BERJAYA

BERJAYA CORPORATION BERHAD

(Company No. 554790-X)

برجاي كورفوريشن برحد

成功集團有限公司

ANNUAL REPORT 2017

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.

Colmar Tropicale, Berjaya Hills, Pahang.

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CORPORATE PROFILE

Premier Suite – Berjaya Langkawi Resort, Kedah.

The history of the Berjaya Corporation group of companies dates back to 1984 when its Founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun acquired a major controlling stake in Berjaya Industrial Berhad (originally known as Berjaya Kawat Berhad and now known as Reka Pacific Berhad) from the founders, The Broken Hill Proprietary Company Limited, Australia and National Iron & Steel Mills Limited, Singapore. The shareholding change also resulted in a major change in the business, direction and dynamic growth of a diversified conglomerate under the flagship of Berjaya Corporation Berhad ("BCorp").

In October 1988, following a major restructuring, Berjaya Group Berhad (then known as Inter-Pacific Industrial Group Berhad) became the holding company of Reka Pacific Berhad.

Inter-Pacific Industrial Group Berhad (formerly known as Raleigh Berhad) was incorporated in 1967 as a bicycle manufacturer. In 1969, the Company gained official listing on Bursa Malaysia Securities Berhad ("Bursa Securities").

BCorp assumed the listing status of Berjaya Group Berhad on the Main Market of Bursa Securities upon the completion of the group restructuring exercise in October 2005 and the listing of the new shares on 3 January 2006.

With a total employee strength of 14,000, the Group is a diversified entity engaged in the following core businesses:

- Consumer Marketing, Direct Selling and Retail;
- Financial Services;
- Hotels, Resorts, Vacation Timeshare and Recreation Development;
- Property Investment and Development;
- Gaming and Lottery Management;
- Food and Beverage;
- Environmental Services and Clean Technology Investment;
- Motor Trading and Distribution;
- Telecommunication and Information Technology related Services, Solutions and Products;
- Investment Holding and others.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman/Chief Executive Officer
Dato' Sri Robin Tan Yeong Ching

Executive Directors
Vivienne Cheng Chi Fan
Dato' Sri Azlan Meah Bin Hj Ahmed Meah
Dato' Zurainah Binti Musa
Nerine Tan Sheik Ping

Non-Independent Non-Executive Director
Chan Kien Sing

Independent Non-Executive Directors
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar
Datuk Robert Yong Kuen Loke
Datuk Mohd Zain Bin Ahmad
Dr Jayanthi Naidu A/P G. Danasamy

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director
Dato' Hj Md Yusoff
@ Mohd Yusoff Bin Jaafar

Independent Non-Executive Directors
Datuk Robert Yong Kuen Loke
Datuk Mohd Zain Bin Ahmad

SECRETARIES

Tham Lai Heng Michelle
(MAICSA No. 7013702)

Wong Siew Guek
(MAICSA No. 7042922)

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 (AF: 0039)
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03 7495 8000
Fax : 03 5095 9076

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
AmBank (M) Berhad
Affin Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK SHORT NAME

BJCORP (3395)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

PROFILE OF DIRECTORS

DATO' SRI ROBIN TAN YEONG CHING

43 years of age, Malaysian, Male
Chairman/Chief Executive Officer

He was appointed to the Board on 21 December 2006 as an Executive Director. He was later appointed as the Chief Executive Officer ("CEO") of the Company on 1 January 2011 and subsequently as the Chairman/CEO on 23 February 2012.

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

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

Dato' Sri Robin Tan Yeong Ching is a member of the Remuneration Committee of the Company.

VIVIENNE CHENG CHI FAN

58 years of age, Malaysian, Female
Executive Director

She was appointed to the Board on 15 September 2005 as an Executive Director.

She obtained her Bachelor degree in Economics (Accounting) from Monash University, Australia in 1982 and was subsequently admitted as a member of the Australian Society of Accountants.

She has over 30 years of working experience in the field of treasury and finance with broad expertise in project finance, debt capital raising, corporate and debt restructuring and treasury cash management. Prior to joining the Treasury Department of Berjaya Group Berhad in 1989, she was attached to Sunway Group of Companies for 6 years and headed its Treasury Division.

Currently, she is also a Director of Berjaya Group Berhad, Cosway Corporation Berhad and several other private limited companies in the Berjaya Corporation group of companies.

Vivienne Cheng Chi Fan is a member of the Risk Management Committee of the Company.

DATO' SRI AZLAN MEAH BIN HJ AHMED MEAH

61 years of age, Malaysian, Male
Executive Director

He was appointed to the Board on 15 September 2005 as an Executive Director.

He furthered his education at Bunker Hill Community College, Boston, United States of America. He began his career in Berjaya Group of Companies ("the Group") in 1986 as Business Development Manager and was the Senior General Manager (Corporate Services & Information) prior to his current appointment.

He has over 30 years of working experience in the Group and is primarily responsible for project coordination mainly in public-private partnerships across all of the Group's industry interest, which includes consumer marketing and retail businesses, automotive licensing, IT infrastructure and products, financial services, green technology and environmental services. He is also actively involved in projects related to privatization, air transportation, tourism infrastructure and recreational development, while concomitantly representing the Group in corporate and governmental relations, networking and negotiations to facilitate new business ventures.

Jointly driving the Group's effective engagement, he is also responsible in creating and enhancing value from existing core businesses within the Group.

Currently, he is a Director of Berjaya Hills Resort Berhad (formerly known as Berjaya Hills Berhad), Berjaya Group Berhad, and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

DATO' ZURAINAH BINTI MUSA

55 years of age, Malaysian, Female
Executive Director

She was appointed to the Board on 13 January 2012 as an Executive Director.

She obtained her MBA from Berjaya University College of Hospitality in year 2016, Post Graduate diploma in Human Resource Management from University of Newcastle, Australia in 1997. She also holds diplomas in Occupational Health And Safety from University of New South Wales, Australia and Secretarial Science from the MARA Institute of Technology.

She started work in 1983 and was working in senior capacities for several organisations, both locally and internationally before she joined Permata Kancil (M) Sdn Bhd in 1995. She was the Managing Director of Permata Kancil (M) Sdn Bhd, a company involved in human resource management and consultancy, when she left in 2010.

She has more than 15 years of experience in the field of Human Resource Management and Development as well as Human Relationship Management. Her experience includes inter-alia, the designing, developing, managing, organising and conducting of training programmes, seminars and courses as well as the provision of consulting services relating to the various aspects of human resource development and management for organisations in Malaysia, Australia, United States of America, Indonesia and the Middle East.

Currently, she is a Director of Uzma Berhad, Tioman Island Resort Berhad and several other private limited companies.

She is also an Executive Director of Berjaya Times Square Sdn Bhd and also a Director of several subsidiaries of Berjaya Assets Berhad.

NERINE TAN SHEIK PING

41 years of age, Malaysian, Female
Executive Director

She was appointed to the Board on 1 January 2016 as an Executive Director. She graduated with a Bachelor of Science degree in Management (Second Class Honours) from the London School of Economics, United Kingdom, in 1998.

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

In addition, she was also appointed as Vice President in the Marketing division of Berjaya Resort Management Sdn Bhd ("BRM") (now known as Berjaya Hotels & Resorts (M) Sdn Bhd) in January 1999 and was appointed as Executive Director of Berjaya Hotels & Resorts (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 the 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 Land Berhad, Berjaya Sports Toto Berhad and Berjaya Group Berhad. She also holds directorships in several other private limited companies.

Her brother, Dato' Sri Robin Tan Yeong Ching is also a member of the Board and her father, Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of the Company.

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

CHAN KIEN SING

61 years of age, Malaysian, Male
Non-Independent Non-Executive Director

He was appointed to the Board on 15 September 2005.

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

Currently, he is an Executive Director of Berjaya Media Berhad and a Director of Berjaya Sports Toto Berhad, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad and International Lottery & Totalizator Systems Inc, United States of America. He is also the Managing Director of Sun Media Corporation Sdn Bhd and holds directorships in several other private limited companies.

DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

70 years of age, Malaysian, Male
Independent Non-Executive Director

He was appointed to the Board on 15 September 2005.

He graduated from the University of Science Malaysia, Penang in 1978 with a Bachelor of Social Science (Hons) degree majoring in Political Science and minoring in Ethnic Relations.

He began his 34-year career with the Royal Malaysian Police Force as a trainee Probationary Inspector in 1969. He was selected to the Special Branch Department the following year where he held various commanding positions. Between 1983 and 1990, he was Head of the Special Branch in Terengganu before being seconded to the Head Office at Bukit Aman, Kuala Lumpur, where he served for a period of 2 years. He was then posted to the Special Branch Training Institution, Jalan Gurney, Kuala Lumpur as a Commandant before his promotion as Deputy Chief Police Officer of Penang and Pahang. Prior to his retirement in May 2003, he was in Terengganu as the Chief Police Officer of the State and his last commanding post in the police was as the Commissioner of Police, Sarawak. He is also actively involved in various community organisations and has served as the Special Advisor to the Ministry of Social Development and Urbanisation Sarawak.

He also holds directorships in several other private limited companies.

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar is the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

DATUK ROBERT YONG KUEN LOKE

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

He was appointed to the Board on 15 September 2005.

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

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

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

DATUK MOHD ZAIN BIN AHMAD

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

He was appointed to the Board on 15 September 2005.

He holds a Bachelor of Law degree from the University of Buckingham, England and a Certificate in Legal Practice. He also holds Diplomas in Syariah Law & Practice from International Islamic University Malaysia and Public Administration from Universiti Teknologi MARA.

He began his career with the Royal Malaysian Police Force as a police inspector in 1971. He was promoted to Assistant Superintendent of Police in 1980 and served until 1986. He was admitted as an Advocate and Solicitor of the High Court of Malaya on 25 October 1986 and is currently a practising solicitor. He is also a member of the State Legislative Assembly for the Penaga Constituency in the State of Penang.

Datuk Mohd Zain Bin Ahmad is a member of Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

DR JAYANTHI NAIDU A/P G. DANASAMY

41 years of age, Malaysian, Female
Independent Non-Executive Director

She was appointed to the Board on 13 January 2012.

She obtained her LLB (Hons) in 2000 and her LLM (Distinction) in 2004 from University Malaya. She obtained her PhD in the area of sustainable corporate practices from Queen Mary, University of London, United Kingdom in 2008. She is also a member of the Malaysian Bar (non-practising).

Dr Jayanthi started her career as a Prosecuting Officer with the Securities Commission of Malaysia in 2001 before taking up academic positions both in Malaysia and the United Kingdom, from 2002 till 2006. During her tenure in the UK, she also worked with international corporations advising them on their sustainability strategies. She has wide experience working at Board and Senior Management levels with clients and business partners.

She was previously the Executive Director of the Malaysian Centre of Regulatory Studies, University Malaya. As an experienced trainer, she has also conducted training and provided lectures for institutions across Asia, Europe and the Middle East, in various sustainability and community investment areas.

Currently, she is the Managing Director of Synergio Global Sdn Bhd (“Synergio”), a sustainability strategy consultancy. In this role, she is involved in advising companies and institutions across Asia with regards to sustainability strategies. She is also a Director of several companies linked to Synergio.

Save as disclosed, none of the Directors have:

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

KEY SENIOR MANAGEMENT

TAN THIAM CHAI
58 years of age
Malaysian
Male
Chief Financial Officer
Berjaya Corporation Berhad

He was appointed as the Chief Financial Officer of the Company on 18 July 2008. He is an Executive Director of Berjaya Land Berhad, Director of Atlan Holdings Bhd, Berjaya Food Berhad, Cosway Corporation Berhad, Indah Corporation Berhad, Tioman Island Resort Berhad, Berjaya Vacation Club Berhad, Berjaya Starbucks Coffee Company Sdn Bhd, and Cosway Corporation Limited (Hong Kong). He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

He has been a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants. He has more than 36 years' working experience in the field of finance, auditing, corporate restructuring and treasury.

DATUK PEE KANG SENG @ LIM KANG SENG
66 years of age
Malaysian
Male
Chief Executive Officer
Berjaya Land Berhad

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

Upon graduation in 1976, he joined Public Works Department until 1980 when he was appointed as the Chief Engineer of Kuantan Port Authority. He left the Government Service in 1984 and joined Syarikat ISDA Sdn Bhd as a Project Director for 6 years. From 1990 to 2000, he worked for Hong Leong Group holding various capacities including his appointment as the Group Managing Director of Hume Industries Berhad and C.I. Holdings Berhad. In 2001, he joined Amsteel Corporation Berhad as the Group Managing Director until his retirement in 2005. Upon his retirement, he 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.

SEOW SWEE PIN
60 years of age
Malaysian
Male
Executive Director
Berjaya Sports Toto Berhad

He was appointed to the Board of Berjaya Sports Toto Berhad on 17 December 2007 as an Executive Director. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and Certified Practising Accountants, Australia. He has extensive working experience in auditing, accounting, financial management and corporate finance.

He worked with Messrs Ernst & Young from 1976 to 1984 and was appointed Audit Manager in 1982. Between 1984 and 1990, he held 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 Berjaya Land Berhad as General Manager (Finance) in 1991. In 1994, he was appointed as General Manager (Finance & Operations) of Sports Toto Malaysia Sdn Bhd and was subsequently promoted to Senior General Manager in 1996.

Currently, he is 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.

SYDNEY LAWRANCE QUAYS
49 years of age
Malaysian
Male
Chief Executive Officer
Berjaya Food Berhad

He was appointed to the Board of Berjaya Food Berhad as an Executive Director on 12 January 2017 and subsequently appointed as the Chief Executive Officer on 1 June 2017. He is also a member of the Employees' Share Scheme Committee.

He graduated with Honors from the American Hotel and Lodging Association, United States of America majoring in Hospitality Management and Marketing in 1988. He started his career in the hotel industry, moving through different divisions and subsequently joined the Quick Service Restaurant industry, working for McDonald's Malaysia as a trainee manager in 1989.

He was a pioneer with Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") holding the position of Marketing and Merchandise Manager when he joined in 1998. Subsequently, he was appointed as Managing Director of BStarbucks on 31 October 2012 and Berjaya Food Supreme Sdn Bhd ("BFood Supreme") on 24 September 2013. He has been awarded "The Asia Pacific Entrepreneurship Awards" in 2014 and 2016 respectively and "The Asia Responsible Entrepreneur" in 2016.

He is a Director of Berjaya Food Trading Sdn Bhd and Berjaya Roasters (M) Sdn Bhd, and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

CHOCK ENG TAH
59 years of age
Malaysian
Male
Managing Director
KUB-Berjaya Enviro Sdn Bhd

He was appointed to the Board of KUB-Berjaya Enviro Sdn Bhd as the Managing Director on 28 September 2005. He is also the Executive Director of Berjaya Project Management Sdn Bhd, the Chairman and Managing Director of Amita KUB-Berjaya Kitar Sdn Bhd, Managing Director of Berjaya Engineering Construction Sdn Bhd, Chairman and Legal Representative of Berjaya Green Resources Environmental Engineering Co. Ltd (PRC) and Director of several subsidiaries of Berjaya Corporation Berhad.

He graduated with a Bachelor of Engineering and has more than 31 years of working experience in the civil engineering and construction industry.

HANLEY CHEW
52 years of age
Malaysian
Male
Chief Executive Officer
Berjaya Hotels and Resorts Division

He was appointed as the Chief Executive Officer of Berjaya Hotels and Resorts Division on 1 April 2016 to oversee the operations of the Division. He brings with him over 26 years of experience within the hospitality, travel and time-share 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, Chief Executive Officer of Hotel Integrations, Chief Executive Officer of Sunway International Hotels & Resorts, Sunway International Vacation Club, Sunway Healthy Lifestyle and Sunway Travel as well as the 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

61 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's Office before joining the private sector in 1985.

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

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

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

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

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

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

On behalf of the Board of Directors of Berjaya Corporation Berhad ("BCorp"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2017.

FINANCIAL RESULTS

The Group registered a revenue of RM9.18 billion and pre-tax profit of RM662.63 million for the financial year ended 30 April 2017 as compared to a revenue of RM9.02 billion and pre-tax profit of RM293.74 million reported in the previous year.

The higher revenue for the financial year under review was mainly due to higher contribution from the hotels and resorts segment which was mainly attributed to revenue contribution from the Four Seasons Hotel and Hotel Residences Kyoto, Japan which started operations in October 2016, and the property investment and development segment as a result of encouraging sales of apartments from the OE Waterfront residential development in the People's Republic of China ("PRC") as well as the sales of residences from the Four Seasons Hotel and Hotel Residences Kyoto, Japan.

The restaurant and cafe business reported a higher revenue mainly due to additional cafes operating in the financial year under review. The motor distribution business under H.R. Owen Plc ("H.R. Owen") reported a higher revenue contribution due to higher sales volume of new cars, certain new models available for sale as well as contribution from additional sales centres during the financial year.

The marketing of consumer products and services segment reported a lower revenue in the financial year under review due to the retail distribution business, which was affected by weak consumer spending sentiment as a result of unfavourable economic conditions in Mainland China, Malaysia and Hong Kong.

