                | (3,337)                     | (600,648)       |
| Impairment for the year                                   | (9,848)                 | -                           | (373,265)          | -                                | -                           | (383,113)       |
| Amortisation for the year                                 | (28,354)                | -                           | -                  | -                                | (802)                       | (29,156)        |
| At 30 April 2016  | (171,430)               | -                           | (837,348)          | -                                | (4,139)                     | (1,012,917)     |
| Carrying amount at 30 April 2016                          | 4,508,808               | 58,672                      | 128,253            | 3,346                            | 1,870                       | 4,700,949       |
| <b>Cost:</b>  |                         |                             |                    |                                  |                             |                 |
| At 1 May 2014   | 4,652,000               | 56,752                      | 945,504            | -                                | 4,556                       | 5,658,812       |
| Addition during the year                                  | -                       | -                           | -                  | -                                | 977                         | 977             |
| Arising from acquisition of business operations (Note a)  | -                       | -                           | 9,129              | -                                | -                           | 9,129           |
| Exchange differences                                      | 23,000                  | (210)                       | 2,540              | -                                | 9                           | 25,339          |
| At 30 April 2015  | 4,675,000               | 56,542                      | 957,173            | -                                | 5,542                       | 5,694,257       |
| <b>Accumulated amortisation/ impairment:</b>              |                         |                             |                    |                                  |                             |                 |
| At 1 May 2014   | -                       | -                           | (83,349)           | -                                | (2,836)                     | (86,185)        |
| Impairment for the year                                   | (133,228)               | -                           | (380,734)          | -                                | -                           | (513,962)       |
| Amortisation for the year                                 | -                       | -                           | -                  | -                                | (501)                       | (501)           |
| At 30 April 2015  | (133,228)               | -                           | (464,083)          | -                                | (3,337)                     | (600,648)       |
| Carrying amount at 30 April 2015                          | 4,541,772               | 56,542                      | 493,090            | -                                | 2,205                       | 5,093,609       |

11 INTANGIBLE ASSETS (CONT'D)

(a) Acquisition of business operations

In the previous financial year, the Group had acquired the following business operations:

- (i) A motor dealership business for a total cash consideration of GBP2,358,000 (equivalent to approximately RM12,927,000). The motor dealership business was then merged with the existing motor dealership of H.R. Owen Plc's outlet.

The assets arising from the acquisition were as follows:

|  | <b>Group<br/>2015<br/>RM'000</b> |
|--|----------------------------------|
| Fair value of net assets acquired              | 5,550                            |
| Goodwill                                       | 7,377                            |
| Total cost and cash outflow of the acquisition | 12,927                           |

Included in fair value of net assets above, was property, plant and equipment amounting to GBP153,000 (equivalent to approximately RM836,000).

- (ii) A hotel property which was determined to be a business combination for a total cash consideration of GBP10,150,000 (equivalent to approximately RM55,561,000). No liabilities were acquired.

The assets arising from the acquisition were as follows:

|  | <b>Group<br/>2015<br/>RM'000</b> |
|--|----------------------------------|
| Fair value of hotel property acquired          | 53,809                           |
| Goodwill                                       | 1,752                            |
| Total cost and cash outflow of the acquisition | 55,561                           |

(b) Impairment test on Gaming Rights, Dealerships, Customer Relationships and goodwill

Allocation of Gaming Rights

Gaming Rights are allocated solely to the Group's toto betting business segment in Malaysia and the leasing of online lottery equipment business segment in the Philippines.

Allocation of Dealerships and Customer Relationships

Dealerships and Customer Relationships are allocated solely to the Group's motor vehicle dealership business segment.

## NOTES TO THE FINANCIAL STATEMENTS

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### 11 INTANGIBLE ASSETS (CONT'D)

#### (b) Impairment test on Gaming Rights, Dealerships, Customer Relationships and goodwill (Cont'd)

##### Allocation of goodwill

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

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| Toto betting operations and related activities in Malaysia | 21,782         | 395,047        |
| Motor vehicle dealership                                   | 71,152         | 62,581         |
| Property development and property investment               | 15,576         | 15,576         |
| Hotels and resorts   | 19,743         | 19,886         |
|  | <u>128,253</u> | <u>493,090</u> |

During the current financial year, the Group has assessed that certain CGUs are carried in excess of their VIU amounts and recognised impairment loss of:

- (i) RM9,848,000 (2015 : RM133,228,000) and RMNil (2015 : RM70,734,000) in respect of gaming rights and goodwill allocated to the Philippines leasing of online lottery equipment business segment respectively. The recoverable amount of these intangible assets are the Group's share of VIU which amounted to RM42,549,000 (2015 : RM60,435,000); and
- (ii) RM373,265,000 (2015 : RM310,000,000) in respect of goodwill allocated to the Malaysian toto betting business segment. The recoverable amount of this intangible asset is the Group's share of VIU which amounted to RM1,739,636,000 (2015 : RM2,122,409,000).

The Malaysian toto betting business segment was affected by the continued challenging economic and regulatory environment. The gaming rights allocated to the Philippines leasing of online lottery equipment business segment was subject to an impairment test as the Group has reassessed that its useful life is no longer indefinite.

The total impairment loss of RM373,265,000 (2015 : RM380,734,000) in respect of goodwill was accounted for in profit or loss as disclosed in Note 32. The Group's share of impairment loss of RM9,848,000 (2015 : RM133,228,000) in respect of gaming rights, which amounted to RM3,572,000 (2015 : RM48,116,000) are accounted for as a reduction of the fair value reserve as disclosed in Note 20(b).

With regard to the impairment review of the CGUs for Dealerships and Customer Relationships, the Group has assessed their VIU amounts that could sufficiently address the carrying amounts of these CGUs.

**11 INTANGIBLE ASSETS (CONT'D)****(b) Impairment test on Gaming Rights, Dealerships, Customer Relationships and goodwill (Cont'd)****Key assumptions used in VIU calculations and fair values less costs to sell of CGUs**

The recoverable amount of a CGU is determined based on the higher of VIU or fair values less costs to sell of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a two-and-half-year to a five-year period. Fair values less costs to sell are estimated based on the best information available in an active market to reflect the amount obtainable in an arm's length transaction, less costs of disposal.

The following describes each key assumption on which management has based its cash flow projections for VIU calculations or fair value less costs to sell of CGUs to undertake impairment testing of Gaming Rights, Dealerships, Customer Relationships and goodwill:

**(i) Budgeted gross margin**

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year before the budgeted year, adjusted for market and economic conditions, internal resource efficiency and the expected stages of completion of property development projects, where applicable.

**(ii) Growth rates**

The weighted average growth rates used ranges between 1.0% and 5.0% (2015 : 1.8% and 5.0%) are consistent with the long-term average growth rates for the relevant industries.

**(iii) Discount rates**

The discount rates used for identified CGUs are on a basis that reflect specific risks relating to the relevant business segments. The significant post-tax discount rates, applied to post-tax cash flows, used for identified CGUs are in the range of 6.0% to 11.8% (2015 : 6.0% to 13.5%).

**(iv) Terminal growth rates**

The terminal growth rates used for identified CGUs are estimated with reference to published research and do not exceed the long term growth rate for the countries relevant to the CGUs. The applicable terminal growth rate is 2.5% (2015 : 3.0%).

**(v) Fair values less costs to sell**

The fair values are estimated based on observable market prices of similar CGUs/assets within the same industry and similar locations. This is applicable principally for the property development and investment, and hotels and resorts business segments.

## NOTES TO THE FINANCIAL STATEMENTS

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### 11 INTANGIBLE ASSETS (CONT'D)

#### (b) Impairment test on Gaming Rights, Dealerships, Customer Relationships and goodwill (Cont'd)

##### Sensitivity to changes in assumptions

For the Malaysian toto betting business segment, which goodwill has been impaired in the current year, its recoverable amount based on VIU computation remains sensitive towards possible negative changes in revenue growth rate due to the unanticipated regulatory and economic changes.

Should the annual revenue growth rate of the forecast year ending 30 April 2017 decrease by 1%, the carrying amount of the goodwill of the Malaysian toto betting business segment is expected to be fully impaired.

As for the Philippines leasing of online lottery equipment operations, the achievability of the VIU would be principally dependent on the successful renewal of the ELA. The ELA was granted a transitional extension of three years to August 2018.

The management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying amounts of the CGUs allocated to Dealerships and Customer Relationships to materially exceed their recoverable amounts.

### 12 PROPERTY DEVELOPMENT COSTS

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014  |                |                |
| - freehold land   | 615,669        | 596,994        |
| - long leasehold land                                     | 7,191          | 7,120          |
| - land use rights   | 8,474          | 7,687          |
| - development costs                                       | 885,909        | 595,121        |
|   | 1,517,243      | 1,206,922      |
| Costs incurred during the year:                           |                |                |
| - freehold land   | 69,857         | 16,797         |
| - development costs                                       | 373,121        | 299,257        |
|   | 442,978        | 316,054        |
| Costs recognised in profit or loss:                       |                |                |
| - at 1 May 2015/2014                                      | (153,009)      | (97,662)       |
| - recognised during the year                              | (132,286)      | (101,366)      |
| - eliminated during the year due to completion of project | 189,381        | 46,019         |
| - at 30 April 2016/2015                                   | (95,914)       | (153,009)      |
| Transferred during the year:                              |                |                |
| - (to)/from land held for development                     | (947,450)      | 512            |
| - to assets held for sale                                 | (490,224)      | -              |
| - to inventories  | (10,588)       | -              |
| - to receivables  | (7,119)        | -              |
|   | (1,455,381)    | 512            |

12 PROPERTY DEVELOPMENT COSTS (CONT'D)

|  | Group            |                  |
|--|------------------|------------------|
|  | 2016<br>RM'000   | 2015<br>RM'000   |
| Costs eliminated during the year due to completion of project: |                  |                  |
| - freehold land  | (3,101)          | (586)            |
| - development costs  | (186,280)        | (45,433)         |
|  | <u>(189,381)</u> | <u>(46,019)</u>  |
| Accumulated impairment losses:                                 |                  |                  |
| At 1 May 2015/2014   | (12,946)         | (12,946)         |
| Reversal of impairment loss<br>and 30 April 2016/2015          | 7,119            | -                |
|  | <u>(5,827)</u>   | <u>(12,946)</u>  |
| Exchange differences   | 31,665           | 39,774           |
| Carrying amount at 30 April 2016/2015                          | <u>245,383</u>   | <u>1,351,288</u> |

Included in the property development costs is interest capitalised for the year amounting to RM2,363,000 (2015 : RM23,716,000).

During the current financial year, a subsidiary company recognised a reversal of impairment loss totalling RM7,119,000, as referred to in Note 3(a)(i).

Property development costs with carrying amounts of RM200,568,000 (2015 : RM554,299,000) are pledged to financial institutions for credit facilities granted to the subsidiary companies.

13 INVENTORIES

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| At cost:                                  |                |                |
| Vehicles                                  | 407,544        | 259,489        |
| Property inventories                      | 111,146        | 98,534         |
| Stores and consumables                    | 18,873         | 26,772         |
| Gaming equipment components and parts     | 1,823          | 1,213          |
| Ticket inventories                        | 3,558          | 3,044          |
| Work-in-progress                          | 14,103         | 885            |
| Raw materials                             | 9,624          | -              |
| Finished goods and inventories for resale | 6,412          | 2,389          |
|   | <u>573,083</u> | <u>392,326</u> |
| At net realisable value:                  |                |                |
| Vehicles                                  | 8,761          | 73,364         |
| Property inventories                      | 960            | 960            |
| Raw materials                             | -              | 8,121          |
| Stores and consumables                    | 2,552          | 913            |
| Finished goods and inventories for resale | -              | 3,301          |
| Work-in-progress                          | -              | 557            |
|   | <u>585,356</u> | <u>479,542</u> |

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### 13 INVENTORIES (CONT'D)

The cost of inventories recognised as an expense during the current financial year amounted to RM2,017,105,000 (2015 : RM1,708,271,000). Property inventories at carrying amount of RM65,563,000 (2015 : RM67,049,000) are pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

Certain inventories are pledged for manufacturers and other third party vehicle stocking loans as disclosed in Note 26.

### 14 RECEIVABLES

|  | Group            |                | Company          |                  |
|--|------------------|----------------|------------------|------------------|
|  | 2016<br>RM'000   | 2015<br>RM'000 | 2016<br>RM'000   | 2015<br>RM'000   |
| <b><u>CURRENT</u></b>  |                  |                |                  |                  |
| <b>Trade receivables</b>   |                  |                |                  |                  |
| Third parties  | 148,684          | 138,867        | -                | -                |
| Less: Allowance for impairment   | (12,938)         | (12,950)       | -                | -                |
|  | <u>135,746</u>   | <u>125,917</u> | <u>-</u>         | <u>-</u>         |
| <b>Other receivables</b>   |                  |                |                  |                  |
| Sundry receivables   | 283,087          | 184,928        | 330              | 377              |
| Refundable deposits  | 22,221           | 23,304         | 867              | 1,115            |
| Amounts owing by :   |                  |                |                  |                  |
| - subsidiary companies   | -                | -              | 1,182,958        | 1,104,095        |
| - related companies  | 6,496            | 4,657          | 2,657            | 257              |
| - associated companies   | 288,101          | 79,725         | 208,652          | 763              |
|  | <u>599,905</u>   | <u>292,614</u> | <u>1,395,464</u> | <u>1,106,607</u> |
| Less: Allowance for impairment:  |                  |                |                  |                  |
| - Sundry receivables   | (7,644)          | (6,011)        | (166)            | (166)            |
| - Amounts owing by associated companies                                  | (440)            | (438)          | (9)              | (9)              |
|  | <u>591,821</u>   | <u>286,165</u> | <u>1,395,289</u> | <u>1,106,432</u> |
| <b>Other current assets</b>  |                  |                |                  |                  |
| Sundry receivables   | 35,367           | 33,336         | 295              | 27               |
| Prepayments  | 290,547          | 365,257        | 5,009            | 5,324            |
| Current portion of prepaid land lease premium                            | -                | 16             | -                | -                |
| Deposits for acquisition of assets                                       | 6,288            | 6,618          | -                | -                |
| Dividend receivable  | -                | -              | 107,621          | 131,877          |
| Accrued billings in respect of property development costs/property sales | 37,435           | 54,514         | -                | -                |
|  | <u>369,637</u>   | <u>459,741</u> | <u>112,925</u>   | <u>137,228</u>   |
| Total current receivables  | <u>1,097,204</u> | <u>871,823</u> | <u>1,508,214</u> | <u>1,243,660</u> |

14 RECEIVABLES (CONT'D)

|                                 | Group            |                  | Company          |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000   | 2015<br>RM'000   |
| <b><u>NON-CURRENT</u></b>       |                  |                  |                  |                  |
| <b>Other receivables</b>        |                  |                  |                  |                  |
| Sundry receivables              | -                | 4,575            | -                | -                |
| Amounts owing by:               |                  |                  |                  |                  |
| - joint ventures                | 612,198          | 580,454          | -                | -                |
| - subsidiary companies          | -                | -                | 1,339,183        | 1,131,679        |
|                                 | 612,198          | 585,029          | 1,339,183        | 1,131,679        |
| Less: Allowance for impairment: |                  |                  |                  |                  |
| - Amounts owing by:             |                  |                  |                  |                  |
| - joint ventures                | -                | (20,490)         | -                | -                |
| - subsidiary companies          | -                | -                | (86,813)         | (24,508)         |
| Total non-current receivables   | 612,198          | 564,539          | 1,252,370        | 1,107,171        |
| <b>Total receivables</b>        | <b>1,709,402</b> | <b>1,436,362</b> | <b>2,760,584</b> | <b>2,350,831</b> |

As at 30 April 2016, the Group has no significant concentration of credit risk that may arise from exposure to a single trade receivable or to groups of trade receivables. The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of receivables except for the amounts owing by subsidiary companies.

(a) Trade receivables

The Group's trade receivables are non-interest bearing with credit term ranging from 1 to 60 (2015 : 1 to 60) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of trade receivables is as follows:

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| Neither past due nor impaired            | 90,310         | 82,957         |
| 1 to 30 days past due not impaired       | 22,062         | 20,757         |
| 31 to 60 days past due not impaired      | 5,354          | 1,361          |
| 61 to 90 days past due not impaired      | 3,127          | 3,706          |
| 91 to 365 days past due not impaired     | 6,118          | 6,635          |
| More than 365 days past due not impaired | 8,458          | 9,782          |
|  | 45,119         | 42,241         |
| Impaired                                 | 13,255         | 13,669         |
|  | 148,684        | 138,867        |

## NOTES TO THE FINANCIAL STATEMENTS

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### 14 RECEIVABLES (CONT'D)

#### (a) Trade receivables (Cont'd)

##### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment track records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

##### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM45,119,000 (2015 : RM42,241,000) that are past due at the reporting date but not impaired as there is no concern on the credit-worthiness of the counterparties and the recoverability of these debts.

##### Receivables that are impaired

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

|                                     | <b>Group</b>           |                        |
|-------------------------------------|------------------------|------------------------|
|                                     | <b>2016<br/>RM'000</b> | <b>2015<br/>RM'000</b> |
| Trade receivables - nominal amounts | 13,255                 | 13,669                 |
| Less: Allowance for impairment      | (12,938)               | (12,950)               |
|                                     | 317                    | 719                    |

##### Movement in allowance accounts

|                                       | <b>Group</b>           |                        |
|---------------------------------------|------------------------|------------------------|
|                                       | <b>2016<br/>RM'000</b> | <b>2015<br/>RM'000</b> |
| At 1 May 2015/2014                    | 12,950                 | 13,915                 |
| Charge for the year (Note 34)         | 1,663                  | 1,626                  |
| Reversal of impairment loss (Note 30) | (426)                  | (799)                  |
| Written off                           | (1,269)                | (1,866)                |
| Unwinding of discount                 | -                      | 27                     |
| Exchange differences                  | 20                     | 47                     |
| At 30 April 2016/2015                 | 12,938                 | 12,950                 |

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its trade receivable balances on account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management are of the opinion that there are no further factors that warrants the consideration of additional impairment losses on a collective basis.

14 RECEIVABLES (CONT'D)

(b) Other receivables: current and non-current

Movement in allowance accounts

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                            | 26,939         | 26,695         | 24,683         | 10,420         |
| Charge for the year (Notes 32, 34)            | 4,876          | 1,032          | 70,668         | 19,263         |
| Reversal of<br>impairment loss (Notes 30, 31) | (2,015)        | (604)          | (8,363)        | (5,000)        |
| Written off                                   | (21,716)       | (184)          | -              | -              |
| At 30 April 2016/2015                         | <u>8,084</u>   | <u>26,939</u>  | <u>86,988</u>  | <u>24,683</u>  |

Included in sundry receivables of the Group is an advance made by a foreign subsidiary company for property investments venture amounting to RM62,553,000 (2015 : RM57,541,000). The advance is repayable on demand and interest-bearing.

The amounts owing by subsidiary companies, associated companies and related companies of the Company are unsecured, repayable on demand and interest bearing except for a gross amount totalling RM1,614,605,000 (2015 : RM1,487,565,000) which are non interest bearing.

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

Amounts owing by joint ventures are unsecured, interest-bearing with schedule of repayments ranging from 2 to 20 (2015 : 2 to 15) years.

(c) Other current assets

Included in sundry receivables of the Group are advance payments of RM34,472,000 (2015 : RM31,966,000) made in respect of property development project of the Group's foreign venture.

Included in prepayments of the Group is an amount of RM230,724,000 (2015 : RM230,724,000) which relates to the proposed project for the relocation of a turf club.

An amount of RM39,464,000 which was related to the development project of a foreign subsidiary company was included in the prepayments as at the previous financial year end.

Deposits for acquisition of assets of the Group comprise:

- an amount of RM3,142,000 (2015 : RM2,863,000) paid in respect of acquisition of aircraft by a subsidiary company; and
- an amount of RM3,146,000 (2015 : RM3,755,000) paid in respect of acquisition of properties by foreign subsidiary companies.

## NOTES TO THE FINANCIAL STATEMENTS

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### 15 SHORT TERM INVESTMENTS

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| Unit trust funds in Malaysia, at fair value | 9,302          | 3,087          |

### 16 DEPOSITS

|                                | Group          |                | Company        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Deposits with:                 |                |                |                |                |
| - Licensed banks               | 497,655        | 448,953        | 26,082         | 43,308         |
| - Other financial institutions | 31,673         | 28,111         | -              | -              |
|                                | <u>529,328</u> | <u>477,064</u> | <u>26,082</u>  | <u>43,308</u>  |

Included in deposits are as follows:

- (a) amounts which are restricted in usage:
- (i) RM36,228,000 (2015 : RM48,188,000) and RM26,082,000 (2015 : RM36,307,000) held in debt service reserve accounts for the Group and the Company respectively; and
  - (ii) RM6,610,000 (2015 : RM26,687,000) pledged for credit facilities granted to the Company and certain of its subsidiary companies.
- (b) RM28,820,000 (2015 : RM35,226,000) held in sinking funds and trust accounts for the operations of recreational clubs and time share operations.

The weighted average effective interest rates of deposits as at reporting date are as follows:

|                              | Group     |           | Company   |           |
|------------------------------|-----------|-----------|-----------|-----------|
|                              | 2016<br>% | 2015<br>% | 2016<br>% | 2015<br>% |
| Licensed banks               | 3.29      | 3.15      | 3.18      | 3.20      |
| Other financial institutions | 1.48      | 1.47      | -         | -         |

The weighted average maturities of deposits as at the end of financial year are as follows:

|                              | Group        |              | Company      |              |
|------------------------------|--------------|--------------|--------------|--------------|
|                              | 2016<br>Days | 2015<br>Days | 2016<br>Days | 2015<br>Days |
| Licensed banks               | 17           | 30           | 15           | 15           |
| Other financial institutions | 67           | 75           | -            | -            |

**17 CASH AND BANK BALANCES**

Included in cash and bank balances are as follows:

- (a) amounts which are restricted in usage:
  - (i) RM612,848,000 (2015 : RMNil) being the receipt of part of the sales consideration for the disposal of a foreign development project as disclosed in Note 48(e) which is held in escrow;
  - (ii) RM24,949,000 (2015 : RM15,333,000) and RM4,193,000 (2015 : RM5,573,000) held in debt service reserve accounts for the Group and the Company respectively; and
  - (iii) RM125,364,000 (2015 : RM173,591,000) pledged for credit facilities granted to foreign subsidiary companies of the Group.
- (b) amounts totalling RM128,022,000 (2015 : RM148,082,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966.
- (c) monies held for the operations of recreational clubs amounting to RM14,000 (2015 : RM574,000).

**18 ASSETS CLASSIFIED AS HELD FOR SALE**

During the current financial year, assets classified as held for sale comprised the following:

- (i) the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project") with a carrying amount of RM976,203,000. Details of the proposed disposal of Great Mall project are disclosed in Note 48(e) and the composition of Great Mall Project is detailed below.

Reclassified from:

Property, plant and equipment (Note 3)  
 Land held for development  
 Property development costs  
 Receivables

Less: Impairment loss (Note 32)

| 2016<br>RM'000   |
|------------------|
| 578,106          |
| 7,742            |
| 490,224          |
| 31,743           |
| <u>1,107,815</u> |
| <u>(131,612)</u> |
| <u>976,203</u>   |

Subsequent to the financial year end, titles to certain parcels of land of Great Mall Project were transferred to the purchaser to facilitate the completion of the disposal;

- (ii) the entire 18.56% equity interest, comprising 2,188,750 shares of Rs10 each in Navodaya Mass Entertainment Limited with carrying amount of RM2,523,000; and
- (iii) a parcel of 12,884 square metre of vacant land with carrying amount of RM1,056,000.

At the date of these financial statements, items (i) and (iii) are pending completion as certain terms and conditions in the respective sales and purchase agreements remain unfulfilled.

In the previous financial year, assets classified as held for sale comprised the following:

- (i) 371.87 acres of land amounting to RM25,750,000 (previously classified as investment properties); and
- (ii) 297.18 acres of land amounting to RM32,259,000 (previously classified as land held for development).

Disposals of these assets were completed during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

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### 19 SHARE CAPITAL

|  | Group and Company                        |              |                |                |
|--|--|--------------|----------------|----------------|
|  | No. of ordinary shares<br>of RM0.50 each |              | Amount         |                |
|  | 2016<br>'000                             | 2015<br>'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| (a) <u>Authorised:</u><br>At beginning of the year and<br>at end of the year         | 10,000,000                               | 10,000,000   | 5,000,000      | 5,000,000      |
| (b) <u>Issued and paid-up:</u><br>At beginning of the year and<br>at end of the year | 5,000,337                                | 5,000,337    | 2,500,168      | 2,500,168      |

|   | Group and Company             |                               |
|---|-------------------------------|-------------------------------|
|   | 2016<br>No. of shares<br>'000 | 2015<br>No. of shares<br>'000 |
| (c) Issued and paid-up ordinary shares with voting rights of RM0.50 each: |                               |                               |
| Total number of issued and paid-up ordinary shares                        | 5,000,337                     | 5,000,337                     |
| Less: Number of ordinary shares held as treasury shares (Note 21)         | (10,943)                      | (10,943)                      |
|   | <u>4,989,394</u>              | <u>4,989,394</u>              |

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares (other than treasury shares) rank equally with regards to the Company's residual assets.

### 20 RESERVES

|  | Group            |                  | Company        |                |
|--|------------------|------------------|----------------|----------------|
|  | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000 | 2015<br>RM'000 |
| Non-distributable:                               |                  |                  |                |                |
| Foreign currency<br>translation reserve (Note a) | 122,525          | (3,354)          | -              | -              |
| Fair value reserve (Note b)                      | 1,900,160        | 1,935,385        | -              | -              |
| Consolidation reserve (Note c)                   | 21,220           | 21,220           | -              | -              |
| Available-for-sale reserve (Note d)              | 4,891            | 13,114           | -              | -              |
| Capital reserve (Note e)                         | 10,804           | 10,804           | -              | -              |
| Distributable:                                   |                  |                  |                |                |
| Retained earnings (Note f)                       | 226,737          | 467,982          | 786,831        | 592,859        |
|  | <u>2,286,337</u> | <u>2,445,151</u> | <u>786,831</u> | <u>592,859</u> |

20 RESERVES (CONT'D)

(a) Foreign currency translation reserve

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                       | (3,354)        | (79,273)       |
| Current year movement                    | 88,189         | 75,919         |
| Transfer to profit or loss upon disposal | 37,690         | -              |
| At 30 April 2016/2015                    | <u>122,525</u> | <u>(3,354)</u> |

(b) Fair value reserve

|                                       | Group            |                  |
|---------------------------------------|------------------|------------------|
|                                       | 2016<br>RM'000   | 2015<br>RM'000   |
| At 1 May 2015/2014                    | 1,935,385        | 1,983,501        |
| Impairment in value of gaming rights  | (3,572)          | (48,116)         |
| Recognition of deferred tax liability | (15,429)         | -                |
| Transfer to non-controlling interests | (6,152)          | -                |
| Transfer to retained earnings         | (10,072)         | -                |
| At 30 April 2016/2015                 | <u>1,900,160</u> | <u>1,935,385</u> |

This reserve represents post acquisition fair value and other adjustments arising from the business combination of BToto Group in prior years.

With regard to the gaming rights allocated to the leasing of online lottery equipment business segment in the Philippines, during the current financial year the Group has:

- (i) assessed that the CGU is carried in excess of its VIU and consequently, recognised an impairment loss of RM9,848,000 (2015 : RM133,228,000). The Group's share of this impairment loss which amounted to RM3,572,000 (2015 : RM48,116,000) is accounted for in the fair value reserve; and
- (ii) recognised deferred tax liability of RM15,429,000 as its useful life has been assessed to be finite.

(c) Consolidation reserve

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014   | 21,220         | 17,782         |
| Arising from partial disposal of equity interest in a subsidiary company | -              | 3,438          |
| At 30 April 2016/2015  | <u>21,220</u>  | <u>21,220</u>  |

This reserve represents the effects arising from changes in the Group's ownership interest in a subsidiary company that does not result in loss of control.

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### 20 RESERVES (CONT'D)

(d) Available-for-sale reserve

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014  | 13,114         | 31,873         |
| Changes in fair values of available-<br>for-sale financial assets during the year | (8,924)        | 35             |
| Transfer to profit or loss upon disposal  | 701            | (18,794)       |
| At 30 April 2016/2015   | 4,891          | 13,114         |

Available-for-sale reserve represents the cumulative fair value changes, net of tax, if applicable, of available-for-sale financial assets until they are disposed of or impaired.

(e) Capital reserve

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| At beginning of the year and at end of the year | 10,804         | 10,804         |

This reserve represents non-distributable reserve transferred from post-acquisition retained earnings arising from bonus issue of shares of a subsidiary company.