The gaming business segment reported lower revenue in the financial year mainly due to the additional Goods and Services Tax ("GST") adjustment of RM15.6 million that Sports Toto Malaysia Sdn Bhd ("Sports Toto") had made against its revenue pursuant to a notification from the Royal Malaysian Customs Department ("RMCD") which had a different interpretation on the value of gaming supply ("GST Adjustment").

The Group registered a higher pre-tax profit for the financial year under review as compared to the previous financial year, mainly attributed to the higher pre-tax profit reported by the property investment and development segment in line with the higher revenue achieved due to higher sales mainly from property projects in the PRC and Japan. The marketing of consumer products and services segment and the hotels and resorts segment also reported higher pre-tax profits respectively in tandem with the higher revenue achieved in the financial year under review.

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

The H.R Owen Lamborghini showroom in London.

However, the restaurant and cafe business segment and the gaming business segment reported lower pre-tax profits. The lower pre-tax profit of the restaurant and cafe business was mainly due to weak consumer sentiment which adversely impacted the expansion plans of the Kenny Rogers Roasters operations in Malaysia and Indonesia. The gaming business also contributed lower pre-tax profit mainly due to the aforesaid GST adjustment, higher prize payout as well as higher operating expenses incurred in the financial year under review. The consumer marketing segment also registered losses due to slowing sales and compressed margins arising from slower economic conditions in the countries where we have operations.

Dividend

The Board did not recommend any payment of dividend for the financial year ended 30 April 2017.

SIGNIFICANT CORPORATE DEVELOPMENTS

Following the previous year's report, the Group proposed and completed several corporate exercises and I wish to highlight the following significant corporate developments:

1. On 28 October 2016, REDtone International Berhad announced that it had completed the disposal of its entire 92.31% equity interest comprising 260,619,365 common shares of USD0.0001 each in REDtone Asia Inc ("REDtone Asia"), a company quoted on the Over-The-Counter Bulletin Board, United States of America, to Million Vision Development International Limited ("MillionVision") for a consideration of RMB38.31 million (about RM23.78 million) which was satisfied entirely by an assumption of debt by MillionVision being amount owing by the REDtone Group to the REDtone Asia Group. Hence, REDtone Asia and its subsidiary companies have ceased as subsidiaries of REDtone.

2. On 9 December 2016, Berjaya Philippines Inc. ("BPI") announced that it had on 8 December 2016 executed a Share Sale Agreement to purchase from Bentley Motors Limited 6,589,934 shares of H.R. Owen, a subsidiary company of BPI, for a total consideration of £14.8 million (equivalent to about RM85.3 million), or £2.25 per share ("Share Purchase"). The Share Purchase was completed in the quarter ended 31 January 2017 and BPI's equity interest in H.R. Owen had increased from 72.03% to 98.38%.

3. On 2 February 2017, the Company announced the completion of the disposals by Berjaya Forest Products (Luxembourg) S.a.r.l ("BForest"), a wholly-owned subsidiary company to UPP Holdings Limited ("UPP"), a Singapore incorporated company which is listed on the Main Board of the Singapore Exchange Securities Trading Limited, of the following:

   i) the entire 12,669,808 common shares ("Taiga shares"), representing an equity interest of 39.09%, in Taiga Building Products Limited ("Taiga"), a company listed on the Toronto Stock Exchange, by BForest for a total cash consideration of about CAD12.67 million (or about RM39.87 million) or at CAD1.00 per Taiga share; and

   ii) the entire CAD46,008,796.98 principal amount of 14% unsecured subordinated notes ("Taiga notes") in Taiga by BForest for a total cash consideration of about CAD52.91 million (or about RM166.50 million) or at CAD1.15 per Taiga note.

4. On 15 February 2017, Berjaya Land Berhad ("B-Land") announced that Berjaya Leisure (Cayman) Limited ("BLCL"), a wholly-owned subsidiary of B-Land, had entered into a capital contribution transfer agreement for the proposed disposal of its entire 70% stake in Berjaya Long Beach Limited Liability Company ("BLong Beach") to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (equivalent to about RM65.32 million) and to waive all amounts owing by BLong Beach to BLCL. The proposed disposal is pending completion.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Reaching Out To The Communities

During the year under review, BCorp and its subsidiaries continued with its tradition of spreading festive cheer by hosting various festive gatherings across the country, among which included the 29th Sports Toto Chinese New Year Ang Pow Donation Campaign which benefitted more than 18,000 needy senior citizens in 50 cities and towns.

Under its "Helping Hands" CSR programme with the tagline – Sharing, Giving and Caring, Sports Toto continued to carry out its CSR initiatives diligently in the area of learning and education opportunities, community sports as well as popular entertainment and cultural activities.

Dato' Sri Robin Tan presenting angpows and goodie bags to senior citizens during the 29th Sports Toto CNY Ang Pow Donation Campaign.

During the year under review, Sports Toto supported Citizens Against Child Sex Abuse ("CACSA"), a joint effort from non-governmental organisations comprising Protect and Save the Children, Voice of the Children, NGOhub as well as concerned individuals who stepped up to advocate the cause. A petition was launched to push for laws against child sexual abuse which garnered close to 40,000 signatures. An awareness event was also held on 5 March 2017 at Berjaya Times Square Kuala Lumpur.

Berjaya Starbucks Coffee Company Sdn Bhd's ("BStarbucks") Connecting Communities programme continued to empower the lives of local communities through various sustainable projects. Through this initiative, BStarbucks has purchased a total of RM64,840 worth of raw bananas from the farming communities in Kampung Lubuk Jaya, Kampung Parit Serong and Kampung Sungai Gulang-Gulang in Kuala Selangor for the production of its banana-based food products such as the Signature Banana Chocolate Chip Muffin, Mini Banana Swiss Roll and Banana Slice that are sold in all Starbucks stores in Peninsula Malaysia. BStarbucks has also purchased a total of RM160,707 worth of mengkuang-based products from the local community in Felda Chini Timur Satu, Pahang which are sold at selected Starbucks stores located mainly at the airports and tourist attraction spots. In June 2016, BStarbucks' Connecting Communities programme won the 2016 Asia Responsible Entrepreneurship Awards, Social Empowerment Category.

In April 2017, BStarbucks celebrated its 7th Global Month of Service with a book drive whereby a total of 10,000 books were collected and six community libraries were established for the local communities in selected states nationwide. The project received enormous support from 9,116 book donors and 610 Starbucks partners, and is expected to benefit 10,500 children and 35,000 adults in the communities.

Tan Sri Dato' Seri Vincent Tan, Dato' Sri Robin Tan and Sydney Quays at the launch of the first Starbucks Signing Store in Bangsar Villlage II, Kuala Lumpur in July 2016.

A callout to customers to donate books under Starbucks' book drive.

BStarbucks also empowered the deaf community by setting up the first Starbucks Signing Store in Bangsar Village II, Kuala Lumpur, managed by 10 hearing impaired employees to raise awareness and provide career opportunities to the hearing impaired community. To ensure the success and sustainability of this project, BStarbucks partnered with The Society of Interpreters for the Deaf ("S.I.D") to facilitate the hiring, training and coaching of deaf partners (employees). S.I.D also assisted BStarbucks in conducting sign language courses for hearing Starbucks partners for effective communication with the Starbucks Signing Store's partners. Since the launch of the store, BStarbucks has promoted one hearing impaired barista to Shift Manager and all the partners are currently undergoing the Coffee Master Certification programme.

Berjaya Roasters (M) Sdn Bhd ("BRoasters") reached out to the communities through its annual programmes such as the ROASTERS Chicken Run and the Wishing Tree Campaign under the Kenny Rogers Roasters ("KRR") Community Chest programme started in 2005. The 12th Annual ROASTERS Chicken Run held in May 2016 raised RM55,000 in support of the Food Aid Foundation to provide nutritious meals for more than 20 charitable homes and provisions for poor families.

In the Philippines, BPI donated PHP26.3 million (approximately USD531,000) to Gawad Kalinga Community Development Foundation Inc. to construct a much-improved Berjaya Garden Restaurant and Culinary Center ("BGRCC") which was officially launched in January 2017. The BGRCC serves as a training facility where students and social entrepreneurs develop their culinary skills and products.

Education

In line with its objective of promoting literacy and education, BCorp and its subsidiaries supported the operation cost of seven community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country. More than 1,700 students have benefitted from the programme during the financial year under review.

Sports Toto supported the "Reading My Companion" learning programme for the 5th consecutive year with storybooks and storytelling sessions for students in 21 micro-sized Chinese primary schools in Perak, Negeri Sembilan, Melaka and Pahang to inculcate reading as a pastime of choice among rural students. Since its inception in 2012, it has benefitted close to 8,000 students in 66 suburban micro-sized Chinese primary schools in Selangor, Perak, Negeri Sembilan, Melaka and Pahang.

Sports Excellence

During the year under review, Sports Toto supported numerous community sports activities such as the Go For It! – FTKLAA Cross Country 2017, Penang Bridge International Marathon 2016, Seremban Half Marathon 2016, 204KM KL – Maran Big Walk 2016, Milo – FTKLAA Walk Circuit 2016, Federal Territory City Day Run 2017, Sungai Petani Half Marathon 2016, Roasters Chicken Run 2016, MKH Kajang International 12-Hour Walk, Sutera Harbour 7K Run, MBPJ Squash Open Championship 2016, Asean Basketball League 2016, Sports Toto High School Basketball Tournament 2016, Sports Toto 3-On-3 Basketball Jamboree at Kuching Festival 2016, Dato' Theng Book Cup Malaysian Media Badminton Tournament 2016 and Sports Toto Bowling League 2016.

In a continuous effort to support national sports development, Sports Toto collaborated with the Olympic Council of Malaysia ("OCM") in recognizing Malaysian athletes through the OCM-Sports Toto Outstanding Athletes of The Games Award 2016. The awards were presented to 8 outstanding Malaysian medalists who made the country proud with their sterling performance at the 2016 Olympics in Rio de Janeiro, Brazil.

The 12th Annual ROASTERS Chicken Run held in May 2016 raised RM55,000 in support of Food Aid Foundation.

The interior of the Berjaya Garden Restaurant and Culinary Center in the Philippines.

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

Sg Petani Half Marathon 2016.

Environment

Berjaya Hotels and Resorts ("BHR") continued to spread awareness on environment conservation through its annual Tioman Island Clean-up Day with activities such as a clean-up dive to remove crown of thorns from the sea beds, a beach clean-up, and submerged 6 units of coral nursery tables, covering a width of approximately 36 feet underwater to further encourage the productivity of coral reefs. Following the success of its first coral conservation project in Tioman Island, BHR initiated another coral conservation project at The Taaras Beach and Spa Resort, Redang Island.

BRoasters continued to advocate the message of green consciousness by promoting the usage of their reusable meal container, the "i.Care Box". More than 137,000 units have been sold since its introduction in 2011.

BStarbucks' "Grounds for Your Garden" campaign provided its customers with 237,743 packs of 1kg bags of soil-enriching coffee grounds, with 86% of its stores participating in the programme. In conjunction with Earth Day celebration in April 2017, BStarbucks collaborated with the Department of Agriculture to organise the "MY Green Dot" eco-friendly project and hosted talks at selected Starbucks stores to educate the participants on the best way to utilise Starbucks' used coffee grounds. The participating Starbucks stores also distributed 1,000 seeding starter kits to the participants to start their own edible green patch as part of the initiative to encourage Malaysians to grow their own plants.

To reduce the usage of disposable cups, BStarbucks continued to encourage its customers to use their own tumblers under its "Bring Your Own Tumbler" programme. Currently, 4.6% of the total sales transactions are from customers who bring their own tumblers and BStarbucks will continue to promote this initiative and remain committed to exploring new ways to reduce waste.

Arts & Culture

The inaugural Berjaya Teen Star Challenge 2016 attracted approximately 2,500 teen star hopefuls from 50 secondary schools in solo singing, duet/group singing, modern dancing and band categories. The competition provides a platform for teenagers to express their passion in performing arts. Due to the overwhelming response, BCorp organised the Berjaya Teen Star Challenge 2017 for the second consecutive year reaching out to more than 110 secondary schools in Kuala Lumpur, Putrajaya, Selangor and Negeri Sembilan with a series of roadshows and auditions which engaged more than 3,500 teen star hopefuls.

During the year under review, Sports Toto supported the Padawan Festival, Yin Ngai Heart to Heart Charity Night 2016, Penang Chingay Parade 2016, Por Tor Festival, Pesta Tanglung Muar 2016, Muar Chinese New Year Street Show, Nine Emperor God Festival and Hungry Ghost Festival.

Workplace

BCorp and its subsidiaries continued to place emphasis on human capital development to further strengthen its employees' capabilities and competencies with various learning and development programmes such as the Berjaya Advanced Leadership, Manager, and Executive Development Programmes as well as other customised in-house workshops and external training programmes.

As part of its efforts to promote work life balance in the workplace, various health talks, exercise programmes, free health screenings and topics related to employees' personal development were also carried out throughout the year. The respective Sports Clubs within the Group also actively organised recreational activities such as festive gatherings, sports competitions and vacation trips to promote social interaction and foster closer ties among employees.

Participants of the Berjaya Teen Star Challenge 2017.

The Group's Staff Welfare Fund continued to provide financial assistance to employees to cope with high medical expenses, education funding and to assist in the event of crisis or loss of property resulting from natural disasters.

Sustainability

In accordance with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide for the financial year ended 30 April 2017, BCorp's subsidiaries, Berjaya Land Berhad and Berjaya Sports Toto Berhad have included a sustainability statement in their respective 2017 Annual Reports which provides an overview of the sustainability approach and initiatives made by their relevant business segments in how they create economic value, protect the environment and pursue social development in their respective industry sectors. The statement outlines the various practices that have been embedded into their business processes with the ultimate aim of bringing more value to their businesses, society and stakeholders. BCorp will include a similar sustainability statement in its 2018 Annual Report.

FUTURE PROSPECTS

Malaysia registered a gross domestic product growth of 5.7% in the first half of 2017 largely driven by strong private consumption, supported by improving labor market conditions, increasing private investments and major government-led infrastructure projects. Despite the robust growth in the economy, the depreciation of the Ringgit Malaysia, inflation, and outflow of capital continued to impact negatively on businesses and consumers.

Our consumer marketing and direct-selling business, Cosway Corporation Berhad ("Cosway"), will continue to focus its efforts on revenue growth in profitable and potential markets, particularly in Malaysia and the PRC. In Malaysia, Cosway will focus its marketing strategies on its newly launched online virtual store in order to facilitate the current purchasing behaviour of the younger consumer group who prefer making purchases online, as well as launch its range of high value and good quality imported products, which include air purifiers and slimming devices, with the aim of increasing profit margin and enhancing the sales performance of the Group. In addition, various cost-cutting measures such as shutting down unproductive stores, converting physical stores to online virtual stores and moving high rental stores from shopping malls, will be carried out progressively to improve the overall profitability of the Group. Recognition awards and incentive trips will be implemented every year to reward the high achievers.

The property market sentiment is anticipated to be subdued in the financial year 2018 with the general market showing few signs of improvement as the slow market absorption of the primary market continues to build up the increase in the overhang. However, the local residential property market will continue to be sustained by the implementation of various property-related incentives and strong local demand. Our Property Development Division will plan product launches which are price sensitive to match the correct market segments without compromising on the quality of delivery. It will also strive to be more cost effective in its business operations in order to sustain its profitability.

The overall outlook for the hotel industry is expected to remain challenging as the slowdown of market conditions continue to cause further uncertainties and apprehension amongst businesses, resulting in further pressure on the performance of our Hotels and Resorts Division, especially the corporate segment. The Division will concentrate on the leisure market from China and India, the growing travelers within this region, as well as strive to increase revenue by pushing for food and beverage revenue which is not maximized at this point. The Division will tighten operating costs by reducing wastages and reviewing its staff hire based on the forecasted lower occupancy.

With the intense competition from the illegal gaming activities coupled with rising costs and weaker consumer sentiments, the Directors expect the NFO business in Malaysia to be challenging. However, it is envisaged that the Group will maintain its market share in the NFO business.

In the Philippines, our gaming business is planning to launch 2 new games and increase the betting draw frequency of its existing games. It will also explore the use of mobile devices to improve accessibility for the betting public to purchase lotto tickets in addition to the traditional lotto outlets.

In Vietnam, our lottery operation has rolled out more than 2,000 terminals spreading over 12 provinces throughout Vietnam, including Ho Chi Minh City and Hanoi, as well as introduced two new games, the Max 4D Digit Game and the Power 6/55 Lotto Jackpot Game. As we are still in the early stage of operations, we will continue to invest in more capital expenditure and roll out progressively into the remaining provinces, launching more new game products and exploring other distribution channels.

The Foton View C2.

Starbucks received AON Malaysia's Best Employers Award, with special recognition as the Best Employer for Commitment to High Performance Culture, in August 2016.

The food and beverage industry in Malaysia has become increasingly competitive due to the highly saturated market of food and beverage players coupled with consumers with discerning tastes who are spoilt for choice. The Group will continue to grow its food and beverage businesses, with BStarbucks as the major revenue contributor for the Group. Our food and beverage companies, Kenny Rogers Roasters, Wendy's and Krispy Kreme Doughnuts will continue to improve on their menu offerings, increase revenue through more innovative marketing and promotional activities, and expand customer engagement through digital media platforms and loyalty programmes.

Our motor trading and distribution business is also expected to continue to contribute towards the Group's growth and revenue. Locally, the positive response towards the various vehicle models under our China Car Division, including the new window van model – the Foton View C2, will enable the China Car Division to continue contributing positively to the Group's revenue. In the United Kingdom, H.R. Owen, which operates a number of vehicle franchises in the prestige and specialist car market, predominantly in the London area, is also expected to drive the Group's business growth further.

Our financial services arm, Inter-Pacific Securities Sdn Bhd is expected to remain profitable for the financial year ending 30 April 2018 as the stock market is expected to benefit from continued foreign fund inflows in the calendar year 2017. Liquidity in the financial system and the looming possibility of the 14th General Elections will also be likely to keep the stock market buoyant.

Given the prevailing economic conditions and global financial outlook, the Directors are of the view that the Group's operating environment will be challenging going forward.

APPRECIATION

On behalf of the Board, I would like to convey our sincere thanks and appreciation to Mr Freddie Pang Hock Cheng and Dato' Dickson Tan Yoong Loong who retired as Non-Independent Non-Executive Directors and Tan Sri Datuk Abdul Rahim Bin Haji Din who retired as Independent Non-Executive Director of BCorp with effect from 20 October 2016, for their contributions during their tenure on the Board. I would also like to convey our heartfelt gratitude to Mr Chan Kien Sing who retired as an Executive Director of BCorp with effect from 31 January 2017, for his contributions to the Board. Mr Chan Kien Sing continues to be a member of the Board and has been re-designated as a Non-Independent Non-Executive Director of BCorp.

To all our loyal customers, business partners, financiers, and regulatory authorities, I thank you for your support and confidence towards our Group.

To my fellow colleagues on the Board, I would like to express my gratitude for your guidance and commitment, and I look forward to your continued active participation on the Board.

To the management and staff of the various operating companies within the Group, thank you for your dedicated efforts and hard work throughout the year. Let us continue to work as a team to weather all adversity, and strive towards greater successes in the financial year 2018.

DATO' SRI ROBIN TAN YEONG CHING
Chairman / Chief Executive Officer

11 August 2017

MANAGEMENT DISCUSSION & ANALYSIS

MARKETING OF CONSUMER PRODUCTS AND SERVICES

Cosway Corporation Berhad ("Cosway")

Cosway began its operations in 1979 and over the years, it has been offering a wide variety of quality products ranging from Personal Care, Health Care, Home Care, to Food and Beverage, among others. As at 30 April 2017, Cosway has 1,291 exclusive stores including stockists and leader centers located primarily in Malaysia, Mainland China, Hong Kong and Taiwan.

For the financial year ended 30 April 2017, Cosway's revenue decreased by 16.9% to RM861 million from RM1.04 million in the previous financial year due to weak consumer spending sentiment as a result of the uncertain global economic climate especially in Mainland China, Malaysia and Hong Kong markets as well as the intense competition in Mainland China.

Cosway recorded a gross profit of RM261 million for the financial year ended 30 April 2017 as compared to RM421 million in the previous financial year. Gross profit margin for the year under review declined to 30.3% as compared to 40.7% in the previous financial year primarily due to the impact from aggressive promotional campaigns, particularly in its Mainland China and Malaysia operations, as well as the sharp increase in product costs in Malaysia due to the weakening of the Ringgit Malaysia.

As at 30 April 2017, a total of 109 non-performing stores were closed down in Malaysia, Taiwan and Hong Kong. Cosway has also undertaken various cost-cutting measures especially in Malaysia. These measures have contributed to Cosway's savings on operating expenses, particularly newsletter printing costs, rental expenses, staff costs and stock holding costs. Nevertheless, Cosway recorded an operating loss of RM20 million in the financial year ended 30 April 2017 as compared to an operating profit of RM56 million in the previous financial year mainly due to lower sales and decrease in gross profit margin.

Moving forward, Cosway will focus more on its newly launched online virtual stores in Malaysia in order to cater to the purchasing behaviour of the younger consumer group. Cosway will also launch its high value and good quality imported products, which include air purifiers and slimming devices, with the aim of increasing its profit margin and sales performance. In addition, various cost-cutting measures such as closing unproductive stores, converting physical stores to online virtual stores to reduce write-down on obsolete stocks, and shifting out high rental stores from shopping malls will be carried out progressively to improve Cosway's overall profitability.

FINANCIAL SERVICES

Inter-Pacific Capital Sdn Bhd ("IPC")

After a brief rally during the 4th quarter of the financial year ended 30 April 2016, the FBMKLCI as well as all the minor indices such as the FBM70, the FBM Small Cap and FBM Ace Market remained relatively flat thereafter until the end of 2016. The average daily trading volume of RM1.7 billion in the calendar year 2016 was significantly lower as compared to the

Cosway's varied range of products.

Inter-Pacific Securities' office at Berjaya Times Square, Kuala Lumpur.

average daily trading volume of over RM2 billion in the calendar year 2015.

During the period from January 2017 to April 2017, foreign investors bought a net RM8.4 billion worth of stocks. The net foreign funds inflow contributed to a sharp rise in trading volume during the 4th quarter of the financial year ended 30 April 2017.

The Malaysian economy, buoyed by the development of transportation infrastructure, grew rapidly in spite of a cooling spell in the property sector and slower consumer spending after the introduction of the Goods and Services Tax ("GST").

The overall value of transactions traded on Bursa Malaysia increased by 4.4% to RM526 billion in the financial year under review as compared to the traded value of RM504 billion in the previous financial year. The FBMKLCI closed at 1,768.06 points on 28 April 2017, the last trading day of the financial year, with a 5.7% increase over the 1,672.72 points on 29 April 2016.

For the financial year under review, IPC recorded a decrease in operating revenue to RM41.8 million as compared to RM45.5 million in the previous financial year due to lower brokerage and interest income arising from stiff competition in the stockbroking industry. The pre-tax profit was correspondingly lower at RM9.9 million compared to RM10.6 million in the previous financial year.

The stock market is expected to benefit from the continued inflow of foreign funds in the calendar year 2017 and the Government's programme of infrastructure developments. Liquidity in the financial system and the looming possibility of the 14th General Elections is likely to keep the stock market buoyant. In view of this, IPC expects to remain profitable for the financial year ending 30 April 2018.

HOTELS AND RESORTS

Berjaya Hotels and Resorts Division ("BHR")

BHR owns and operates 16 hotels and resorts locally and internationally.

For the financial year ended 30 April 2017, BHR recorded a 35.0% year-on-year increase in total gross revenue to RM407.2 million compared with RM301.7 million in the previous financial year. The increase was primarily due to the revenue contribution from the Four Seasons Hotel and Hotel Residences Kyoto, Japan which started its operations in October 2016.

The Group's profit before tax improved by 53.4% to RM2.5 million compared with RM1.63 million in the previous financial year. The profit before tax was mainly dragged down by a one-off provision of RM5.6 million for the back-pay resulting from a minimum wage dispute, and the write-off of non-operating expenditure related to the pre-opening of a hotel amounting to RM17.1 million. Excluding these provisions and write-off, the Group's profit before tax would have been RM25.2 million.

The increase in total gross revenue during the financial year under review was driven by the higher room business due to the growth in the leisure segment. Whilst room occupancy was flat at 57.5%, the 35.8% uplift in Average Room Rate ("ARR") contributed to a 35.8% increase in Revenue per Available Room ("RevPAR") to RM233.

Hotels & Resorts In Malaysia

The major Malaysian-based hotels and resorts are Berjaya Langkawi Resort, Berjaya Times Square Hotel, Kuala Lumpur, ANSA Kuala Lumpur, Berjaya Penang Hotel, Berjaya Tioman Resort, The Taaras Beach & Spa Resort, Redang, as well as Colmar Tropicale, and The Chateau Spa & Organic Wellness Resort at Berjaya Hills.

Overall, the Malaysian-based properties were generally affected by the lower room night bookings from Corporate FIT and Corporate Group market segments in the financial year under review. As a result, the overall room occupancy levels of BHR's Malaysian-based properties dropped by 0.7 percentage-point to 54.6%, but the ARR improved by 10.3% compared with the previous financial year. The growth in the ARR managed to mitigate the reduction in occupancy which resulted in the RevPAR increasing by 8.9% to RM174. In the financial year under review, BHR's total gross revenue increased by 7.3% to RM249.8 million compared with RM232.7 million in the previous financial year, largely contributed by room operations.

The Shakusui-tei tea house at the Four Seasons Hotel and Hotel Residences Kyoto, Japan.

With the improved gross revenue coupled with cost control measures, the Malaysian-based properties recorded an increase in profit before tax to RM8.7 million compared with RM1.6 million in the previous financial year. The profit before tax recorded was not in proportion to the revenue increase mainly due to a one-off provision of RM5.6 million for the back-pay resulting from a minimum wage dispute.

Hotels & Resorts Overseas

The major overseas hotels and resorts of the Group are Four Seasons Hotel and Hotel Residences Kyoto, Japan, Berjaya Beau Vallon Bay Resort & Casino, Berjaya Praslin Resort Seychelles, Berjaya Hotel Colombo, Sri Lanka, Berjaya Eden Park London Hotel, United Kingdom and The Castleton Hotel, London, United Kingdom.

The mixed performance of the room demand in BHR's various overseas properties allowed the overall occupancy levels to improve by 1.6 percentage-points to 68.1% compared with 66.6% in the previous financial year. Overall, there was an increase in room night bookings from the Leisure FIT and Leisure Group market segments, especially from Berjaya Beau Vallon Bay Resort & Casino and Berjaya Praslin Resort.

BHR's overseas properties registered an increased gross revenue of RM157.5 million for the financial year under review compared to RM69.0 million in the previous financial year, mainly due to revenue contribution from the Four Seasons Hotel and Hotel Residences Kyoto, Japan ("FS Kyoto"). Despite the increase in revenue, BHR's overseas properties registered a loss before tax of RM6.2 million mainly due to a write-off of non-operating expenses relating to the pre-opening of FS Kyoto. Excluding this write-off, the profit before tax would have been RM10.9 million.

Future Prospects

Going forward, the market outlook in the financial year 2018 will be another challenging one. The slow down of market conditions will continue to cause further uncertainties and apprehension amongst businesses, resulting in further

The Beach Brasserie at the Taaras Beach and Spa Resort, Redang Island.

The Castleton Hotel in London, United Kingdom.

Bukit Jalil Golf & Country Resort, Kuala Lumpur.

pressure on the performance of the properties, especially within the Corporate segment. Focus will be redirected to the leisure market from China and India, the growing travellers within this region. BHR will strive to reduce its operating costs through reducing wastage, implementing cost saving measures, and reviewing its staff strength based on the forecasted lower occupancy. BHR will also strive to increase revenue by exploring other income streams, such as more ways to increase revenue from its food and beverage outlets.

CLUBS AND RECREATION

Clubs and Recreation Division ("The Clubs")

The Clubs operate five golf clubs and one equestrian club located in the Klang Valley, Negeri Sembilan, Johor and Berjaya Hills, Pahang. Golf and equestrian are the core activities provided by The Clubs, supported by other services such as sports facilities, dining outlets as well as banqueting facilities and event space.

The Clubs have a total membership of 15,615 as at 30 April 2017 of which 8,289 are golf memberships and 7,326 are non-golf memberships.

During the year, Bukit Jalil Golf & Country Resort completed the renovation of its 18-hole golf course which was subsequently awarded the "Most Improved Course in Malaysia". Bukit Kiara Equestrian & Country Resort refurbished and upgraded its swimming pool and other facilities to improve its services to the members.

For the financial year ended 30 April 2017, The Clubs recorded an increase in revenue to RM60.7 million compared with RM57.4 million in the previous financial year mainly due to improved contribution from both golf and food and beverage business operations. In addition, during the financial year, the higher membership fees forfeited as a result of the membership termination exercise had contributed to the increase in revenue as well.

With the healthy growth in revenue coupled with better cost control measures, The Clubs reported a profit before tax of RM9.3 million for the financial year under review as compared with RM2.2 million in the previous financial year.

The financial year ending 2018 will be competitive and challenging for the recreation club industry. The Clubs will continue to upgrade its facilities such as golf courses, food and beverage venues and amenities as part of its strategies moving forward. With a strong membership base and improved visitors' patronage, The Clubs' future prospects remain encouraging.

VACATION TIME SHARE

Berjaya Vacation Club Berhad ("BVC")

BVC operates and manages a vacation timeshare membership scheme which provides and coordinates holiday accommodation packages at holiday resorts in Malaysia. Through its 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.

For the financial year ended 30 April 2017, BVC reported a slight decrease in revenue to RM10.38 million from RM10.6 million registered in the previous financial year mainly due to lower annual resort maintenance fees received from its much lower BVC membership base, coupled with a reduction in advance licence fees recognised from the termination of BVC memberships.

Operating profit decreased to RM743,000 from RM3.8 million in the previous financial year due to lower resort maintenance fees received, a reduction in recognition of advance licence fees from the termination of delinquent memberships and higher operating expenses.

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

Artist impression of the double-storey super link homes in Taman Kinrara, Puchong, Selangor.

The OE Waterfront residential development in the PRC.

PROPERTY DEVELOPMENT

During the financial year under review, the Malaysian property market sentiment remained resilient, buoyed by strong local demand, despite being impacted by economic uncertainties. The Property Development Division ("PD Division") capitalised on the local demand and focused tenaciously on managing ongoing projects to optimise cost effectiveness and ensure delivery of high quality products to its purchasers.

The Ritz-Carlton Residences, Kuala Lumpur.

The PD Division registered higher revenue of RM947.8 million in the financial year under review as compared to RM828.2 million in the previous financial year, mainly due to encouraging sales of residences at The Four Seasons Hotel and Hotel Residences Kyoto in Japan as well as sales of apartments from the OE Waterfront project in the People's Republic of China ("PRC") during the financial year under review. The PD Division registered a higher pre-tax profit of RM365.4 million as compared to RM330.4 million in the previous financial year, in line with the higher revenue achieved.

The development projects in Bukit Jalil, Kuala Lumpur continued to generate revenue for the PD Division. As at 30 April 2017, The Link 2 Phase 1 and KM1 East achieved a total gross sales value of RM458 million and RM231 million respectively. Phase 1 of the Link 2 comprising shop offices, street mall commercial lots and residences is scheduled to be delivered to purchasers in the fourth quarter of 2017. The PD Division's first affordable homes project, Residensi Lanai achieved a total gross sales value of RM87 million with 289 units sold.

The PD Division also expects to generate sales by marketing the remaining unsold 16 units of exclusive freehold bungalow lots at The Peak @ Taman TAR, Kuala Lumpur.

The final phase of the landed residential units at Taman Kinrara Section 4, Puchong was unveiled in the fourth quarter of 2016 featuring 29 units of 20 feet x 65 feet (IRIS) and 5 units of 24 feet x 97 feet superlink (JASMINE) double-storey terrace homes. As at 30 April 2017, more than 80% of the total units have been sold with a total gross sales value of RM21.2 million.

As at 30 April 2017, the PD Division has sold 98% of the 174 units of the Grade A premium offices at Menara Bangkok Bank @ Berjaya Central Park, Kuala Lumpur which has a green building certification by Singapore's BCA Green Mark Gold Certification, generating a total sales value of RM542 million. The project has been completed with the units handed over to

Construction is in progress for The Link 2 @ Bukit Jalil, Kuala Lumpur.

purchasers. The second tower of Berjaya Central Park, The Ritz-Carlton Residences Kuala Lumpur, comprises 288 units of exclusive and luxurious residence suites. Structure works for the main building have been fully completed and work for the interior fit-out is ongoing.

In Penang, Phase 1 of Jesselton Villas, Kensington Garden features 69 units of freehold bungalow lots surrounded by nature-inspired facilities and features. As at 30 April 2017, 57% of the total units have been sold with a total sales value of RM170 million. Construction for the infrastructure of the project is anticipated to be completed by the end of 2017.

In China, the fully sold Southern Phase of OE Waterfront, the PD Division's third residential development in Yanjiao, Hebei Province, PRC, was handed over to purchasers in May 2016. OE Waterfront generated a total sales value of approximately RMB1.8 billion in the financial year under review. The PD Division's first residential development, The French Village, which was completed in 2004, is currently generating recurring rental income.

Moving forward, the PD Division is planning to launch two future development projects in Bukit Jalil, Kuala Lumpur. The first project, The Tropika features 13 units of shop offices, 15 retail outlets and 861 units of service apartments and has a total estimated gross development value ("GDV") of RM700 million. The second project, The Botanika, features four towers of condominiums with a total estimated GDV of RM1.0 billion.

Over at Berjaya Park, Shah Alam, the PD Division is planning another project, Timur Bayu, featuring 1,036 units of park villas and condominiums with an estimated GDV of RM650 million. Tapping on the housing needs and the growing population at Berjaya Park, the PD Division anticipates that this residential development will be well-received.

The property market sentiment is anticipated to remain subdued in the financial year 2018 and continues to be impacted by the economic uncertainties both domestically and abroad. Against this scenario, the local residential property market is expected to be sustained by the implementation of various property-related incentives and strong local demand; particularly in the affordable housing segment. The PD Division is cautiously optimistic that the demand for its development projects at Bukit Jalil and around the Klang Valley, which are competitively priced and strategically located with good accessibility and good development concept, will remain strong.