(f) Retained earnings

Retained earnings of the Company is available for distribution as single tier dividends.

### 21 TREASURY SHARES

|                         | Group and Company             |                               |                |                |
|-------------------------|-------------------------------|-------------------------------|----------------|----------------|
|                         | 2016<br>No. of shares<br>'000 | 2015<br>No. of shares<br>'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014      | 10,943                        | 24,037                        | 20,699         | 45,466         |
| Sale of treasury shares | -                             | (13,094)                      | -              | (24,767)       |
| At 30 April 2016/2015   | 10,943                        | 10,943                        | 20,699         | 20,699         |

Pursuant to an Extraordinary General Meeting held on 30 July 2008, the Company obtained a shareholders' mandate to undertake the purchase of up to 10% of the issued and paid-up share capital of the Company at the time of purchase.

The Company commenced the share buyback on 31 July 2008 and the renewal of the Company's plan and mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back was approved by the shareholders of the Company at the Annual General Meeting held on 19 October 2015.

During the previous financial year, the Company disposed of a total of 13,094,000 of its treasury shares held, in the open market for a total cash consideration of RM11,060,000.

22 LONG TERM BORROWINGS

|   | Group            |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000   | 2015<br>RM'000   |
| <u>Secured:</u>   |                  |                  |                  |                  |
| Term loans (Note a)   | 1,658,660        | 2,207,653        | 315,330          | 424,442          |
| Amount repayable<br>within 12 months included<br>in short term borrowings (Note 27) | (579,639)        | (597,731)        | (133,925)        | (115,115)        |
|   | 1,079,021        | 1,609,922        | 181,405          | 309,327          |
| Medium term notes (Note a)  | 1,448,205        | 1,342,734        | 648,205          | 647,734          |
| Amount repayable<br>within 12 months included<br>in short term borrowings (Note 27) | (105,000)        | (200,000)        | -                | -                |
|   | 1,343,205        | 1,142,734        | 648,205          | 647,734          |
| Other bank borrowings (Note a)  | 356,930          | 406,375          | 192,479          | 176,593          |
|   | 2,779,156        | 3,159,031        | 1,022,089        | 1,133,654        |
| Hire purchase and<br>finance lease liabilities (Note b)                             | 88,859           | 87,951           | 1,519            | 1,586            |
| Amount repayable<br>within 12 months included<br>in short term borrowings (Note 27) | (8,990)          | (7,995)          | (638)            | (566)            |
|   | 79,869           | 79,956           | 881              | 1,020            |
|   | <u>2,859,025</u> | <u>3,238,987</u> | <u>1,022,970</u> | <u>1,134,674</u> |

- (a) The long term borrowings of the Group and of the Company are secured by quoted shares, properties, deposits and cash and bank balances of the Group and of the Company as mentioned in Notes 3, 4, 5, 7, 8, 10, 12, 13, 16 and 17. The term loans and other bank borrowings bear floating interest at rates ranging from 2.34% to 8.85% (2015 : 1.37% to 9.10%) per annum for the Group and from 4.59% to 6.30% (2015 : 4.58% to 6.30%) per annum for the Company.

Details of the outstanding long term borrowings are as follows:

| Long term borrowings       | Group            |                  | Company          |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000   | 2015<br>RM'000   |
| Amounts repayable within : |                  |                  |                  |                  |
| More than 1 year           |                  |                  |                  |                  |
| but not later than 2 years | 1,041,878        | 898,909          | 492,381          | 194,219          |
| More than 2 years          |                  |                  |                  |                  |
| but not later than 5 years | 1,394,349        | 2,052,675        | 415,797          | 800,552          |
| More than 5 years          | 422,798          | 287,403          | 114,792          | 139,903          |
|                            | <u>2,859,025</u> | <u>3,238,987</u> | <u>1,022,970</u> | <u>1,134,674</u> |

## NOTES TO THE FINANCIAL STATEMENTS

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### 22 LONG TERM BORROWINGS (CONT'D)

#### (a) Medium term notes

The facility amounts of the medium terms notes ("MTN") programme are as follows:

|         | Group          |                |
|---------|----------------|----------------|
|         | 2016<br>RM'000 | 2015<br>RM'000 |
| STM MTN | 800,000        | 800,000        |
| BLB MTN | 650,000        | 650,000        |
|         | 1,450,000      | 1,450,000      |

- (i) STM MTN comprises of a MTN programme of up to RM800,000,000 in nominal value issued by a wholly-owned subsidiary company of BToto, Sports Toto Malaysia Sdn Bhd ("STM"). As at 30 April 2016, STM MTN totalling RM800,000,000 (2015 : RM695,000,000) in nominal value remains outstanding.

STM MTN is secured by a third party first equitable charge over the entire issued and paid-up share capital of STM which is the issuer and corporate guarantee provided by BToto.

- (ii) BLB MTN comprises of a MTN programme of RM650,000,000 in nominal value issued by the Company. As at 30 April 2016, BLB MTN totalling to RM650,000,000 (2015 : RM650,000,000) in nominal value remains outstanding.

BLB MTN is secured by a financial guarantee insurance facility granted by Danajamin Nasional Berhad to the Company for the principal redemption of up to RM500,000,000 in nominal value and a bank guarantee facility granted by OCBC Bank (Malaysia) Berhad to the Company for the principal redemption of up to RM150,000,000 in nominal value.

The maturities of the MTNs as at the reporting date are as follows:

| <u>CURRENT</u>                     | Maturity     | Group          |                | Company        |                |
|------------------------------------|--------------|----------------|----------------|----------------|----------------|
|                                    |              | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Secured with fixed rate:           |              |                |                |                |                |
| 5.50% p.a.                         | June 2015    | -              | 200,000        | -              | -              |
| 4.41% p.a.                         | June 2016    | 55,000         | -              | -              | -              |
| 4.80% p.a.                         | October 2016 | 50,000         | -              | -              | -              |
| <hr/>                              |              |                |                |                |                |
| Amount repayable                   |              |                |                |                |                |
| within 12 months included          |              |                |                |                |                |
| in short term borrowings (Note 27) |              |                |                |                |                |
|                                    |              | 105,000        | 200,000        | -              | -              |

22 LONG TERM BORROWINGS (CONT'D)

(a) The maturities of the MTNs as at the reporting date are as follows (Cont'd):

| <u>NON-CURRENT</u>   |                 | Group          |                | Company        |                |
|--|-----------------|----------------|----------------|----------------|----------------|
|  |                 | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
|  | <b>Maturity</b> |                |                |                |                |
| Secured with fixed rate:   |                 |                |                |                |                |
| 4.41% p.a.   | June 2016       | -              | 55,000         | -              | -              |
| 4.80% p.a.   | October 2016    | -              | 50,000         | -              | -              |
| 6.00% p.a.   | June 2017       | 150,000        | -              | -              | -              |
| 4.60% p.a.   | June 2017       | 35,000         | -              | -              | -              |
| 4.60% p.a.   | June 2017       | 70,000         | -              | -              | -              |
| 4.75% p.a.   | December 2017   | 199,262        | -              | 199,262        | -              |
| 4.65% p.a.   | December 2017   | 74,723         | -              | 74,723         | -              |
| Amount repayable more than<br>1 year but not later than 2 years  |                 | 528,985        | 105,000        | 273,985        | -              |
| 6.00% p.a.   | June 2017       | -              | 150,000        | -              | -              |
| 4.75% p.a.   | December 2017   | -              | 199,374        | -              | 199,374        |
| 4.65% p.a.   | December 2017   | -              | 74,765         | -              | 74,765         |
| 4.73% p.a.   | June 2018       | 95,000         | 95,000         | -              | -              |
| 4.82% p.a.   | June 2019       | 200,000        | -              | -              | -              |
| 4.88% p.a.   | July 2019       | 145,000        | 145,000        | -              | -              |
| 4.95% p.a.   | December 2019   | 199,584        | 199,374        | 199,584        | 199,374        |
| 4.85% p.a.   | December 2019   | 74,844         | 74,388         | 74,844         | 74,388         |
| Amount repayable more than<br>2 years but not later than 5 years |                 | 714,428        | 937,901        | 274,428        | 547,901        |
| Amount repayable more than 5 years<br>5.35% p.a. December 2021   |                 | 99,792         | 99,833         | 99,792         | 99,833         |
| Total non-current MTNs   |                 | 1,343,205      | 1,142,734      | 648,205        | 647,734        |

(b) Approximately RM3,146,000 (2015 : RM3,722,000) and RM881,000 (2015 : RM1,020,000) included in the hire purchase and finance lease liabilities of the Group and of the Company respectively are owing to a related company.

The commitment terms under the hire purchase and finance lease liabilities are summarised as follows:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Future minimum lease payments:                  |                |                |                |                |
| 1 year after reporting date                     | 12,635         | 11,323         | 759            | 669            |
| More than 1 year<br>but not later than 2 years  | 12,178         | 11,079         | 498            | 614            |
| More than 2 years<br>but not later than 5 years | 71,121         | 74,550         | 572            | 513            |
| More than 5 years                               | -              | -              | -              | 85             |
|   | 95,934         | 96,952         | 1,829          | 1,881          |
| Unexpired interest                              | (7,075)        | (9,001)        | (310)          | (295)          |
| Balance carried forward                         | 88,859         | 87,951         | 1,519          | 1,586          |

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### 22 LONG TERM BORROWINGS (CONT'D)

- (b) The commitment terms under the hire purchase and finance lease liabilities are summarised as follows (Cont'd):

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Balance brought forward   | 88,859         | 87,951         | 1,519          | 1,586          |
| Amount repayable<br>within 12 months included<br>in short term borrowings (Note 27) | (8,990)        | (7,995)        | (638)          | (566)          |
|   | <u>79,869</u>  | <u>79,956</u>  | <u>881</u>     | <u>1,020</u>   |
| Analysis of hire purchase<br>and finance lease liabilities:                         |                |                |                |                |
| 1 year after reporting date   | 8,990          | 7,995          | 638            | 566            |
| More than 1 year but<br>but not later than 2 years                                  | 8,946          | 8,097          | 413            | 525            |
| More than 2 years<br>but not later than 5 years                                     | 70,923         | 71,859         | 468            | 425            |
| More than 5 years   | -              | -              | -              | 70             |
|   | <u>88,859</u>  | <u>87,951</u>  | <u>1,519</u>   | <u>1,586</u>   |

The hire purchase and finance lease liabilities bear interest at rates ranging from 2.99% to 5.85% (2015 : 2.99% to 7.87%) per annum.

### 23 LONG TERM LIABILITIES

|                                   | Group          |                | Company        |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Club members' deposits (Note a)   | 16,621         | 19,541         | -              | -              |
| Deferred membership fees (Note b) | 78,382         | 84,117         | -              | -              |
| Other deferred income (Note c)    | 22,518         | 25,294         | -              | -              |
| Retention sum                     |                |                |                |                |
| - property development projects   | 8,400          | 22,433         | -              | -              |
| Rental deposits                   | 3,179          | 4,617          | -              | -              |
|                                   | <u>129,100</u> | <u>156,002</u> | <u>-</u>       | <u>-</u>       |

- (a) Club members' deposits represent amounts paid by members to certain subsidiary companies for membership licences issued to use and enjoy the facilities of the subsidiary companies' recreational clubs. The monies are refundable to the members upon expiry of prescribed terms from the dates of issuance of the licences.
- (b) Deferred membership fees are recognised over the membership period.
- (c) Other deferred income represents the difference between the carrying amount and fair value of financial liabilities upon initial recognition which is recognised systematically on a straight-line basis over the tenure of the memberships or tenancy period.

**24 RETIREMENT BENEFIT OBLIGATIONS**

Retirement benefit obligations recognised by the Group is analysed into:

|             |                                  | Group          |                |
|-------------|----------------------------------|----------------|----------------|
|             |                                  | 2016<br>RM'000 | 2015<br>RM'000 |
| Current     | - unfunded defined benefit plans | 15             | 12             |
| Non-current | - funded defined benefit plan    | 3,385          | 3,818          |
|             | - unfunded defined benefit plans | 6,290          | 5,693          |
|             |                                  | 9,675          | 9,511          |
|             |                                  | 9,690          | 9,523          |

(a) Funded Defined Benefit Plan

Certain foreign subsidiary companies of the Group maintain separate funded retirement plans for its eligible employees. Actuarial valuations are made regularly to update the retirement benefit costs.

The movements in the funded defined benefit obligation recognised are as follows:

|   |  | Group          |                |
|---|--|----------------|----------------|
|   |  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014  |  | 3,818          | 3,462          |
| Recognised in statement of profit or loss (Notes 33, 35 and 36) |  | 802            | 642            |
| Recognised in statement of comprehensive income                 |  | (658)          | 543            |
| Employers' contribution   |  | (722)          | (1,067)        |
| Exchange differences  |  | 145            | 238            |
| At 30 April 2016/2015   |  | 3,385          | 3,818          |

The amounts of funded defined benefit obligation recognised in the consolidated statement of financial position are determined as follows:

|                                 |  | Group          |                |
|---------------------------------|--|----------------|----------------|
|                                 |  | 2016<br>RM'000 | 2015<br>RM'000 |
| Present value of the obligation |  | 70,183         | 71,452         |
| Fair value of plan assets       |  | (66,798)       | (67,634)       |
| Deficit over plan assets        |  | 3,385          | 3,818          |

The movements in present value of the funded defined benefit obligation recognised are as follows:

|  |  | Group          |                |
|--|--|----------------|----------------|
|  |  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                     |  | 71,452         | 64,913         |
| Current service cost and interest cost |  | 3,348          | 3,126          |
| Actuarial (loss)/gain                  |  | (4,395)        | 4,725          |
| Benefits paid by the plan              |  | (2,811)        | (1,565)        |
| Exchange differences                   |  | 2,589          | 253            |
| At 30 April 2016/2015                  |  | 70,183         | 71,452         |

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### 24 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

#### (a) Funded Defined Benefit Plan (Cont'd)

The movements in fair value of plan assets are presented below:

|                           | Group          |                |
|---------------------------|----------------|----------------|
|                           | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014        | 67,634         | 61,451         |
| Interest income           | 2,546          | 2,484          |
| Return on plan assets     | (3,724)        | 4,205          |
| Employer's contribution   | 722            | 1,067          |
| Benefits paid by the plan | (2,811)        | (1,565)        |
| Actuarial loss            | (31)           | (35)           |
| Exchange differences      | 2,462          | 27             |
| At 30 April 2016/2015     | 66,798         | 67,634         |

The plan assets consist of the following:

|                     | Group          |                |
|---------------------|----------------|----------------|
|                     | 2016<br>RM'000 | 2015<br>RM'000 |
| Fixed income assets | 66,540         | 67,069         |
| Cash in bank        | 251            | 564            |
| Others              | 7              | 1              |
|                     | 66,798         | 67,634         |

The components of amounts recognised in the consolidated profit or loss and in other comprehensive income in respect of the funded defined benefit retirement plan are as follows:

#### Reported in the consolidated statement of profit or loss:

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| Current service costs recognised in directors' remuneration and employee benefit expenses (Notes 35 and 36) | 626            | 522            |
| Net interest costs (Note 33)  | 176            | 120            |
| Retirement benefits recognised in profit or loss  | 802            | 642            |

#### Reported in the consolidated statement of comprehensive income:

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| Remeasurement losses arising from:                              |                |                |
| Actuarial changes in financial assumptions                      | 153            | (8,094)        |
| Actuarial changes in demographic assumptions                    | 3,786          | 3,620          |
| Return on plan assets   | (3,724)        | 4,205          |
| Experience adjustments arising from defined benefit obligations | 443            | (274)          |
|   | 658            | (543)          |
| Deferred tax (expense)/income                                   | (132)          | 149            |
| Retirement benefits recognised in other comprehensive income    | 526            | (394)          |

24 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Funded Defined Benefit Plan (Cont'd)

The current service and net interest costs are charged to profit or loss and presented as part of the employee benefit expenses and finance costs respectively.

The amounts recognised in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

Presented below is the historical information related to the present value of the funded defined benefit obligation, fair value of the plan assets and deficit in the plan.

|                                 | 2016<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Present value of the obligation | 70,183         | 71,452         | 64,913         | 3,077          | 3,023          |
| Fair value of the plan assets   | (66,798)       | (67,634)       | (61,451)       | (434)          | (384)          |
| Deficit in the plan             | 3,385          | 3,818          | 3,462          | 2,643          | 2,639          |

For the determination of the funded defined benefit obligation, the following principal actuarial assumptions were used:

|               | Group         |               |
|---------------|---------------|---------------|
|               | 2016          | 2015          |
| Discount rate | 3.50% - 5.11% | 3.40% - 4.75% |

Sensitivity analysis for retirement benefit obligation

The management is of the view that any reasonably possible changes to the principal actuarial assumptions will not have significant impact to the Group.

(b) Unfunded Defined Benefit Plans

Certain subsidiary companies in Malaysia operate unfunded, defined retirement benefit schemes and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees. Under the scheme, eligible employees are entitled to retirement benefits varying between 18 days and 52 days per year of final salary on attainment of the retirement age of 60.

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                             | 5,705          | 5,035          |
| Recognised in profit or loss (Notes 33 and 36) | 628            | 678            |
| Utilisation of provision during the year       | (28)           | (8)            |
| At 30 April 2016/2015                          | 6,305          | 5,705          |
| Analysed as follows:                           |                |                |
| Current  | 15             | 12             |
| Non-current                                    | 6,290          | 5,693          |
|  | 6,305          | 5,705          |

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### 24 RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

#### (b) Unfunded Defined Benefit Plans (Cont'd)

The amounts recognised in the consolidated statement of financial position are determined based on the present value of unfunded defined benefit obligations.

The amounts recognised in the consolidated statement of profit or loss are as follows:

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| Current service cost (Note 36)                   | 287            | 378            |
| Interest cost (Note 33)                          | 341            | 300            |
| Retirement benefits recognised in profit or loss | 628            | 678            |

|   | Group          |                |
|---|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 |
| Principal actuarial assumptions to determine benefit obligations: |                |                |
| Discount rate in Malaysia (%)                                     | 6.00           | 6.00           |
| Expected rate of salary increases (%)                             | 6.00           | 6.00           |

A quantitative sensitivity analysis of the change in the rate is shown below:

|                        | Increase / (decrease) |           | Impact on unfunded defined benefit obligations |                |
|------------------------|-----------------------|-----------|--|----------------|
|                        | 2016<br>%             | 2015<br>% | 2016<br>RM'000                                 | 2015<br>RM'000 |
| Discount rate          | 1                     | 1         | (839)  | (783)          |
| Future salary increase | 1                     | 1         | 1,144  | 979            |
| Discount rate          | (1)                   | (1)       | 1,012  | 972            |
| Future salary decrease | (1)                   | (1)       | (952)  | (836)          |

The duration of the unfunded defined benefit obligations as at 30 April 2016 is between 11 and 16 (2015 : 12 and 17) years.

25 DEFERRED TAX (ASSETS)/LIABILITIES

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                                 | 94,099         | 100,649        | -              | -              |
| Recognised in profit or loss (Note 37)             | (32,711)       | (6,909)        | -              | -              |
| Arising from gaming rights with finite life        | 42,532         | -              | -              | -              |
| Recognised in other comprehensive income           | 132            | (149)          | -              | -              |
| Arising from acquisition of a subsidiary company   | 35             | -              | -              | -              |
| Exchange differences                               | 1,434          | 508            | -              | -              |
| At 30 April 2016/2015                              | 105,521        | 94,099         | -              | -              |
| Presented after appropriate offsetting as follows: |                |                |                |                |
| Deferred tax assets                                | (45,348)       | (22,955)       | -              | -              |
| Deferred tax liabilities                           | 150,869        | 117,054        | -              | -              |
|  | 105,521        | 94,099         | -              | -              |

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

| Deferred Tax<br>Liabilities of the Group:   | Property,<br>plant and<br>equipment<br>RM'000 | Gaming<br>rights<br>RM'000 | Land held<br>for<br>development<br>RM'000 | Receivables/<br>Payables/<br>Others<br>RM'000 | Development<br>properties<br>RM'000 | Investment<br>properties<br>RM'000 | Property<br>inventories<br>RM'000 | Total<br>RM'000 |
|---|---|----------------------------|---|---|-------------------------------------|------------------------------------|-----------------------------------|-----------------|
| At 1 May 2015                               | 119,834                                       | -                          | 9,646                                     | 2,005   | 7,198                               | 28,492                             | 10,102                            | 177,277         |
| Recognised in profit or loss                | (7,886)                                       | (8,506)                    | (722)                                     | (335)   | (119)                               | 1,629                              | (1,273)                           | (17,212)        |
| Arising from gaming rights with finite life | -   | 42,532                     | -   | -   | -                                   | -                                  | -                                 | 42,532          |
| Acquisition of a subsidiary company         | -   | -                          | -   | 35  | -                                   | -                                  | -                                 | 35              |
| Exchange differences                        | 1,179   | -                          | -   | 114   | -                                   | -                                  | -                                 | 1,293           |
|   | 113,127                                       | 34,026                     | 8,924                                     | 1,819   | 7,079                               | 30,121                             | 8,829                             | 203,925         |
| Less: Set-off of deferred tax assets        |   |                            |   |   |                                     |                                    |                                   | (53,056)        |
| At 30 April 2016                            |   |                            |   |   |                                     |                                    |                                   | 150,869         |
| At 1 May 2014                               | 136,205                                       | -                          | 10,674                                    | 2,874   | 10,584                              | 28,706                             | 10,950                            | 199,993         |
| Reclassification                            | (78)  | -                          | 444                                       | 238   | (444)                               | -                                  | -                                 | 160             |
| Recognised in profit or loss                | (16,004)                                      | -                          | (1,472)                                   | (1,236)                                       | (2,942)                             | (214)                              | (848)                             | (22,716)        |
| Exchange differences                        | (289)   | -                          | -   | 129   | -                                   | -                                  | -                                 | (160)           |
|   | 119,834                                       | -                          | 9,646                                     | 2,005   | 7,198                               | 28,492                             | 10,102                            | 177,277         |
| Less: Set-off of deferred tax assets        |   |                            |   |   |                                     |                                    |                                   | (60,223)        |
| At 30 April 2015                            |   |                            |   |   |                                     |                                    |                                   | 117,054         |

| Deferred Tax Assets of the Group:         | Other<br>payables<br>RM'000 | Unused<br>tax losses<br>and<br>unabsorbed<br>capital<br>allowances<br>RM'000 | Unabsorbed<br>investment<br>tax<br>allowances<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|---|-----------------------------|--|---|------------------|-----------------|
| At 1 May 2015                             | (33,956)                    | (42,830)   | (8)   | (6,384)          | (83,178)        |
| Recognised in profit or loss              | (12,851)                    | (2,480)  | (591)   | 423              | (15,499)        |
| Recognised in other comprehensive income  | -                           | -  | -   | 132              | 132             |
| Exchange differences                      | (325)                       | 437  | -   | 29               | 141             |
|   | (47,132)                    | (44,873)   | (599)   | (5,800)          | (98,404)        |
| At 30 April 2016                          |                             |  |   |                  | 53,056          |
|   |                             |  |   |                  | (45,348)        |
| At 1 May 2014                             | (40,903)                    | (49,592)   | (3,117)   | (5,732)          | (99,344)        |
| Reclassification                          | 578                         | 80   | (455)   | (363)            | (160)           |
| Recognised in profit or loss              | 6,369                       | 6,076  | 3,564   | (202)            | 15,807          |
| Recognised in other comprehensive income  | -                           | -  | -   | (149)            | (149)           |
| Exchange differences                      | -                           | 606  | -   | 62               | 668             |
|   | (33,956)                    | (42,830)   | (8)   | (6,384)          | (83,178)        |
| Less: Set-off of deferred tax liabilities |                             |  |   |                  | 60,223          |
| At 30 April 2015                          |                             |  |   |                  | (22,955)        |

# NOTES TO THE FINANCIAL STATEMENTS

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## 25 DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

|   | Property,<br>plant and<br>equipment<br>RM'000 | Total<br>RM'000             |                 |
|---|---|-----------------------------|-----------------|
| <b>Deferred Tax Liabilities of the Company:</b> |   |                             |                 |
| At 1 May 2015                                   | 315   | 315                         |                 |
| Recognised in profit or loss                    | (62)  | (62)                        |                 |
|   | <u>253</u>                                    | <u>253</u>                  |                 |
| Less: Set-off of deferred tax assets            |   | (253)                       |                 |
| At 30 April 2016                                |   | <u>-</u>                    |                 |
| At 1 May 2014                                   | 330   | 330                         |                 |
| Recognised in profit or loss                    | (15)  | (15)                        |                 |
|   | <u>315</u>                                    | <u>315</u>                  |                 |
| Less: Set-off of deferred tax assets            |   | (315)                       |                 |
| At 30 April 2015                                |   | <u>-</u>                    |                 |
|   |   |                             |                 |
|   | Unabsorbed<br>capital<br>allowances<br>RM'000 | Other<br>payables<br>RM'000 | Total<br>RM'000 |
| <b>Deferred Tax Assets of the Company:</b>      |   |                             |                 |
| At 1 May 2015                                   | (226)   | (89)                        | (315)           |
| Recognised in profit or loss                    | 77  | (15)                        | 62              |
|   | <u>(149)</u>                                  | <u>(104)</u>                | <u>(253)</u>    |
| Less: Set-off of deferred tax liabilities       |   |                             | 253             |
| At 30 April 2016                                |   |                             | <u>-</u>        |
| At 1 May 2014                                   | (230)   | (100)                       | (330)           |
| Recognised in profit or loss                    | 4   | 11                          | 15              |
|   | <u>(226)</u>                                  | <u>(89)</u>                 | <u>(315)</u>    |
| Less: Set-off of deferred tax liabilities       |   |                             | 315             |
| At 30 April 2015                                |   |                             | <u>-</u>        |

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

|                               | Group          |                | Company        |                |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Unutilised tax losses         | 409,514        | 437,219        | -              | -              |
| Unabsorbed capital allowances | 308,919        | 286,662        | 4,673          | 5,009          |
| Reinvestment allowances       | 41,102         | 41,102         | -              | -              |
| Others                        | 120,627        | 94,560         | -              | -              |
|                               | <u>880,162</u> | <u>859,543</u> | <u>4,673</u>   | <u>5,009</u>   |

Deferred tax assets have not been recognised in respect of the unutilised tax losses, unabsorbed capital allowances, reinvestment allowances and other deductible temporary differences as it is not probable that future taxable profits from a business source as defined by the Malaysian tax legislature will be available against which the unutilised tax losses, unabsorbed capital allowances, reinvestment allowances and other deductible temporary differences can be utilised.

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Company and its respective Malaysian incorporated subsidiary companies are subject to no substantial changes in shareholdings of the respective entities under Section 44(5A) and Paragraph 75A, Schedule 3 of the Income Tax Act, 1967 (the Act). However, the Minister of Finance has exercised his powers under Section 44(5D) and paragraph 75C, Schedule 3 of the Act to exempt all companies except dormant companies from the provision of Section 44(5A) and paragraph 75A, Schedule 3 of the Act respectively.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislations of the respective countries.

26 PAYABLES

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000 | 2015<br>RM'000 |
| <b>Trade payables</b>   | 632,223          | 468,592          | -              | -              |
| <b>Other payables</b>   |                  |                  |                |                |
| Other payables  | 135,249          | 91,139           | 1,664          | 2,706          |
| Accruals  | 295,555          | 272,766          | 16,190         | 15,197         |
| Payable for acquisition of assets   | 162,897          | 276,266          | -              | -              |
| Agency deposits   | 37,725           | 37,566           | -              | -              |
| Pool betting duty payables  | 23,681           | 22,725           | -              | -              |
| Deposit received for disposal of assets                                   | 646,131          | -                | -              | -              |
| Refundable deposits   | 161,515          | 113,060          | -              | -              |
| Amounts owing to:   |                  |                  |                |                |
| - subsidiary companies  | -                | -                | 976,908        | 674,947        |
| - related companies   | 108,597          | 20,659           | 693            | 2,300          |
| - associated companies  | 174              | 109              | 154            | 109            |
|   | <u>1,571,524</u> | <u>834,290</u>   | <u>995,609</u> | <u>695,259</u> |
| <b>Other current liabilities</b>  |                  |                  |                |                |
| Deposits  | 6,092            | 17,976           | -              | -              |
| Deferred income   | 9,168            | 9,988            | -              | -              |
| Progress billings in respect of property development costs/property sales | 79,296           | 51,864           | -              | -              |
| Dividend payable  | 702              | 1,608            | -              | 41             |
|   | <u>95,258</u>    | <u>81,436</u>    | <u>-</u>       | <u>41</u>      |
| <b>Total payables</b>   | <u>2,299,005</u> | <u>1,384,318</u> | <u>995,609</u> | <u>695,300</u> |

(a) Trade payables

These amounts are non-interest bearing. The normal trade credit terms granted to the Group range from 1 to 183 (2015 : 1 to 183) days.