PROPERTY INVESTMENT

The Property Investment Division ("PI Division") owns 4 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur, Berjaya Megamall, Kuantan, Pahang and Wisma Cosway, Kuala Lumpur. Collectively, these properties achieved an average occupancy rate of 84% during the financial year under review compared to 91% in the previous financial year.

The PI Division registered a marginal decline in revenue to RM37.9 million compared to RM39.1 million in the previous financial year, primarily attributed to a lower occupancy rate.

Profit before tax declined 4.8% to RM26.9 million from RM28.3 million in the previous financial year mainly due to lower fair value gain on investment properties.

Consequently, profit after tax declined by 5.5% to RM22.2 million from RM23.6 million in the previous financial year.

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. Strategically located with easy accessibility within the city centre of Kuala Lumpur, the Group's complexes will continue to perform well. The Group's complexes will continue their marketing and promotions activities to strengthen their presence in the market place.

Berjaya Megamall Kuantan, Pahang.

A Sports Toto draw in progress.

A Lotto outlet in the Philippines.

GAMING

The toto betting and related activities business segment of the 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.

Malaysia

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

For the financial year ended 30 April 2017, Sports Toto recorded revenue of RM3.12 billion compared to the previous year's revenue of RM3.18 billion, representing a decrease of 1.7%. The company's revenue for the financial year under review has been stated net of Gaming Tax as well as GST on gaming supply. Pursuant to a notification from the Royal Malaysian Customs Department ("RMCD") due to different interpretations on the value of gaming supply under the Goods and Services Tax Act ("GST Act"), Sports Toto made an additional GST adjustment of RM15.6 million in the financial year under review. Sports Toto had subsequently submitted a review application to RMCD's Director General for a review of RMCD's decision. Excluding the GST adjustment, the decrease in revenue would have been 1.2%. The decrease in revenue was also due to lower sales affected by weak consumer sentiment and intense competition from rampant illegal gaming operators in the financial year under review. Notwithstanding this, 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 decreased by 19.9% to RM332.5 million compared to RM415.1 million in the previous financial year. The lower profit before tax was mainly due to GST adjustment higher prize payout and higher operating expenses incurred in the financial year under review. Consequently, this led to a lower profit before tax margin of 10.7% compared to 13.1% in the previous financial year.

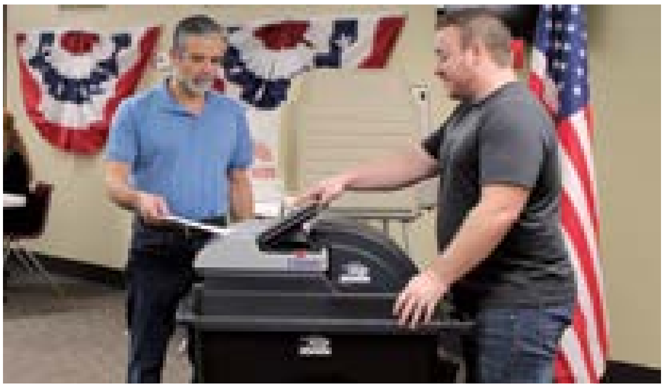
Profit after tax decreased by 22.7% to RM230.6 million compared to RM298.5 million in the previous financial year, in line with the decrease in the profit before tax. This was due to GST adjustment higher prize payout and higher operating expenses incurred in the financial year under review. Hence, profit after tax margin was lower at 7.4% compared to 9.4% in the previous financial year.

With the intense competition from illegal gaming activities coupled with rising costs and weak consumer sentiment, the Directors envisage the NFO business to be challenging in the financial year ending 30 April 2018. However, the Board expects that Sports Toto will continue to maintain its market share in the NFO sector.

The Philippines

BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. ("BPI") which is listed on the Philippine Stock Exchange. BPI's wholly-owned subsidiary Philippine Gaming Management Corporation ("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.

PGMC recorded revenue of Peso1.6 billion, an increase of 1.3% from Peso1.58 billion in the previous financial year mainly due to an increase in lease rental income in line with the increase in number forecast sales by PCSO.



ILTS' OpenElect system used for voting in the USA.

An advertisement for the new Power 6/55 lottery game in Vietnam.

PGMC's pre-tax profit decreased by 7.3% to Peso794.1 million compared to Peso856.5 million in the previous financial year, mainly due to higher operating costs resulting from the increase in hardware maintenance and advertising expenses as well as increase in contributions towards social causes, during the financial year under review.

PCSO is seeking to launch 2 new games and increase the betting draw frequency of its existing games. PCSO is also exploring the use of mobile devices in addition to the traditional lotto outlets to improve accessibility for the betting public to buy lotto tickets.

The United States of America

In the United States, 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 certification from the United States Election Assistance Commission for its OpenElect® election system.

For the financial year ended 30 April 2017, ILTS recorded a higher profit before tax of USD7.0 million compared to USD3.4 million in the previous financial year. This was mainly due to the increase in contract sales, especially from Berjaya Gia Thinh Investment Technology Joint Stock Company ("BGT") which has an exclusive contract to invest in and operate a nationwide computerized lottery in Vietnam.

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

Vietnam

BCorp together with its business cooperation partner, Vietnam Computerized Lottery One Member Company Limited officially launched its lottery operation in Ho Chi Minh City, Vietnam on 18 July 2016 with the introduction of its first game, Mega 6/45 Lotto Jackpot Game, with approximately 400 terminals. A second game, the Max 4D Digit Game was introduced on 18 November 2016, followed by the launch of Power 6/55 Lotto Jackpot Game on 1 August 2017.

As at 30 April 2017, approximately 2,500 terminals have been rolled out to 12 provinces (there are altogether 63 provinces in Vietnam). It is expected that the operation will be expanded to another 22 provinces by the end of 2017.

BCorp recorded a revenue of VND266 billion for the first 10 months of operations during the financial year under review.

MOTOR TRADING AND DISTRIBUTION

H.R. Owen Plc. ("H.R. Owen")

In the United Kingdom, H.R. Owen is a luxury motor retailer which operates a number of vehicle dealerships in the prestige and specialist car market, predominantly in London.

For the financial year under review, H.R. Owen recorded revenue of £428.2 million compared to £355.6 million in the previous financial year, an increase of 20.4%, mainly due to an increase in the number of new models sold as well as aftersales service hours rendered.

H.R. Owen's Maserati dealership in St Albans, United Kingdom.

H.R. Owen sold a total of 1,306 new prestige cars in the financial year under review compared to 982 prestige cars sold in the previous financial year, an increase of 33.0%. For pre-owned cars, the number of units sold increased to 1,849 units compared to 1,764 units sold in the previous financial year.

H.R. Owen's pre-tax profit increased by 77.8% to £2.9 million compared to £1.6 million in the previous financial year, mainly due to higher revenue reported for the financial year under review.

H.R. Owen made capital investments totalling £4.5 million, of which £2.2 million was related to a freehold property purchase while the rest was mainly incurred on new car dealerships, showrooms and aftersales facilities during the financial year under review.

H.R. Owen expects to see modest improvement in the financial year ending 30 April 2018, with improvements in the Bentley franchise and the used car operation in spite of slowing new car registrations in the United Kingdom.

Berjaya China Motor Sdn Bhd ("BCM")

BCM is in the business of assembling, distributing, retailing and providing after sales service for the Changan, Shenyang Brilliance (Jinbei), Dongfeng Sokon (DFSK) and Foton Motor Group (FMG) brands of light commercial vehicles and passenger vans in Malaysia.

Presently, the vehicle models offered consists of the two- to five-seater light truck below two and half (2.5) tonnes gross vehicle weight, the two- to five-seater panel van and the ten- to fifteen-seater passenger van.

For the financial year ended 30 April 2017, BCM recorded revenue of RM27.6 million compared to RM30.2 million in the previous financial year, mainly due to lower sales of new vehicles in the financial year under review. Pre-tax profit for the financial year under review was higher at RM2.6 million compared to RM2.2 million in the previous financial year, primarily due to higher sales margin.

Moving forward, BCM expects to face challenging competition in the domestic market due to poor consumer sentiment. Nevertheless, BCM expects its results for the financial year 2018 to be moderately improved with the good response received towards its new window van model, the Foton View C2.

Chana Era Star II Semi Panel Van.

Berjaya UCH was named the Hospitality Institution of the Year (Regional) at the annual World Gourmet Summit Awards of Excellence in March 2017.

Partners from Starbucks' first Signing Store in Bangsar Village II, Kuala Lumpur.

EDUCATION

Berjaya Higher Education Sdn Bhd ("BHE")

BHE, which operates the Berjaya University College of Hospitality ("Berjaya UCH"), commenced operations in January 2009.

The boutique and premier university college offers programmes in hospitality, culinary, tourism, events management, business and liberal arts from foundation to postgraduate levels. As the pioneer in the "Immersion Methodology" in its teaching and learning approach, coupled with strong contacts with industry partners, Berjaya UCH is renowned for its Hospitality and Culinary programmes. Berjaya UCH has won more than 160 awards and recognition, with the latest being the "17th member of the Institut Paul Bocuse Worldwide Alliance", "World Gourmet Summit's Hospitality Institution of the Year 2017-Regional" and "KL Mayor's Tourism Gold Award for Education Tourism".

BHE registered a lower sales revenue of RM21.4 million in the financial year under review as compared to RM23.4 million in the previous financial year, despite a 6% increase in student numbers, mainly due to the price war among education institutions. As a result, BHE reported a slight increase in pre-tax loss of RM7.9 million in the financial year under review as compared to RM7.7 million in the previous year.

Moving forward, BHE will widen its revenue stream through collaboration with overseas partners, in particular China, India and Indonesia. In July 2017, Berjaya UCH was listed in China's JSJ (Jiaoyu Shewai Jiangguan Jinxi Wang) which lists the approved overseas education providers for Chinese students. Consequently, BHE expects to have a significant intake of students from China to pursue various programmes in Berjaya UCH from the financial year 2018 onwards. BHE is also focusing on executive training programmes with the relevant government agencies of Malaysia.

FOOD & BEVERAGE

Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks")

BStarbucks was incorporated in Malaysia on 7 May 1998 under the name of Berjaya Coffee Company (M) Sdn Bhd and assumed its present name on 16 September 2004.

The company is in the business of providing high-quality whole bean coffees, along with fresh, rich-brewed coffees, Italian-style espresso beverages, cold blended beverages, a variety of pastries and confections, coffee-related equipment and accessories, and a selection of premium teas. As at 30 April 2017, BStarbucks has 239 stores across Malaysia, including 31 drive thru stores.

BStarbucks registered an increase in revenue to RM450.8 million in the financial year under review from RM404.9 million in the previous financial year, mainly due to rapid store expansion, from 215 stores in the previous year to 239 stores in the financial year under review.

BStarbucks recorded a lower profit before tax of RM53.3 million in the financial year under review as compared to RM54.4 million in the previous financial year due to an increase in finance costs.

During the financial year under review, BStarbucks implemented various marketing programmes which included the introduction of new and exclusive merchandise, the launch of new beverages, and the expansion of three more Starbucks Reserve Stores. The Starbucks Card Loyalty Programme recorded its highest tender rate of 51% since its launch, contributing a total of RM271.2 million for the financial year under review as compared to RM217.6 million in the previous financial year. As at 30 April 2017, there are more than 1 million registered My Starbucks Rewards ("MSR") members and a total of 5.9 million Starbucks Cards in active circulation nationwide.

Starbucks Reserve coffee masters demonstrating the pour over brewing method.

KRR AEON Mall Kinta City, Ipoh, Perak.

Moving forward, BStarbucks will continue the company's expansion plan to open a total of 25 new stores with an additional two Starbucks Reserve concept stores. Unique store concepts, supported by innovative handcrafted coffee beverages as well as creative food offerings and an enhancement in the Starbucks service experience will be the main focus in strengthening Starbucks' position as the premium coffee leader.

In line with the strong performance of the Starbucks Cards, BStarbucks will introduce more attractive benefits such as MSR Tier rewards to enhance brand loyalty and create more excitement for customers. BStarbucks will also explore new opportunities such as e-commerce and e-gifting to strengthen Starbucks' brand affiliation with the consumers.

BRoasters launched the limited edition Timeless Treasure Series of designs for its KRR Reload Card in January 2017.

Berjaya Roasters (M) Sdn Bhd ("BRoasters")

Incorporated in 1994, BRoasters is primarily engaged in the development and operation of Kenny Rogers Roasters ("KRR") restaurants in Malaysia. As at 30 April 2017, there are 91 KRR restaurants across Malaysia.

For the financial year ended 30 April 2017, BRoasters' revenue increased by 7% to RM97 million from RM91 million in the previous financial year, mainly due to the opening of 3 new restaurants during the financial year under review.

BRoasters registered a loss before tax of RM4.16 million during the financial year under review as compared to a profit before tax of RM2.5 million in the previous financial year, mainly due to the impairment of fixed assets from the closure of non-performing restaurants, higher equipment maintenance and repair costs, and higher other operating costs.

In the financial year 2018, BRoasters will initiate more aggressive marketing campaigns in line with current market trends and continue to leverage on online marketing and digital media advertising to increase its brand awareness among teenagers and young working adults. The company will also introduce a new range of products and enticing menu offerings to encourage consumer spending. In addition, BRoasters will close its non-performing restaurants progressively and continue to review its operational efficiency for business sustainability.

Roasters Asia Pacific (HK) Limited ("RAP")

RAP is a wholly-owned subsidiary of BCorp and the holding company of KRR International Corp. which owns the worldwide franchise rights of the KRR brand. As at 30 April 2017, there are 185 KRR stores operating worldwide.

For the financial year ended 30 April 2017, RAP registered a decrease in revenue to RM2.9 million from RM3.3 million in the previous financial year, mainly due to the decrease in Territory fees.

During the financial year under review, RAP expanded KRR's presence to Delhi, India and Phuket, Thailand.

Over the years, RAP has been able to find a niche market within the food and beverage industry, given the entrance barriers are relatively high. The company has been able to sustain its growth and remain competitive in markets that are saturated with new and existing food and beverage players, with a reasonable amount of brand recognition.

RAP will continue to improve its sales performance through the growth of new stores in its existing markets, as well as penetrate new markets for the financial year 2018. Moving forward, RAP will expand KRR's presence into Kuwait, Perth and Myanmar which will contribute positively to the growth of RAP. RAP will also continue to increase brand awareness in its existing markets through aggressive marketing campaigns and new product innovations.

Jollibean Foods Pte Ltd ("Jollibean Foods")

Jollibean Foods holds the sole and exclusive worldwide rights to develop, operate and manage all outlets, stalls and kiosks under the brand name of "Jollibean", "Sushi Deli", and "Kopi Alley". As at 30 April 2017, Jollibean Foods has 34 outlets under the three brands in Singapore.

Jollibean's new outlet located at Rivervale Mall, Singapore.

For the financial year ended 30 April 2017, Jollibean Foods recorded a revenue of RM33.4 million as compared to RM36.7 million in the previous financial year, mainly due to the non-renewal of rental lease for non-performing outlets and early mall revamp which reduced the number of outlets from 47 in the previous financial year to 34 in the financial year under review. The slowdown in shoppers visiting the shopping malls as a result of the softening retail environment in Singapore is also affecting the food and beverage industry.

For the financial year ended 30 April 2017, Jollibean Foods recorded a higher loss before tax of RM2.9 million as compared to RM2.4 million in the previous financial year due to the closure of non-performing outlets.

Senior management and staff at the launch of KRR's first restaurant in India.

Jollibean Food's seasonal promotions.

Wendy's team members with Tan Sri Dato' Seri Vincent Tan at the opening of the first Wendy's store in Penang.

In the financial year 2018, Jollibean Foods will be concentrating on brand growth, market differentiation and exploring new target markets. The company plans to add on an additional Jollibean flagship store, and a new Sushi Deli outlet to its existing retail chain.

Jollibean Foods will strengthen its brand presence among the younger generation and increase its reach through collaborations with various youth networks, social media platforms, and identifying relevant sales touchpoints. The company will also continue to introduce new innovative products to attract and retain public interest.

Berjaya Burger Sdn Bhd *(formerly known as Wen Berjaya Sdn Bhd)* ("Berjaya Burger")

Internationally known for some of the best burgers in the business, Wendy's has more than 6,500 franchises in 29 countries worldwide. Berjaya Burger owns and operates the Wendy's franchise in Malaysia, with its first store officially opened in Sunway Pyramid in 2008. Berjaya Burger opened 3 new stores during the financial year under review, in D'Pulze Cyberjaya, Selangor, and in Sunrise Tower and Design Village, Penang, bringing the total number to 8 stores nationwide as at 30 April 2017.

For the financial year ended 30 April 2017, Berjaya Burger recorded a revenue of RM16.3 million, an increase of 28.1% from RM12.8 million in the previous financial year. The higher revenue was attributed to the 21.4% increase in the number of transactions to 952,605 counts from 784,859 counts in the previous financial year. Wendy's brand awareness was effectively improved through its aggressive marketing campaigns and attractive menu offerings, contributing about 25% increase in its sales. Some of its popular promotions included Jom Lada, Hot Dawgs, Meet the Yolk and Haha Burger. Berjaya Burger also worked with its partners, Sweet Spot, Maxis and U Mobile, to increase Wendy's brand awareness and expand its customer base.

Berjaya Burger registered a reduced loss before tax of RM4.6 million in the financial year under review from a loss before tax of RM9.7 million in the previous financial year. The improvement of 52.6% was due to a significant reduction in operating expenses as a result of the closure of non-performing stores and an improvement in revenue.

Moving into the financial year 2018, Berjaya Burger will be launching more localised products, which have lower cost of goods, and continue strengthening its position and brand awareness through more creative and cost-effective advertising and promotion channels and strategies. Berjaya Burger will continue with its expansion plans to penetrate the QSR ("Quick Service Restaurant") market in strategic locations nationwide.

ENVIRONMENTAL AND CLEAN TECHNOLOGY SERVICES

KUB-Berjaya Enviro Sdn Bhd ("KBE")

KBE is principally engaged in the treatment of solid waste, involving amongst others, the development, design, construction, operation, management and maintenance of sanitary landfills and construction activities. KBE manages and operates the Bukit Tagar Sanitary Landfill ("BTSL") under a 30-year agreement from the Government. BTSL is located approximately 50km from Kuala Lumpur. BTSL currently receives an average of 2,700 tonnes of municipal solid waste ("MSW") per day from Kuala Lumpur and the Selayang district in the state of Selangor.

For the financial year ended 30 April 2017, KBE recorded a decline in revenue to RM46.2 million from RM47.2 million recorded in the previous financial year mainly due to lower tonnage of solid waste received.

Aerial view of the Leachate Treatment Plant at the Bukit Tagar Sanitary Landfill, Selangor.

The Renewable Energy Center at the Bukit Tagar Sanitary Landfill, Selangor.

KBE's profit before tax increased to RM19.7 million from RM18.7 million in the previous financial year mainly due to the increase in net income from carbon credit and dividend received from its wholly-owned subsidiary, KUB-Berjaya Energy Sdn Bhd.

Moving forward, KBE will continue to focus on securing more private waste customers to increase waste volume, improving on operational efficiency to achieve a higher profit margin, exploring additional income streams from the existing business, and sourcing for new landfill projects.

KUB-Berjaya Energy Sdn Bhd ("KBEnergy")

KBEnergy, a wholly-owned subsidiary of KBE, is involved in the generation and sale of electricity from the landfill gas from BTSL. The landfill gas is used to power 4 gas engines to produce a total of 6.4MW of electricity. KBEnergy commenced its commercial operations on 1 June 2011. The electricity generated is sold to Tenaga Nasional Malaysia ("TNB") under the Feed-in Tariff ("FiT") scheme.

For the financial year ended 30 April 2017, KBEnergy reported a revenue of RM11.6 million, representing an increase of RM1.5 million or 14.6% compared to RM10.1 million mainly due to the higher volume of electricity generated by the 1.2MW and 2MW gas engines respectively.

On the back of higher revenue, profit before tax increased by 27.3% to RM7.0 million from RM5.5 million in the previous financial year.

KBEnergy entered into a JV agreement with AMITA Corporation of Japan to invest in a waste recycling project located within BTSL. To date, KBEnergy has invested RM3.0 million in the JV company (AMITA KUB-Berjaya Kitar Sdn Bhd or "AKBK"), representing a 60% stake.

KBEnergy's investment in a scheduled waste recycling project will continue to be part of its global strategy to partake more extensively in the waste management industry. The scheduled waste recycling industry is very promising as more than 3 million tons of scheduled waste is generated annually in Malaysia. The Government has started to implement sustainable waste management policies for scheduled waste, and AKBK is well-positioned to benefit from the industry given its timely entry into the sector.

Berjaya Green Resources Environmental Engineering (Foshan) Co. Ltd. ("BGREE")

BGREE is a wholly-owned subsidiary of Berjaya Corporation Berhad. BGREE was awarded a 25-year concession to build, operate and transfer a 40 Million Litres Per Day ("MLD") industrial wastewater treatment plant in Jinben Industrial Park, Xinan Sub-District, Sanshui District, Foshan City, Guangdong Province, People's Republic of China ("PRC"). A minimum wastewater volume guarantee is provided by the concession for BGREE to recover its investment with guaranteed returns throughout the concession period.

The Plant adopts an advanced Anaerobic-Anoxic-Oxic (A2O) process to treat the industrial wastewater. The effluent treated by the Plant meets the National Discharge Standard 1B and Guangdong Province Effluent Discharge Standard as required by the District Department of Environment.

It is the only wastewater treatment facility in Xinan Industrial Park which provides wastewater treatment service to the beverage factories in the area such as Budweiser, Coca-Cola, and Yeo's.


The Jinben wastewater treatment plant in Sanshui District, Guangdong Province, PRC.


The Pengfa Water Treatment Plant with a production capacity of 30 MLD commenced operations in August 2016.

For the financial year ended 30 April 2017, BGREE recorded an increase in revenue to RMB6.46 million from RMB3.04 million in the previous financial year mainly due to higher wastewater volume treated, and a revision of wastewater tariff from RMB1.69/m^3 to RMB1.96/m^3 of treated wastewater.

For the financial year ended 30 April 2017, BGREE recorded a loss before tax of RMB8.79 million, which is slightly higher than RMB7.4 million in 2016. This was mainly due to deferred recognition of an outstanding payment of RMB4.98 million owed by the Government, higher value added tax (VAT) imposed by the National Tax Bureau, increased raw material and utility costs, finance cost and depreciation & amortisation adjustments.

Moving forward, BGREE will continue to collaborate with the Xinan Sub-District Government on the proposal for treating raw wastewater from large scale beverage factories and increase the wastewater tariff to RMB3.00/m^3 from RMB1.96/m^3. The project is expected to be profitable from the financial year 2018 onwards. BGREE will also continue to assess its potential income sources by adding additional tertiary water treatment systems to produce and supply recycled water to the steam production plants in the Jinben Industrial Park. This will gradually improve BGREE's net profit margin to 20% in the financial year 2019.

AWF Limited ("AWF")

AWF is a wholly-owned subsidiary of the Group and the main shareholder of the Longxi Water Projects ("Project") which runs three potable water treatment and supply plants in Boluo County Longxi Town, Guangdong Province under three wholly-owned subsidiaries, Boluo Longxi Water Supply Co. Ltd. ("Boluo Longxi"), Boluo Longxi Zhiwang Water Supply Co. Ltd. ("Zhiwang") and Boluo Longxi Pengfa Water Supply Co. Ltd. ("Pengfa"), in the PRC. The Project was acquired by AWF in 2014 and commenced operations on 1 October 2014. The total production capacity of the Project is 100 million litres per day ("MLD") of treated potable water.

For the financial year ended 30 April 2017, AWF recorded a revenue of RMB22.12 million, an increase of 8% compared to RMB20.46 million in the previous financial year. The higher revenue was attributed to higher water supply volume by the three potable water treatment and supply plants. The residential and non-residential sales volume increased by 11% and 6% respectively in the financial year under review.

AWF recorded a gross profit of RMB6.16 million, an increase of 138% from RMB2.59 million in the previous financial year in line with the increase in revenue, and also partly due to cost savings in water resources fee and electricity charge during the financial year under review.

AWF recorded a loss before tax of RMB3.16 million in the financial year under review, a decrease from a loss before tax of RMB4.39 million recorded in the previous financial year. The improved result was mainly due to an increase in revenue and optimisation of operating costs and administrative expenses to achieve the targeted operating profit margin of the Project.

AWF recorded a loss after tax of RMB3.68 million for the financial year under review compared to a loss after tax of RMB5.38 million in the previous financial year. Of the three plants, the Boluo Longxi plant recorded a marginal profit with its taxable income of RMB0.53 million for the financial year ended 30 April 2017, while the Pengfa and Zhiwang plants reported losses of RMB2.73 million and RMB2.82 million respectively for the financial year ended 30 April 2017.

Secondary Sedimentation Tank of DSG's Taian Sewage Treatment Plant in the PRC.

In view of the prevailing challenging economic environment faced by industries and developers in the PRC, AWF expects its performance to grow modestly in the financial year 2018. Prospects in the near term should be brighter in view of the recommissioning of deferred factories expected to recommence operations in 2018/2019. This will ideally improve the water demand by 10% to 20% based on government statistics.

DSG Holdings Limited ("DSG Holdings")

DSG Holdings has three water concessions in the PRC, comprising a potable water treatment plant and a wastewater treatment plant in Shandong Province and a potable water treatment plant in Anhui Province. The company also owns a construction company in the PRC which commenced operations in October 2016.

DSG Holdings recorded an increase in revenue of 11% to RMB119 million in the financial year under review from a revenue of RMB108 million in the previous financial year mainly due to contribution from the construction company which recorded a full year's revenue of RMB25 million compared to the 6 months' revenue of RMB11 million in the previous financial year.

DSG Holdings recorded a profit after tax of RMB32 million, an improvement of 3% from RMB31.5 million in the previous financial year due to higher contribution from the construction sector which offset the lower contribution from its water operations.

In view of the challenging economic conditions faced by industries and developers in the respective operations areas, DSG Holdings expects its revenue and profitability to continue to grow marginally in the financial year 2018.

TELECOMMUNICATIONS

REDtone International Berhad ("REDtone")

REDtone is a leading digital infrastructure and services provider in Malaysia. Listed on Bursa Malaysia in 2004. REDtone offers its customers a comprehensive range of services in business areas, which include Telecommunication Services, Managed Telecommunications Network Services ("MTNS"), and Industry Digital Services ("IDS").

REDtone recorded a revenue of RM156.5 million in the financial year ended 30 April 2017, which represented a 6.0% growth compared to the previous financial period's 11-month revenue of RM147.7 million, and a 2.9% decrease compared to the previous year's annualized revenue of RM161.1 million.

Gross profit was RM44.4 million or 28% of the total revenue in the financial year under review compared to RM33.8 million or 23% of the total revenue in the previous financial period. The year-on-year 31% growth in gross profit was primarily due to the growth in telecommunications services, especially data services, which contributed a higher gross margin.

REDtone recorded a substantially lower loss before tax of RM4.2 million compared to the loss before tax of RM22.5 million in the previous financial period, mainly due to the disposal of its loss-making China operations which reduced losses and resulted in a RM5.7 million gain on disposal, an increase in gross profit margin due to operational efficiencies from the underlying Malaysian operations, and a reduction in impairment provisions in the financial year under review.

Given the current macro-economic outlook and the prevailing weak Ringgit Malaysia, REDtone is of the view that its operating environment for the financial year 2018 will continue to be challenging. Moving forward, the Board of Directors foresee a moderate growth in MTNS with new projects in the pipeline, while data services for the enterprise market will continue to lead the growth of the telecommunications services segment.

REDtone was awarded the BrandLaureate Best Brands Awards 2016-2017 in the category of Corporate Branding – Best Brands in Telecommunications – Integrated Services Provider.

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures as at 10 August 2017

BERJAYA CORPORATION BERHAD

CONSUMER MARKETING, DIRECT SELLING & RETAIL, AND MOTOR DISTRIBUTION

- 100% Cosway (M) Sdn Bhd
- 100% eCosway.com Sdn Bhd
- 100% Cosway (HK) Ltd
- 70% Cosway (Guangzhou) Cosmetic Manufacture Co. Ltd
- 100% Vmart (Tianjin) Trading Co Limited
- 100% Country Farms Sdn Bhd
- 100% Kimia Suchi Sdn Bhd
- 100% Berjaya Books Sdn Bhd
  - * Borders Bookstores
- 51% Mothers en Vogue Sdn Bhd
- 100% Mothers en Vogue Pte Ltd
- 98.38% H.R. Owen Plc, United Kingdom
- 70% Berjaya China Motor Sdn Bhd
- 70.82% Changan Berjaya Auto Sdn Bhd
- 85% Berjaya Brilliance Auto Sdn Bhd
- 67% Boxit Holdings Sdn Bhd
- 80% Berjaya Pharmacy Sdn Bhd
- 100% Berjaya Pharmacy Retail Sdn Bhd
- \+ 26.69% Atlan Holdings Bhd
- 25.5% Bermaz Auto Philippines Inc

ENVIRONMENTAL SERVICES, INVESTMENT HOLDING & OTHERS

- 100% Berjaya Group (Cayman) Limited
- 100% Berjaya Engineering & Construction (HK) Limited
- 60% KUB-Berjaya Enviro Sdn Bhd
- 100% KUB-Berjaya Energy Sdn Bhd
- 60% Amita KUB-Berjaya Kitar Sdn Bhd
- 100% Berjaya Green Resources Environmental Engineering (Foshan) Co. Ltd
- 100% Berjaya Engineering Construction Sdn Bhd
- 85% DSG Holdings Limited
- 100% AWF Limited
- 100% Berjaya Registration Services Sdn Bhd
- 60.03% BLoyalty Sdn Bhd
- 71.7% Berjaya Higher Education Sdn Bhd
  - * Berjaya University College of Hospitality
- 69.84% Graphic Press Group Sdn Bhd
- \+ 51.71% REDtone International Berhad
- \+ 13.27% Berjaya Media Berhad
- \+ 28.38% Informatics Education Limited, Singapore

FOOD & BEVERAGE

- 90% Berjaya Burger Sdn Bhd *(f.k.a Wen Berjaya Sdn Bhd)*
  - * Wendy's Restaurants, Malaysia
- 100% Roasters Asia Pacific (HK) Limited
- \+ 70% Berjaya Pizza (Philippines) Inc.
  - * Papa John's Pizza Restaurants, Philippines
- 70% Berjaya Krispy Kreme Doughnuts Sdn Bhd
- 100% RU Cafe Sdn Bhd
- 100% Berjaya HR Cafe Limited, South Korea
  - * Hard Rock Cafe, Seoul and Busan, South Korea
- 100% Budi Impian Sdn Bhd
  - * Asahi Japanese Restaurant
- \+ 43.49% Berjaya Food Berhad
- 100% Berjaya Roasters (M) Sdn Bhd
  - * Kenny Rogers Roasters Restaurants, Malaysia
- 51% PT Boga Lestari Sentosa
  - * Kenny Rogers Roasters Restaurants, Indonesia
- 100% Berjaya Starbucks Coffee Company Sdn Bhd
  - * Starbucks Cafes, Malaysia
- 80% Berjaya Food Supreme Sdn Bhd
  - * Starbucks Cafes, Brunei
- 100% Jollibean Foods Pte Ltd

FINANCIAL SERVICES AND GAMING & LOTTERY MANAGEMENT

- \+ 100% Berjaya Capital Berhad
- 91.5% Inter-Pacific Capital Sdn Bhd
- 100% Inter-Pacific Securities Sdn Bhd
- 100% Inter-Pacific Asset Management Sdn Bhd
- 49% SaigonBank Berjaya Securities Joint Stock Company
- 100% Prime Credit Leasing Sdn Bhd
- 30% Berjaya Sompo Insurance Berhad
- 30% Chailease Berjaya Credit Sdn Bhd
- \+ 100% Berjaya International Casino Management (Seychelles) Limited
- \+ 48.51% Berjaya Sports Toto Berhad
- 100% Sports Toto Malaysia Sdn Bhd
- 100% International Lottery & Totalizator Systems, Inc, USA
- 100% Unisyn Voting Solutions, Inc, USA
- \+ 88.26% Berjaya Philippines Inc
- 100% Philippine Gaming Management Corporation
- 51% Berjaya Gia Thinh Investment Technology Joint Stock Company

■ Listed Companies
\+ Combined Interest

HOTELS, RESORTS, VACATION TIMESHARE AND RECREATION

100% BTS Hotel Sdn Bhd
* Berjaya Times Square Hotel, Kuala Lumpur

100% ANSA Hotel KL Sdn Bhd
* ANSA Kuala Lumpur

100% Berjaya Vacation Club Berhad
* Berjaya Penang Hotel *(f.k.a Georgetown City Hotel)*

100% Berjaya Vacation Club (Cayman) Limited
* Berjaya Eden Park Hotel, London, United Kingdom

100% BHR (Cayman) Limited
* The Castleton Hotel, London, United Kingdom

100% Berjaya Langkawi Beach Resort Sdn Bhd
* Berjaya Langkawi Resort, Kedah

99.5% The Taaras Beach & Spa Resort (Redang) Sdn Bhd
* The Taaras Beach & Spa Resort, Redang Island, Terengganu
* Redang Island Resort, Terengganu

86.25% Tioman Island Resort Berhad
* Berjaya Tioman Resort, Pahang

100% Berjaya Beau Vallon Bay Beach Resort Limited
* Berjaya Beau Vallon Bay Resort & Casino, Seychelles

100% Berjaya Praslin Limited
* Berjaya Praslin Resort, Seychelles

92.6% Berjaya Mount Royal Beach Hotel Limited
* Berjaya Hotel Colombo, Sri Lanka

50% Berjaya Hotay Joint Venture Company Limited
* Sheraton Hanoi Hotel, Hanoi, Vietnam

75% T.P.C. Nghi Tam Village Limited
* InterContinental Hanoi Westlake, Hanoi, Vietnam