Included in trade payables of the Group are manufacturers and other third party vehicle stocking loans of RM320,345,000 (2015 : RM243,784,000) obtained by certain foreign subsidiary companies. These loans are secured by fixed and floating charges on certain vehicle inventories held.

(b) Other payables

Included in other payables are advances from certain directors of subsidiary companies amounting to RM2,096,000 (2015 : RM1,998,000).

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.

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### 26 PAYABLES (CONT'D)

#### b) Other payables (Cont'd)

Payable for acquisition of assets relates to the balance purchase price of several parcels of freehold land acquired by a subsidiary company. This amount is secured by bank guarantees expiring on 7 February 2017.

Deposit received for disposal of assets relates to the part of sales consideration received by a foreign subsidiary company for the disposal of a foreign development project as disclosed in Note 48(e).

Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

The amounts owing to subsidiary, related and associated companies of the Company are unsecured, repayable on demand and interest bearing except for amounts totalling RM32,811,000 (2015 : RM269,314,000) which are non interest bearing.

### 27 SHORT TERM BORROWINGS

|  | Group          |                  | Company        |                |
|--|----------------|------------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000   | 2016<br>RM'000 | 2015<br>RM'000 |
| Secured:   |                |                  |                |                |
| Amount repayable within 12 months:                       |                |                  |                |                |
| - Term loans (Note 22)                                   | 579,639        | 597,731          | 133,925        | 115,115        |
| - Medium term notes (Note 22)                            | 105,000        | 200,000          | -              | -              |
| Other short term borrowings                              | 230,170        | 205,239          | 81,574         | 84,540         |
| Bank overdrafts  | 9,586          | 23,267           | -              | 14,854         |
|  | <u>924,395</u> | <u>1,026,237</u> | <u>215,499</u> | <u>214,509</u> |
| Amount repayable within 12 months:                       |                |                  |                |                |
| Hire purchase and<br>finance lease liabilities (Note 22) | 8,990          | 7,995            | 638            | 566            |
|  | <u>933,385</u> | <u>1,034,232</u> | <u>216,137</u> | <u>215,075</u> |

The secured borrowings are secured by certain quoted shares, properties, and deposits of the Company and its subsidiary companies as mentioned in Notes 3, 4, 5, 7, 8, 10, 12, 13, 16 and 17.

The short term borrowings bear floating interest at rates ranging from 2.75% to 9.35% (2015 : 1.91% to 9.35%) per annum for the Group and from 4.59% to 8.85% (2015 : 4.58% to 8.85%) per annum for the Company.

Approximately RM2,006,000 (2015 : RM1,949,000) and RM638,000 (2015 : RM566,000) included in the hire purchase and finance lease liabilities of the Group and of the Company respectively represent amounts owing to a related company.

28 PROVISIONS

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| <u>Sales warranty</u>                          |                |                |
| At 1 May 2015/2014                             | 124            | 613            |
| Additional provision during the year (Note 34) | 539            | 190            |
| Utilised during the year                       | (202)          | (741)          |
| Exchange differences                           | (14)           | 62             |
| At 30 April 2016/2015                          | 447            | 124            |
| <u>Restoration costs</u>                       |                |                |
| At 1 May 2015/2014                             | 971            | 968            |
| Additional provision during the year           | -              | 3              |
| At 30 April 2016/2015                          | 971            | 971            |
| Total  | 1,418          | 1,095          |

(a) Sales warranty

A foreign subsidiary company provides 3 to 12 (2015 : 3 to 12) months warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. Provision for warranties is recognised for all products under warranty at the reporting date based on past experience of 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 use of such assets, which are capitalised and included in the cost of property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS

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### 29 REVENUE

Revenue of the Group and the Company are analysed into significant categories as follows and the intra-group transactions are excluded from revenue of the Group:

#### Group

|  | 2016<br>RM'000   | 2015<br>RM'000   |
|--|------------------|------------------|
| Toto betting and leasing of lottery equipment income   | 3,313,741        | 3,350,530        |
| Sales of motor vehicles, charges for aftersales services, repairs and maintenance services rendered        | 2,174,907        | 1,891,700        |
| Income from supply of goods and services from hotels, resorts, theme park operations and casino operations | 284,986          | 270,301          |
| Contract revenue and sale of property inventories  | 355,560          | 255,212          |
| Income from chartered and scheduled flights  | 10,512           | 22,861           |
| Membership fees and subscriptions  | 67,002           | 70,702           |
| Rental income from investment properties   | 24,572           | 27,811           |
| Sale of lottery and voting systems and spare parts   | 52,717           | 21,046           |
|  | <u>6,283,997</u> | <u>5,910,163</u> |

#### Company

|                                      | 2016<br>RM'000 | 2015<br>RM'000 |
|--------------------------------------|----------------|----------------|
| Gross dividend income                |                |                |
| - from unquoted subsidiary companies | 102,630        | 131,878        |
| - from a quoted subsidiary company   | 36,615         | 45,447         |
| - from a quoted associated company   | 332            | 665            |
|                                      | <u>139,577</u> | <u>177,990</u> |
| Management fees receivable           |                |                |
| - from subsidiary companies          | 940            | 940            |
| - from an associated company         | 240            | 240            |
|                                      | <u>1,180</u>   | <u>1,180</u>   |
|                                      | <u>140,757</u> | <u>179,170</u> |

### 30 OTHER INCOME

Included in other income are the following:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Operating lease income, other than those relating to investment properties      | 9,766          | 9,194          | -              | -              |
| Reversal of impairment loss on receivables                                      | 2,441          | 1,403          | -              | -              |
| Finance income - loans and receivables and other liabilities at amortised costs | 2,989          | 3,726          | -              | -              |

**30 OTHER INCOME (CONT'D)**

Included in other income are the following (cont'd):

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Gain on disposal of<br>property, plant and equipment | 429            | 1,037          | 59             | 41             |
| Gain on foreign exchange - realised                  | 3,965          | 2,486          | -              | -              |
| - unrealised   | 99,753         | 46,648         | 40,821         | -              |

**31 INVESTMENT RELATED INCOME**

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Interest income on loans and receivables:  |                |                |                |                |
| - fixed and other deposits   | 20,055         | 20,245         | 1,442          | 398            |
| - inter-company  |                |                |                |                |
| - subsidiary companies   | -              | -              | 36,293         | 35,349         |
| - related companies  | 15             | 18             | 15             | 14             |
| - joint ventures   | 24,960         | 20,577         | -              | -              |
| - others   | 9,902          | 8,842          | -              | -              |
|  | 54,932         | 49,682         | 37,750         | 35,761         |
| Dividend income (gross) from:  |                |                |                |                |
| - available-for-sale investments   |                |                |                |                |
| - quoted in Malaysia   | 1,035          | 2,141          | -              | -              |
| - quoted outside Malaysia  | 148            | -              | -              | -              |
| Net gains of fair value through profit or<br>loss investments quoted in Malaysia                         | -              | 11,966         | -              | 483            |
| Net fair value gain on available-for-<br>sale equity investment transferred<br>from equity upon disposal | -              | 18,794         | -              | -              |
| Net gain on deemed<br>disposal of a subsidiary company   | 25,958         | -              | -              | -              |
| Net gain on remeasurement of<br>retained equity interest in<br>a former subsidiary company               | 122,271        | -              | -              | -              |
| Fair value adjustment on<br>investment properties (Note 4)   | 11,345         | 13,036         | -              | -              |
| Reversal of impairment of<br>investments in subsidiary companies   | -              | -              | 8,768          | 10,510         |
| Reversal of impairment of amounts<br>owing from subsidiary companies                                     | -              | -              | 8,363          | 5,000          |
| Balance carried forward  | 215,689        | 95,619         | 54,881         | 51,754         |

## NOTES TO THE FINANCIAL STATEMENTS

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### 31 INVESTMENT RELATED INCOME (CONT'D)

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Balance brought forward          | 215,689        | 95,619         | 54,881         | 51,754         |
| Writeback of amounts             |                |                |                |                |
| owing from subsidiary companies  | -              | -              | 235,820        | 5,000          |
| Writeback of investments         |                |                |                |                |
| in subsidiary companies          | -              | -              | 3,800          | -              |
| Refund of stamp duty and         |                |                |                |                |
| expenses paid in relation        |                |                |                |                |
| to an aborted corporate exercise | -              | 18,120         | -              | -              |
| Reversal of impairment of        |                |                |                |                |
| property, plant and equipment    | 31,057         | 7,981          | -              | -              |
| Reversal of impairment of        |                |                |                |                |
| land held for development        | 8,802          | 6,000          | -              | -              |
| Reversal of impairment of        |                |                |                |                |
| property development costs       | 7,119          | -              | -              | -              |
| Reversal of impairment of        |                |                |                |                |
| unquoted investments             | 2,523          | -              | -              | -              |
| Gain on disposal                 |                |                |                |                |
| of unquoted investments          | 95             | 100            | -              | -              |
| Gain on disposal                 |                |                |                |                |
| of an investment property        | -              | 256            | -              | -              |
|                                  | <u>265,285</u> | <u>128,076</u> | <u>294,501</u> | <u>56,754</u>  |

### 32 INVESTMENT RELATED EXPENSES

|                                    | Group          |                | Company        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Impairment of goodwill             | 373,265        | 380,734        | -              | -              |
| Impairment of assets held for sale | 131,612        | -              | -              | -              |
| Impairment of available-for-sale   |                |                |                |                |
| of quoted equity investments       | 564            | 10,607         | -              | -              |
| Fair value loss of                 |                |                |                |                |
| fair value through profit or loss  |                |                |                |                |
| investments quoted in Malaysia     | 6,859          | -              | 1,450          | -              |
| Impairment in value of             |                |                |                |                |
| investment in associated companies | 28,650         | 17,304         | -              | -              |
| Impairment in value of             |                |                |                |                |
| property, plant and equipment      | 16,266         | 19,208         | -              | -              |
| Impairment in value                |                |                |                |                |
| of investment property             | -              | 22,250         | -              | -              |
| Impairment in value of             |                |                |                |                |
| unquoted investments               | 7,497          | 1,400          | -              | -              |
| Balance carried forward            | <u>564,713</u> | <u>451,503</u> | <u>1,450</u>   | <u>-</u>       |

32 INVESTMENT RELATED EXPENSES (CONT'D)

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Balance brought forward  | 564,713        | 451,503        | 1,450          | -              |
| Net fair value loss on available-<br>for-sale equity investment<br>transferred from equity upon disposal | 1,191          | -              | -              | -              |
| Loss on disposal<br>of quoted investments  | 566            | -              | -              | -              |
| Liquidated ascertained<br>damages on termination of<br>sale and purchase agreement                       | 1,903          | -              | -              | -              |
| Expenditure of a<br>liquidated associated company  | -              | 6,532          | -              | 6,532          |
| Impairment loss on amounts<br>owing from subsidiary companies  | -              | -              | 70,668         | 19,263         |
| Write-off of amounts owing<br>from subsidiary companies  | -              | -              | 33,587         | 24,608         |
| Impairment loss on amounts owing from:   |                |                |                |                |
| - a joint venture  | 1,226          | 975            | -              | -              |
| - an associated company  | 2              | 29             | -              | -              |
| Impairment in value of<br>investment in subsidiary companies   | -              | -              | 19,652         | 15,593         |
|  | <u>569,601</u> | <u>459,039</u> | <u>125,357</u> | <u>65,996</u>  |

33 FINANCE COSTS

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Interest expense on financial liabilities<br>at amortised cost:         |                |                |                |                |
| - bank and other borrowings   | 104,621        | 108,296        | 36,884         | 56,298         |
| - hire purchase and finance lease                                       | 4,321          | 5,212          | 124            | 102            |
| - inter-companies   |                |                |                |                |
| - subsidiary companies  | -              | -              | 30,769         | 19,339         |
| - related companies   | 36             | 20             | 6              | -              |
| - medium term notes   | 68,274         | 47,023         | 31,875         | 11,877         |
| - loan related expenses   | 4,175          | 6,103          | 471            | 1,464          |
| - manufacturers' vehicle stocking loans                                 | 9,837          | 7,066          | -              | -              |
| - defined benefit plans (Note 24)                                       | 517            | 420            | -              | -              |
| - unwinding of discount and charge<br>out of deferred transaction costs | 12,656         | 15,579         | 2,622          | 8,222          |
|   | <u>204,437</u> | <u>189,719</u> | <u>102,751</u> | <u>97,302</u>  |

## NOTES TO THE FINANCIAL STATEMENTS

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### 34 PROFIT BEFORE TAX

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Profit before tax is stated after charging:              |                |                |                |                |
| Depreciation of<br>property, plant and equipment         | 100,557        | 98,424         | 1,517          | 1,099          |
| Auditors' remuneration                                   |                |                |                |                |
| - audit - current year                                   | 2,777          | 2,743          | 150            | 150            |
| - underprovision in previous year                        | 18             | 57             | -              | -              |
| - other services   | 457            | 730            | 341            | 391            |
| Directors' remuneration (Note 35)                        |                |                |                |                |
| - fees   | 2,304          | 1,900          | 133            | 138            |
| - salaries and other emoluments                          | 16,075         | 20,335         | 1,039          | 985            |
| - defined contribution/benefit plans                     | 2,803          | 3,932          | 126            | 145            |
| - bonus  | 1,099          | 3,256          | 66             | 240            |
| - performance incentive                                  | 7,703          | 8,944          | -              | -              |
| Impairment loss on receivables                           | 5,311          | 1,654          | -              | -              |
| Receivables written off                                  | 24             | 91             | -              | -              |
| Minimum operating lease payments:                        |                |                |                |                |
| - premises   | 44,094         | 39,723         | 72             | 89             |
| - plant and machinery                                    | 93             | 111            | -              | -              |
| Contribution to National Sports Council                  | 46,126         | 53,024         | -              | -              |
| Property, plant and equipment written off                | 101            | 663            | -              | -              |
| Inventories written down                                 | -              | 8,397          | -              | -              |
| Amortisation of:   |                |                |                |                |
| - gaming rights  | 28,354         | -              | -              | -              |
| - computer software                                      | 802            | 501            | -              | -              |
| - prepaid land lease premiums                            | -              | 16             | -              | -              |
| Provision for sales warranty                             | 539            | 190            | -              | -              |
| Management fees payable                                  |                |                |                |                |
| to ultimate holding company                              | 1,120          | 1,120          | 400            | 400            |
| Loss on foreign exchange - realised                      | 18,327         | 12,469         | 5,345          | 2,661          |
| - unrealised   | 38,851         | 38,774         | 6,003          | 5,352          |
| Loss on disposal of<br>property, plant and equipment     | 1,931          | 3,063          | -              | -              |
| Direct operating<br>expenses of investment properties *  | 5,459          | 6,575          | -              | -              |
| Employee benefit expenses (Note 36)                      | 379,216        | 353,377        | 12,558         | 11,482         |
| And after crediting:                                     |                |                |                |                |
| Management fees receivable<br>from an associated company | 240            | 240            | -              | -              |

\* It is not practicable to segregate the direct operating expenses of investment properties in respect of revenue and non-revenue generating properties due to periodic changes in the occupancy rates during the financial year.

**35 DIRECTORS' REMUNERATION**

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

| Directors of the Company:            | Group          |                | Company        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| <u>Executive Directors</u>           |                |                |                |                |
| Salaries and other emoluments        | 3,015          | 2,595          | 1,023          | 966            |
| Defined contribution plan            | 496            | 541            | 126            | 145            |
| Bonus                                | 196            | 748            | 66             | 240            |
| Benefits-in-kind                     | 62             | 67             | 57             | 67             |
| <u>Non-Executive Directors</u>       |                |                |                |                |
| Fees                                 | 178            | 183            | 133            | 138            |
| Salaries and other emoluments        | 765            | 750            | 16             | 19             |
| Defined contribution plan            | 24             | 27             | -              | -              |
| Bonus                                | 13             | 13             | -              | -              |
| Benefits-in-kind                     | 21             | 20             | -              | -              |
|                                      | <b>4,770</b>   | <b>4,944</b>   | <b>1,421</b>   | <b>1,575</b>   |
| <b>Other Directors of the Group:</b> |                |                |                |                |
| Fees                                 | 2,126          | 1,717          | -              | -              |
| Salaries and other emoluments        | 12,295         | 16,990         | -              | -              |
| Retirement benefits                  |                |                |                |                |
| - defined benefit plan (Note 24)     | 3              | 200            | -              | -              |
| - defined contribution plan          | 2,280          | 3,164          | -              | -              |
| Bonus                                | 890            | 2,495          | -              | -              |
| Performance incentive                | 7,703          | 8,944          | -              | -              |
| Benefits-in-kind                     | 532            | 524            | -              | -              |
|                                      | <b>25,829</b>  | <b>34,034</b>  | <b>-</b>       | <b>-</b>       |

## NOTES TO THE FINANCIAL STATEMENTS

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### 36 EMPLOYEE BENEFIT EXPENSES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Wages, salaries and other allowances<br>(excluding directors' remuneration) | 326,234        | 301,080        | 10,266         | 9,476          |
| Social security costs<br>and employee insurance                             | 18,578         | 15,982         | 328            | 329            |
| Retirement benefits   |                |                |                |                |
| - defined benefit plans (Note 24)   | 910            | 700            | -              | -              |
| - defined contribution plan   | 20,662         | 20,265         | 1,262          | 1,168          |
| Short term accumulating<br>compensated absences                             | 242            | 448            | 74             | (43)           |
| Other staff related expenses  | 12,590         | 14,902         | 628            | 552            |
|   | <u>379,216</u> | <u>353,377</u> | <u>12,558</u>  | <u>11,482</u>  |

### 37 TAXATION

|  | Group           |                | Company        |                |
|--|-----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000  | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Income tax:  |                 |                |                |                |
| Malaysian income tax   | 178,767         | 175,090        | 1,063          | 327            |
| Foreign tax  | 24,802          | 25,284         | -              | -              |
| Withholding tax  | 343             | 163            | -              | -              |
| Under/(Over)provision in prior years:                            |                 |                |                |                |
| - Malaysian income tax   | 2,606           | (5,877)        | 1,048          | (1,295)        |
| - Foreign tax  | 178             | (647)          | -              | -              |
|  | <u>206,696</u>  | <u>194,013</u> | <u>2,111</u>   | <u>(968)</u>   |
| Deferred tax (Note 25):  |                 |                |                |                |
| Relating to origination and<br>reversal of temporary differences | (31,490)        | 3,439          | -              | -              |
| Effect of change in tax rate                                     | -               | (2,074)        | -              | -              |
| Effects of real property gains tax                               | (1,161)         | (2,579)        | -              | -              |
| Overprovision in prior years                                     | (60)            | (5,695)        | -              | -              |
|  | <u>(32,711)</u> | <u>(6,909)</u> | <u>-</u>       | <u>-</u>       |
|  | <u>173,985</u>  | <u>187,104</u> | <u>2,111</u>   | <u>(968)</u>   |

Malaysian income tax is calculated at the Malaysian statutory income tax rate of 24% (2015 : 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

37 TAXATION (CONT'D)

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

| <b>Group</b>   | <b>2016<br/>RM'000</b> | <b>2015<br/>RM'000</b> |
|--|------------------------|------------------------|
| Profit before tax  | 8,961                  | 25,276                 |
| Tax at Malaysian statutory tax rate of 24% (2015 : 25%)  | 2,151                  | 6,319                  |
| Effect of different tax rates in other countries/tax regimes   | (4,857)                | (2,418)                |
| Effect of income not subject to tax  | (29,244)               | (19,941)               |
| Effect of income subject to real property gains tax  | (1,161)                | (2,579)                |
| Effect of expenses not deductible for tax purposes   | 189,151                | 196,030                |
| Effect of utilisation of previously<br>unrecognised tax losses, unabsorbed<br>capital allowances and unabsorbed investment tax allowances  | (11,753)               | (3,863)                |
| Effect of share of associated companies' and joint ventures' results   | 8,219                  | 3,046                  |
| Deferred tax assets not recognised in respect<br>of current year's tax losses, unabsorbed<br>capital allowances and other deductible temporary differences                                 | 18,727                 | 25,263                 |
| Deferred tax assets recognised on previously unrecognised<br>tax losses, unabsorbed capital allowances, unabsorbed<br>investment tax allowances and other deductible temporary differences | (315)                  | (623)                  |
| Overprovision of deferred tax in prior years   | (60)                   | (5,695)                |
| Under/(Over)provision of tax expense in prior years  | 2,784                  | (6,524)                |
| Effect of change in tax rate   | -                      | (2,074)                |
| Withholding tax  | 343                    | 163                    |
| Taxation for the year  | 173,985                | 187,104                |
| <b>Company</b>   | <b>2016<br/>RM'000</b> | <b>2015<br/>RM'000</b> |
| Profit before tax  | 196,083                | 28,038                 |
| Tax at Malaysian statutory tax rate of 24% (2015 : 25%)  | 47,060                 | 7,010                  |
| Effect of expenses not deductible for tax purposes   | 59,287                 | 40,790                 |
| Effect of income not subject to tax  | (104,987)              | (46,273)               |
| Effect of utilisation of previously unabsorbed capital allowances  | (297)                  | (253)                  |
| Tax losses utilised from group relief  | -                      | (947)                  |
| Under/(Over)provision of tax in prior year   | 1,048                  | (1,295)                |
| Taxation for the year  | 2,111                  | (968)                  |

## NOTES TO THE FINANCIAL STATEMENTS

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### 37 TAXATION (CONT'D)

Tax savings during the financial year arising from:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Utilisation of current year tax losses               | 708            | 1,492          | -              | -              |
| Utilisation of previously<br>unrecognised tax losses | 1,255          | 1,541          | -              | -              |

### 38 LOSS PER SHARE

The loss per share is calculated by dividing loss attributable to equity holders of the Parent of RM270,637,000 (2015 : RM382,960,000) on the weighted average of 4,989,394,000 (2015 : 4,985,943,000) ordinary shares of RM0.50 each with voting rights in issue (excluding treasury shares).

|  | Group     |           |
|--|-----------|-----------|
|  | 2016      | 2015      |
| Loss attributable to the equity holders of the Parent (RM'000)                   | (270,637) | (382,960) |
| Weighted average number of<br>ordinary shares with voting rights in issue ('000) | 4,989,394 | 4,985,943 |
| Basic loss per share (sen)   | (5.42)    | (7.68)    |

There are no potential ordinary shares outstanding as at 30 April 2016. As such, the fully diluted loss per share of the Group is equivalent to the basic loss per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

### 39 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

#### (a) Financial Guarantees

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

**39 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES (CONT'D)**

**(b) Contingent Liabilities**

Since October 2013, the Group's hotels and resorts in Malaysia has complied with the Minimum Wage Order 2012 implemented by the Ministry of Human Resource ("MOH"). As stated in the guidelines issued by MOH, service charge collection may be converted to form part of the minimum wage. This has been the practice of the Malaysian hospitality industry since October 2013.

The National Union of Hotel, Bar & Restaurant Workers Peninsular ("Trade Union") was not agreeable to this practice. The Trade Union requires all hospitality entities covered under the Trade Union to top up all employees' salary to a minimum of RM900 at their own expense and employers are not allowed to convert the service charges collected to form part of minimum wage. Effective 1 July 2016, the minimum wage is revised to RM1,000.

Trade dispute proceedings have been instituted by the Trade Union at the Industrial Court of Malaysia ("Industrial Court") against several of the Group's hotels and resorts which are still ongoing at reporting date.

Recently, in another trade dispute proceeding between the Trade Union and another hotel, the Industrial Court has ruled in favour of the Trade Union that is, an employee shall be paid the minimum wage, in accordance to Minimum Wage Order 2012, over and above the service charges imposed.

The Group is of the opinion that the Industrial Court ruling can be challenged at the High Court by way of judicial review proceedings. Furthermore, the Malaysian Association of Hotels and the Malaysian Association of Hotel Owners representing the hospitality industry are in the midst of discussion with the relevant authorities on this matter.

The Group assessed that the exposure of the above trade dispute is approximately RM3,978,000.

**40 COMMITMENTS**

**(a) Other Commitments**

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Capital expenditure:                                   |                |                |                |                |
| - approved and contracted for                          | 20,813         | 38,457         | -              | -              |
| - approved but not contracted for                      | 24,517         | 17,852         | -              | -              |
| Land lease payments<br>for foreign development project | 435,456        | 397,040        | -              | -              |
| Group's share of a joint<br>venture's commitment       |                |                |                |                |
| - land use rights fee                                  | 10,625         | 9,921          | -              | -              |
| - land rental  | 4,566          | 3,798          | -              | -              |
| Proposed share subscription<br>in an investee company  | 13,975         | 13,975         | -              | -              |
|  | <b>509,952</b> | <b>481,043</b> | <b>-</b>       | <b>-</b>       |

## NOTES TO THE FINANCIAL STATEMENTS

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### 40 COMMITMENTS (CONT'D)

#### (b) Non-Cancellable Operating Lease Commitments - Group and Company as Lessees

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Future minimum rental payable:                  |                |                |                |                |
| Not later than 1 year                           | 38,494         | 32,993         | 1,204          | 1,151          |
| Later than 1 year and<br>not later than 5 years | 102,068        | 87,028         | 27             | -              |
| More than 5 years                               | 357,166        | 263,039        | -              | -              |
|   | <u>497,728</u> | <u>383,060</u> | <u>1,231</u>   | <u>1,151</u>   |

The Group and the Company entered into operating leases which represent rental payable for the use of land and buildings, vehicles and plant and equipment. Leases are negotiated for a period of between 1 and 70 years and rentals fixed for between 1 and 70 years.

A foreign subsidiary company has entered into land lease contracts for operating lease terms of 100 years. These leases are non-cancellable upon the foreign subsidiary company obtaining property development approval from the foreign authorities.

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

|  | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| Future minimum rental receivable:            |                |                |
| Not later than 1 year                        | 20,605         | 22,630         |
| Later than 1 year and not later than 5 years | 18,742         | 16,573         |
| More than 5 years                            | 6,854          | -              |
|  | <u>46,201</u>  | <u>39,203</u>  |

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial and office space.

A foreign subsidiary company has entered into a lease for provision of online lottery equipment for a stipulated period. Revenue from the leasing of lottery equipment is recognised based on certain percentage of the gross receipts from the lottery ticket sales of the lottery operator subject to an annual minimum fee as prescribed in the lease agreement. The lease income is recognised as revenue during the financial year as disclosed in Note 29.

**41 MATERIAL LITIGATION**

On 6 November 2015, the Company announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), has instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for breach of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") and to claim for losses and damages as a result thereof ("JDC Lawsuit"). The Land SPA entered into between BJR and JDC is in relation to the acquisition by BJR from JDC of certain parcels of land for a proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea ("Jeju Project"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the land to BJR, free from all liens, security interests and encumbrances. However, on 20 March 2015 the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation by JDC of certain parcels of lands which were then subsequently sold to BJR pursuant to the Land SPA was invalid. JDC breached the terms of the Land SPA as it had failed to transfer good and unencumbered title to the said lands to BJR. A consequence of the Korean Supreme Court decision is that certain former owners of the said lands had filed a suit demanding that the said lands be returned to them. Under the circumstances, the on-going development works on the Jeju Project has been suspended pending the resolution of this matter by JDC with the affected landowners.

Pursuant to the financing arrangement for Phase 1 of the Jeju Project and following the suspension of the development work thereon, JDC was obligated to and repurchased part of the lands (under Phases 2 to 9) for KRW107.0 billion (or equivalent to approximately RM374.5 million) and the cash proceeds were used to fully settle the loan outstanding with the financiers, and to partially settle the Phase 1 construction costs due and owing to the main contractor.

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. The JDC Lawsuit is still on-going. Based on the legal opinion obtained from its lawyers, BJR believes that the outcome of the JDC Lawsuit will be in its favour.