100% Perdana Hotel Philippines Inc
* Berjaya Makati Hotel, Makati, Philippines

50% Kyoto Higashiyama Hospitality Assets TMK
* Four Seasons Hotel and Hotel Residences, Kyoto, Japan

100% Bukit Kiara Resort Berhad
* Bukit Kiara Equestrian & Country Resort, KL

100% KDE Recreation Berhad
* Kelab Darul Ehsan, Selangor

100% Berjaya Hills Resort Berhad *(f.k.a Berjaya Hills Berhad)*
* Berjaya Hills Golf & Country Club, Pahang
* Colmar Tropicale, Berjaya Hills, Pahang
* The Chateau Spa & Organic Wellness Resort, Berjaya Hills, Pahang

80% Staffield Country Resort Berhad
* Staffield Country Resort, Negeri Sembilan

100% Indah Corporation Berhad
* Bukit Banang Golf & Country Club, Batu Pahat, Johor

100% Berjaya Air Sdn Bhd

51% Asia Jet Partners Malaysia Sdn Bhd

PROPERTY INVESTMENT & DEVELOPMENT

100% Berjaya Golf Resort Berhad
* Bukit Jalil Golf & Country Resort, KL
* Arena Green Apartments, KL
* Greenfields Apartments, KL
* Green Avenue Condominiums, KL
* Savanna Condominiums, KL
* Savanna 2, KL
* Covillea, KL
* Jalil Link @ Bukit Jalil, KL
* KM1 West Condominiums, KL
* KM1 East Condominiums, KL
* The Link 2 @ Bukit Jalil, KL
* Residensi Lanai @ Bukit Jalil, KL

100% BerjayaCity Sdn Bhd
* Oil Palm Plantation

100% Wangsa Tegap Sdn Bhd
* Menara Bangkok Bank @ Berjaya Central Park, Jalan Sultan Ismail
* Ritz-Carlton Residences @ Berjaya Central Park, Jalan Sultan Ismail

\+

100% Berjaya Sanhe Real Estate Development Co Ltd
* French Village, Hebei Province, People's Republic of China
* Les OE Residence, Hebei Province, People's Republic of China

\+

71.39% Berjaya Land Berhad

100% Taman TAR Development Sdn Bhd
* The Peak @ Taman TAR, Ampang, Selangor

100% Berjaya Tagar Sdn Bhd
* Seputeh Heights, KL
* Vasana 25, KL
* Subang Heights, Shah Alam, Selangor

80% Pakar Angsana Sdn Bhd
* Berjaya Park, Shah Alam, Selangor

100% Sri Panglima Sdn Bhd
* Taman Kinrara IV, Puchong, KL

100% Berjaya Land Development Sdn Bhd
* Kelang Lama New Business Center, KL
* Gemilang Indah Apartments, KL
* Medan Indah, Kota Tinggi, Johor
* Taman UPC, Ayer Hitam, Johor
* Bandar Banang Jaya, Batu Pahat, Johor
* Robson Condominiums, KL
* Jesselton Villas, Penang

100% Securiservices Sdn Bhd
* 1 Petaling Residences & Commerz @ Sg. Besi, KL
* Petaling Indah Condominiums, KL
* 3-Storey Shop Office @ Sg. Besi, KL

100% Klasik Mewah Sdn Bhd
* Sri Indah Court, Johor Bahru

80% Berjaya-Handico 12 Co. Ltd
* Ha Noi Garden City, Hanoi, Vietnam

100% Berjaya Vietnam Financial Center Limited
* Vietnam Financial Center, Ho Chi Minh City, Vietnam

75% Berjaya-D2D Company Limited
* Bien Hoa City Square, Dong Nai Province, Vietnam

100% Berjaya VIUT Ltd
* Vietnam International University Township, Ho Chi Minh City, Vietnam

72.6% Berjaya Jeju Resort Limited

100% Berjaya Okinawa Development Co. Ltd

\+

100% Cosway Corporation Limited

100% Stephens Properties Sdn Bhd
* Wisma Cosway, KL

100% Nural Enterprise Sdn Bhd
* Plaza Berjaya, KL

100% Kota Raya Development Sdn Bhd
* Kota Raya Complex, KL

100% Cempaka Properties Sdn Bhd
* Berjaya Megamall, Kuantan, Pahang
* Kuantan Perdana, Kuantan, Pahang

\+

16.81% Berjaya Assets Berhad
* Berjaya Times Square, KL
* Natural Avenue Sdn Bhd
* Berjaya Waterfront Hotel, Johor Bahru, Johor
* Berjaya Waterfront Complex, Johor Bahru, Johor
* Menara MSC Cyberport, Johor Bahru, Johor
* Islington on the Green, London, United Kingdom
* Berjaya Assets Food (BAF) Sdn Bhd – Greyhound Cafe
* Oriental Assemblers Sdn Bhd

GROUP FINANCIAL SUMMARY

DESCRIPTION	2017 USD'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000
Revenue	**2,110,168**	**9,182,394**	9,016,774	9,514,106	8,729,027	7,376,047
Profit Before Tax	**152,276**	**662,628**	293,737	1,601,733	523,866	575,262
Profit/(Loss) After Tax	**72,945**	**317,420**	(117,089)	1,242,256	127,899	325,822
Profit/(Loss) Attributable To Shareholders	**34,307**	**149,285**	(177,223)	890,582	(148,920)	74,978
Share Capital	**1,133,070**	**4,930,556**	4,673,180	4,330,614	4,300,648	4,294,836
Equity Component of ICULS	**70,516**	**306,848**	253,608	409,972	442,417	448,822
Reserves	**448,482**	**1,951,570**	1,784,013	2,034,142	1,042,263	1,179,044
Equity Funds	**1,652,068**	**7,188,974**	6,710,801	6,774,728	5,785,328	5,922,702
Treasury Shares	**(7,737)**	**(33,669)**	(130,399)	(130,399)	(82,882)	(80,494)
Net Equity Funds	**1,644,331**	**7,155,305**	6,580,402	6,644,329	5,702,446	5,842,208
Non-controlling Interests	**841,862**	**3,663,364**	4,476,304	4,317,697	5,293,442	4,981,194
Total Equity	**2,486,193**	**10,818,669**	11,056,706	10,962,026	10,995,888	10,823,402
ICULS	**34,994**	**152,278**	158,731	192,743	272,926	405,232
Long Term Liabilities	**1,128,497**	**4,910,654**	6,319,858	6,372,721	4,485,281	3,179,938
Current Liabilities	**1,298,621**	**5,650,947**	5,823,756	4,778,579	4,839,376	4,702,042
Total Equity and Liabilities	**4,948,305**	**21,532,548**	23,359,051	22,306,069	20,593,471	19,110,614
Property, Plant and Equipment	**855,563**	**3,722,983**	3,766,965	3,514,521	3,329,174	2,903,823
Intangible Assets	**1,345,237**	**5,853,796**	6,582,857	6,432,372	6,183,305	6,050,316
Investments and Long Term Receivables	**1,329,804**	**5,786,643**	5,573,201	5,875,121	5,346,809	5,368,465
Current Assets	**1,417,701**	**6,169,126**	7,436,028	6,484,055	5,734,183	4,788,010
Total Assets	**4,948,305**	**21,532,548**	23,359,051	22,306,069	20,593,471	19,110,614
Total number of shares with voting rights in issue	**4,875,583**	**4,875,583**	4,491,180	4,148,614	4,216,948	4,215,536
Net Assets Per Share	**0.32**	**1.40**	1.49	1.50	1.25	1.28
Net Earnings/(Loss) Per Share (Cents/Sen)	**0.67**	**2.93**	(3.22)	18.09	(2.65)	1.79
Dividend Per Share (Cents/Sen)	**–**	**–**	2.10	1.00	1.00	1.00
Total Net Dividend Amount (USD'000/RM'000)	**–**	**–**	99,580	42,003	41,187	42,115

Notes:

The figures above are presented based on the audited financial statements for the financial years ended 30 April.

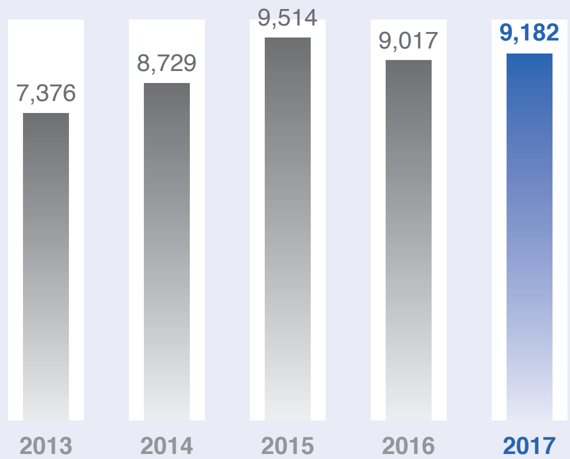
Where additional shares are issued, the earnings/(loss) per share is calculated based on a weighted average number of shares with voting rights in issue.

Net Assets Per Share represents the net equity funds less equity component of ICULS divided by the number of outstanding shares in issue with voting rights.

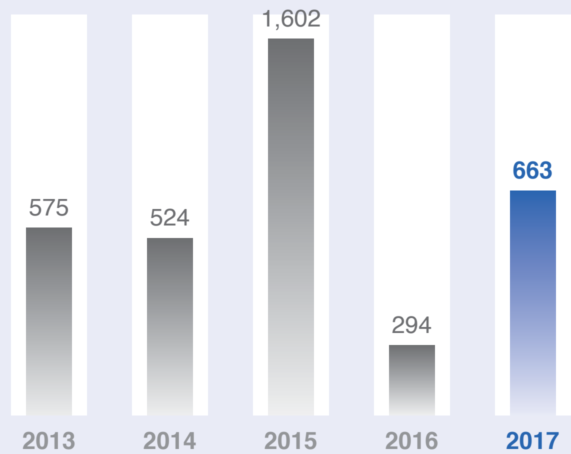
Exchange rate as at 30 April 2017: US$1.00=RM4.3515

GROUP FINANCIAL HIGHLIGHTS

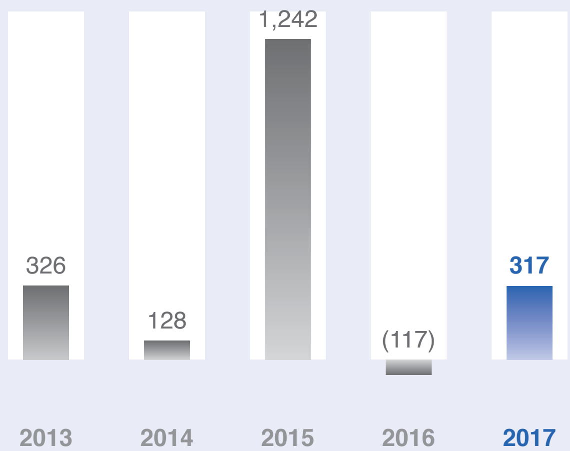
REVENUE (RM' MILLION)



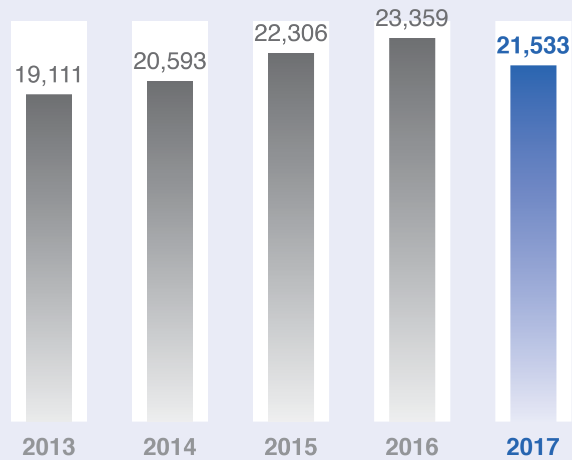
PROFIT BEFORE TAX (RM' MILLION)



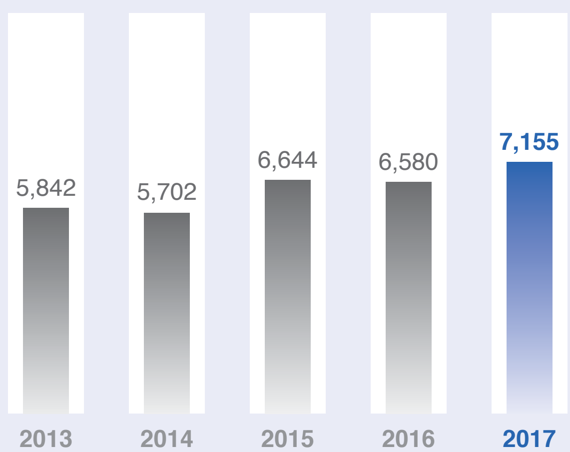
PROFIT AFTER TAX (RM' MILLION)



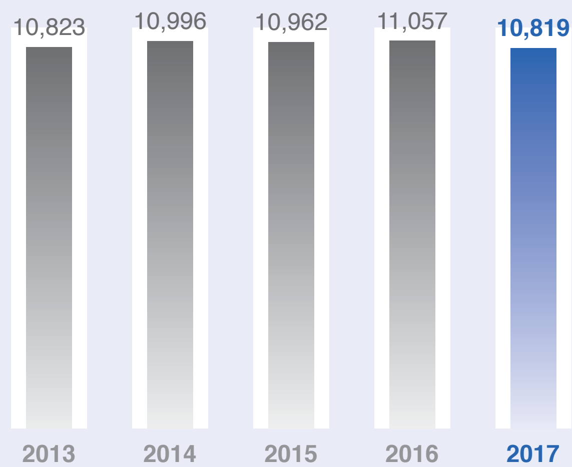
TOTAL ASSETS (RM' MILLION)



NET EQUITY FUNDS (RM' MILLION)



TOTAL EQUITY (RM' MILLION)



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of Berjaya Corporation Berhad recognises the importance of corporate governance towards promoting business prosperity and corporate accountability to realise long term shareholders' value and the interests of other stakeholders.

The Malaysian Code of Corporate Governance ("new MCCG") came into force on 26 April 2017 and superseded its earlier edition, Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). However, all companies are required to apply the recommended practices of the new MCCG in their Annual Report with effect from the financial year ending 31 December 2017. As such, the Group will therefore continue to apply the recommendations of the MCCG 2012 in this Annual Report.

The Board is committed to apply the key principles of the MCCG 2012 and the following sections explain how the Group has applied the key principles of the MCCG 2012 and the extent of its compliance with the recommendations throughout the financial year ended 30 April 2017.

1. ROLES AND RESPONSIBILITIES

Functions of the Board and Management

The Board is responsible for the performance and affairs of the Company and its subsidiaries (collectively "the Group"). It also provides leadership and guidance for setting the strategic direction of the Group.

The Board has assigned the day-to-day affairs of the Group's businesses within the various divisions to local management, comprising Managing Directors ("MD") / Chief Executive Officers ("CEO") / Executive Directors of the main operating companies, who are accountable for the conduct and performance of their businesses within the agreed business strategies.

The Group's Executive Directors are involved in leadership roles overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities. They represent the Company at the highest level and are decision makers on matters within their scope. They liaise frequently with the CEO (or MD) of the main operating companies and with each other to lead the management to drive the Company and the Group forward.

Board Roles and Responsibilities

The Board is led by the Chairman/CEO and is supported by Board members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group.

The Board is primarily responsible for setting the strategic direction and the control systems of the Group. It then delegates the implementation and monitoring of these set directions and control systems to the management.

The Board Charter laid down the responsibilities of the Board include, inter-alia, the following:-

(1) Review, evaluate, adopt and approve the strategic plans and policies for the Company and the Group;

(2) Oversee and monitor the conduct of the businesses and financial performance and major capital commitments of the Company and the Group;

(3) Review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;

(4) Review and approve any major corporate proposals, new business ventures or joint ventures of the Group;

(5) Review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group;

(6) Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks;

(7) Establish and oversee a succession planning programme for the Company and the Group including the remuneration and compensation policy thereof;

(8) Establish, review and implement corporate communication policies with the shareholders and investors, other key stakeholders and the public;

(9) Review and determine the adequacy and integrity of the internal control systems and management information of the Company and the Group; and

(10) Develop a corporate code of conduct to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management.

1. ROLES AND RESPONSIBILITIES (continued)

Board Roles and Responsibilities (continued)

The Board has also formed different Board committees to support and provide independent oversight of management and to ensure that there are appropriate checks and balances in place. Currently, the various Board Committees of the Board are the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. Each of the Board Committee operates within its respective terms of reference ("TOR") that also clearly define its respective functions and authorities.

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

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

Ethical standards through Code of 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 also has in place a Code of Conduct covering Business Ethics, workplace safety and employees' personal conduct. This is to ensure all employees maintain and uphold a high standard of ethical and professional conduct 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 improving the welfare of its employees and the communities in which it operates. The Group's efforts in this regard have been included in the Corporate Social Responsibility Statement as set out in the Annual Report.

Access to information and advice

The Directors have full and timely access to information concerning the Company and the Group. The Directors are provided with the relevant agenda and Board papers in sufficient time prior to Board meetings to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers include reports on the Group's financial statements, operations and the relevant corporate developments and proposals.

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. The Company Secretaries are also responsible in ensuring that Board meeting procedures are followed and all the statutory records of the Company are properly maintained at the Registered Office of the Company.

The Directors also have access to the advice and services of the Senior Management staff in the Group and they may also obtain independent professional advice at the Company's expense in furtherance of their duties whenever the need arises.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board.

The Board Charter is subject to review by the Board annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board Charter is also available on the Company's website at www.berjaya.com.

2. BOARD COMPOSITION

Nomination Committee

The Company has a Nomination Committee which comprises entirely of Independent Non-Executive Directors. The members are:-

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar	–	Chairman/Independent Non-Executive
Datuk Robert Yong Kuen Loke	–	Independent Non-Executive
Datuk Mohd Zain Bin Ahmad	–	Independent Non-Executive

The Chairman of Nomination Committee, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar, has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

The Nomination Committee meets as and when required, and at least once a year. Under its TOR, 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 TOR of the Nomination Committee is available at the Company's website at 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 recommending the appointment of any new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and also appointments are made on merits.

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

1. The candidate is identified upon the recommendation by the existing Directors, Senior Management 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.

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, 2016.

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 (1/3) of the Directors including the MD, 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.

2. BOARD COMPOSITION (continued)

Develop, maintain and review criteria for recruitment and annual assessment of Directors (continued)

Re-elections of Directors (continued)

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 94 of the Company's Articles of Association at the forthcoming AGM are Dato' Sri Azlan Meah Bin Haji Ahmed Meah, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar and Datuk Robert Yong Kuen Loke. The profiles of these Directors are set out on pages 3 to 7 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.

The Nomination Committee also carried out the following activities during the meeting held on 29 June 2017:

– 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;
– Reviewed and recommended the retention of the Independent Non-Executive Directors who have served on the Board for more than nine (9) years; and
– reviewed the performance of the Audit Committee and its members.

Boardroom Diversity

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

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

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

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

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

2. BOARD COMPOSITION (continued)

Develop, maintain and review criteria for recruitment and annual assessment of Directors (continued)

Boardroom Diversity (continued)

Currently, the Board has of four (4) female Directors namely, Vivienne Cheng Chi Fan, Dato' Zurainah Binti Musa, Nerine Tan Sheik Ping and Dr Jayanthi Naidu A/P G. Danasamy. The Board is satisfied with its current composition in terms of race, ethnicity and gender diversity as follows:-

Race/Ethnicity	Malay	Chinese	Indian
Number of Directors	4	5	1

Gender	Male	Female
Number of Directors	6	4

Age	41-45	51-55	56-60	61-65	66-70
Number of Directors	3	1	1	4	1

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

Remuneration policies and procedures

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The Remuneration Committee currently comprises the following members:-

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar	–	Chairman / Independent Non-Executive
Datuk Robert Yong Kuen Loke	–	Independent Non-Executive
Dato' Sri Robin Tan Yeong Ching	–	Non-Independent Executive

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

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

During the meeting held in June 2017, the Remuneration Committee carried out the following activities:-

(a) Reviewed the TOR of Remuneration Committee;

(b) Reviewed and recommended the proposed revision of the meeting attendance allowance payable to the Non-Executive Directors;

(c) Reviewed and recommended the payment of Directors' Fees for the financial year ended 30 April 2017;

(d) Reviewed and recommended the payment of Directors' Fees for the period from 1 May 2017 until the next AGM of the Company in 2018; and

(e) Reviewed and recommended the payment of Directors remuneration (excluding Directors' fees) for the period from 31 January 2017 until the next AGM of the Company in 2018.

2. BOARD COMPOSITION (continued)

Remuneration policies and procedures (continued)

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) and categorized into appropriate components for the financial year ended 30 April 2017 were as follows:-

Company

	RM'000				
	Fees	Salaries and Other Emoluments	Bonus	Benefits in-kind	Total
Executive	–	983	105	90	1,178
Non-Executive	249	64	–	19	332
	249	1,047	105	109	1,510

Group

	RM'000				
	Fees	Salaries and Other Emoluments	Bonus	Benefits in-kind	Total
Executive	–	12,851	1,162	392	14,405
Non-Executive	386	444	13	37	880
	386	13,295	1,175	429	15,285

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

			NUMBER OF DIRECTORS	
			Executive	Non-Executive
RM50,001	-	RM100,000	–	5[a]
RM100,001	-	RM150,000	–	1[b]
RM300,001	-	RM350,000	–	1
RM1,100,001	-	RM1,150,000	1	–
RM1,150,001	-	RM1,200,000	–	1[c]
RM1,250,001	-	RM1,300,000	1	–
RM1,300,001	-	RM1,350,000	1	–
RM2,200,001	-	RM2,250,000	1	–
RM7,400,001	-	RM7,450,000	1	–
			5	8

a inclusive of one (1) Non-Independent Non-Executive Director and one (1) Independent Non-Executive Director who had retired at the conclusion of the Company's last AGM held on 20.10.2016.

b one (1) Non-Independent Non-Executive Director who had retired at the conclusion of the Company's last AGM.

c an Executive Director who was re-designated as Non-Independent Non-Executive Director on 31 January 2017.

3. INDEPENDENCE

Annual Assessment of Independence

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

The Board, through the Nomination Committee, has assessed the Independence of its Independent Non-Executive Directors on an annual basis based on criteria set out in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The current Independent Directors of the Company namely, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar, Datuk Robert Yong Kuen Loke, Datuk Mohd Zain Bin Ahmad and Dr Jayanthi Naidu A/P G. Danasamy have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Listing Requirements of Bursa Securities. The Company also fulfils the requirement to have at least one-third (1/3) of its Board members being Independent Non-Executive Directors.

Tenure of Independent Directors

Recommendation 3.2 of the MCCG 2012 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the Independent Director as a Non-Independent Director.

However, if the Board intends to retain an Independent Director who has served for a continuous period of more than nine (9) years in a similar capacity, then the Board must justify and seek shareholders' approval before the said Independent Director can continue to act in such capacity as set out in Recommendation 3.3 of the MCCG 2012.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his/her responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

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

The Independent Directors of the Company who have served for a tenure of more than nine (9) years are Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar and Datuk Mohd Zain Bin Ahmad.

The Board has retained Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar and Datuk Mohd Zain Bin Ahmad as Independent Directors notwithstanding their service tenure of more than nine (9) years as Independent Directors after the assessment and recommendation by the Nomination Committee.

Nevertheless, in line with Recommendation 3.3 of the MCCG 2012, the Board will seek approvals from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar and Datuk Mohd Zain Bin Ahmad as Independent Directors based on the following justifications:-

i) They have fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and being independent, they will be able to function as a check and balance, bringing an element of objectivity to the Board.

ii) They have been with the Company for more than nine (9) years and are familiar with the Company's business operations which enable them to participate objectively in deliberations and decision making processes of the Board and Board Committees.

iii) They have exercised due care during their tenure as Independent Directors of the Company and they have carried out their duties proficiently in the interest of the Company and the shareholders.

3. INDEPENDENCE (continued)

Separation of positions of the Chairman and CEO

The Chairman and CEO of the Company are currently being held by the same person. The Board is aware that this is not in compliance with the best practices of the MCCG 2012 on the separation of the roles of the Chairman and CEO.

However, the Board is satisfied with the dual role held by the same person in view of his vast experience and knowledge of the businesses of the Group and the time he has spent in fulfilling all his responsibilities. The presence of the Independent Directors, though not forming a majority of the Board members, is sufficient to provide the necessary checks and balances on the decision making process of the Board. The significant contributions of the Independent Directors in the decision making process is evidenced in their participation as members of the various committees of the Board.

The Chairman/CEO will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted. He also holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. He leads the Executive Directors in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. He brings significant and other relevant matters to the Board, motivates employees, and drives change/innovation and growth within the Group.

Board Composition and Balances

The Board, consisting of qualified individuals with knowledge, skills and expertise in various fields, has enabled the Board to discharge its duties and responsibilities effectively. The Board currently has ten (10) members comprising the Chairman/CEO, four (4) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The details of each of the Directors are set out on pages 3 to 7 of the Annual Report.

The present composition of the Board is also in compliance with Chapter 15.02 of the Listing Requirements of Bursa Securities which requires at least one third (1/3) of the Board members of a listed issuer to be Independent Directors.

4. COMMITMENT

Time Commitment

The Board meets regularly on a quarterly basis with additional meetings being convened as and when necessary. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

During the financial year ended 30 April 2017, the Board met five (5) times and the attendances of the Directors at the Board meetings were as follows:-

Directors	Attendance
Dato' Sri Robin Tan Yeong Ching (Chairman/CEO)	5/5
Vivienne Cheng Chi Fan	4/5
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	4/5
Dato' Zurainah Binti Musa	5/5
Nerine Tan Sheik Ping	4/5
Chan Kien Sing *	4/5
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar #	4/5
Datuk Robert Yong Kuen Loke #	5/5
Datuk Mohd Zain Bin Ahmad #	5/5
Dr Jayanthi Naidu A/P G. Danasamy #	4/5
Tan Sri Datuk Abdul Rahim Bin Haji Din @	3/3**
Freddie Pang Hock Cheng @	2/3**
Dato' Dickson Tan Yong Loong @	3/3**

* An Executive Director who was re-designated as a Non-Independent Non-Executive Director on 31 January 2017.
@ Retired at the conclusion of the Company's last AGM held on 20 October 2016.
# Denotes Independent Non-Executive Director.
** Reflects the attendance and the number of meetings held during the financial year since the Director held office.

4. COMMITMENT (continued)

Time Commitment (continued)

All Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

Directors' Training

All the Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities. The Board and/or the Directors individually will, on a continuous basis, evaluate and determine their respective training needs to assist them in the discharge of their duties as Directors.

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

During the year, the seminars and conferences attended by the Directors were as follows:-

Directors	Seminars / Conferences / Forum
Dato' Sri Robin Tan Yeong Ching	– CG Breakfast Series with Directors: "The Cybersecurity Threat and How Board Should Mitigate the Risks" – FTSE4Good Bursa Malaysia Index Briefing
Vivienne Cheng Chi Fan	– OCBC Global Treasury Economic & Business Forum – Khazanah Megatrends Forum 2016 – Geography As Destiny – 12th Khazanah Global Lecturers By Dr Jane Goodall – Danajamin Coffee Talk
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	– CG Breakfast Series with Directors: "The Cybersecurity Threat and How Board Should Mitigate the Risks" – Launch of the AGM Guide & CG Breakfast Series: "How to Leverage on AGMs for Better Engagement with Shareholders" – FTSE4Good Bursa Malaysia Index Briefing
Dato' Zurainah Binti Musa	– Empowering Women Series: "For Series Women Leaders"
Nerine Tan Sheik Ping	– Empowering Women Series: "For Series Women Leaders"
Chan Kien Sing	– Sustainability Engagement Series for Directors/Chief Executive Officer – Directors as Gatekeepers of Market Participants – Business Challenges and Regulatory Expectations – Risk Oversight and Compliance – Action Plan for Board of Directors – Current and Emerging Regulatory Issues in the Capital Market – MIA Conference 2016 – FTSE4Good Bursa Malaysia Index Briefing
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar	– Corporate Governance Breakfast Series With Directors : "Anti-Corruption & Integrity – Foundation of Corporate Sustainability" – Sustainability Engagement Series for Directors / Chief Executive Officer – FTSE4Good Bursa Malaysia Index Briefing

4. COMMITMENT (continued)

During the year, the seminars and conferences attended by the Directors were as follows (continued):-

Directors	Seminars / Conferences / Forum
Datuk Robert Yong Kuen Loke	– He kept himself abreast with the latest developments on the various accounting, finance and business issues both locally and globally through his extensive networking, reading of various magazines and journals and serving as a council member of the Malaysian Institute of Certified Public Accountants.
Datuk Mohd Zain Bin Ahmad	– FTSE4Good Bursa Malaysia Index Briefing
Dr Jayanthi Naidu A/P G. Danasamy	– Sustainability Forum for Directors/CEOs: "The Velocity of Global Change & Sustainability – The New Business Mode" – FTSE4Good Bursa Malaysia Index Briefing

5. FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board strives to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, through the annual audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements of Bursa Securities.

The Board is also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 2016 and the applicable financial reporting standards in Malaysia.

The Board is also assisted by the Audit Committee in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and a high quality financial reporting. A full Audit Committee Report detailing its composition, TOR and a summary of activities during the financial year is set out on pages 54 to 58 of the Annual Report.

Statement of Directors' Responsibility in respect of the Financial Statements

The Companies Act, 2016 ("the Act") requires the Directors to prepare financial statements for each financial year which gives 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:

– select suitable accounting policies and then apply them consistently;
– state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
– make judgements and estimates that are reasonable and prudent; and
– 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 accounting records which disclosed with reasonable accuracy, at any time, the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Act and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. FINANCIAL REPORTING (continued)

Assessment of External Auditors

The Board maintains a transparent and professional relationship with the External Auditors through the Audit Committee. Under the existing practice, the Audit Committee invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Company's yearly financial statements. In addition, the Audit Committee will also have private meetings with the External Auditors without the presence of the Chief Financial Officer 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 were in respect of tax compliance, the annual review of the Statement on Risk Management and Internal Control. The non-recurring non-audit services are acting as reporting accountants for any corporate exercises.

During the financial year, the amount of non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial year ended 30 April 2017 were as follows:-

	COMPANY		GROUP	
	FYE2017 RM'000	FYE2016 RM'000	FYE2017 RM'000	FYE2016 RM'000
Statutory audit fees paid/payable to:-				
-Ernst & Young ("EY") Malaysia	**228**	140	**3,174**	2,896
-Affiliates of EY Malaysia	**–**	–	**1,049**	975
Total (a)	**228**	140	**4,223**	3,871
Non-audit fees paid/payable to:-				
-EY Malaysia	**335**	199	**1,167**	939
-Affiliates of EY Malaysia	**5**	5	**228**	501
Total (b)	**340**	204	**1,395**	1,440
% of non-audit fees (b/a)	**149%**	146%	**33%**	37%

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.

6. RISK MANAGEMENT

Sound framework to manage risks

The Board has ultimate responsibility for establishing a sound framework to manage risks.

A Risk Management Committee comprising members with risk and business management knowledge and experience has been established by the Company to regularly review the risk management policies formulated by the respective local management and makes relevant recommendations to the Board for approval.

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

Internal Audit Function

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

The Company has an established Internal Audit Division which reports directly to the Auidt Committee.

The Statement on Risk Management and Internal Control set out on pages 51 to 53 of this Annual Report provides an overview of the state of internal controls within the Group.

7. 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 Board acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. As such, the Board accords a high priority in ensuring that information is made available and disseminated as early as possible.

The Company maintains a website at www.berjaya.com where shareholders as well as members of the public can access the latest information on the Company and the Group. Alternatively, they may obtain the Company's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

8. RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders participation at General Meetings

The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the Company's general meetings. The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Group's businesses.

The Company dispatches its notice of meeting at least 21 days before the AGM together with a copy of the Annual Report in CD-ROM.

At the AGM, the Chief Financial Officer provides a brief financial overview of the financial year's performance to the shareholders. The shareholders are also invited to raise questions pertaining to the business activities of the Group during the AGM. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders.

Poll voting

In line with the MCCG 2012, all the resolutions passed by the shareholders at the AGM held on 20 October 2016 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, Messrs LT Lim & Associates.

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

8. RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (continued)

Effective communication and proactive engagements with shareholders

The Company recognises the importance of being transparent and accountable to its shareholders and, as such, maintains an active and constructive communication policy that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, meetings with analysts and fund managers, general meetings of shareholders and through the Company's website at www.berjaya.com where shareholders can access corporate information, annual reports, press releases, financial information and company announcements.

Compliance with the MCCG 2012

Other than as disclosed and/or explained in the Corporate Governance Statement, the Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the MCCG 2012 during the financial year ended 30 April 2017.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY

The Board of Directors ("the Board") of Berjaya Corporation Berhad ('BCorp' or 'the Group') recognises that the Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board's responsibility in relation to the system of internal control extends to all subsidiaries of the Group.

The Group's system of internal control is designed to manage the principal business risks that may impede the Group from achieving its business objectives. Due to the limitations that are inherent in any system of internal control, the Group's internal control system cannot completely eliminate the risk of failure to achieve its business objectives. The system can only provide reasonable assurance against material misstatement or loss.

The Board has undertaken a review of the adequacy and effectiveness of the risk management and internal control system and concluded that the risk management and internal control system is adequate and effective. Further, the Board has obtained assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

The Group is involved in various business interests. These business interests are operated by the subsidiaries of the Group. Management of the day-to-day affairs of the Group's various subsidiaries are assigned to local management, comprising Managing Directors / Chief Executive Officers / Executive Directors of the main operating companies, who are accountable for the conduct and performance of their subsidiaries within agreed business strategies. Local management sits at various management and operations meetings, and review financial and operations reports, in order to monitor the performance and profitability of the business of their respective subsidiaries. Paramount to this process is the role played by the Group's Executive Directors and senior management personnel who, by virtue of their presence on the Boards of both listed and unlisted subsidiaries of the Group, supervise the subsidiaries' activities, and regularly update the Boards of the respective listed and unlisted subsidiaries of the Group.