**42 SIGNIFICANT RELATED PARTY DISCLOSURES**

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Repayment from:  |      |                |                |                |                |
| - subsidiary companies                                   |      | -              | -              | 400,533        | 394,332        |
| (Advances to)/Repayment from:                            |      |                |                |                |                |
| - subsidiary companies                                   |      | -              | -              | (411,458)      | (441,416)      |
| - joint ventures   | b    | 10,962         | (7,979)        | -              | -              |
| - related companies                                      | a    | 86,099         | 3,124          | -              | -              |
| Rental of premises and related services receivable from: |      |                |                |                |                |
| - Singer (Malaysia) Sdn Bhd                              | c    | (485)          | (485)          | -              | -              |
| - Inter-Pacific Securities Sdn Bhd                       | a    | (1,079)        | (1,066)        | -              | -              |
| - Berjaya Higher Education Sdn Bhd                       | a    | (2,947)        | (2,763)        | -              | -              |

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### 42 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Rental of premises and related services receivable from:                                       |      |                |                |                |                |
| - Sun Media Corporation Sdn Bhd  | d    | (573)          | (568)          | -              | -              |
| - Tai Thong Group Sdn Bhd  | e    | (1,429)        | (1,348)        | -              | -              |
| - 7-Eleven Malaysia Sdn Bhd  | c    | (2,234)        | (2,139)        | -              | -              |
| - Berjaya Starbucks Coffee Company Sdn Bhd   | a    | (1,157)        | (321)          | -              | -              |
| - U Mobile Sdn Bhd ("UMSB")  | c    | (1,865)        | (1,833)        | -              | -              |
| - Songbird Amusement Sdn Bhd   | f    | (315)          | (306)          | -              | -              |
| - BerjayaCity Sdn Bhd  | a    | (216)          | (301)          | -              | -              |
| - Berjaya Assets Food (BAF) Sdn Bhd ("BAF")  | g    | (356)          | -              | -              | -              |
| Supply of computerised lottery systems and related services to Natural Avenue Sdn Bhd ("NASB") | g    | (560)          | (500)          | -              | -              |
| Provision of guard services to BerjayaCity Sdn Bhd   | a    | (611)          | (1,612)        | -              | -              |
| Aircraft leasing charges receivable from Cosway (M) Sdn Bhd                                    | a    | (960)          | (960)          | -              | -              |
| Rental of premises payable to Berjaya Times Square Sdn Bhd ("BTSSB")                           | g    | 712            | 716            | 379            | 379            |
| Rental of premises payable to Ambilan Imej Sdn Bhd   | a    | 3,627          | 3,541          | -              | -              |
| Rental of premises payable to Berjaya Sompo Insurance Berhad                                   | i    | 561            | 561            | -              | -              |
| Share registration services rendered by Berjaya Registration Services Sdn Bhd                  | a    | 889            | 544            | 71             | 57             |
| Advertising and publishing services charged by Sun Media Corporation Sdn Bhd                   | d    | 1,206          | 1,594          | 37             | -              |
| Purchase of consumables from Graphic Press Group Sdn Bhd                                       | a    | 14,465         | 14,996         | -              | -              |

42 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Information technology consultancy and management related services as well as purchase of hardware, software, network equipment from Qinetics Solutions Sdn Bhd and Qinetics Services Sdn Bhd | h    | 3,189          | 4,918          | 1,366          | 1,720          |

Nature of Relationships

- (a) Related companies/member companies of BCorp Group other than subsidiary companies of the Company.
- (b) Joint ventures of the Group as disclosed in Note 9.
- (c) A company in which Tan Sri Dato' Seri Vincent Tan Chee YOUNG ("Tan Sri Vincent Tan") has interests.
- (d) A subsidiary company of Berjaya Media Berhad ("BMedia"). The Group and related companies of BCorp Group have interests in BMedia. Tan Sri Vincent Tan is a substantial shareholder of BMedia and his brother Tan Sri Dato' Tan Chee Sing ("TSDT") also has interest in BMedia. Tan Sri Vincent Tan is the father of Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, Directors of the Company. TSDT is the father of Dato' Dickson Tan Yong Loong ("DDT"), a Director of the Company.
- (e) Wholly owned subsidiary company of Tai Thong Holdings Sdn Bhd which in turn is a wholly-owned subsidiary company of Diversified Kinetic Sdn Bhd. TSDT and DDT are major shareholders of Diversified Kinetic Sdn Bhd.
- (f) A company in which a person connected with Tan Sri Vincent Tan has interest.
- (g) BTSSB and BAF are wholly owned subsidiary companies of BAssets whilst NASB is effectively 65%-owned by BAssets. Tan Sri Vincent Tan is a substantial shareholder of BAssets whilst TSDT has interests in BAssets.
- (h) Subsidiary companies of MOL.com Sdn Bhd ("MOL"). Tan Sri Vincent Tan and the related companies of BCorp Group are substantial shareholders of MOL.
- (i) Associated company of BCorp Group.

All transactions have been fully settled as at 30 April 2016 except for those disclosed in Notes 14 and 26.

Certain professional fees amounting to RM7,542,000 (2015 : RM6,510,000) were incurred by a foreign subsidiary company for management and consultancy services contracted with a corporate entity, of which the Chief Executive Officer of the foreign subsidiary company has an interest.

All other significant intercompany transactions have been disclosed in Notes 29, 31, 32, 33 and 34 and in the statements of cash flows.

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

|                          | Group          |                | Company        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| Short-term benefits      | 28,201         | 35,367         | 1,295          | 1,430          |
| Post-employment benefits | 2,870          | 3,991          | 126            | 145            |
|                          | <u>31,071</u>  | <u>39,358</u>  | <u>1,421</u>   | <u>1,575</u>   |

## NOTES TO THE FINANCIAL STATEMENTS

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### 43 SEGMENTAL INFORMATION

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

- (i) toto betting and related activities - toto betting operations under Section 5 of the Pool Betting Act and leasing of online lottery equipment;
- (ii) motor vehicle dealership - motor vehicle retailer, repairs and maintenance and provider of related aftersales services;
- (iii) property development and property investment - development of residential and commercial properties and operations and letting of properties;
- (iv) hotels and resorts - management and operations of hotels and resorts; and
- (v) club, recreation and others - operations of recreational clubs, vacation time share and air charter business.

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

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

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

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

43 SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments:

| Revenue   | 2016               |                             |                  | 2015               |                             |                  |
|---|--------------------|-----------------------------|------------------|--------------------|-----------------------------|------------------|
|   | External<br>RM'000 | Inter-<br>segment<br>RM'000 | Total<br>RM'000  | External<br>RM'000 | Inter-<br>segment<br>RM'000 | Total<br>RM'000  |
| Toto betting and related activities             | 3,363,835          | -                           | 3,363,835        | 3,371,576          | -                           | 3,371,576        |
| Motor vehicle dealership                        | 2,177,530          | -                           | 2,177,530        | 1,891,923          | -                           | 1,891,923        |
| Property development<br>and property investment | 380,132            | 8,443                       | 388,575          | 283,023            | 8,090                       | 291,113          |
| Hotels and resorts                              | 281,200            | 1,897                       | 283,097          | 279,420            | 2,219                       | 281,639          |
| Club, recreation and others                     | 81,300             | 21,095                      | 102,395          | 84,221             | 27,277                      | 111,498          |
| Inter-segment eliminations                      | -                  | (31,435)                    | (31,435)         | -                  | (37,586)                    | (37,586)         |
|   | <u>6,283,997</u>   | <u>-</u>                    | <u>6,283,997</u> | <u>5,910,163</u>   | <u>-</u>                    | <u>5,910,163</u> |

Inter-segment revenue are eliminated on consolidation.

Results

|  | 2016<br>RM'000   | 2015<br>RM'000   |
|--|------------------|------------------|
| Toto betting and related activities            | 497,296          | 564,966          |
| Motor vehicle dealership                       | 19,382           | 27,275           |
| Property development and property investment   | 40,065           | 8,350            |
| Hotels and resorts                             | 21,630           | 28,216           |
| Club, recreation and others                    | (28,876)         | (50,218)         |
| Segment results                                | <u>549,497</u>   | <u>578,589</u>   |
| Unallocated corporate income/(expenses)        | <u>2,463</u>     | <u>(20,449)</u>  |
|  | <u>551,960</u>   | <u>558,140</u>   |
| Investment related income (Note 31)            |                  |                  |
| - toto betting and related activities          | 21,587           | 40,454           |
| - property development and property investment | 163,498          | 44,539           |
| - hotels and resorts                           | 3,005            | 8,654            |
| - club, recreation and others                  | 47,461           | 3,771            |
| - unallocated                                  | 29,734           | 30,658           |
|  | <u>265,285</u>   | <u>128,076</u>   |
| Investment related expenses (Note 32)          |                  |                  |
| - toto betting and related activities          | (383,083)        | (380,888)        |
| - property development and property investment | (134,117)        | (27,844)         |
| - hotels and resorts                           | (1,225)          | -                |
| - club, recreation and others                  | (16,266)         | (20,608)         |
| - unallocated                                  | (34,910)         | (29,699)         |
|  | <u>(569,601)</u> | <u>(459,039)</u> |
| Finance costs                                  | 247,644          | 227,177          |
| Share of results of associated companies       | (204,437)        | (189,719)        |
| Share of results of joint ventures             | (16,673)         | 10,011           |
| Profit before tax                              | <u>(17,573)</u>  | <u>(22,193)</u>  |
| Taxation                                       | 8,961            | 25,276           |
| Loss for the year                              | <u>(173,985)</u> | <u>(187,104)</u> |
| Non-controlling interests                      | (165,024)        | (161,828)        |
| Loss attributable to owners of the Parent      | <u>(105,613)</u> | <u>(221,132)</u> |
|  | <u>(270,637)</u> | <u>(382,960)</u> |

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## 43 SEGMENTAL INFORMATION (CONT'D)

### (a) Business Segments (Cont'd):

| Assets and Liabilities                       | 2016             |                       | 2015             |                       |
|--|------------------|-----------------------|------------------|-----------------------|
|  | Assets<br>RM'000 | Liabilities<br>RM'000 | Assets<br>RM'000 | Liabilities<br>RM'000 |
| Toto betting and related activities          | 5,140,150        | 315,053               | 5,412,596        | 292,975               |
| Motor vehicle dealership                     | 864,858          | 607,508               | 680,992          | 460,700               |
| Property development and property investment | 3,804,462        | 1,468,859             | 4,802,726        | 897,488               |
| Hotels and resorts                           | 1,437,495        | 413,083               | 1,321,937        | 396,366               |
| Club, recreation and others                  | 1,030,828        | 675,630               | 1,105,968        | 571,852               |
| Inter-segment eliminations                   | (875,912)        | (920,987)             | (884,132)        | (924,618)             |
| Segment assets/liabilities                   | 11,401,881       | 2,559,146             | 12,440,087       | 1,694,763             |
| Investment in associated companies           | 484,462          | -                     | 378,015          | -                     |
| Investment in joint ventures                 | 45,310           | -                     | 44,812           | -                     |
| Assets classified as held for sale           | 979,782          | -                     | 58,009           | -                     |
| Unallocated corporate assets/liabilities     | 1,507,597        | 3,841,892             | 1,250,207        | 4,259,682             |
| Consolidated assets/liabilities              | 14,419,032       | 6,401,038             | 14,171,130       | 5,954,445             |

Inter-segment assets and liabilities are eliminated on consolidation.

| Other Information           | 2016                          |   |                                   | 2015                          |   |                                   |
|-----------------------------|-------------------------------|---|-----------------------------------|-------------------------------|---|-----------------------------------|
|                             | Capital expenditure<br>RM'000 | Depreciation/<br>Amortisation<br>RM'000 | Other non-cash expenses<br>RM'000 | Capital expenditure<br>RM'000 | Depreciation/<br>Amortisation<br>RM'000 | Other non-cash expenses<br>RM'000 |
| Toto betting                |                               |   |                                   |                               |   |                                   |
| and related activities      | 12,928                        | 45,985                                  | 2,816                             | 5,877                         | 21,699                                  | 4,948                             |
| Motor vehicle dealership    | 64,066                        | 14,256                                  | 939                               | 23,791                        | 10,864                                  | 5,446                             |
| Property development        |                               |   |                                   |                               |   |                                   |
| and property investment     | 58,804                        | 3,564                                   | 1,064                             | 249,380                       | 3,380                                   | 3,314                             |
| Hotels and resorts          | 13,442                        | 37,620                                  | 563                               | 65,056                        | 35,713                                  | 389                               |
| Club, recreation and others | 4,043                         | 26,224                                  | 19,820                            | 5,348                         | 25,421                                  | 21,582                            |
| Unallocated                 | 1,300                         | 2,064                                   | 19,085                            | 866                           | 1,864                                   | 13,900                            |
|                             | 154,583                       | 129,713                                 | 44,287                            | 350,318                       | 98,941                                  | 49,579                            |

Capital expenditure consists of additions to property, plant and equipment as disclosed in Note 3.

### Impairment Losses

|  | 2016<br>RM'000 | 2015<br>RM'000 |
|--|----------------|----------------|
| Toto betting and related activities          | 381,326        | 380,888        |
| Property development and property investment | 132,214        | 27,844         |
| Hotels and resorts                           | 1,225          | -              |
| Club, recreation and others                  | 16,266         | 20,608         |
| Unallocated                                  | 34,910         | 23,167         |
|  | 565,941        | 452,507        |

### (b) Geographical Locations:

|                  | 2016              |                          |                               | 2015              |                          |                               |
|------------------|-------------------|--------------------------|-------------------------------|-------------------|--------------------------|-------------------------------|
|                  | Revenue<br>RM'000 | Segment assets<br>RM'000 | Capital expenditure<br>RM'000 | Revenue<br>RM'000 | Segment assets<br>RM'000 | Capital expenditure<br>RM'000 |
| Malaysia         | 3,827,927         | 8,364,893                | 92,207                        | 3,800,423         | 8,663,393                | 40,841                        |
| Outside Malaysia | 2,456,070         | 3,036,988                | 62,376                        | 2,109,740         | 3,776,694                | 309,477                       |
|                  | 6,283,997         | 11,401,881               | 154,583                       | 5,910,163         | 12,440,087               | 350,318                       |

The Group operates principally in Malaysia. Outside Malaysia mainly comprises the Republic of Seychelles, United Kingdom, the Republic of Korea, Sri Lanka, the People's Republic of China, the Philippines, the Socialist Republic of Vietnam, Japan and United States of America.

**44 FAIR VALUE MEASUREMENT**

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Investment Properties

| <b>Group<br/>2016</b> | <b>Level 1<br/>RM'000</b> | <b>Level 2<br/>RM'000</b> | <b>Level 3<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|-----------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Commercial properties | -                         | 34,320                    | 530,335                   | 564,655                 |
| Other properties      | -                         | 37,283                    | 19,965                    | 57,248                  |
|                       | -                         | 71,603                    | 550,300                   | 621,903                 |
| <b>2015</b>           |                           |                           |                           |                         |
| Commercial properties | -                         | 33,470                    | 519,960                   | 553,430                 |
| Other properties      | -                         | 34,373                    | 19,955                    | 54,328                  |
|                       | -                         | 67,843                    | 539,915                   | 607,758                 |

- (ii) Description of valuation techniques used and key inputs to valuation on non financial assets

Comparison method

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

Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, range generally between 78% and -15% (2015 : 21% and -22%) of the respective properties' fair value. Larger properties of the Group which are owned en-bloc may contain adjustment factors outside this range.

## NOTES TO THE FINANCIAL STATEMENTS

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### 44 FAIR VALUE MEASUREMENT (CONT'D)

#### (a) Non financial assets that are measured at fair value (Cont'd)

##### (ii) Description of valuation techniques used and key inputs to valuation on non financial assets (cont'd)

###### Comparison/Depreciable Replacement Cost Method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in the surrounding vicinity with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction and profits. Appropriate adjustments are then made for the factors of age, obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

The significant unobservable inputs for this category of assets are the land and replacement cost per square feet which ranges from RM70 to RM7,161 per square feet (2015 : RM70 to RM9,770 per square feet), and the depreciation rate of 2% (2015 : 2%).

###### Sensitivity analysis

The increase in the price per square feet of comparable properties in the surrounding vicinity will result in an increase of fair value of these properties.

##### (iii) Fair value reconciliation of non financial assets measured at Level 3

| <u>Investment Properties</u>                             | Group          |                |
|--|----------------|----------------|
|  | 2016<br>RM'000 | 2015<br>RM'000 |
| At 1 May 2015/2014                                       | 539,915        | 580,841        |
| Additions during the year                                | -              | 30             |
| Transfer to assets classified as held for sale (Note 18) | -              | (25,750)       |
| Net fair value adjustments                               | 10,385         | (15,206)       |
| At 30 April 2016/2015                                    | <u>550,300</u> | <u>539,915</u> |

44 FAIR VALUE MEASUREMENT (CONT'D)

(b) Non financial assets that are disclosed at fair value

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

|                             | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 |
|-----------------------------|-------------------|-------------------|-------------------|-----------------|
| <b>2016</b>                 |                   |                   |                   |                 |
| <u>Subsidiary companies</u> |                   |                   |                   |                 |
| Company                     | 592,114           | -                 | -                 | 592,114         |
| <u>Associated companies</u> |                   |                   |                   |                 |
| Group                       | 140,912           | -                 | -                 | 140,912         |
| Company                     | 26,279            | -                 | -                 | 26,279          |
| <b>2015</b>                 |                   |                   |                   |                 |
| <u>Subsidiary companies</u> |                   |                   |                   |                 |
| Company                     | 630,461           | -                 | -                 | 630,461         |
| <u>Associated companies</u> |                   |                   |                   |                 |
| Group                       | 178,533           | -                 | -                 | 178,533         |
| Company                     | 27,609            | -                 | -                 | 27,609          |

(c) Financial instruments that are measured at fair value

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

|  | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 | Total<br>RM'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| <b>2016</b>                                      |                   |                   |                   |                 |
| <u>Financial assets - Investments</u>            |                   |                   |                   |                 |
| Group  | 81,919            | -                 | -                 | 81,919          |
| Company  | 1,450             | -                 | -                 | 1,450           |
| <u>Financial assets - Short term investments</u> |                   |                   |                   |                 |
| Group  | 9,302             | -                 | -                 | 9,302           |
| <b>2015</b>                                      |                   |                   |                   |                 |
| <u>Financial assets - Investments</u>            |                   |                   |                   |                 |
| Group  | 147,187           | -                 | -                 | 147,187         |
| Company  | 2,901             | -                 | -                 | 2,901           |
| <u>Financial assets - Short term investments</u> |                   |                   |                   |                 |
| Group  | 3,087             | -                 | -                 | 3,087           |

## NOTES TO THE FINANCIAL STATEMENTS

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### 45 FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 2.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

|  | Note | Group            |                  | Company          |                  |
|--|------|------------------|------------------|------------------|------------------|
|  |      | 2016<br>RM'000   | 2015<br>RM'000   | 2016<br>RM'000   | 2015<br>RM'000   |
| <b><u>Financial assets</u></b>           |      |                  |                  |                  |                  |
| <u>Available-for-sale</u>                |      |                  |                  |                  |                  |
| Investments                              | 10   | 86,165           | 151,038          | 5,958            | 5,958            |
| <u>Loans and receivables</u>             |      |                  |                  |                  |                  |
| Receivables                              | 14   | 1,339,765        | 976,621          | 2,647,659        | 2,213,603        |
| Deposits                                 | 16   | 529,328          | 477,064          | 26,082           | 43,308           |
| Cash and bank balances                   | 17   | 1,124,390        | 605,010          | 7,509            | 8,409            |
|  |      | <u>2,993,483</u> | <u>2,058,695</u> | <u>2,681,250</u> | <u>2,265,320</u> |
| <u>Fair value through profit or loss</u> |      |                  |                  |                  |                  |
| Investments                              | 10   | 6,859            | 13,718           | 1,450            | 2,901            |
| Short term investments                   | 15   | 9,302            | 3,087            | -                | -                |
|  |      | <u>16,161</u>    | <u>16,805</u>    | <u>1,450</u>     | <u>2,901</u>     |
| Total financial assets                   |      | <u>3,095,809</u> | <u>2,226,538</u> | <u>2,688,658</u> | <u>2,274,179</u> |
| <b><u>Financial liabilities</u></b>      |      |                  |                  |                  |                  |
| <u>Other financial liabilities</u>       |      |                  |                  |                  |                  |
| Long term borrowings                     | 22   | 2,859,025        | 3,238,987        | 1,022,970        | 1,134,674        |
| Long term liabilities                    | 23   | 28,200           | 46,591           | -                | -                |
| Payables                                 | 26   | 2,203,747        | 1,302,882        | 995,609          | 695,259          |
| Short term borrowings                    | 27   | 933,385          | 1,034,232        | 216,137          | 215,075          |
| Total financial liabilities              |      | <u>6,024,357</u> | <u>5,622,692</u> | <u>2,234,716</u> | <u>2,045,008</u> |

45 FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values

(i) Financial instruments that are measured at fair value

Information of financial instruments of the Group and of the Company that are measured at fair value as disclosed in Note 44.

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

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

|                        | Note |
|------------------------|------|
| Receivables            | 14   |
| Deposits               | 16   |
| Cash and bank balances | 17   |
| Payables               | 26   |
| Short term borrowings  | 27   |
| Long term borrowings   | 22   |
| Long term liabilities  | 23   |

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

The fair values of financial guarantees are determined based on the probability weighted discounted cash flows method. The probability has been estimated and assigned for the following key assumptions:

- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- the estimated loss exposure if the party guaranteed was to default.

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

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### 45 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Fair values (Cont'd)

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

|  | 2016<br>RM'000<br>Carrying<br>Amount | 2016<br>RM'000<br>Fair<br>Value | 2015<br>RM'000<br>Carrying<br>Amount | 2015<br>RM'000<br>Fair<br>Value |
|--|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| <b><u>Financial assets</u></b>               |                                      |                                 |                                      |                                 |
| Investments<br>- unquoted shares in Malaysia |                                      |                                 |                                      |                                 |
| <b>Group</b>                                 | 11,105                               | *                               | 17,569                               | *                               |
| <b>Company</b>                               | 5,958                                | *                               | 5,958                                | *                               |

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

### 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

#### (a) Market risk

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

##### (i) Interest Rate Risk

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

Interest rate exposure of the Group arises mainly from the Group's interest bearing borrowings and deposits. Deposits are generally short term in nature and are mostly short term deposits with licensed banks and other financial institutions.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio to mitigate the impact of interest rate risk. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2015 : less than 6 months) from the reporting date.

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(i) Interest Rate Risk (Cont'd)

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

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

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2016<br>RM'000 | 2015<br>RM'000 | 2016<br>RM'000 | 2015<br>RM'000 |
| <u>Fixed rate instruments</u>    |                |                |                |                |
| Financial assets                 | 529,328        | 477,064        | 26,082         | 43,308         |
| Financial liabilities            | 1,742,064      | 1,549,009      | 649,724        | 649,320        |
| <u>Floating rate instruments</u> |                |                |                |                |
| Financial assets                 | 640,410        | 585,111        | 1,118,844      | 749,226        |
| Financial liabilities            | 2,159,117      | 2,744,978      | 1,534,327      | 1,108,471      |

Fair value sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit before tax of the Group and of the Company to be lower/higher by RM3,797,000 and RM1,039,000 (2015: RM5,399,000 and RM898,000) respectively, assuming that all other variables remain constant.

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## 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Market risk (Cont'd)

#### (ii) Foreign Currency Risk

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

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, Euro, Seychelles Rupees, Singapore Dollar, Chinese Renminbi, Vietnam Dong, Thai Baht, Great Britain Pound, Korean Won, Philippine Peso, Hong Kong Dollar and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

The unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

#### Financial Assets/Liabilities Held in Non-Functional Currencies

| Functional Currency of Group Companies     | Thai Baht RM'000 | Euro RM'000  | United States Dollar RM'000 | Singapore Dollar RM'000 | Chinese Renminbi RM'000 | Total RM'000   |
|--|------------------|--------------|-----------------------------|-------------------------|-------------------------|----------------|
| <u>Receivables</u>                         |                  |              |                             |                         |                         |                |
| Ringgit Malaysia                           | 64,888           | 285          | 336,441                     | 921                     | -                       | 402,535        |
| Seychelles Rupees                          | -                | 627          | 2,150                       | -                       | -                       | 2,777          |
| At 30 April 2016                           | <u>64,888</u>    | <u>912</u>   | <u>338,591</u>              | <u>921</u>              | <u>-</u>                | <u>405,312</u> |
| Ringgit Malaysia                           | 94,935           | -            | 316,781                     | 872                     | -                       | 412,588        |
| Seychelles Rupees                          | -                | 864          | 344                         | -                       | -                       | 1,208          |
| At 30 April 2015                           | <u>94,935</u>    | <u>864</u>   | <u>317,125</u>              | <u>872</u>              | <u>-</u>                | <u>413,796</u> |
| <u>Cash and bank balances and deposits</u> |                  |              |                             |                         |                         |                |
| Chinese Renminbi                           | -                | -            | 653                         | -                       | -                       | 653            |
| Seychelles Rupees                          | -                | 1,478        | 1,791                       | -                       | -                       | 3,269          |
| Korean Won                                 | -                | -            | 1                           | -                       | -                       | 1              |
| Vietnam Dong                               | -                | -            | 121                         | -                       | -                       | 121            |
| Ringgit Malaysia                           | -                | -            | 17,080                      | 22                      | 124,483                 | 141,585        |
| At 30 April 2016                           | <u>-</u>         | <u>1,478</u> | <u>19,646</u>               | <u>22</u>               | <u>124,483</u>          | <u>145,629</u> |
| Chinese Renminbi                           | -                | 7            | 11,951                      | -                       | -                       | 11,958         |
| Seychelles Rupees                          | -                | 1,627        | 1,860                       | -                       | -                       | 3,487          |
| Korean Won                                 | -                | -            | 1                           | -                       | -                       | 1              |
| Vietnam Dong                               | -                | -            | 103                         | -                       | -                       | 103            |
| Singapore Dollar                           | -                | -            | 5                           | -                       | -                       | 5              |
| Ringgit Malaysia                           | -                | 2            | 29,967                      | 714                     | 118,184                 | 148,867        |
| At 30 April 2015                           | <u>-</u>         | <u>1,636</u> | <u>43,887</u>               | <u>714</u>              | <u>118,184</u>          | <u>164,421</u> |
| <u>Payables</u>                            |                  |              |                             |                         |                         |                |
| Ringgit Malaysia                           | -                | 1            | 680                         | 20                      | -                       | 701            |
| Vietnam Dong                               | -                | -            | 7,764                       | -                       | -                       | 7,764          |
| Seychelles Rupees                          | -                | 17           | 609                         | -                       | -                       | 626            |
| At 30 April 2016                           | <u>-</u>         | <u>18</u>    | <u>9,053</u>                | <u>20</u>               | <u>-</u>                | <u>9,091</u>   |

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(ii) Foreign Currency Risk (Cont'd)

Financial Assets/Liabilities Held in Non-Functional Currencies

| Functional Currency of Group Companies | Thai Baht RM'000 | Euro RM'000 | United States Dollar RM'000 | Singapore Dollar RM'000 | Chinese Renminbi RM'000 | Total RM'000 |
|--|------------------|-------------|-----------------------------|-------------------------|-------------------------|--------------|
| <u>Payables</u>                        |                  |             |                             |                         |                         |              |
| Ringgit Malaysia                       | -                | 2           | 2,573                       | -                       | -                       | 2,575        |
| Vietnam Dong                           | -                | -           | 1,246                       | -                       | -                       | 1,246        |
| Japanese Yen                           | -                | -           | -                           | 1,452                   | -                       | 1,452        |
| Seychelles Rupees                      | -                | 34          | 3                           | -                       | -                       | 37           |
| At 30 April 2015                       | -                | 36          | 3,822                       | 1,452                   | -                       | 5,310        |
| <u>Borrowings</u>                      |                  |             |                             |                         |                         |              |
| At 30 April 2016                       |                  |             |                             |                         |                         |              |
| Ringgit Malaysia                       | -                | -           | 359,200                     | 51,990                  | -                       | 411,190      |
| Ringgit Malaysia                       | -                | -           | 320,216                     | 84,886                  | -                       | 405,102      |
| Chinese Renminbi                       | -                | -           | 17,608                      | -                       | -                       | 17,608       |
| At 30 April 2015                       | -                | -           | 337,824                     | 84,886                  | -                       | 422,710      |

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, EUR, SCR, SGD, RMB and THB exchange rates against the respective major functional currencies of the Group entities, with all other variables remaining constant:

| Group   |                                 | 2016 RM'000 | 2015 RM'000 |
|---|---------------------------------|-------------|-------------|
| <u>Increase/(decrease) to profit before tax</u> |                                 |             |             |
| USD/RM  | - strengthened 21% (2015 : 11%) | (1,335)     | 2,635       |
|   | - weakened 21% (2015 : 11%)     | 1,335       | (2,635)     |
| USD/SCR   | - strengthened 9% (2015 : 4%)   | 300         | 88          |
|   | - weakened 9% (2015 : 4%)       | (300)       | (88)        |
| USD/RMB   | - Nil (2015 : strengthened 2%)  | -           | (113)       |
|   | - Nil (2015 : weakened 2%)      | -           | 113         |
| EUR/SCR   | - strengthened 10% (2015 : 8%)  | 209         | 197         |
|   | - weakened 10% (2015 : 8%)      | (209)       | (197)       |
| SGD/RM  | - strengthened 14% (2015 : 3%)  | (7,149)     | (2,499)     |
|   | - weakened 14% (2015 : 3%)      | 7,149       | 2,499       |
| RMB/RM  | - strengthened 18% (2015 : 5%)  | 22,407      | 5,909       |
|   | - weakened 18% (2015 : 5%)      | (22,407)    | (5,909)     |
| THB/RM  | - strengthened 20% (2015 : 10%) | 12,978      | 9,494       |
|   | - weakened 20% (2015 : 10%)     | (12,978)    | (9,494)     |
| EUR/RM  | - strengthened 20% (2015 : 5%)  | 57          | -           |
|   | - weakened 20% (2015 : 5%)      | (57)        | -           |

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

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### 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (a) Market risk (Cont'd)

##### (iii) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of quoted investments.

The Group is exposed to market price risk arising from its investments in quoted instruments. The quoted instruments in Malaysia are listed on Bursa Securities and other foreign stock exchanges. These instruments are designated as available-for-sale or fair value through profit or loss financial assets. The Group does not have exposure to commodity price risk. To manage its market price risk arising from investments in quoted instruments, the Group diversifies and manages its portfolio in accordance with established guidelines and policies.

##### Sensitivity analysis for market price risk

At the reporting date, if the index of the stock exchange had been 1% higher/lower, with all other variables held constant, the Group's profit before tax would have been RM69,000 (2015 : RM137,000) higher/lower, arising as a result of higher/lower fair value gains on fair value through profit or loss equity investments. The Group's available-for-sale reserve would have been RM721,000 (2015 : RM1,307,000) higher/lower, arising as a result of an increase/decrease of 1% in the fair value of equity instruments designated as available-for-sale.

#### (b) Liquidity Risk

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

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

##### Analysis of undiscounted financial instruments by remaining contractual maturities

| <b>Financial liabilities<br/>Group</b>         | <b>On demand<br/>or within<br/>one year<br/>RM'000</b> | <b>Two to five<br/>years<br/>RM'000</b> | <b>Over five<br/>years<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--|---|---------------------------------------|-------------------------|
| <b>2016</b>                                    |  |   |                                       |                         |
| Trade and other payables                       | 2,203,747  | -                                       | -                                     | 2,203,747               |
| Hire purchase and<br>finance lease liabilities | 12,635   | 83,299                                  | -                                     | 95,934                  |
| Loans and borrowings                           | 1,079,575  | 2,772,420                               | 402,917                               | 4,254,912               |
|  | <u>3,295,957</u>                                       | <u>2,855,719</u>                        | <u>402,917</u>                        | <u>6,554,593</u>        |

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Analysis of undiscounted financial instruments by remaining contractual maturities (Cont'd)

| Financial liabilities Group                 | On demand or within one year RM'000 | Two to five years RM'000 | Over five years RM'000 | Total RM'000     |
|---|-------------------------------------|--------------------------|------------------------|------------------|
| <b>2015</b>                                 |                                     |                          |                        |                  |
| Trade and other payables                    | 1,302,882                           | -                        | -                      | 1,302,882        |
| Hire purchase and finance lease liabilities | 11,323                              | 85,629                   | -                      | 96,952           |
| Loans and borrowings                        | 1,220,063                           | 3,299,031                | 220,767                | 4,739,861        |
|   | <u>2,534,268</u>                    | <u>3,384,660</u>         | <u>220,767</u>         | <u>6,139,695</u> |
| <b>Company</b>                              |                                     |                          |                        |                  |
| <b>2016</b>                                 |                                     |                          |                        |                  |
| Other payables                              | 995,609                             | -                        | -                      | 995,609          |
| Hire purchase and finance lease liabilities | 759                                 | 1,070                    | -                      | 1,829            |
| Loans and borrowings                        | 283,812                             | 1,019,384                | 118,649                | 1,421,845        |
|   | <u>1,280,180</u>                    | <u>1,020,454</u>         | <u>118,649</u>         | <u>2,419,283</u> |
| <b>2015</b>                                 |                                     |                          |                        |                  |
| Other payables                              | 695,259                             | -                        | -                      | 695,259          |
| Hire purchase and finance lease liabilities | 669                                 | 1,127                    | 85                     | 1,881            |
| Loans and borrowings                        | 287,211                             | 1,147,471                | 150,958                | 1,585,640        |
|   | <u>983,139</u>                      | <u>1,148,598</u>         | <u>151,043</u>         | <u>2,282,780</u> |

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's association to business partners with high creditworthiness. Trade and other receivables are monitored on an ongoing basis via Group management reporting procedures to reduce the Group's exposure to bad debts.

Exposure to credit risk

At reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets recorded on the statements of financial position. The major classes of the Group's and the Company's financial assets are trade and other receivables including amounts owing by joint ventures, associated, related and subsidiary companies.

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### 46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (c) Credit Risk (Cont'd)

##### Credit risk concentration profile of trade receivables

The Group determines concentrations of credit risk by monitoring the business segment profile of its trade receivables as follows:

| Group   | 2016           |            | 2015           |            |
|---|----------------|------------|----------------|------------|
|   | RM'000         | %          | RM'000         | %          |
| Toto betting and related activities             | 39,141         | 29         | 32,666         | 26         |
| Motor vehicle dealerships                       | 46,949         | 35         | 38,123         | 30         |
| Property development<br>and property investment | 24,388         | 18         | 32,697         | 26         |
| Hotels and resorts                              | 17,039         | 12         | 14,315         | 12         |
| Club, recreation and others                     | 8,229          | 6          | 8,116          | 6          |
|   | <u>135,746</u> | <u>100</u> | <u>125,917</u> | <u>100</u> |

### 47 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The financial management function is carried out by the Group's Treasury Division. The Treasury Division manages the Group's funds and financial resources and all its loans and borrowings on a "pool basis". No changes were made in the objectives, policies or processes during the financial years ended 30 April 2016 and 2015.

The Group monitors capital using a gearing ratio, which is debt divided by total equity. The Group's total debt includes bank borrowings, medium term notes, hire purchase and finance lease obligations. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

The gearing ratios as at 30 April 2016 and 30 April 2015 were as follows:

|                       | Note | Group            |                  |
|-----------------------|------|------------------|------------------|
|                       |      | 2016<br>RM'000   | 2015<br>RM'000   |
| Short term borrowings | 27   | 933,385          | 1,034,232        |
| Long term borrowings  | 22   | 2,859,025        | 3,238,987        |
| Total debt            |      | <u>3,792,410</u> | <u>4,273,219</u> |
| Total equity          |      | <u>8,017,994</u> | <u>8,216,685</u> |
| Gearing ratio (%)     |      | <u>47</u>        | <u>52</u>        |

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

**48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 3 July 2015, the Company announced that its subsidiary companies, Gateway Benefit Sdn Bhd ("Gateway"), Immediate Capital Sdn Bhd, Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd) and Regnis Industries (Malaysia) Sdn Bhd had collectively disposed of in aggregate 211,220,823 0% 10-year irredeemable convertible unsecured loan stocks 2005/2015 of RM0.50 nominal amount each in BCorp ("BCorp ICULS"), representing their entire holdings via direct business transactions for a total cash consideration of about RM42.24 million or at RM0.20 per BCorp ICULS.
- (b) On 21 July 2015, the Company announced that it entered into a Subscription Agreement ("SA") with BCorp and Berjaya Kyoto Development (S) Pte. Ltd. ("BKDS") for the subscription by BCorp or its subsidiary of 1 new ordinary share ("Share") representing 50.0% of the enlarged issued share capital of BKDS for a cash subscription of SGD34.66 million (about RM97.28 million) which resulted in dilution of the Company's equity interest in BKDS from 100% to 50% ("BKDS Dilution").

In conjunction with the BKDS Dilution, BCorp will advance to BKDS Group up to RM152.74 million to part-settle the inter-company debts between BKDS Group and the Company as well as to fund working capital of BKDS Group in proportion to its shareholdings in BKDS.

Upon completion, BKDS ceased to be a subsidiary company of the Company.

- (c) On 17 August 2015, BToto announced that its subsidiary company, Berjaya Philippines Inc. ("BPI"), listed on the Philippine Stock Exchange ("PSE") had on even date released an announcement to PSE that its wholly-owned subsidiary company, Philippine Gaming Management Corporation ("PGMC"), has entered into a Supplemental and Status Quo Agreement with the Philippine Charity Sweepstakes Office ("PCSO") on 13 August 2015, for maintaining the status quo of PGMC's leasing of online lottery equipment and provision of software support to PCSO for a period of 3 years from 22 August 2015 to 21 August 2018.
- (d) On 6 November 2015, the Company announced that its 72.6% subsidiary, Berjaya Jeju Resort Limited ("BJR"), has instituted legal proceedings in the Republic of Korea against Jeju Free International City Development Center ("JDC") for the breach by JDC of certain terms and conditions set out in the Land Sale and Purchase Agreement dated 30 March 2009 ("Land SPA") entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea ("Jeju Project") and to claim for losses and damages incurred as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

The JDC Lawsuit is still ongoing and its details are disclosed in Note 41.

- (e) On 16 December 2015, the Company announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited, which in turn is a wholly-owned subsidiary of the Company had entered into a Construction Project Transfer Agreement ("Contract") with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean"), for the proposed disposal of the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project"), for a cash consideration of RMB2.08 billion (or about RM1.39 billion) ("Proposed Disposal").

Beijing SkyOcean has paid:

- (i) RMB50.0 million (or about RM33.4 million) to GMOC on the signing of the Contract; and
- (ii) RMB1.015 billion (or about RM677.92 million) paid into an escrow bank account. This amount shall be released to GMOC within 5 working days after all conditions precedents ("CP") have been fulfilled ("Completion Date").

## NOTES TO THE FINANCIAL STATEMENTS

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### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The balance cash consideration of RMB1.015 billion (or about RM677.92 million) will be paid within 13 months after Completion Date.

The CPs to be fulfilled within a period of 6 months (with an extension of another 3 months) are as follows:-

- (i) GMOC has obtained all the governmental approvals and that all the licences held by GMOC for the Great Mall Project have been changed to a wholly-owned subsidiary of Beijing SkyOcean;
- (ii) GMOC has terminated all the contracts with third parties in relation to the Great Mall Project, including but not limited to the general contractor contract, the construction contracts and the procurement contracts;
- (iii) The completed portion and the portion under construction of the Great Mall Project shall have passed the acceptance inspection conducted by a supervision company engaged by Beijing SkyOcean ("Mall Inspection"), or relevant remedies have been made; and
- (iv) The on-site delivery of the Great Mall Project to Beijing SkyOcean after the Great Mall Project has passed the Mall Inspection.

SkyOcean Holdings Group Limited which holds 100% stake in Beijing SkyOcean, and its major shareholder, Mr. Zhou Zheng shall guarantee the performance of the obligations by Beijing SkyOcean pursuant to the Contract.

The Proposed Disposal is pending completion.

- (f) On 20 January 2016, BToto jointly announced with BCorp that the Hanoi Department of Planning and Investment had issued the Investment Registration Certificate to BCorp and Vietnam Computerized Lottery One Member Limited Liability Company, pursuant to the Business Cooperation Contract, certifying that they have been awarded an exclusive 18-year contract to invest in and operate a nationwide computerized lottery in Vietnam ("Project").

The Project will be carried out by the indirect subsidiary company of BCorp namely Berjaya Gia Think Investment Technology Joint Stock Company ("Berjaya GTI"). Berjaya GTI is a Vietnamese company which is 51% owned by Berjaya Lottery Vietnam Limited ("BLV"), a company incorporated in Labuan, which in turn is 80% owned by BCorp and 20% owned by BToto.

- (g) On 19 July 2004, the Company announced that Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd) ("BTSB"), then a subsidiary company of Berjaya Land Development Sdn Bhd, which in turn is a wholly owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSB had proposed to acquire Sungai Tinggi Land from BerjayaCity Sdn Bhd ("BCity"), a subsidiary company of BCorp and to appoint BCity as the turnkey contractor of the new turf club.

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders respectively have been obtained for the STC Proposals.

**48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

Subsequently, on 28 June 2010, the Company announced the status of the conditions precedent ("CP") of the STC Proposals as follows:

1. Approval of the FIC for the STC Proposals was obtained on 12 October 2004.
2. Approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004.
3. Approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004.
4. Approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled.
5. The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below.
- 6a. The approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and BTSB is awaiting the decision from the Selangor State government.
- 6b. The approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a of the CP above is fulfilled.
- 6c. The approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the CP in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental agreement to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remaining outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by BTSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such other date as mutually extended.

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### 48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

Pursuant to the aforesaid Supplemental Agreement, BTSB paid a sum of RM3.0 million to extend the period for another year to fulfil the conditions precedent below:

1. renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
2. the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
  - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
  - (ii) approval from the Majlis Daerah Hulu Selangor for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
  - (iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2(i) and (ii) above are obtained.

### 49 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

- (a) On 16 May 2016, the Company announced that it had on 11 May 2016 and 13 May 2016 disposed of a total of 5,200,000 ordinary shares of RM0.10 each in BToto ("Disposed Shares") for a total cash consideration of about RM15.34 million or at an average selling price of RM2.95 per Disposed Share. The Disposed Shares represented about 0.39% equity interest in BToto.
- (b) On 7 June 2016, the Company announced that it and Gateway, had on 24 May 2016 and 6 June 2016 disposed of a total of 9,000,000 ordinary shares of RM0.10 each in BToto ("Disposed Shares") for a total cash consideration of about RM25.75 million or at an average selling price of RM2.86 per Disposed Share. The Disposed Shares represented about 0.67% equity interest in BToto.

50 COMPARATIVES

Certain comparatives figures have been adjusted, reclassified and restated to conform with the current year's presentation.

| Statement of Financial Position                | Note | As previously reported<br>RM'000 | Reclassification<br>RM'000 | As reclassified<br>RM'000 |
|--|------|----------------------------------|----------------------------|---------------------------|
| <b>Group</b>                                   |      |                                  |                            |                           |
| Long term borrowings                           | 22   | -                                | 3,238,987                  | 3,238,987                 |
| Long term liabilities                          | 23   | 2,252,255                        | (2,096,253)                | 156,002                   |
| Payables                                       | 26   | 1,392,313                        | (7,995)                    | 1,384,318                 |
| Medium term notes                              |      | 1,342,734                        | (1,342,734)                | -                         |
| Short term borrowings                          | 27   | 826,237                          | 207,995                    | 1,034,232                 |
| <b>Company</b>                                 |      |                                  |                            |                           |
| Long term borrowings                           | 22   | -                                | 1,134,674                  | 1,134,674                 |
| Long term liabilities                          | 23   | 486,940                          | (486,940)                  | -                         |
| Payables                                       | 26   | 695,866                          | (566)                      | 695,300                   |
| Medium term notes                              |      | 647,734                          | (647,734)                  | -                         |
| Short term borrowings                          | 27   | 214,509                          | 566                        | 215,075                   |
| <b>Statement of Profit or Loss</b>             |      |                                  |                            |                           |
| <b>Group</b>                                   |      |                                  |                            |                           |
| Revenue  | 29   | 5,914,875                        | (4,712)                    | 5,910,163                 |
| Cost of sales                                  |      | (4,316,860)                      | 4,712                      | (4,312,148)               |
| <b>Statement of Cash Flows</b>                 |      |                                  |                            |                           |
| <b>Group</b>                                   |      |                                  |                            |                           |
| Cash and cash equivalents restricted in usage: |      |                                  |                            |                           |
| Deposits                                       |      | 25,254                           | 49,621                     | 74,875                    |
| Cash and bank balances                         |      | 118,184                          | 70,740                     | 188,924                   |
| Closing cash and cash equivalents              |      | 915,369                          | (120,361)                  | 795,008                   |
| <b>Company</b>                                 |      |                                  |                            |                           |
| Cash and cash equivalents restricted in usage: |      |                                  |                            |                           |
| Deposits                                       |      | -                                | 36,307                     | 36,307                    |
| Cash and bank balances                         |      | -                                | 5,573                      | 5,573                     |
| Closing cash and cash equivalents              |      | 36,863                           | (41,880)                   | (5,017)                   |

## NOTES TO THE FINANCIAL STATEMENTS

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### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

| Name of Company                                   | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|---|--------------------------|--|----------------------|--------|
|   |                          |  | 2016 %               | 2015 % |
| <b>Subsidiary Companies</b>                       |                          |  |                      |        |
| <b>(a) Subsidiaries of Berjaya Land Berhad</b>    |                          |  |                      |        |
| * Alam Baiduri Sdn Bhd                            | Malaysia                 | Dormant  | 100                  | 100    |
| Amat Muhibah Sdn Bhd                              | Malaysia                 | Theme park operator and property development                       | 52.60                | 52.60  |
| * Amat Teguh Sdn Bhd                              | Malaysia                 | Property development   | 100                  | 100    |
| * AM Prestige Sdn Bhd                             | Malaysia                 | Distribution, marketing and dealing in Aston Martin motor vehicles | 100                  | 100    |
| Angsana Gemilang Sdn Bhd                          | Malaysia                 | Property investment  | 100                  | 100    |
| * Awan Suria Sdn Bhd                              | Malaysia                 | Dormant  | 100                  | 100    |
| Bahan Cendana Sdn Bhd                             | Malaysia                 | Property investment  | 100                  | 100    |
| Berjaya Air Capital (Cayman) Limited              | Cayman Islands           | Investment holding   | 100                  | 100    |
| * Berjaya Enamelware Sdn Bhd                      | Malaysia                 | Dormant  | 100                  | 100    |
| Berjaya Guard Services Sdn Bhd                    | Malaysia                 | Provision of security services                                     | 100                  | 100    |
| * Berjaya Holiday Cruise Sdn Bhd                  | Malaysia                 | Investment holding   | 86.36                | 86.36  |
| * Berjaya Hotels and Resorts (Seychelles) Limited | Republic of Seychelles   | Management and operation of hotel resorts in Seychelles            | 100                  | 100    |
| Berjaya Hotels & Resorts Vietnam Sdn Bhd          | Malaysia                 | Investment holding   | 100                  | 100    |
| Berjaya Jet Charter Sdn Bhd                       | Malaysia                 | Jet charter  | 100                  | 100    |
| Berjaya Kawat Industries Sdn Bhd                  | Malaysia                 | Property investment and rental of properties                       | 100                  | 100    |
| Berjaya Land (Labuan) Limited                     | Malaysia                 | Investment holding   | 100                  | 100    |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation | Principal Activities  | Equity Interest Held |        |
|---|--------------------------|---|----------------------|--------|
|   |                          |   | 2016 %               | 2015 % |
| <b>(a) Subsidiaries of Berjaya Land Berhad (Cont'd)</b> |                          |   |                      |        |
| a* Berjaya Kyoto Development (S) Pte Ltd                | Singapore                | Investment holding  | -                    | 100    |
| Berjaya Leasing (Labuan) Limited                        | Malaysia                 | Provision of aircraft leasing services and undertaking of offshore financial related business | 100                  | 100    |
| Berjaya Land Development Sdn Bhd                        | Malaysia                 | Property development and investment holding   | 100                  | 100    |
| Berjaya Leisure Capital (Cayman) Limited                | Cayman Islands           | Investment holding  | 100                  | 100    |
| Berjaya Leisure (Cayman) Limited                        | Cayman Islands           | Investment holding  | 100                  | 100    |
| * Berjaya Megamall Management Sdn Bhd                   | Malaysia                 | Property management, temporarily ceased operations  | 100                  | 100    |
| * Berjaya North Asia Holdings Pte Ltd                   | Singapore                | Investment holding  | 100                  | 100    |
| Berjaya Project Management Sdn Bhd                      | Malaysia                 | Project management  | 100                  | 100    |
| Berjaya Property Management Sdn Bhd                     | Malaysia                 | Investment holding  | 100                  | 100    |
| b* Berjaya Racing Management Sdn Bhd                    | Malaysia                 | Dormant   | 60                   | 60     |
| c Berjaya Sports Toto Berhad                            | Malaysia                 | Investment holding  | 41.10                | 40.92  |
| * Berjaya Theme Park Management Sdn Bhd                 | Malaysia                 | Management of theme park  | 100                  | 100    |

a Dilution of the Group's equity interest in Berjaya Kyoto Development (S) Pte Ltd as stated in Note 48(b).

b Additional 20% being held by Berjaya Sports Toto Berhad.

c The Group regards Berjaya Sports Toto Berhad as a subsidiary company as disclosed in Note 2.5(a)(i).

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|---|--------------------------|--|----------------------|--------|
|   |                          |  | 2016 %               | 2015 % |
| <b>(a) Subsidiaries of Berjaya Land Berhad (Cont'd)</b> |                          |  |                      |        |
| Berjaya Vacation Club Berhad                            | Malaysia                 | Time sharing vacation operator, property investment and investment holding | 100                  | 100    |
| BL Capital Sdn Bhd                                      | Malaysia                 | Investment holding   | 100                  | 100    |
| * BT Properties Sdn Bhd                                 | Malaysia                 | Property development, temporarily ceased operations                        | 100                  | 100    |
| BTS Leaseback Management Sdn Bhd                        | Malaysia                 | Coordination of pool-profit sharing of owner-owned suites                  | 100                  | 100    |
| * Budi Impian Sdn Bhd                                   | Malaysia                 | Operator of restaurant   | 100                  | 100    |
| Cempaka Properties Sdn Bhd                              | Malaysia                 | Property development and investment  | 100                  | 100    |
| Cerah Bakti Sdn Bhd                                     | Malaysia                 | Property development   | 70                   | 70     |
| Cerah Tropika Sdn Bhd                                   | Malaysia                 | Investment holding   | 70                   | 70     |
| * Cergas Jati Sdn Bhd                                   | Malaysia                 | Property investment  | 100                  | 100    |
| * Flexiwang Sdn Bhd                                     | Malaysia                 | Dormant  | 100                  | 100    |
| Gateway Benefit Sdn Bhd                                 | Malaysia                 | Investment holding   | 100                  | 100    |
| * Gemilang Cergas Sdn Bhd                               | Malaysia                 | Property investment  | 100                  | 100    |
| Immediate Capital Sdn Bhd                               | Malaysia                 | Investment holding   | 100                  | 100    |
| Junjung Delima Sdn Bhd                                  | Malaysia                 | Investment holding   | 100                  | 100    |
| Klasik Mewah Sdn Bhd                                    | Malaysia                 | Property investment  | 100                  | 100    |
| Kota Raya Development Sdn Bhd                           | Malaysia                 | Investment and rental of property  | 100                  | 100    |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation | Principal Activities                                 | Equity Interest Held |        |
|--|--------------------------|--|----------------------|--------|
|  |                          |  | 2016 %               | 2015 % |
| <b>(a) Subsidiaries of Berjaya Land Berhad (Cont'd)</b>        |                          |  |                      |        |
| * Leisure World Sdn Bhd  | Malaysia                 | Investment holding                                   | 100                  | 100    |
| Marvel Fresh Sdn Bhd   | Malaysia                 | Trading  | 100                  | 100    |
| * Mantra Design Sdn Bhd  | Malaysia                 | Provider of interior design and consultancy services | -                    | 100    |
| Nada Embun Sdn Bhd   | Malaysia                 | Property investment                                  | 100                  | 100    |
| Nural Enterprise Sdn Bhd                                       | Malaysia                 | Investment and rental of property                    | 100                  | 100    |
| Noble Circle (M) Sdn Bhd                                       | Malaysia                 | Investment and rental of property                    | 100                  | 100    |
| One Network Hotel Management Sdn Bhd                           | Malaysia                 | Hotel operator                                       | 100                  | 100    |
| Pakar Angsana Sdn Bhd  | Malaysia                 | Property development                                 | 80                   | 80     |
| Portal Access Sdn Bhd  | Malaysia                 | Investment holding                                   | 100                  | 100    |
| * Pembinaan Stepro Sdn Bhd                                     | Malaysia                 | Dormant  | 100                  | 100    |
| Punca Damai Sdn Bhd  | Malaysia                 | Property investment                                  | 100                  | 100    |
| <i>d</i> Regnis Industries (Malaysia) Sdn Bhd                  | Malaysia                 | Investment and rental of property                    | 87.12                | 87.12  |
| Securiservices Sdn Bhd   | Malaysia                 | Property development                                 | 100                  | 100    |
| * Semakin Sinar Sdn Bhd  | Malaysia                 | Dormant  | 51                   | 51     |
| Semangat Cergas Sdn Bhd  | Malaysia                 | Property development                                 | 100                  | 100    |
| Berjaya Tagar Sdn Bhd (formerly known as Selat Makmur Sdn Bhd) | Malaysia                 | Property development and investment holding          | 100                  | 100    |
| * Stephens Properties Plantations Sdn Bhd                      | Malaysia                 | Dormant  | 100                  | 100    |
| * Taaras Spa Sdn Bhd   | Malaysia                 | Spa management                                       | 100                  | 100    |

*d* Inclusive of 30% being held by BL Capital Sdn Bhd.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation   | Principal Activities                                | Equity Interest Held |        |
|---|----------------------------|---|----------------------|--------|
|   |                            |   | 2016 %               | 2015 % |
| <b>(a) Subsidiaries of Berjaya Land Berhad (Cont'd)</b>             |                            |   |                      |        |
| * Tekun Permata Sdn Bhd   | Malaysia                   | Property development                                | 100                  | 100    |
| Tioman Island Resort Berhad   | Malaysia                   | Property development and operator of resort hotel   | 86.25                | 86.25  |
| * Tiram Jaya Sdn Bhd  | Malaysia                   | Property development                                | 100                  | 100    |
| * Wangsa Sejati Sdn Bhd   | Malaysia                   | Dormant   | 52.63                | 52.63  |
| * Wisma Stephens Management Co Sdn Bhd                              | Malaysia                   | Investment holding                                  | 100                  | 100    |
| <b>(b) Subsidiaries of Berjaya Kyoto Development (S) Pte Ltd</b>    |                            |   |                      |        |
| a * Berjaya Kyoto Development Kabushiki Kaisha                      | Japan                      | Hotel and residence development                     | -                    | 100    |
| a * Berjaya Kyoto Holdings Godo Kaisha                              | Japan                      | Investment holding                                  | -                    | 100    |
| a * Kyoto Higashiyama Hospitality Assets TMK                        | Japan                      | Property investment                                 | -                    | 100    |
| <b>(i) Subsidiary of Berjaya Kyoto Development Kabushiki Kaisha</b> |                            |   |                      |        |
| a * Berjaya Japan Holdings TMK                                      | Japan                      | Dormant   | -                    | 100    |
| <b>(c) Subsidiaries of Berjaya Land Development Sdn Bhd</b>         |                            |   |                      |        |
| Indra Ehsan Sdn Bhd   | Malaysia                   | Property development                                | 100                  | 100    |
| * Kim Rim Enterprise Sdn Bhd  | Malaysia                   | Property development, temporarily ceased operations | 100                  | 100    |
| Sri Panglima Sdn Bhd  | Malaysia                   | Property development                                | 100                  | 100    |
| <b>(d) Subsidiaries of Berjaya Leisure (Cayman) Limited</b>         |                            |   |                      |        |
| Berjaya Asset (Cayman) Limited                                      | Cayman Islands             | Investment holding                                  | 100                  | 100    |
| * Berjaya (China) Great Mall Co Ltd                                 | People's Republic of China | Property investment and development                 | 51                   | 51     |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation      | Principal Activities                       | Equity Interest Held |        |
|--|-------------------------------|--|----------------------|--------|
|  |                               |  | 2016 %               | 2015 % |
| <b>(d) Subsidiaries of Berjaya Leisure (Cayman) Limited (Cont'd)</b>                     |                               |  |                      |        |
| * Berjaya Jeju Resort Limited  | Republic of Korea             | Property development and investment        | 72.60                | 72.60  |
| e* Berjaya International Casino Management (Seychelles) Limited                          | Republic of Seychelles        | Casino operations                          | 60                   | 60     |
| * Berjaya Investment Holdings Pte Ltd  | Singapore                     | Investment holding                         | 100                  | 100    |
| # Berjaya Mount Royal Beach Hotel Limited  | Sri Lanka                     | Owner and operator of hotel                | 92.60                | 92.60  |
| # Berjaya Properties (HK) Limited  | Hong Kong                     | Dormant                                    | 60                   | 60     |
| BHR (Cayman) Limited   | Cayman Islands                | Property investment and investment holding | 100                  | 100    |
| # Berjaya-D2D Company Limited  | Socialist Republic of Vietnam | Property investment and development        | 75                   | 75     |
| # Berjaya Vietnam International University Township One Member Limited Liability Company | Socialist Republic of Vietnam | Property investment and development        | 100                  | 100    |
| # Berjaya Vietnam Financial Center Limited   | Socialist Republic of Vietnam | Property investment and development        | 100                  | 100    |
| * Mahameru Consultancy d.o.o. Visoko   | Bosnia and Herzegovina        | Property investment                        | 100                  | 100    |
| # Natural Gain Investment Limited  | Hong Kong                     | Dormant                                    | 100                  | 100    |
| * Berjaya Health Investment Pte Ltd  | Singapore                     | Investment holding                         | 100                  | 100    |

e Additional 40% being held by Berjaya International Casino Management (HK) Limited.

## NOTES TO THE FINANCIAL STATEMENTS

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### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation      | Principal Activities                                       | Equity Interest Held |        |
|--|-------------------------------|--|----------------------|--------|
|  |                               |  | 2016 %               | 2015 % |
| <b>(d) Subsidiaries of Berjaya Leisure (Cayman) Limited (Cont'd)</b> |                               |  |                      |        |
| # Berjaya Long Beach Limited Liability Company                       | Socialist Republic of Vietnam | Owner and developer of hotel                               | 70                   | 70     |
| * Berjaya Nhon Trach New City Center                                 | Socialist Republic of Vietnam | Property investment and development                        | 100                  | 100    |
| # T.P.C Development Limited  | Hong Kong                     | Investment holding   | 100                  | 100    |
| <b>(e) Subsidiary of Berjaya Property Management Sdn Bhd</b>         |                               |  |                      |        |
| Taman TAR Development Sdn Bhd  | Malaysia                      | Property development                                       | 100                  | 100    |
| <b>(i) Subsidiary of Taman TAR Development Sdn Bhd</b>               |                               |  |                      |        |
| * The Peak Property Management Sdn Bhd                               | Malaysia                      | Dormant  | 100                  | 100    |
| <b>(f) Subsidiaries of Berjaya Sports Toto Berhad</b>                |                               |  |                      |        |
| # Berjaya-ILTS Limited   | Hong Kong                     | Dormant  | 100                  | 100    |
| FEAB Equities Sdn Bhd  | Malaysia                      | Dormant  | 100                  | 100    |
| FEAB Land Sdn Bhd  | Malaysia                      | Property development and investment                        | 100                  | 100    |
| FEAB Properties Sdn Bhd  | Malaysia                      | Property investment and development and investment holding | 100                  | 100    |
| Magna Mahsuri Sdn Bhd  | Malaysia                      | Property investment and investment holding                 | 100                  | 100    |
| Sports Toto Malaysia Sdn Bhd   | Malaysia                      | Toto betting operations                                    | 100                  | 100    |
| STM Resort Sdn Bhd   | Malaysia                      | Property investment  | 100                  | 100    |
| Sports Toto Fitness Sdn Bhd  | Malaysia                      | Operation of health and fitness centre                     | 100                  | 100    |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation | Principal Activities  | Equity Interest Held |        |
|---|--------------------------|---|----------------------|--------|
|   |                          |   | 2016 %               | 2015 % |
| <b>(f) Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)</b>      |                          |   |                      |        |
| <i>f</i> * Sports Toto Malaysia Management Pte Ltd ("STMM")         | Singapore                | Dissolved   | -                    | 100    |
| <b>(i) Subsidiary of FEAB Land Sdn Bhd</b>                          |                          |   |                      |        |
| FEAB Realty Sdn Bhd   | Malaysia                 | Dormant   | 100                  | 100    |
| <b>(ii) Subsidiaries of Magna Mahsuri Sdn Bhd</b>                   |                          |   |                      |        |
| Berjaya Sports Toto (Cayman) Limited ("BSTC")                       | Cayman Islands           | Investment holding  | 100                  | 100    |
| Sports Toto Apparel Sdn Bhd   | Malaysia                 | Dormant   | 100                  | 100    |
| Sports Toto Computer Sdn Bhd  | Malaysia                 | Computer consultancy services   | 100                  | 100    |
| Sports Toto Products Sdn Bhd  | Malaysia                 | Dormant   | 100                  | 100    |
| <b>(iii) Subsidiaries of Berjaya Sports Toto (Cayman) Limited</b>   |                          |   |                      |        |
| # Berjaya Lottery Management (HK) Limited                           | Hong Kong                | Investment holding  | 100                  | 100    |
| <i>g</i> # Sports Toto Malaysia Trust ("STM Trust")                 | Singapore                | Dissolved   | -                    | 100    |
| <b>(iv) Subsidiaries of Berjaya Lottery Management (HK) Limited</b> |                          |   |                      |        |
| <i>h</i> * Berjaya Philippines Inc.                                 | Philippines              | Investment holding  | 74.20                | 74.20  |
| * International Lottery & Totalizator Systems, Inc. ("ILTS")        | United States of America | Manufacturer and distributor of computerised lottery and voting systems | 100                  | 100    |

*f* Struck off from the Register of the Accounting and Corporate Regulatory Authority (ACRA) Singapore on 14 January 2016.

*g* On 7 July 2015, STM Trust was wound up upon completion of the termination of trust deed between STMM as the trustee-manager for STM Trust with BSTC, the sole holder of units in STM Trust.

*h* Additional 14.06% being held by BSTC.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|---|--------------------------|--|----------------------|--------|
|   |                          |  | 2016 %               | 2015 % |
| <b>(f) Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)</b>                  |                          |  |                      |        |
| <b>(v) Subsidiaries of Berjaya Philippines Inc.</b>                             |                          |  |                      |        |
| * Philippine Gaming Management Corporation                                      | Philippines              | Leasing of on-line 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   | United Kingdom           | Investment holding   | 72.03                | 72.03  |
| <b>(vi) Subsidiary of International Lottery &amp; Totalizator Systems, Inc.</b> |                          |  |                      |        |
| * Unisyn Voting Solutions, Inc.   | United States of America | Developing, manufacturing and providing licenses and supports for voting systems | 100                  | 100    |
| <b>(vii) Subsidiaries of H.R. Owen Plc</b>                                      |                          |  |                      |        |
| * Bodytechnics Limited  | United Kingdom           | Maintenance and repair of motor vehicles   | 100                  | -      |
| * Broughtons of Cheltenham Limited  | United Kingdom           | Motor retailing and provision of aftersales services                             | 100                  | 100    |
| * 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    |
| * Heathrow Limited  | United Kingdom           | Dormant  | 100                  | 100    |
| * Malaya Dealerships Limited  | United Kingdom           | Dormant  | 100                  | 100    |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation | Principal Activities                   | Equity Interest Held |        |
|--|--------------------------|--|----------------------|--------|
|  |                          |  | 2016 %               | 2015 % |
| <b>(f) Subsidiaries of Berjaya Sports Toto Berhad (Cont'd)</b> |                          |  |                      |        |
| <b>(vii) Subsidiaries of H.R. Owen Plc (Cont'd)</b>            |                          |  |                      |        |
| * 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 Motor Properties Limited                           | United Kingdom           | Dormant                                | 100                  | 100    |
| * H.R. Owen Leasing Limited                                    | United Kingdom           | Dormant                                | 100                  | 100    |
| <i>i</i> * 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    |
| <b>(viii) Subsidiary of H.R. Owen Investments Limited</b>      |                          |  |                      |        |
| * H.R. Owen Finance Ltd  | United Kingdom           | Dormant                                | 100                  | 100    |
| <b>(g) Subsidiary of Berjaya North Asia Holdings Pte Ltd</b>   |                          |  |                      |        |
| * Berjaya Okinawa Development Co Ltd                           | Japan                    | Resort hotel and residence development | 100                  | 100    |
| <b>(h) Subsidiaries of Berjaya Vacation Club Berhad</b>        |                          |  |                      |        |
| Berjaya Air Sdn Bhd  | Malaysia                 | Charter and scheduled flight operator  | 100                  | 100    |

*i* H.R. Owen Plc and Bradshaw Webb (Chelsea) Limited each holds 50% equity interest in Netprofit.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|---|--------------------------|--|----------------------|--------|
|   |                          |  | 2016 %               | 2015 % |
| <b>(h) Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)</b>                                    |                          |  |                      |        |
| Berjaya Beau Vallon Bay (Cayman) Limited  | Cayman Islands           | Investment holding   | 100                  | 100    |
| BTS Hotel Sdn Bhd   | Malaysia                 | Owner of hotel   | 100                  | 100    |
| Berjaya Golf Resort Berhad  | Malaysia                 | Property development and investment and operator of golf and recreation club | 100                  | 100    |
| Berjaya Hospitality Services Sdn Bhd  | Malaysia                 | Hotel operator   | 100                  | 100    |
| # Berjaya Hotels and Resorts (HK) Limited   | Hong Kong                | Investment holding   | 60                   | 60     |
| # Berjaya International Casino Management (HK) Limited  | Hong Kong                | Investment holding   | 80                   | 80     |
| Berjaya Langkawi Beach Resort Sdn Bhd   | Malaysia                 | Hotel and resort operation   | 100                  | 100    |
| Berjaya Praslin Beach (Cayman) Limited  | Cayman Islands           | Investment holding   | 100                  | 100    |
| Berjaya Hotels & Resorts (M) Sdn Bhd (formerly known as Berjaya Resort Management Services Sdn Bhd) | Malaysia                 | Resort management  | 100                  | 100    |
| Berjaya Vacation Club (Cayman) Limited  | Cayman Islands           | Investment holding   | 100                  | 100    |
| * Berjaya Vacation Club (Philippines) Inc.  | Philippines              | Dormant  | 100                  | 100    |
| # Berjaya Vacation Club (HK) Limited  | Hong Kong                | Dormant  | 100                  | 100    |
| * Berjaya Vacation Club (S) Pte Ltd   | Singapore                | Vacation time sharing  | 100                  | 100    |
| Bukit Kiara Resort Berhad   | Malaysia                 | Developer and operator of equestrian and recreational club                   | 100                  | 100    |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|--|--------------------------|--|----------------------|--------|
|  |                          |  | 2016 %               | 2015 % |
| <b>(h) Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)</b>                                 |                          |  |                      |        |
| Georgetown City Hotel Sdn Bhd  | Malaysia                 | Hotel operator   | 100                  | 100    |
| Indah Corporation Berhad   | Malaysia                 | Developer and operator of golf resort and property development | 100                  | 100    |
| KDE Recreation Berhad  | Malaysia                 | Developer and operator of golf and recreational club           | 100                  | 100    |
| * Redang Village Resort Sdn Bhd  | Malaysia                 | Dormant  | 51                   | 51     |
| Sinar Merdu Sdn Bhd  | Malaysia                 | Investment and rental of property                              | 100                  | 100    |
| Staffield Country Resort Berhad  | Malaysia                 | Developer and operator of golf resort                          | 80                   | 80     |
| The Taaras Beach & Spa Resort (Redang) Sdn Bhd   | Malaysia                 | Hotel and resort operation                                     | 99.50                | 99.50  |
| The Taaras Luxury Group Sdn Bhd  | Malaysia                 | Management of hotel operations                                 | 100                  | 100    |
| * Tioman Pearl Sdn Bhd   | Malaysia                 | Development of hotel and resort                                | 70                   | 70     |
| Tioman Travel & Tours Sdn Bhd  | Malaysia                 | Property investment  | 100                  | 100    |
| <b>(i) Subsidiaries of Berjaya Air Sdn Bhd</b>   |                          |  |                      |        |
| <i>j</i> Asia Jet Partners Malaysia Sdn Bhd (formerly known as Berjaya Airport Services Sdn Bhd) | Malaysia                 | Aircraft charter services and related business                 | -                    | 100    |
| Berjaya Air Cargo Sdn Bhd  | Malaysia                 | Dormant  | 100                  | 100    |
| <b>(ii) Subsidiary of Berjaya Beau Vallon Bay (Cayman) Limited</b>                               |                          |  |                      |        |
| * Berjaya Beau Vallon Bay Beach Resort Limited   | Republic of Seychelles   | Operation of hotel resort in Seychelles                        | 100                  | 100    |

*j* Became a joint venture of Berjaya Vacation Club Berhad (BVC) after dilution of BVC's equity interest to 50%.

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation | Principal Activities                               | Equity Interest Held |        |
|--|--------------------------|--|----------------------|--------|
|  |                          |  | 2016 %               | 2015 % |
| <b>(h) Subsidiaries of Berjaya Vacation Club Berhad (Cont'd)</b>             |                          |  |                      |        |
| <b>(iii) Subsidiary of Berjaya Praslin Beach (Cayman) Limited</b>            |                          |  |                      |        |
| * Berjaya Praslin Limited  | Republic of Seychelles   | Operation of a hotel resort in Seychelles          | 100                  | 100    |
| <b>(iv) Subsidiary of The Taaras Beach &amp; Spa Resort (Redang) Sdn Bhd</b> |                          |  |                      |        |
| * Redang Island Golf and Country Club Berhad                                 | Malaysia                 | Dormant  | 100                  | 100    |
| <b>(v) Subsidiary of Berjaya Vacation Club (Cayman) Limited</b>              |                          |  |                      |        |
| * Berjaya Vacation Club (UK) Limited   | United Kingdom           | Hoteliers and hotel management                     | 100                  | 100    |
| <b>(vi) Subsidiaries of Georgetown City Hotel Sdn Bhd</b>                    |                          |  |                      |        |
| Berjaya Georgetown Sharksfin Restaurant Sdn Bhd                              | Malaysia                 | Dormant  | 100                  | 100    |
| BG Karaoke Sdn Bhd   | Malaysia                 | Dormant  | 68.97                | 68.97  |
| <b>(vii) Subsidiary of Sinar Merdu Sdn Bhd</b>                               |                          |  |                      |        |
| * ANSA Hotel KL Sdn Bhd (formerly known as Absolute Prestige Sdn Bhd)        | Malaysia                 | Property investment and hoteliers                  | 100                  | 100    |
| <b>(i) Subsidiary of Cerah Tropika Sdn Bhd</b>                               |                          |  |                      |        |
| Penstate Corp. Sdn Bhd   | Malaysia                 | Property development                               | 100                  | 100    |
| <b>(j) Subsidiary of Kota Raya Development Sdn Bhd</b>                       |                          |  |                      |        |
| * Kota Raya Complex Management Sdn Bhd                                       | Malaysia                 | Property management, temporarily ceased operations | 100                  | 100    |
| <b>(k) Subsidiary of Noble Circle (M) Sdn Bhd</b>                            |                          |  |                      |        |
| * Noble Circle Management Sdn Bhd  | Malaysia                 | Property management, temporarily ceased operations | 100                  | 100    |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company  | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|--|--------------------------|--|----------------------|--------|
|  |                          |  | 2016 %               | 2015 % |
| <b>(l) Subsidiary of Nural Enterprise Sdn Bhd</b>                                    |                          |  |                      |        |
| * Aras Klasik Sdn Bhd  | Malaysia                 | Property management, temporarily ceased operations                                   | 100                  | 100    |
| <b>(m) Subsidiaries of Tioman Island Resort Berhad</b>                               |                          |  |                      |        |
| * Berjaya Hotels & Resorts (Singapore) Pte Ltd                                       | Singapore                | Hotel booking and marketing agent  | 100                  | 100    |
| * Tioman Golf Management Sdn Bhd   | Malaysia                 | Dormant  | 100                  | 100    |
| * ANSA Hotels & Resorts Sdn Bhd (formerly known as Tioman Recreation Centre Sdn Bhd) | Malaysia                 | Dormant  | 100                  | 100    |
| <b>(n) Subsidiary of Wisma Stephens Management Co Sdn Bhd</b>                        |                          |  |                      |        |
| * Wujud Jaya Sdn Bhd   | Malaysia                 | Dormant  | 100                  | 100    |
| <b>Associated Companies</b>  |                          |  |                      |        |
| * Asian Atlantic Holdings Limited  | British Virgin Islands   | Investment holding   | 24.46                | 24.46  |
| * AM Automotive (S) Pte Ltd  | Singapore                | Dealer for "Aston Martin" vehicles in Singapore and Malaysia                         | 49.90                | 49.90  |
| * Berjaya Auto Philippines Inc.  | Philippines              | Selling and distribution of Mazda brand cars within the territory of the Philippines | 35                   | 30     |
| <i>k</i> * Berjaya Assets Berhad   | Malaysia                 | Investment holding   | 14.09                | 14.09  |
| <i>l</i> * Berjaya Kyoto Development (S) Pte Ltd                                     | Singapore                | Investment holding   | 50                   | -      |
| * Berjaya Land (Thailand) Company Ltd  | Thailand                 | Property development and investment  | 40                   | 40     |

*k* The Group regards Berjaya Assets Berhad as an associated company as disclosed in Note 2.5(a)(xi).

*l* The Group regards Berjaya Kyoto Development (S) Pte Ltd as an associated company as disclosed in Note 2.5(a)(xii).

## NOTES TO THE FINANCIAL STATEMENTS

30 April 2016

### 51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company                           | Country of Incorporation | Principal Activities  | Equity Interest Held |        |
|---|--------------------------|---|----------------------|--------|
|   |                          |   | 2016 %               | 2015 % |
| <b>Associated Companies (Cont'd)</b>      |                          |   |                      |        |
| Berjaya Lottery Vietnam Limited           | Labuan, Malaysia         | Investment holding  | 20                   | 20     |
| * Berjaya Property (Thailand) Company Ltd | Thailand                 | Dormant   | 40                   | 40     |
| * Berjaya Pizza Philippines Inc.          | Philippines              | Development and operation of "Papa John's Pizza" chain of restaurants in the Philippines                              | 41                   | 30     |
| * BJ Bowl Sdn Bhd                         | Malaysia                 | Ceased operations as operator of bowling alley  | 20                   | 20     |
| * Brickfields Properties Pty Ltd          | Australia                | Liquidated  | -                    | 39.18  |
| * Cashsystems Asia Technology Sdn Bhd     | Malaysia                 | Dormant, under liquidation  | 30                   | 30     |
| * Centreplus Sdn Bhd                      | Malaysia                 | Dormant   | 30                   | 30     |
| * Cosway Philippines Inc.                 | Philippines              | Dormant   | 40                   | 40     |
| * Focus Equity Sdn Bhd                    | Malaysia                 | Dormant, under liquidation  | 32.50                | 32.50  |
| # Informatics Education Limited           | Singapore                | Investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators | 27.09                | 27.09  |
| * Inter-Capital Holdings Pte Ltd          | Singapore                | Investment holding  | 50                   | 50     |
| * Jaya Bowl Sdn Bhd                       | Malaysia                 | Ceased operations as operator of bowling alley  | 20                   | 20     |
| * Nubaru Tochi Kanri Godo Kaisya          | Japan                    | Investment holding  | 33                   | 33     |
| * Portsworth Holdings Pte Ltd             | Singapore                | Investment holding  | 50                   | 50     |

51 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES (CONT'D)

| Name of Company   | Country of Incorporation | Principal Activities   | Equity Interest Held |        |
|---|--------------------------|--|----------------------|--------|
|   |                          |  | 2016 %               | 2015 % |
| <b>Associated Companies (Cont'd)</b>                        |                          |  |                      |        |
| * Perdana Land Philippines Inc.                             | Philippines              | Acquire, develop or lease real estate  | 40                   | 40     |
| Pasdec Cempaka Sdn Bhd                                      | Malaysia                 | Property development and investment  | 40                   | 40     |
| * Resort Cruises (S) Pte Ltd                                | Singapore                | Dormant  | 49                   | 49     |
| * Singapore Institute of Advanced Medicine Holdings Pte Ltd | Singapore                | Investment holding   | 30                   | 30     |
| Ssangyong Berjaya Motor Philippines Inc.                    | Philippines              | Selling and distribution of Ssangyong brand cars within the territory of the Philippines | 20                   | -      |
| * Tioman Ferry Services Sdn Bhd                             | Malaysia                 | Dormant  | 20                   | 20     |

# Audited by member firms of Ernst & Young Global

\* Not audited by Ernst & Young or a member firm of Ernst & Young Global

## SUPPLEMENTARY INFORMATION

### 52 SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised earnings/(losses), is as follows:

|   | Group                 |                       | Company               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2016<br>RM'000        | 2015<br>RM'000        | 2016<br>RM'000        | 2015<br>RM'000        |
| Realised earnings                             | 229,379               | 510,658               | 752,013               | 586,159               |
| Unrealised earnings                           | 520,362               | 448,960               | 34,818                | 6,700                 |
|   | <u>749,741</u>        | <u>959,618</u>        | <u>786,831</u>        | <u>592,859</u>        |
| Share of results of<br>associated companies * | 60,893                | 59,968                | -                     | -                     |
| Share of results of joint ventures *          | (209,684)             | (192,111)             | -                     | -                     |
|   | <u>600,950</u>        | <u>827,475</u>        | <u>786,831</u>        | <u>592,859</u>        |
| Less: Consolidation adjustments               | (374,213)             | (359,493)             | -                     | -                     |
|   | <u><u>226,737</u></u> | <u><u>467,982</u></u> | <u><u>786,831</u></u> | <u><u>592,859</u></u> |

\* *It is not practical to segregate the share of results from associated companies and joint ventures to realised and unrealised earnings/(losses).*

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

# LIST OF MAJOR PROPERTIES

as at 30 April 2016

| Location  | Tenure                                       | Size          | Description  | Estimated Age of Building | Date of Acquisition | Net Carrying Amount RM'000 |
|---|--|---------------|--|---------------------------|---------------------|----------------------------|
| Beijing – Harbin Highway Yanjiao Economic and Technological Development, Sanhe City, Hebei Province People's Republic of China          | Leasehold<br>40 years expiring on 25.01.2045 | 305,547 sq m  | Development project currently classified as assets held for sale | N/A                       | 17.01.2005          | 944,460                    |
| Lot 28 (GRN 20366)<br>Lot 403 (GRN 20428)<br>Lot 728 (GRN 18054)<br>Seksyen 2<br>Bandar Georgetown<br>Daerah Timor Laut<br>Pulau Pinang | Freehold                                     | 55.37 acres   | Land for mixed development                                       | N/A                       | 31.03.2014          | 586,319                    |
| Yerae-dong, Seogwipo-si Jeju Special Self-Governing Province, South Korea   | Freehold                                     | 9.14 hectares | Land held for development  | N/A                       | 10.08.2009          | 541,968                    |
| Lot 352 Seksyen 20<br>Bandar Kuantan<br>District of Kuantan<br>Pahang Darul Makmur  | Freehold                                     | 5.46 acres    | Shopping mall for rental   | 18 years                  | 05.02.1991          | 270,003                    |
| 14th, 15th Floors and Service Suites at Tower B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur                             | Freehold                                     | 345,773 sq ft | 327 units of service suite                                       | 13 years                  | 06.01.1998          | } 209,621                  |
| Service Suites at Tower A & B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur   | Freehold                                     | 136,497 sq ft | 181 units of service suite                                       | 13 years                  | 13.03.2007          |                            |
| Service Suites at Tower A<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur   | Freehold                                     | 21,765 sq ft  | 32 units of service suite  | 13 years                  | 01.07.2008          |                            |
| B-35-013, Tower B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur   | Freehold                                     | 624 sq ft     | 1 unit of service suite  | 13 years                  | 01.07.2008          |                            |

## LIST OF MAJOR PROPERTIES

as at 30 April 2016

| Location  | Tenure  | Size            | Description   | Estimated Age of Building | Date of Acquisition | Net Carrying Amount RM'000 |
|---|---|-----------------|---|---------------------------|---------------------|----------------------------|
| Premises at<br>Ground Floor<br>14th & 16th Floors<br>Tower A & B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur        | Freehold  | 30,957<br>sq ft | Hotel lobby,<br>function rooms<br>and storage<br>area | 13 years                  | 10.02.2010          | }                          |
| B44-04, Tower B<br>Berjaya Times Square<br>No. 1 Jalan Imbi<br>Kuala Lumpur   | Freehold  | 3,821<br>sq ft  | Penthouse   | 13 years                  | 08.05.2012          |                            |
| Land at District 10<br>Ho Chi Minh City<br>Vietnam  | Leasehold<br>49 years expiring<br>on 01.09.2059 | 66,388<br>sq m  | Land for mixed<br>development                         | N/A                       | 15.06.2010          | 165,195                    |
| Lot 558   | Freehold  | 613.68<br>acres | Beach resort<br>(183 guest rooms<br>and a villa)      | > 20 years                | Year 1990           | }                          |
| Lot 705<br>Lot 50000<br>Lot 50001<br>Lot 50002  | Leasehold<br>60 years expiring<br>in year 2070  |                 |   |                           | Year 2010           |                            |
| Lot 239, 240-242<br>PT 925, 926, 927<br>PT 928, 929<br>Teluk Dalam and Teluk<br>Siang, Pulau Redang<br>Terengganu Darul Iman        | Leasehold<br>60 years expiring<br>in year 2051  |                 |   |                           | 16.10.1993          | }                          |
| HS(D) 4/94, PT 278  | Leasehold<br>expiring on<br>30.04.2069          | 85.83<br>acres  | Beach resort<br>(424 guest rooms/<br>chalets)         | 23 years                  | 27.05.1994          |                            |
| HS(D) 1017, PT 140  | Leasehold<br>expiring on<br>29.03.2070          |                 |   |                           | 30.03.2010          | }                          |
| HS(D) 1018, PT 141<br>Mukim Padang Matsirat<br>Daerah Langkawi<br>Pulau Langkawi<br>Kedah Darul Aman                                | Leasehold<br>expiring on<br>29.03.2070          |                 |   |                           | 30.03.2010          |                            |
| Lot 5001 to 5020<br>PN 14706 to 14714<br>PN 14721 to 14731<br>Daerah Rompin<br>Bandar Tioman<br>Pulau Tioman<br>Pahang Darul Makmur | Leasehold<br>99 years expiring<br>on 02.05.2107 | 201.39<br>acres | Land for<br>hotel and resort<br>operations            | 29 years                  | 30.12.1985          | 102,323                    |

## LIST OF MAJOR PROPERTIES

as at 30 April 2016

| Location  | Tenure  | Size                    | Description   | Estimated Age of Building | Date of Acquisition | Net Carrying Amount RM'000 |
|---|---|-------------------------|---|---------------------------|---------------------|----------------------------|
| Geran No. 29726<br>Lot 1261, Seksyen 67<br>Daerah Kuala Lumpur<br>(Plaza Berjaya, 12 Jalan<br>Imbi, Kuala Lumpur)             | Freehold  | 161,405<br>sq ft        | Land with office,<br>residential block<br>and shopping<br>complex for rental              | 30 years                  | 27.11.1989          | 99,500                     |
| GM931 Lot 57<br>GM841 Lot 58<br>Geran 26066 Lot 1<br>Geran 26067 Lot 2<br>GM 1772 Lot 49<br>Seksyen 94B<br>Mukim Kuala Lumpur | Freehold  | 387,920<br>sq ft        | Vacant<br>development land  | N/A                       | 03.05.2012          | 87,229                     |
| Lot PT 4805, 4806<br>HS(D) 81319, 81320<br>Mukim Petaling<br>Kuala Lumpur   | Freehold  | 7,129,260<br>sq ft      | Club house and<br>golf course   | > 24 years                | 05.09.1991          | 86,668                     |
| 287 parcels of land<br>at Onna-Son<br>Okinawa Island, Japan   | Freehold  | 96,675<br>sq m          | Land held for<br>development  | N/A                       | Since<br>15.07.2009 | 82,808                     |
| 11th Floor<br>Berjaya Times Square<br>No. 1, Jalan Imbi<br>Kuala Lumpur   | Freehold  | 104,844<br>sq ft        | 1 floor of office<br>space of an<br>integrated<br>commercial<br>development for<br>rental | 13 years                  | 06.01.1998          | 65,256                     |
| 164-166 Sussex Gardens<br>London W2 1UD<br>United Kingdom   | Freehold  | About<br>3,926<br>sq ft | Hotel operation<br>(46 guest rooms)   | > 151 years               | 29.09.2014          | 56,484                     |
| 13th Floor<br>Berjaya Times Square<br>No. 1, Jalan Imbi<br>Kuala Lumpur   | Freehold  | 106,315<br>sq ft        | 1 floor of office<br>space of an<br>integrated<br>commercial<br>development<br>for rental | 13 years                  | 06.01.1998          | 55,775                     |
| 7835 Makati Avenue<br>Corner Eduque Street<br>Makati City<br>Philippines 1209   | Freehold  | 586<br>sq m             | Hotel<br>(223 guest rooms)  | 15 years                  | 04.12.2009          | 52,814                     |
| ANSA Kuala Lumpur<br>No. 101<br>Jalan Bukit Bintang<br>Kuala Lumpur   | Leasehold<br>60 years expiring<br>on 30.04.2062 | 22,852<br>sq ft         | Hotel<br>(168 guest rooms)  | > 37 years                | 05.05.2008          | 52,466                     |

## LIST OF MAJOR PROPERTIES

as at 30 April 2016

| Location   | Tenure                                 | Size             | Description                   | Estimated Age of Building | Date of Acquisition | Net Carrying Amount RM'000 |
|--|--|------------------|-------------------------------|---------------------------|---------------------|----------------------------|
| Lot 4916 (PT 1927)<br>Lot 5871 (PT 2055)<br>Mukim of Hulu Kelang<br>District of Gombak<br>Taman Tun Abdul Razak<br>Ampang Jaya<br>Selangor Darul Ehsan | Leasehold<br>expiring on<br>17.06.2078 | 67.19<br>acres   | Club house<br>and golf course | 30 years                  | 1.10.1984           | 52,301                     |
| HS(D) 11814, Lot 11527<br>Lot 1 to 8, Lot 49 to 55<br>Taman Tun Abdul Razak<br>Ampang<br>Selangor Darul Ehsan  | Freehold                               | 351,903<br>sq ft | Land held for<br>development  | N/A                       | 22.12.1990          | 50,087                     |

### Note:

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

## MATERIAL CONTRACTS

Other than as disclosed in Notes 14, 26, 31, 32, 33, 34, 35, 40, 42, 48 and 49 to the financial statements, there are no subsisting material contracts entered into by Berjaya Land Berhad and its subsidiaries involving Directors and major shareholders.

## ADDITIONAL INFORMATION

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2016 amounted to RM645,000 (2015: RM817,000).

The total number of employees of the Group at 30 April 2016 is 4,775 (2015: 5,915).

# GROUP ADDRESSES

## BERJAYA HOTELS & RESORTS

### Corporate Office

Level 15 (West Wing)  
Berjaya Times Square Hotel  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2142 9611  
Fax : 603-2144 2526/2527  
Email : bhr@berjayahotel.com  
Website : www.berjayahotel.com

## MALAYSIAN HOTELS & RESORTS

### Berjaya Tioman Resort

Tioman Island Resort  
P.O. Box 4, 86807 Mersing  
Johor Darul Takzim  
Tel : 609-419 1000  
Fax : 609-419 1718  
Email : tioman.rsvn@berjayahotel.com

### Berjaya Langkawi Resort

Karong Berkunci 200  
Burau Bay  
07000 Langkawi  
Kedah Darul Aman  
Tel : 604-959 1888  
Fax : 604-959 1886  
Email : langkawi.rsvn@berjayahotel.com

### The Taaras Beach & Spa Resort

P.O. Box 126, Main Post Office  
20928 Kuala Terengganu  
Terengganu Darul Iman  
Tel : 609-630 8888  
Fax : 609-630 8880  
Email : reservation@thetaaras.com

### Georgetown City Hotel, Penang

1-Stop Midlands Park  
Jalan Burmah  
10350 Pulau Pinang  
Tel : 604-227 7111  
Fax : 604-226 7111  
Email : reservation@georgetowncityhotel.com

### Berjaya Times Square Hotel, Kuala Lumpur

No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2117 8000  
Fax : 603-2143 3352  
Email : bth.rsvn@berjayahotel.com

### ANSA Kuala Lumpur (formerly known as Piccolo Hotel, Kuala Lumpur)

101, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Tel : 603-2146 5000  
Fax : 603-2146 5001  
Email : reservation@ansakualalumpur.com

### Redang Island Resort

P.O. Box 106  
20710 Kuala Terengganu  
Terengganu Darul Iman  
Tel : 609-630 8787  
Fax : 609-630 8788  
Email : reservation@redangislandresort.com

## OVERSEAS HOTELS & RESORTS

### Berjaya Beau Vallon Bay Resort & Casino – Seychelles

P.O. Box 550, Victoria  
Mahe, Seychelles  
Tel : 248-4287-287  
Fax : 248-4247-943  
Email : mahe.inquiry@berjayahotel.com

### Berjaya Praslin Resort – Seychelles

Anse Volbert, Praslin, Seychelles  
Tel : 248-4286-286  
Fax : 248-4232-244  
Email : praslin.rsvn@berjayahotel.com

### Berjaya Eden Park London Hotel – United Kingdom

35-39, Inverness Terrace  
Bayswater, London W2 3JS  
United Kingdom  
Tel : 44-20-7221-2220  
Fax : 44-20-7221-2286  
Email : info.london@berjayahotel.com

### Berjaya Hotel Colombo – Sri Lanka

36, College Avenue, Mount Lavinia  
Sri Lanka  
Tel : 94-11-273 9610  
Fax : 94-11-273 3030  
Email : reserve\_bmrhb@sltnet.lk

### Sheraton Hanoi Hotel – Vietnam

K5 Nghi Tam  
11, Xuan Dieu Road  
Tay Ho District, Hanoi  
Socialist Republic of Vietnam  
Tel : 84-4-3719 9000  
Fax : 84-4-3719 9001  
Email : reservations.hanoi@sheraton.com

### InterContinental Hanoi Westlake – Vietnam

1A, Nghi Tam  
Tay Ho District, Hanoi  
Socialist Republic of Vietnam  
Tel : 84-4-6270 8888  
Fax : 84-4-6270 9999  
Email : reservation.hanoi@ihg.com

### Long Beach Resort Phu Quoc – Vietnam

Group of Households 4  
Cua Lap Hamlet  
Duong To Commune  
Phu Quoc District  
Kien Giang Province  
Socialist Republic of Vietnam  
Tel : 84-77 398 1818  
Fax : 84-77 397 8027  
Email : reservation@longbeach-phuquoc.com

### Berjaya Makati Hotel – Philippines

7835, Makati Ave., Corner Eduque Street  
Makati City, Manila, Philippines 1209  
Tel : 632-750 7500  
Fax : 632-750 6783  
Email : manila.inquiry@berjayahotel.com

### The Castleton Hotel, London – United Kingdom

164-166 Sussex Gardens  
London W2 1UD, United Kingdom  
Tel : 44-20-7706-4666  
Fax : 44-20-7706-2288  
Email : info@castletonhotel.com

## GROUP ADDRESSES

### CLUBS & RECREATION

#### Tioman Island Golf Club, Pahang

P.O. Box 4  
86807 Mersing  
Johor Darul Takzim  
Tel : 609-419 1000 (Ext 1574)  
Email : tioman.golf@berjayahotel.com

#### Bukit Banang Golf & Country Club, Johor

1, Persiaran Gemilang  
Bandar Banang Jaya  
83000 Batu Pahat  
Johor Darul Takzim  
Tel : 607-428 6001  
Email : banang@berjayaclubs.com

#### Staffield Country Resort, Negeri Sembilan

Batu 13, Jalan Seremban-Kuala Lumpur  
71700 Mantin  
Negeri Sembilan Darul Khusus  
Tel : 603-8766 6117  
Email : staffield@berjayaclubs.com

#### Bukit Kiara Equestrian & Country Resort, Kuala Lumpur

Jalan Bukit Kiara  
Off Jalan Damansara  
60000 Kuala Lumpur  
Tel : 603-2093 1222  
Email : kiara@berjayaclubs.com

#### Bukit Jalil Golf & Country Resort, Kuala Lumpur

Jalan Jalil Perkasa 3, Bukit Jalil  
57000 Kuala Lumpur  
Tel : 603-8994 1600  
Email : jalil@berjayaclubs.com

#### Kelab Darul Ehsan, Selangor

Taman Tun Abdul Razak  
Jalan Kerja Air Lama  
68000 Ampang Jaya  
Selangor Darul Ehsan  
Tel : 603-4257 2333  
Email : kde@berjayaclubs.com

### VACATION TIMESHARE & TRAVEL

#### Berjaya Vacation Club Berhad – Kuala Lumpur

Lot 5-04, 5th Floor, Fahrenheit 88  
179, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Tel : 603-2116 9999  
Fax : 603-2141 9288/2148 6879  
Email : bvc@berjaya.com.my

#### BERJAYA AIR SDN BHD

Lot AM1, Skypark Terminal  
Sultan Abdul Aziz Shah Airport  
47200 Subang  
Selangor Darul Ehsan, Malaysia  
Tel : 603-7847 1338  
Fax : 603-7842 2038

### PROPERTY INVESTMENT & DEVELOPMENT

#### Main Office:

Level 12 (East Wing)  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2149 1999/2142 8028  
Fax : 603-2143 2028/2145 2126  
Email : property@berjaya.com.my

#### Property Gallery – Kuala Lumpur

02-20, Level 2 (West Wing)  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2149 1999/2142 8028  
Fax : 603-2145 1921  
Website : www.berjayaproperties.com

#### Vietnam Office:

**Berjaya VFC Ltd**  
**Berjaya VIUT Ltd**  
**Berjaya – D2D Co., Ltd**  
6th Floor, Bao Viet Tower  
233 Dong Khoi Street  
Ben Nghe Ward, District 1  
Ho Chi Minh City  
Socialist Republic of Vietnam  
Tel : 84-8-3521 0038 (General)  
84-8-3521 0001 (Marketing)  
Fax : 84-8-3521 0039

#### Berjaya – Handico12 Co., Ltd., Hanoi The Pavilion

Ha Noi Garden City  
Thach Ban Ward, Long Bien District  
Hanoi, Socialist Republic of Vietnam  
Tel : 84-4-3652 6666  
Fax : 84-4-3652 6668

#### China Office:

**Berjaya (China) Great Mall Co. Ltd.**  
38, Xing Gong West Street  
Yanjiao Development Zone  
065201 Sanhe City  
People's Republic of China  
Tel : 86-316-332 0309/332  
Fax : 86-316-332 0310

#### Korea Office:

**Berjaya Jeju Resort Limited**  
2572 Jungmun-dong  
Seogwipo City  
Jeju Special Self-Governing Province  
697-120 Republic of Korea  
Tel : 82-64-738-5030  
Fax : 82-64-738 5033

### PROPERTY INVESTMENT & DEVELOPMENT (CONT'D)

#### Property Management:

Level 12 (East Wing)  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2149 1591/92  
Fax : 603-2145 2805  
Email : groupcondo@berjaya.com.my

#### Property Addresses:

##### Indah UPC Shops

3½ Miles, Jalan Klang Lama  
58000 Kuala Lumpur

##### Kelang Lama New Business Centre

##### Gemilang Indah Apartments

Jalan 2/110A  
Batu 3½, Jalan Klang Lama  
58200 Kuala Lumpur

##### Pines Condominiums

Jalan 116, Jalan Sultan Abdul Samad  
Brickfields, 50470 Kuala Lumpur

##### Ixora Apartments

Jalan Rusa, Off Jalan Tun Razak  
50400 Kuala Lumpur

##### Robson Condominiums

Jalan 2/87D, Robson Heights  
Persiaran Syed Putra 2  
50470 Kuala Lumpur

##### 1 Petaling Residences & Commerz @ Sg. Besi

Jalan 1C/149, Off Jalan Sungai Besi  
57100 Kuala Lumpur

##### Petaling Indah Condominiums

No. 2, Jalan 1C/149  
Off Jalan Sungai Besi  
57100 Kuala Lumpur

##### Sri Pelangi Condominiums

##### Sri Pelangi Shops & Apartments

No. 126, Jalan Genting Kelang, Setapak  
53300 Kuala Lumpur

##### Taman Cemerlang

##### Cemerlang Heights

##### Cemerlang Court

##### Cemerlang Apartment

##### Cemerlang Shop/Office/Apartment

Jalan TC 1/5  
Taman Cemerlang Gombak  
53100 Kuala Lumpur

##### Berjaya Park

Seksyen 32, 40460 Shah Alam  
Selangor Darul Ehsan

##### Vasana 25

##### Seputeh Heights

Jalan Bukit Seputeh 3  
Taman Seputeh Heights  
58000 Kuala Lumpur

##### Subang Heights

Jalan SHT/SHB  
Taman Subang Heights  
47500 Subang Jaya  
Selangor Darul Ehsan

##### The Peak @ Taman TAR

Off Jalan Sultan  
Taman Tun Abdul Razak  
68000 Ampang  
Selangor Darul Ehsan

##### Greenfields Apartments

No. 8, Jalan 1/155B, Bukit Jalil  
57000 Kuala Lumpur

##### Arena Green Apartments

Block F, Ground Floor  
No. 3, Jalan 1/55A, Bukit Jalil  
57000 Kuala Lumpur

##### Green Avenue Condominiums

No. 15, Jalan 1/155B, Bukit Jalil  
57000 Kuala Lumpur

##### Savanna Bukit Jalil Condominiums

No. 5, Jalan 1/155A, Bukit Jalil  
57000 Kuala Lumpur

##### Savanna 2 Bukit Jalil

No. 3, Jalan Jalil Perkasa 7, Bukit Jalil  
57000 Kuala Lumpur

##### Covillea Bukit Jalil

No. 8, Jalan Jalil Perkasa 7, Bukit Jalil  
57000 Kuala Lumpur

##### Jalil Link @ Bukit Jalil

Jalan 1/155B, Bukit Jalil  
57000 Kuala Lumpur

##### The Link 2 @ Bukit Jalil

Jalan Jalil Perkasa 1, Bukit Jalil  
57000 Kuala Lumpur

##### KM1 East & West Condominiums @ Bukit Jalil

Jalan Jalil Perkasa, Bukit Jalil  
57000 Kuala Lumpur

##### Kinrara Ria Apartments

M.A.G. 2, Block A  
Pangsapuri Kinrara Ria  
Jalan TK 4/11  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan  
Tel : 603-8076 1587

##### Kinrara Putri Apartments

Jalan TK 4/12  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan  
Tel : 603-8076 3258

##### Kinrara Low Cost Shops & Apartments

Jalan TK 4/13  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

##### Kinrara Mas Shops & Apartments

Jalan TK 4/14  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

## GROUP ADDRESSES

### PROPERTY INVESTMENT & DEVELOPMENT (CONT'D)

#### **Kinrara Mas Low Cost Shops**

Jalan TK 4/13  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

#### **Kinrara Shops, Offices & Apartments**

Jalan TK 4/5  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

#### **Kuantan Perdana Shop Office**

Jalan Tun Ismail  
25000 Kuantan  
Pahang Darul Makmur

#### **Batu Pahat Office:**

#### **Berjaya Land Development Sdn Bhd**

74 & 75, Jalan Gemilang  
Taman Banang Jaya  
83000 Batu Pahat  
Johor Darul Takzim  
Tel : 607-428 8678  
Fax : 607-428 8099  
Email : bpoffice@berjaya.com.my

#### **Penang Office:**

c/o Penang Turf Club Race Course  
Jalan Batu Gantung  
10450 Pulau Pinang  
Tel : 604-226 0682  
Fax : 604-226 0631

#### **Singapore Office:**

#### **Berjaya Corporation (S) Pte. Ltd.**

67, Tanjong Pagar Road  
Singapore 088488  
Tel : 602-6227 7378  
Fax : 602-6225 4066  
Email : bcorp@berjaya.com.sg

### COMPLEXES

#### **Berjaya Megamall, Pahang**

Lot 3-18, 3rd Floor  
Sri Dagangan Kuantan  
Business Centre, Jalan Tun Ismail  
25000 Kuantan  
Pahang Darul Makmur  
Tel : 609-508 8188  
Email : megamall@berjaya.com.my

#### **Plaza Berjaya, Kuala Lumpur**

Lot 2.05, 2nd Floor  
Podium Block Plaza Berjaya  
No. 12, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2141 2818  
Email : pberjaya@berjaya.com.my

#### **Kota Raya Complex, Kuala Lumpur**

Lot 5.0A-1 Level 5  
Kota Raya Complex  
Jalan Tun Tan Cheng Lock  
50000 Kuala Lumpur  
Tel : 603-2072 2562  
Email : kotaraya@berjaya.com.my

### GAMING & LOTTERY MANAGEMENT

#### **Sports Toto Malaysia Sdn Bhd**

Lot 13-01, Level 13 (East Wing)  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2148 9888  
Fax : 603-2141 9581  
Email : webmaster@sportstoto.com.my  
Website : www.sportstoto.com.my

#### **Natural Avenue Sdn Bhd**

Lot 8189 & 8190  
Town East, Pending Road  
93450 Kuching, Sarawak  
Tel : 6082-333 666  
Fax : 6082-330 188  
Website : www.cashsweep.com.my

#### **International Lottery & Totalizator Systems, Inc., USA**

2310 Cousteau Court  
Vista (San Diego)  
California 92081 – 8346  
USA

Tel : 1-760-598-1655  
Fax : 1-760-598-0219  
Email : mktg@ilts.com  
Website : www.ilts.com

#### **Berjaya Philippines Inc. Philippine Gaming**

#### **Management Corporation**

9th Floor, Rufino Pacific Tower  
6784 Ayala Ave., cor V.A. Rufino Street  
Makati City  
Metro Manila, Philippines  
Tel : 632-811 0668  
Fax : 632-811 2293  
Website : www.berjaya.com.ph

### EDUCATION

#### **Informatics Education Ltd**

#### **Informatics Campus**

133 Middle Road  
#05-01 BOC Plaza  
Singapore 188974  
Tel : 65-6580 4555  
Fax : 65-6565 1371  
Website : www.informaticseducation.com

### MOTOR RETAILER

#### **H.R. Owen Plc**

Melton Court  
25-27 Old Brompton Road  
London SW7 3TD  
Tel : 020-7245 1122  
Website : www.hrowen.co.uk

# RECURRENT RELATED PARTY TRANSACTIONS

## of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad (“BLand”) Group with the following Related Parties              | Nature of transactions undertaken by BLand and/ or its unlisted subsidiaries  | Amount transacted during the financial year (RM'000) |
|---|---|--|
| <b>Berjaya Corporation Berhad (“BCorp”) and its unlisted subsidiary companies:-</b> |   |  |
| BCorp   | Management fees payable by BLand for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services  | 400  |
| Berjaya Registration Services Sdn Bhd   | Receipt of share registration, printing and mailing services by BLand Group   | 75   |
| Berjaya Education Sdn Bhd   | Receipt of education and staff training services by BLand Group   | 200  |
| Berjaya Higher Education Sdn Bhd  | Income payable by Berjaya Hospitality Services Sdn Bhd (“BHSSB”) for renting of café at Level 14, East Wing, Berjaya Times Square, Jalan Imbi, Kuala Lumpur   | 96   |
|   | Rental receivable by Nural Enterprise Sdn Bhd (“NESB”) for renting of Units 5.1, 5.2, 5.3, 6.1, 6.6, 7.1, 7.2, 7.4, 7.5, 7.6, 8.1, 8.2, 8.6, 9.6, 10.2, 10.6, 11.2, 11.3, 11.4, 12.1, 12.2, 12.3, 13.1, 13.3 and 13.4 of Apartment Block, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur | 512  |
|   | Rental receivable by Tiram Jaya Sdn Bhd for renting of Unit 8.5, 8th Floor of Apartment Block, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur  | 26   |
| Changan Berjaya Auto Sdn Bhd  | Rental income receivable by Klasik Mewah Sdn Bhd (“KMSB”) for renting of premises at Lot 3, Jalan 225, Section 51A, Petaling Jaya, Selangor   | 144  |
| Berjaya Krispy Kreme Doughnuts Sdn Bhd  | Rental income receivable by Sri Panglima Sdn Bhd (“SPSB”) for renting of shoplots at No. 1 & 9, Jalan Kinrara TK 4/13, Taman Kinrara, Seksyen 4, Puchong, Selangor  | 43   |
|   | Rental income receivable by SPSB for renting of shoplot at No. 3, Jalan Kinrara TK 4/13, Taman Kinrara, Seksyen 4, Puchong, Selangor  | 19   |
| Bukit Tinggi Tours Sdn Bhd  | Rental payable by BHSSB for renting of cars as transportation for long term hotel guests use at Berjaya Times Square Hotel, Jalan Imbi, Kuala Lumpur  | 30   |
| Inter-Pacific Trading Sdn Bhd   | Rental income receivable by NESB for renting of office at Lot 1.35A, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur   | 32   |
|   | Purchase of stationery products by BLand Group  | 125  |
| Inter-Pacific Securities Sdn Bhd  | Provision of security guard services by BGSSB   | 84   |
|   | Rental income receivable by Nada Embun Sdn Bhd (“NEmbun”) for renting of office at Lot 13-02, Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur  | 1,079  |
| Prime Credit Leasing Sdn Bhd  | Receipt of leasing and hire purchase facilities by B-Land Group   | 284  |
| Ambilan Imej Sdn Bhd  | Rental payable by BLand for renting of office at Level 12, Berjaya Times Square, Jalan Imbi, Kuala Lumpur   | 1,092  |
| Berjaya Books Sdn Bhd   | Provision of security guard services by BGSSB   | 72   |

## RECURRENT RELATED PARTY TRANSACTIONS

of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad ("BLand") Group with the following Related Parties                       | Nature of transactions undertaken by BLand and/ or its unlisted subsidiaries  | Amount transacted during the financial year (RM'000) |
|--|---|--|
| <b>Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiary companies:- (cont'd)</b> |   |  |
| Cosway (M) Sdn Bhd   | Rental income receivable by Cempaka Properties Sdn Bhd ("CPSB") for renting of shoplot at Lot G-67, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan | 123  |
|  | Wet lease charges receivable by Berjaya Air Sdn Bhd ("BAir") for aircraft leasing facilities  | 960  |
|  | Provision of security guard services by BGSSB   | 2  |
| Kimia Suchi Marketing Sdn Bhd  | Purchase of cleaning chemical products by the various hotels and resorts in BLand Group   | 518  |
| Berjaya Hills Berhad   | General marketing charges payable to Berjaya Hotels & Resorts (Singapore) Pte Ltd   | 45   |
| B Loyalty Sdn Bhd  | Loyalty reward charges payable by BLand Group   | 44   |
|  | Rental income receivable by NESB for renting offices at Lots 7A, 7B & 7C, 7th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur                                  | 102  |
| Stephens Properties Sdn Bhd  | Rental payable by:  |  |
|  | 1. Berjaya Golf Resort Bhd ("BGolf") for renting of storage space at Lots 20F, 22C, 22D, 22E, 26B & 26C, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur        | 11   |
|  | 2. Berjaya Land Development Sdn Bhd for renting of storage space at Lot 20E, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur                                    | 2  |
|  | 3. Pakar Angsana Sdn Bhd for renting of storage space at Lots 20B, C & D, 21D, 22B, 23F & 26D, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur                  | 12   |
|  | 4. BLand for renting of storage space at Lots 19D, E & F, 25B, D & E and shoplot at Lot 6.07, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur                   | 25   |
|  | 5. Berjaya Resort Management Services Sdn Bhd ("BRMSSB") for renting of storage space at Lot 22F, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur               | 2  |
|  | 6. BGSSB for renting of offices at Lots 6.01, 6.02 & 6.03, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur  | 100  |
|  | 7. TIR for renting of storage space at Lots 22F, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur  | 2  |
|  | Provision of security guard services by BGSSB   | 230  |
| Graphic Press Sdn Bhd  | Provision of security guard services by BGSSB   | 107  |
| E.V.A Management Sdn Bhd   | Human resources management service fees payable by BLand Group  | 8  |
| <b>Total</b>   |   | <b>6,606</b>   |

**RECURRENT RELATED PARTY TRANSACTIONS**  
of a Revenue or Trading Nature for the year ended 30 April 2016

| <b>Berjaya Land Berhad (“BLand”) Group with the following Related Parties</b>       | <b>Nature of transactions undertaken by BLand and/ or its unlisted subsidiaries</b>   | <b>Amount transacted during the financial year (RM’000)</b> |
|---|---|---|
| <b>Berjaya Auto Berhad and/or its unlisted subsidiary company:-</b>                 |   |   |
| Bermaz Motor Trading Sdn Bhd  | Purchase of motor vehicles, component parts and other related products and services by the BLand Group  | 21  |
| <b>Total</b>  |   | <b>21</b>   |
| <b>Berjaya Sports Toto Berhad (“BToto”) and its unlisted subsidiary companies:-</b> |   |   |
| BToto   | Rental income receivable by NEmbun for renting of office at part of Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur                                      | 286   |
|   | Rental income receivable by Berjaya Langkawi Beach Resort Sdn Bhd (“BLangkawi”) for renting of villa at Berjaya Langkawi Resort, Burau Bay, Pulau Langkawi, Kedah | 164   |
| FEAB Properties Sdn Bhd   | Rental income payable by BLangkawi for renting of restaurant premises at Plot C, Teluk Burau, Padang Matsirat, Pulau Langkawi, Kedah                              | 108   |
| Sports Toto Malaysia Sdn Bhd  | Provision of security guard services by BGSSB   | 3,614   |
|   | Rental income receivable by NEmbun for renting of office at Lot 13-01, Level 13, Berjaya Times Square, Jalan Imbi, Kuala Lumpur                                   | 1,572   |
|   | Rental income received by NESB:-  |   |
|   | 1. Renting of apartments at Lots 5.4 & 5.6, 5th Floor, Apartment Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur.  | 30  |
|   | 2. Renting of apartment at Lot 10.4, 10th Floor, Apartment Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur.  | 19  |
| BToto and its subsidiary companies  | Dry lease charges receivable by BAir for aircraft leasing facilities  | 1,500   |
|   | Charter fees receivable by Berjaya Jet Charter Sdn Bhd for aircraft leasing facilities  | 4.022   |
| <b>Total</b>  |   | <b>11,315</b>   |

## RECURRENT RELATED PARTY TRANSACTIONS

of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad (“BLand”) Group with the following Related Parties           | Nature of transactions undertaken by BLand and/ or its unlisted subsidiaries   | Amount transacted during the financial year (RM'000) |
|--|--|--|
| <b>Berjaya Assets Berhad (“BAssets”) and its unlisted subsidiary companies:-</b> |  |  |
| Berjaya Times Square Sdn Bhd   | Rental payable by: <ol style="list-style-type: none"> <li>1. Budi Impian Sdn Bhd for renting of shoplots at Lots LG-73, 74 &amp; 74A, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur</li> <li>2. BLand for renting of offices at Lots 02-17 &amp; 02-34, Level 2, Berjaya Times Square, Jalan Imbi, Kuala Lumpur</li> <li>3. Mantra Design Sdn Bhd for renting of shoplots at Lots 09-14 &amp; 09-15, Level 9, Berjaya Times Square, Jalan Imbi, Kuala Lumpur</li> <li>4. Marvel Fresh Sdn Bhd for renting of storage space at G-31, Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur</li> </ol> | 242  |
| BAssets  | Management fees receivable by BLand for services rendered include inter-alia the provision of finance, corporate, secretarial and general administrative services  | 240  |
| Berjaya Times Square Theme Park Sdn Bhd  | Provision of security guard services by BGSSB  | 182  |
| BTS Car Park Sdn Bhd   | Parking charges paid by BLand Group for leasing of parking bays at Berjaya Times Square, Jalan Imbi, Kuala Lumpur  | 179  |
|  | Provision of security guard services by BGSSB  | 74   |
| Berjaya Assets Food (BAF) Sdn Bhd  | Rental receivable by ANSA Hotel KL Sdn Bhd (formerly known as Absolute Prestige Sdn Bhd) for renting of premise at Lot No.0.2, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur  | 356  |
| <b>Total</b>   |  | <b>1,743</b>   |
| <b>Berjaya Media Berhad (“BMedia”) and/or its unlisted subsidiary company:-</b>  |  |  |
| Sun Media Corporation Sdn Bhd  | Rental income receivable by Regnis Industries (M) Sdn Bhd (“Regnis”) for renting of office at part of Ground Floor, 5th Floor and whole of 4th Floor and store room at basement level, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor   | 573  |
|  | Provision of security guard services by Regnis   | 75   |
|  | Receipt of advertising and publishing services by BLand Group  | 94   |
| <b>Total</b>   |  | <b>742</b>   |

**RECURRENT RELATED PARTY TRANSACTIONS**  
of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad (“BLand”) Group with the following Related Parties | Nature of transactions undertaken by BLand and/ or its unlisted subsidiaries  | Amount transacted during the financial year (RM’000) |
|--|---|--|
| <b>Berjaya Food Berhad and/or its unlisted subsidiary companies:-</b>  |   |  |
| Berjaya Roasters (M) Sdn Bhd   | Rental income receivable by CPSB for renting of shoplot at Lot G-83, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan  | 66   |
|  | Rental income receivable by CPSB for renting of shoplot at Lot G-29D, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan   | 11   |
|  | Rental income receivable by Kota Raya Complex Management Sdn Bhd for renting of signage at Lots G05, G06 and G07 at Kota Raya Complex, Jalan Tun Tan Cheng Lock, Kuala Lumpur | 6  |
| Berjaya Starbucks Coffee Company Sdn Bhd                               | Rental income receivable by:  |  |
|  | 1. Kota Raya Development Sdn Bhd (“KRaya”) for renting of Kiosk G1 at Ground Floor, Kota Raya Complex, Jalan Tun Tan Cheng Lock, Kuala Lumpur                                 | 118  |
|  | 2. NESB for renting of Kiosk I at Lower Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur   | 15   |
|  | 3. NESB for renting of shoplots at Lots 1.07 & 1.08, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur   | 50   |
|  | 4. CPSB for renting of shoplot at Lot G15, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan  | 211  |
|  | 5. CPSB for renting of storage space at Lot S2.B, 2nd Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan  | 3  |
|  | 6. NESB for renting of storeroom at Lot 3.04, 3rd Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur  | 16   |
|  | 7. ANSA Hotel KL Sdn Bhd (formerly known as Absolute Prestige Sdn Bhd) for renting of premise at Lot 03, Ground Floor, 101, Jalan Bukit Bintang, Kuala Lumpur                 | 744  |
| Provision of security guard services by BGSSB                          | 200   |  |
| <b>Total</b>   |   | <b>1,440</b>   |

## RECURRENT RELATED PARTY TRANSACTIONS

of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad ("BLand") Group with the following Related Parties         | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries  | Amount transacted during the financial year (RM'000) |
|--|--|--|
| <b>7-Eleven Malaysia Holdings Berhad and its unlisted subsidiary company:-</b> |  |  |
| 7-Eleven Malaysia Sdn Bhd (a)  | Rental income receivable by:   |  |
|  | 1. KMSB for renting of shoplot at Lot LG147, Lower Ground Floor, Sungei Wang Plaza, Jalan Sultan Ismail, Kuala Lumpur                | 198  |
|  | 2. Angsana Gemilang Sdn Bhd ("AGSB") for renting of shoplot at No. 32G, Jalan Sultan Ismail, Kuala Lumpur                            | 340  |
|  | 3. NESB for renting of shoplot at Kiosk II at Lower Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur                            | 65   |
|  | 4. NESB for renting of offices at Lots 3.05, 3.35 & 3.36, 3rd Floor and Lot 4.01, 4th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 747  |
|  | 5. NESB for renting offices at Lots 5.01A&B, 5B, 5C, 5D & 5E, 5th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur                     | 358  |
|  | 6. NESB for renting of office at Lot 1.05, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur  | 93   |
|  | 7. NESB for renting offices at Lots 3.01 & 3.02, 3rd Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur                                  | 31   |
|  | 8. NESB for renting office at Lots 5A, 5th Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur  | 22   |
|  | 9. NESB for renting office at Lot 1.35B, 1st Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur  | 43   |
|  | 10. CPSB for renting of shoplots at G21, G22 & G22A, Ground Floor, Berjaya Megamall, Jalan Tun Ismail, Kuantan                       | 313  |
|  | Parking charges receivable by NESB for leasing of parking bays at Plaza Berjaya, Jalan Imbi, Kuala Lumpur                            | 3  |
|  | Provision of security guard services by BGSSB  | 15   |
| <b>Total</b>   |  | <b>2,228</b>   |

**RECURRENT RELATED PARTY TRANSACTIONS**  
of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad (“BLand”) Group with the following Related Parties  | Nature of transactions undertaken by BLand and/ or its unlisted subsidiaries  | Amount transacted during the financial year (RM’000) |
|---|---|--|
| <b>Other Related Parties:-</b>  |   |  |
| Singer (Malaysia) Sdn Bhd (a)   | Rental income receivable by Regnis for renting of:  |  |
|   | 1. offices at Part of G/F, 1/F and 2/F, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor   | 404  |
|   | 2. offices at Part of 3/F, Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor  | 81   |
|   | Provision of security guard services by BGSSB   | 181  |
|   | Purchase of products and services by the BLand Group  | 552  |
| Berjaya Sompoo Insurance Berhad (b)   | Rental income payable by BHSSB for renting of service suites at A-18-18, 18th Floor, B-26-19, 26th Floor, B-30-12, 30th Floor and B-42-10, 42nd Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur   | 97   |
|   | Rental income payable by BHSSB for renting of service suites at A-22-04 & A-22-07, 22nd Floor, B-26-20, 26th Floor and B-27-10, 27th Floor, B-28-08 & B-28-10, 28th Floor, B-29-08, 29th Floor, B-32-18, 32nd Floor and B-39-18, 39th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur | 402  |
|   | Rental income payable by BHSSB for renting of service suites at A-17-08, 17th Floor and A-30-21, 30th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur   | 62   |
|   | Rental income received by NESB for renting of shoplot at G027G, Ground Floor, Plaza Berjaya, Jalan Imbi, Kuala Lumpur   | 48   |
|   | Provision of security guard services by BGSSB   | 49   |
|   | Parking charges receivable by NESB for leasing of parking at basement of Plaza Berjaya, Jalan Imbi, Kuala Lumpur  | 8  |
|   |   |  |
| U Mobile Sdn Bhd (c)  | Rental income receivable by:  |  |
|   | 1. Regnis for renting of rooftop at Lot 6, Jalan 217, Section 51, Petaling Jaya, Selangor   | 23   |
|   | 2. BGolf for renting of watchtower at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Kuala Lumpur   | 50   |
|   | 3. AGSB for renting of offices at 1st & 2nd Floor, No.32 Jalan Sultan Ismail, Kuala Lumpur  | 329  |
|   | 4. Bukit Kiara Resort Bhd (“BKiar”) for renting of broadcasting facility at Bukit Kiara Equestrian & Country Resort, Off Jalan Damansara, Kuala Lumpur  | 47   |
|   | 5. Georgetown City Hotel Sdn Bhd for renting of rooftop at Georgetown City Hotel, Jalan Burmah, Pulau Pinang  | 60   |
| 6. Amat Muhibah Sdn Bhd for renting of broadcasting facility at Desa Water Park, Jalan Klang Lama, Kuala Lumpur | 42  |  |

## RECURRENT RELATED PARTY TRANSACTIONS

of a Revenue or Trading Nature for the year ended 30 April 2016

| Berjaya Land Berhad ("BLand") Group with the following Related Parties | Nature of transactions undertaken by BLand and/or its unlisted subsidiaries  | Amount transacted during the financial year (RM'000) |
|--|--|--|
| <b>Other Related Parties:- (cont'd)</b>                                |  |  |
| U Mobile Sdn Bhd (c)<br>(cont'd)                                       | Parking charges receivable by AGSB for leasing of parking bays at basement carpark, No.32, Jalan Sultan Ismail, Kuala Lumpur                   | 34   |
|  | Parking charges received by NESB for leasing of parking at basement of Plaza Berjaya, Jalan Imbi, Kuala Lumpur                                 | 12   |
|  | Provision of security guard services by BGSSB  | 121  |
| Tai Thong Group Sdn Bhd (d)  | Rental and commission receivable by:   |  |
|  | 1. BKiara for renting of Oriental Pearl at Bukit Kiara Equestrian & Country Resort, Off Jalan Damansara, Kuala Lumpur                          | 606  |
|  | 2. BGolf for renting of Oriental Pearl at Bukit Jalil Golf & Country Resort, Jalan 3/155B, Kuala Lumpur  | 823  |
| Songbird Amusement Sdn Bhd (e)   | Rental income receivable by NESB for renting of shoplots at Lots 2.35 & 2.36, 2nd Floor, Podium Block, Plaza Berjaya, Jalan Imbi, Kuala Lumpur | 315  |
| Qinetics Solutions Sdn Bhd (f)   | Receipt of information technology consultancy and management related services and purchase of networking equipment by BLand Group              | 458  |
| Qinetics Services Sdn Bhd (f)  | Receipt of information technology consultancy and management related services and purchase of networking equipment by BLand Group              | 1,641  |
| Berjaya Radioshack Sdn Bhd (a)   | Provision of security guard services by BGSSB  | 37   |
| <b>Total</b>   |  | <b>6,482</b>   |
| <b>Grand Total</b>   |  | <b>30,577</b>  |

### Notes:

- a. Wholly-owned subsidiaries of Berjaya Retail Berhad which in turn is a wholly-owned subsidiary of Premier Merchandise Sdn Bhd, a wholly-owned subsidiary of Intan Utilities Berhad ("Intan"). Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") is deemed major shareholder of Intan.
- b. Associated company of BCorp.
- c. TSVT, the Chairman of U Mobile Sdn Bhd ("UMSB") is also a deemed major shareholder in UMSB.
- d. Wholly-owned subsidiary of Tai Thong Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of Diversified Kinetic Sdn Bhd ("DKSB"). Tan Sri Dato' Tan Chee Sing ("TSDT") and his son Dato' Dickson Tan Yong Loong, a Director of BLand are deemed major shareholders of DKSB. TSDT is also a brother of TSVT.
- e. A wholly-owned subsidiary of Perfect Patent Sdn Bhd. Ms Tan Choon Lui is deemed a major shareholder of Songbird Amusement Sdn Bhd by virtue of her interest in Perfect Patent Sdn Bhd. She is the sister of TSVT. Hence, is a person connected to TSVT.
- f. Subsidiary companies of MOL.com Sdn Bhd ("MOL"). TSVT and related companies of BCorp Group have interests in MOL.

# STATEMENT OF DIRECTORS' SHAREHOLDINGS

as at 18 July 2016

## THE COMPANY

|                             | No. of Ordinary Shares of RM0.50 each |        |      |          |   |
|-----------------------------|---------------------------------------|--------|------|----------|---|
|                             | Direct                                | Deemed | %    | Interest | % |
|                             | Interest                              |        |      |          |   |
| Dato' Ng Sooi Lin           | 224,000                               |        | 0.01 | –        | – |
| Tan Thiam Chai              | 40,000                                |        | 0.00 | –        | – |
| Datuk Robert Yong Kuen Loke | 360,808                               |        | 0.01 | –        | – |
| Nerine Tan Sheik Ping       | 2,000,000                             |        | 0.04 | –        | – |
| Chryseis Tan Sheik Ling     | 5,000,000                             |        | 0.10 | –        | – |

## ULTIMATE HOLDING COMPANY BERJAYA CORPORATION BERHAD

|                             | No. of Ordinary Shares of RM1.00 each |        |      |           |      |
|-----------------------------|---------------------------------------|--------|------|-----------|------|
|                             | Direct                                | Deemed | %    | Interest  | %    |
|                             | Interest                              |        |      |           |      |
| Dato' Ng Sooi Lin           | 132,700                               |        | 0.00 | –         | –    |
| Tan Thiam Chai              | 123,294                               |        | 0.00 | 104,164 # | 0.00 |
| Datuk Robert Yong Kuen Loke | 1,020,918                             |        | 0.02 | –         | –    |
| Phan Yoke Seng              | 100                                   |        | 0.00 | –         | –    |
| Chryseis Tan Sheik Ling     | 197,000                               |        | 0.00 | –         | –    |

|                             | No. of 5% Irredeemable Convertible Unsecured Loan<br>Stocks 2012/2022 of RM1.00 nominal value each |        |      |          |      |
|-----------------------------|--|--------|------|----------|------|
|                             | Direct   | Deemed | %    | Interest | %    |
|                             | Interest   |        |      |          |      |
| Datuk Robert Yong Kuen Loke | 2,516,508  |        | 0.39 | –        | –    |
| Dato' Ng Sooi Lin           | 16,666   |        | 0.00 | –        | –    |
| Tan Thiam Chai              | 20,600   |        | 0.00 | 17,400 # | 0.00 |
| Nerine Tan Sheik Ping       | 132,000  |        | 0.02 | –        | –    |
| Chryseis Tan Sheik Ling     | 275,000  |        | 0.04 | –        | –    |

|                   | No. of 2% Irredeemable Convertible Unsecured Loan<br>Stocks 2016/2026 of RM1.00 nominal value each |        |      |          |   |
|-------------------|--|--------|------|----------|---|
|                   | Direct   | Deemed | %    | Interest | % |
|                   | Interest   |        |      |          |   |
| Dato' Ng Sooi Lin | 1,000  |        | 0.00 | –        | – |
| Tan Thiam Chai    | 1,000  |        | 0.00 | –        | – |

|                             | Number of Warrants 2012/2022 |        |      |          |      |
|-----------------------------|------------------------------|--------|------|----------|------|
|                             | Direct                       | Deemed | %    | Interest | %    |
|                             | Interest                     |        |      |          |      |
| Datuk Robert Yong Kuen Loke | 170,108                      |        | 0.02 | –        | –    |
| Dato' Ng Sooi Lin           | 16,666                       |        | 0.00 | –        | –    |
| Tan Thiam Chai              | 20,600                       |        | 0.00 | 17,400 # | 0.00 |

## STATEMENT OF DIRECTORS' SHAREHOLDINGS

as at 18 July 2016

### ULTIMATE HOLDING COMPANY BERJAYA CORPORATION BERHAD (cont'd)

|                   | Direct Deemed<br>Interest | Number of Warrants 2016/2026 |          |   |
|-------------------|---------------------------|------------------------------|----------|---|
|                   |                           | %                            | Interest | % |
| Dato' Ng Sooi Lin | 1,000                     | 0.00                         | –        | – |
| Tan Thiam Chai    | 1,000                     | 0.00                         | –        | – |

### RELATED COMPANIES BERJAYA SPORTS TOTO BERHAD

|                              | Direct Deemed<br>Interest | No. of Ordinary Shares of RM0.10 each |           |      |
|------------------------------|---------------------------|---------------------------------------|-----------|------|
|                              |                           | %                                     | Interest  | %    |
| Tan Thiam Chai               | 172,284                   | 0.01                                  | 133,165 # | 0.01 |
| Datuk Robert Yong Kuen Loke  | 123,667                   | 0.01                                  | –         | –    |
| Dato' Dickson Tan Yong Loong | 13,294                    | 0.00                                  | –         | –    |
| Phan Yoke Seng               | 10,533                    | 0.00                                  | –         | –    |

### BERJAYA FOOD BERHAD

|                | Direct Deemed<br>Interest | No. of Ordinary Shares of RM0.50 each |          |   |
|----------------|---------------------------|---------------------------------------|----------|---|
|                |                           | %                                     | Interest | % |
| Tan Thiam Chai | 325,800                   | 0.09                                  | –        | – |

|                | Direct Deemed<br>Interest | Number of Warrants |          |   |
|----------------|---------------------------|--------------------|----------|---|
|                |                           | %                  | Interest | % |
| Tan Thiam Chai | 120,000                   | 5.22               | –        | – |

Save as disclosed, none of the other Directors of the Company has any interests in the shares and debentures of the Company or its related corporations as at 18 July 2016.

# Denotes indirect interest held pursuant to Section 134 (12) (c) of the Companies Act, 1965.

# STATISTICS ON SHAREHOLDINGS

as at 18 July 2016

## ANALYSIS OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | %             | SHARES               | %             |
|-----------------------|---------------------|---------------|----------------------|---------------|
| less than 100         | 306                 | 5.49          | 6,224                | 0.00          |
| 100 – 1,000           | 1,231               | 22.10         | 598,761              | 0.01          |
| 1,001 – 10,000        | 2,293               | 41.17         | 11,823,903           | 0.24          |
| 10,001 – 100,000      | 1,471               | 26.41         | 42,377,684           | 0.85          |
| 100,001 – 249,469,699 | 268                 | 4.81          | 4,255,837,524        | 85.30         |
| 249,469,700 and above | 1                   | 0.02          | 678,749,904          | 13.60         |
| <b>Total</b>          | <b>5,570</b>        | <b>100.00</b> | <b>4,989,394,000</b> | <b>100.00</b> |

Note: There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.

\* Denotes 5% of the total number of shares with voting rights in issue.

## THIRTY (30) LARGEST SHAREHOLDERS

| No. | NAME OF SHAREHOLDERS   | NO. OF SHARES HELD | (%)   |
|-----|--|--------------------|-------|
| 1   | Juara Sejati Sdn Bhd   | 678,749,904        | 13.60 |
| 2   | Citigroup Nominees (Asing) Sdn Bhd<br>Macquarie Bank Limited (London Branch)   | 246,000,000        | 4.93  |
| 3   | Teras Mewah Sdn Bhd  | 196,309,984        | 3.94  |
| 4   | RHB Nominees (Tempatan) Sdn Bhd<br>Bank Of China (Malaysia) Berhad Pledged Securities Account<br>For Teras Mewah Sdn. Bhd. | 190,000,000        | 3.81  |
| 5   | RHB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Juara Sejati Sdn Bhd                                     | 161,928,096        | 3.25  |
| 6   | Cartaban Nominees (Tempatan) Sdn Bhd<br>Raiffeisen Bank International AG, Singapore Branch<br>For Juara Sejati Sdn Bhd     | 153,000,000        | 3.07  |
| 7   | Bizurai Bijak (M) Sdn Bhd  | 152,813,220        | 3.06  |
| 8   | HSBC Nominees (Asing) Sdn Bhd<br>CS Sec (Europe) Ltd For PCM Industrial L.P.   | 138,732,196        | 2.78  |
| 9   | Citigroup Nominees (Asing) Sdn Bhd<br>Goldman Sachs International  | 129,404,924        | 2.59  |
| 10  | Cartaban Nominees (Tempatan) Sdn Bhd<br>Raiffeisen Bank International AG, Singapore Branch<br>For Teras Mewah Sdn Bhd      | 109,000,000        | 2.19  |
| 11  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Bizurai Bijak (M) Sdn.Bhd. (Berjaya Corp)        | 105,000,000        | 2.11  |
| 12  | Berjaya Corporation Berhad   | 94,820,000         | 1.90  |
| 13  | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Bizurai Bijak (M) Sdn. Bhd.                    | 90,000,000         | 1.81  |
| 14  | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Bizurai Bijak (M) Sdn Bhd (414084-91161D)            | 90,000,000         | 1.81  |

## STATISTICS ON SHAREHOLDINGS

as at 18 July 2016

### THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

| No. | NAME OF SHAREHOLDERS  | NO. OF<br>SHARES HELD | (%)   |
|-----|---|-----------------------|-------|
| 15  | Amsec Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account – Ambank (M) Berhad For Bizurai Bijak (M) Sdn Bhd                   | 80,500,000            | 1.61  |
| 16  | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Sublime Cartel Sdn Bhd (41408491163A)                         | 78,000,000            | 1.56  |
| 17  | Citigroup Nominees (Asing) Sdn Bhd<br>Pledged Securities Account For Penta Master Fund, Ltd   | 75,000,000            | 1.50  |
| 18  | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Teras Mewah Sdn Bhd (514084575225)                            | 72,000,000            | 1.44  |
| 19  | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Juara Sejati Sdn Bhd  | 71,070,000            | 1.43  |
| 20  | RHB Nominees (Tempatan) Sdn Bhd<br>Bank Of China (Malaysia) Berhad Pledged Securites Account<br>For Inter-Pacific Capital Sdn. Bhd. | 71,000,000            | 1.42  |
| 21  | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Teras Mewah Sdn Bhd (51430112619A)                            | 63,000,000            | 1.26  |
| 22  | ABB Nominee (Tempatan) Sdn Bhd<br>Pledged Securities Account For Teras Mewah Sdn Bhd (BCORP RC3)                                    | 62,000,000            | 1.24  |
| 23  | BBL Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Teras Mewah Sdn Bhd   | 61,000,000            | 1.22  |
| 24  | ABB Nominee (Tempatan) Sdn Bhd<br>Pledged Securities Account For Teras Mewah Sdn Bhd (BCORP RC4)                                    | 60,000,000            | 1.20  |
| 25  | ABB Nominee (Tempatan) Sdn Bhd<br>Pledged Securities Account For Berjaya VTCY Sdn Bhd (TL Facility)                                 | 59,891,176            | 1.20  |
| 26  | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Berjaya Times Square Sdn Bhd                                  | 55,881,000            | 1.12  |
| 27  | HSBC Nominees (Asing) Sdn Bhd<br>Exempt An For Credit Suisse Securities (Europe) Limited  | 48,354,700            | 0.97  |
| 28  | CIMB Group Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Teras Mewah Sdn Bhd<br>(GARIMAHSB-PDZM)                    | 46,000,000            | 0.92  |
| 29  | BBL Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Inter-Pacific Securities Sdn.Bhd.                                 | 45,000,000            | 0.90  |
| 30  | Affin Hwang Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account For Juara Sejati Sdn Bhd                                    | 44,800,000            | 0.90  |
|     |   | 3,529,255,200         | 70.74 |

# SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 18 July 2016

| NAMES OF SUBSTANTIAL SHAREHOLDER             | ← NO. OF ORDINARY SHARES OF RM0.50 EACH → |       |               |       | Notes |
|--|---|-------|---------------|-------|-------|
|  | Direct                                    | %     | Indirect      | %     |       |
| Teras Mewah Sdn Bhd                          | 1,296,624,984                             | 25.99 | –             | –     |       |
| Juara Sejati Sdn Bhd                         | 1,241,691,000                             | 24.89 | 414,879,612   | 8.32  | (a)   |
| Bizurai Bijak (M) Sdn Bhd                    | 659,100,000                               | 13.21 | 274,352,612   | 5.50  | (b)   |
| Berjaya Capital Berhad                       | –   | –     | 274,352,612   | 5.50  | (c)   |
| Berjaya Group Berhad                         | 23,030,000                                | 0.46  | 3,612,295,596 | 72.40 | (d)   |
| Berjaya Corporation Berhad                   | 109,084,000                               | 2.19  | 3,635,325,596 | 72.86 | (e)   |
| Tan Sri Dato' Seri Vincent Tan<br>Chee Yioun | 62,232,800                                | 1.25  | 3,868,211,072 | 77.53 | (f)   |

**Notes:**

- (a) Deemed interested by virtue of its interest in Berjaya Capital Berhad and its interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd and Berjaya Times Square Sdn Bhd.
- (b) Deemed interested by virtue of its interest in Berjaya Capital Berhad.
- (c) Deemed interested by virtue of its interests in Berjaya Sompo Insurance Berhad, Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Rantau Embun Sdn Bhd.
- (d) Deemed interested by virtue of its 100% interests in Teras Mewah Sdn Bhd, Juara Sejati Sdn Bhd, Bizurai Bijak (M) Sdn Bhd and its interests in the related companies, namely Prime Credit Leasing Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Inter-Pacific Capital Sdn Bhd and Rantau Embun Sdn Bhd as well as its interests in Berjaya Sompo Insurance Berhad, Berjaya Times Square Sdn Bhd and Sublime Cartel 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, Hotel Resort Enterprise Sdn Bhd, B&B Enterprise Sdn Bhd and Berjaya VTCY Sdn Bhd and his interest in Berjaya Assets Berhad, the holding company of Berjaya Times Square Sdn Bhd and Sublime Cartel Sdn Bhd and his interest in HQZ Credit Sdn Bhd, the ultimate holding company of Desiran Unggul Sdn Bhd and Premier Merchandise Sdn Bhd.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting of the Company will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 13 October 2016 at 10.00 a.m. for the following purposes:-

## AGENDA

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 April 2016 and the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees amounting to RM119,033 for the year ended 30 April 2016. **RESOLUTION 1**
3. To re-elect the following Directors retiring pursuant to Article 101 of the Company's Articles of Association:-
  - (a) Tan Thiam Chai **RESOLUTION 2**
  - (b) Dato' Dickson Tan Yong Loong. **RESOLUTION 3**
4. To re-elect the following Directors retiring pursuant to Article 106 of the Company's Articles of Association:-
  - (a) Datuk Kee Mustafa **RESOLUTION 4**
  - (b) Nerine Tan Sheik Ping **RESOLUTION 5**
  - (c) Chryseis Tan Sheik Ling **RESOLUTION 6**
  - (d) Pee Kang Seng @ Lim Kang Seng **RESOLUTION 7**
5. To re-appoint Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. **RESOLUTION 8**
6. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **RESOLUTION 9**
7. As special business:-
  - (a) To consider and, if thought fit, pass the following Ordinary Resolutions:-
    - (i) **Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965** **RESOLUTION 10**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

**(ii) Proposed renewal of and new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **RESOLUTION 11**

"THAT, subject to the provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 25 August 2016 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by 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."

**(iii) Proposed Renewal of Authority For the Company to Purchase Its Own Shares** **RESOLUTION 12**

"THAT, subject always to the Companies Act, 1965, ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and Bursa Malaysia Securities Berhad ("Exchange") Main Market Listing Requirements and any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company ("B-Land Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total issued and paid-up share capital of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits or share premium reserve of the Company or both;

## NOTICE OF ANNUAL GENERAL MEETING

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 that general meeting which time it will lapse unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever occurs first;

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

- (a) cancel all the B-Land Shares so purchased; or
- (b) retain all the B-Land Shares as treasury shares for future re-sale or for distribution as dividends to the shareholders of the Company; or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

### (iv) Proposed retention of Independent Non-Executive Director

### RESOLUTION 13

“THAT Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine years.”

By Order of the Board

**THAM LAI HENG MICHELLE** (MAICSA 7013702)  
Secretary

Kuala Lumpur  
25 August 2016

## NOTES:

### 1. Audited Financial Statements

Agenda Item 1 is for discussion at the meeting and no voting is required.

### 2. Directors' Fee

The quantum of the Directors' Fees for each of the Independent Directors is the same as in the previous financial year ended 30 April 2015. The Director's Fee for the newly appointed Independent Director namely, Datuk Kee Mustafa was pro-rated from the date of his appointment up to 30 April 2016.

### 3. Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965

Resolution 10 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 19 October 2015 and which will lapse at the conclusion of the Twenty-Sixth Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

### 4. Proposed Renewal of and new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 11, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out in the Circular/Statement to Shareholders dated 25 August 2016 which is despatched together with the Company's 2016 Annual Report.

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

Resolution 12, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 25 August 2016 which is despatched together with the Company's 2016 Annual Report.

### 6. Proposed Retention of Independent Non-Executive Director

Resolution 13 is proposed pursuant to Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 and if passed, will allow Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim to be retained and continue to act as an Independent Non-Executive Director and Chairman of the Company. The full details of the Board's justifications for the retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim is set out in the Statement on Corporate Governance in the Company's 2016 Annual Report.

## NOTICE OF ANNUAL GENERAL MEETING

### 7. Proxy and Entitlement of Attendance

- (i) A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (ii) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- (iii) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- (iv) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- (v) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- (vi) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (vii) Only members whose names appear in the Record of Depositors as at 6 October 2016 will be entitled to attend and vote at the meeting.

### 8. Poll Voting

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

# FORM OF PROXY

I/We, \_\_\_\_\_  
(Name in full)

I.C. or Company No. \_\_\_\_\_ CDS Account No. \_\_\_\_\_  
(New and Old I.C. Nos. or Company No.)

of \_\_\_\_\_  
(Address)

being a member/members of BERJAYA LAND BERHAD hereby appoint:

\_\_\_\_\_ I.C No. \_\_\_\_\_ of  
(Name in full) (New and Old I.C. Nos.)

of \_\_\_\_\_  
(Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-Sixth Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 13 October 2016 at 10.00 a.m. or any adjournment thereof.

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

|   | FOR | AGAINST |
|---|-----|---------|
| RESOLUTION 1 – To approve payment of Directors' Fees  |     |         |
| RESOLUTION 2 – To re-elect Tan Thiam Chai as Director   |     |         |
| RESOLUTION 3 – To re-elect Dato' Dickson Tan Yong Loong as Director   |     |         |
| RESOLUTION 4 – To re-elect Datuk Kee Mustafa as Director  |     |         |
| RESOLUTION 5 – To re-elect Nerine Tan Sheik Ping as Director  |     |         |
| RESOLUTION 6 – To re-elect Chryseis Tan Sheik Ling as Director  |     |         |
| RESOLUTION 7 – To re-elect Pee Kang Seng @ Lim Kang Seng as Director  |     |         |
| RESOLUTION 8 – To re-appoint Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as Director  |     |         |
| RESOLUTION 9 – To re-appoint Auditors   |     |         |
| RESOLUTION 10 – To approve authority to issue and allot shares  |     |         |
| RESOLUTION 11 – To renew shareholders' mandate for Recurrent Related Party Transactions   |     |         |
| RESOLUTION 12 – To approve the renewal of authority to purchase its own shares by the Company   |     |         |
| RESOLUTION 13 – To approve the proposed retention of Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim as an Independent Non-Executive Director |     |         |

**NO. OF SHARES HELD**

\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**Notes:**

- (1) A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (2) A member, other than an authorised nominee or an exempt authorised nominee, may appoint only one (1) proxy.
- (3) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- (4) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
- (5) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- (6) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
- (7) Only members whose names appear in the Record of Depositors as at 6 October 2016 will 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 LAND BERHAD**

LOT 13-01A, LEVEL 13 (EAST WING)  
BERJAYA TIMES SQUARE  
NO. 1, JALAN IMBI  
55100 KUALA LUMPUR

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1st fold here

*For further information, please contact:*

The Company Secretary  
Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.  
Tel: (6)03-2149 1999 Fax: (6)03-2143 1685

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