The Group also prides itself with its 'open-door' and 'hands-on' approach, practised by the Executive Directors, senior management and executives of the Group. This culture allows for any matters arising to be promptly and efficiently dealt with, drawing from the experience and knowledge of employees throughout the Group.

The above monitoring and reporting processes present the platform for the timely identification of the Group's principal business risks, as well as systems to manage them. The Group also has in place various support functions, such as secretarial, legal, tax, treasury, human resource, communication, procuring, investing, accounting and internal auditing, and these support functions are centralised at BCorp. The centralisation of the support functions is intended to maintain consistency in the setting and application of policies and procedures relating to these functions, and reduce duplication of efforts, thereby providing synergy to the Group.

The Board does not regularly review the internal control system of its associated companies and joint ventures, as the Board does not have any direct control over their operations. The Group's interests are served through representations on the boards of the respective associated companies and joint ventures and the review of their management accounts, and enquiries thereon. These representatives also provide the Board with information and timely decision-making on the continuity of the Group'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 business units identify the areas of control relevant to their business, design the internal control procedures and document the procedures in manuals.
- The internal auditors of the Group establish the annual audit plan and table the plan to the Audit Committee ("AC") for approval.
- The internal auditors perform the audit and present their audit reports to the AC, highlighting any shortcomings by the business units in implementing the controls and the remedial procedures implemented by the business units.

ASSURANCE MECHANISM

The Board has assigned the AC with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The AC receives reports from the internal auditors.

The internal auditors of the Group furnish the AC with reports from visits conducted at various unlisted subsidiaries. The internal audit of the subsidiaries and business units of the respective listed subsidiaries are conducted regularly and the internal audit reports are presented directly to the ACs of the respective listed subsidiaries.

The Board also reviews the minutes of the meetings of the AC. The Report of the AC is set out on pages 54 to 58 of the Annual Report.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

The Group has an extensive system of internal control that enables the management to ensure that established policies, guidelines and procedures are followed and complied with. Some key features of BCorp's system of internal control, include:-

1. Clear organisation structure with delineated reporting lines
2. Defined levels of authority
3. Capable workforce with ongoing training efforts
4. Centralised human resource function which outlines procedures for recruitment, training, appraisal and the reward system
5. Timely financial and operations reports
6. Scheduled operations and management meetings
7. Centralised procurement function that ensures approval procedures are adhered to, as well as to leverage on the Group's purchasing power
8. Payment functions controlled at Head office
9. Regular visits to the operating units of the Group's businesses by the Executive Directors and senior management personnel
10. Independent assurance on the system of internal control from regular internal audit visits

RISK MANAGEMENT

In line with the Malaysian Code of Corporate Governance, and as part of the Company's plans to further enhance the Group's system of internal control, it has established a Risk Management Committee ("RMC"). The Board entrusts the RMC with the overall responsibility to regularly review and monitor the risk management activities of the Group, in accordance with the Internal Control Guidance, and to approve appropriate risk management procedures and measurement methodologies. The members of the RMC are Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar (Chairman), Datuk Robert Yong Kuen Loke, Vivienne Cheng Chi Fan, Nerine Tan Sheik Ping and Datuk Mohd Zain Bin Ahmad.

The RMC terms of reference include, inter alia:

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

For the financial year ended 30 April 2017, the RMC held four meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e Inter-Pacific Securities Sdn Bhd, Cosway (M) Sdn Bhd, eCosway.com Sdn Bhd, SecureXpress Services Sdn Bhd and Berjaya Burger Sdn Bhd [formerly known as Wen Berjaya Sdn Bhd]), and recommended certain measures to be adopted to mitigate their business risk exposures.

RISK MANAGEMENT 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.
- On a quarterly basis, the business units are required to prepare a report summarising the significant risks and status of action plan. Selected reports will be submitted to the RMC for review and deliberation.

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants, for the year ended 30 April 2017, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. RPG 5 does not require the auditors to consider whether the Directors' SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

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

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

AUDIT COMMITTEE REPORT 2017

The Board of Directors of Berjaya Corporation Berhad is pleased to present the report of the Audit Committee for the financial year ended 30 April 2017.

MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee are as follows:-

Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar
Chairman/Independent Non-Executive Director

Datuk Robert Yong Kuen Loke
Independent Non-Executive Director

Datuk Mohd Zain Bin Ahmad
Independent Non-Executive Director

The Audit Committee held six (6) meetings during the financial year ended 30 April 2017. The details of attendance of the Audit Committee members are as follows:-

Directors	Attendance
Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar [1]	6/6
Datuk Robert Yong Kuen Loke	5/6
Datuk Mohd Zain Bin Ahmad	6/6
Tan Sri Datuk Abdul Rahim Bin Haji Din [2]	4/4*

[1] During the financial year, Dato' Hj Md Yusoff @ Mohd Yusoff Bin Jaafar was appointed as the Chairman of Audit Committee on 25 October 2016 following the retirement of Tan Sri Datuk Abdul Rahim Bin Haji Din.

[2] During the financial year, Tan Sri Datuk Abdul Rahim Bin Haji Din retired as an Independent Non-Executive Director of the Company at the conclusion of the Company's last Annual General Meeting held on 20 October 2016.

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

The General Manager – Group Internal Audit and the Chief Financial Officer of the Company were also invited to attend the Audit Committee Meetings. The External Auditors were also invited to attend three (3) of these meetings.

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE

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

During the financial year ended 30 April 2017, the activities and work of the Audit Committee included the following:-

1) Financial Reporting

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

Date of Meetings	Review of Quarterly Financial Statements
29 June 2016	Fourth quarter results as well as the unaudited results of the Group for financial year ended 30 April 2016
30 September 2016	First quarter results for financial year ended 30 April 2017
29 December 2016	Second quarter results for financial year ended 30 April 2017
30 March 2017	Third quarter results for financial year ended 30 April 2017

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

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE (continued)

1) Financial Reporting (continued)

(b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and the Group for the financial year ended 30 April 2016 at its meeting held on 11 August 2016 and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and it is in compliance with regulatory requirements. Prior to that, the Audit Committee had reviewed the status report on the Audit Plan for financial year ended 30 April 2016 prepared by the External Auditors at the meeting held on 29 June 2016.

(c) Considered and reviewed the integrity of information in the financial statements and quarterly reports, focus particularly on any changes in accounting policies and practices, significant adjustments resulting from the audit, going concern assumption, completeness of disclosures and compliance with accounting standards.

2) External Audit

(a) Evaluated the performance of the External Auditors for the financial year ended 30 April 2016 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"), recommended to the Board, the re-appointment of EY as External Auditors for the ensuing financial year of 30 April 2017 at its meeting held on 11 August 2016 for approval.

(b) Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had a private discussion with the External Auditors on 11 August 2016 without the presence of Management to review on the issues relating to financial controls, operational efficiencies and material litigation of the Company and its subsidiaries as well as the head office.

(c) Reviewed with the External Auditors at the meeting held on 30 March 2017, their audit plan for the financial year end of 30 April 2017, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud considerations and the risk of management override and also the new and revised auditors reporting standards.

3) Internal Audit

(a) Reviewed 15 Internal Audit reports on various non-listed operating subsidiaries of the Group that are involved in the different activities such as:-

a) Engaged in stock and share broking business;

b) Managed Berjaya University College of Hospitality;

c) As authorised franchisee for developing and operating Krispy Kreme chain of doughnut stores in Malaysia;

d) Production of motor vehicles, distribution and selling arm of the vehicles;

e) To develop and operate "Papa John's Pizza" chain of restaurants in the Philippines;

f) Owns and manages BCard loyalty programme, managing customer loyalty scheme, maintain customers' database and provide information services to customers on loyalty points and rewards;

g) To provide logistics/transportation, warehousing and courier services to its customers;

h) To develop and operate Rasa Utara restaurants which serve authentic Malay cuisine for middle income group;

i) Hotel operator and recreation club operator, investment in property, property development;

j) Investment holding and retail sales of maternity and nursing wear, apparel for pregnant and breastfeeding woman, children and infants wear;

k) Direct selling of household, cosmetic, personal care, healthcare supplements and other consumer products to members and consumers; and

l) To develop and operate the "Wendy's" chain of restaurants in Malaysia.

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE (continued)

3) Internal Audit (continued)

The Audit Committee reviewed the Internal Audit reports which covered the following areas:-

i) Store operations;
ii) Sales and marketing;
iii) Management and controls;
iv) Finance and cash handling matters;
v) Purchasing, inventories and maintenance;
vi) Sales and customer service;
vii) Information technology;
viii) Memberships;
ix) Collection & credit control;
x) Human resource & administration;
xi) Store development, construction and project management;
xii) Warehouse/store operations;

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

(b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2018 to ensure there is adequate scope and comprehensive coverage over the activities of the non-listed operating subsidiaries in the Group and that all the risk areas are audited annually.

4) Recurrent Related Party Transactions

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

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

(i) The transactions prices are based on prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
(ii) The Related Parties and interested Directors will be notified of the method and/or procedures of the RRPT for the Group;
(iii) Records of the RRPT will be retained and compiled by the Group accountant for submission to the Audit Committee for review;
(iv) The Audit Committee is to provide a statement that it has reviewed the terms of the RRPT to ensure that such transactions are undertaken based on terms not more favourable to the Related Parties than those generally available to the public, are not detrimental to the minority shareholders and are in the best interest of the Group;
(v) The Audit Committee also reviewed the procedures and processes with regards to the RRPT on a half yearly basis to ensure that the transactions are within the approved mandate;

SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE (continued)

4) Recurrent Related Party Transactions (continued)

(vi) Directors who have any interests in any RRPT shall abstain from Board deliberations and voting and will ensure that they and any Person Connected with them will also abstain from voting on the resolution at the Extraordinary General Meeting or Annual General Meeting to be convened for the purpose; and

(vii) Disclosures will be made in the annual report on the breakdown of the aggregate value of RRPT during the financial year, amongst others, based on the following information:-

(a) the type of the RRPT made; and

(b) the names of the Related Parties involved in each type of the RRPT made and their relationships with the Group.

5) 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.

(b) Reviewed and recommended to the Board for approval the revised Terms of Reference of the Audit Committee following the amendments to the listing requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which took effect from 3 May 2016 as follows:-

(i) to make available the terms of reference of the Committee on the Company's website; and

(ii) to strengthen the role of the Committee when reviewing financial statements by requesting the Committee to also focus on amongst others, significant matters highlighted in the financial statements and significant judgements made by management.

SUMMARY OF 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 provide the Committee with independent and objective reports on the adequacy and effectiveness of the system of internal controls and procedures in the operating units within the Group and the extent of compliance with the Group's established policies, procedures and guidelines, and also compliance with applicable laws, regulations, directives and other external enforced compliance requirements.

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 principal activity of the Internal Audit Division is to conduct regular and systematic review of the system of internal controls so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively.

For the financial year under review, the Internal Audit Division conducted audit assignments on various operating units in the Group involved in logistic/transportation, hotel, resort and golf club operations, lifestyle restaurants and franchising business, retail sales of maternity and infants/children apparels, operation of book stores, retailing and distribution of organic products, sanitary landfill, generation and sales of electricity, recycling industrial waste and mobile digital media/application.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (continued)

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2017 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.

The cost incurred for the Group's Internal Audit function in respect of the financial year ended 30 April 2017 was approximately RM 2,571,824.

TERMS OF REFERENCE OF AUDIT COMMITTEE

The terms of reference of the Audit Committee can be viewed on the Company's website at www.berjaya.com.

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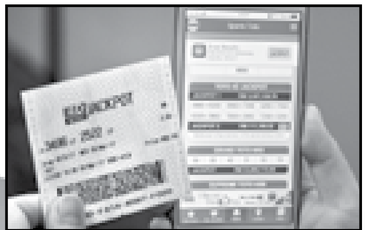

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of management services and lottery operations.

The principal activities of the subsidiary companies consist of:

(i) Financial services;
(ii) Marketing of consumer products and services;
(iii) Motor trading and distribution and provision of after-sales services;
(iv) Environmental and clean technology services;
(v) Food and beverage;
(vi) Property development and investment;
(vii) Development and operation of hotels, resorts and other recreational activities;
(viii) Gaming operations comprising lottery operations, Toto betting, leasing of online lottery equipment, provision of software support and the manufacture and distribution of computerised lottery and voting systems;
(ix) Telecommunication and information technology related services, solutions and products; and
(x) Investment holding and others.

RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the year	317,420	(56,877)
Attributable to:		
Owners of the parent	149,285	(56,877)
Non-controlling interests	168,135	-
	317,420	(56,877)

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 operations 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 the financial statements.

DIVIDENDS

The dividend paid by the Company since 30 April 2016 was as follows:

	RM'000
In respect of the financial year ended 30 April 2016	
Final share dividend (equivalent to about 2.10 sen per share) of 3 treasury shares for every 100 ordinary shares held (amounting in total 141,991,848 treasury shares), credited into the entitled depositors' securities accounts of the shareholders maintained with Bursa Malaysia Depository Sdn Bhd on 30 December 2016	99,580

The board does not recommend any final dividend for the current financial year ended 30 April 2017.

DIRECTORS

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

Dato' Sri Robin Tan Yeong Ching
Nerine Tan Sheik Ping
Vivienne Cheng Chi Fan
Dato' Sri Azlan Meah bin Haji Ahmed Meah
Dato' Zurainah binti Musa
Chan Kien Sing
Dato' Hj Md Yusoff @ Mohd Yusoff bin Jaafar
Datuk Robert Yong Kuen Loke
Datuk Mohd Zain bin Ahmad
Dr. Jayanthi Naidu A/P G. Danasamy
Tan Sri Datuk Abdul Rahim bin Haji Din (retired on 20 October 2016)
Freddie Pang Hock Cheng (retired on 20 October 2016)
Dato' Dickson Tan Yong Loong (retired on 20 October 2016)

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 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 as shown in Note 34 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

The Company maintained a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and the Group. The total amount of insurance premium effected for any director and officer of the Company as at the financial year end was RM354,350. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

DIRECTORS' INTERESTS

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

		Number of ordinary shares				
		At 1.5.16	Acquired		Disposed	At 30.4.17
The Company (or "BCorp")						
Dato' Sri Robin Tan Yeong Ching		2,222,847	66,685	^	-	2,289,532
	(a)	5,000	150	^	-	5,150
	Δ	626,317,595	18,789,527	^	-	645,107,122
Vivienne Cheng Chi Fan		12,000	360	^	-	12,360
	(a)	18,000	540	^	-	18,540
Dato' Sri Azlan Meah bin Haji Ahmed Meah		5,537	166	^	-	5,703
Chan Kien Sing		47,688	1,430	^	-	49,118
Datuk Robert Yong Kuen Loke		1,020,918	30,627	^	-	1,051,545

		Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
		At 1.5.16	Acquired	Converted	At 30.4.17
The Company					
Dato' Sri Robin Tan Yeong Ching		2,620,500	-	-	2,620,500
	(a)	1,000	-	-	1,000
	Δ	66,329,000	-	-	66,329,000
Nerine Tan Sheik Ping		132,000	-	-	132,000
Vivienne Cheng Chi Fan		2,000	-	-	2,000
	(a)	243,000	-	-	243,000
Chan Kien Sing		10,000	-	-	10,000
Datuk Robert Yong Kuen Loke		2,516,508	-	-	2,516,508

		Number of warrants 2012/2022			
		At 1.5.16	Acquired	Disposed	At 30.4.17
The Company					
Dato' Sri Robin Tan Yeong Ching		2,620,500	-	-	2,620,500
	(a)	1,000	-	-	1,000
	Δ	87,029,000	-	-	87,029,000
Vivienne Cheng Chi Fan		2,000	-	-	2,000
	(a)	134,000	-	-	134,000
Chan Kien Sing		10,000	-	-	10,000
Datuk Robert Yong Kuen Loke		170,108	-	-	170,108

Subsidiary companies:

		Number of ordinary shares			
		At 1.5.16	Acquired	Disposed	At 30.4.17
Berjaya Land Berhad					
Dato' Sri Robin Tan Yeong Ching		600,000	-	-	600,000
	Δ	56,600,000	-	-	56,600,000
Nerine Tan Sheik Ping		2,000,000	-	-	2,000,000
Dato' Zurainah binti Musa		-	680,000	-	680,000
Datuk Robert Yong Kuen Loke		360,808	-	-	360,808

		Number of ordinary shares			
		At 1.5.16	Acquired	Disposed	At 30.4.17
Berjaya Sports Toto Berhad					
Dato' Sri Robin Tan Yeong Ching		1,007,142	-	-	1,007,142
Vivienne Cheng Chi Fan	(a)	41,211	-	-	41,211
Chan Kien Sing		3,610	-	-	3,610
Datuk Robert Yong Kuen Loke		123,667	-	-	123,667

	Number of ordinary shares			
	At 1.5.16	Acquired	Disposed	At 30.4.17
Berjaya Food Berhad				
Dato' Sri Robin Tan Yeong Ching	2,089,300	426,700 **	-	2,516,000

	Number of ordinary shares under Employees' Share Scheme ("ESS")			
	At 1.5.16	Granted	Exercised/ Vested	At 30.4.17
Berjaya Food Berhad – ESS Options				
Dato' Sri Robin Tan Yeong Ching	-	1,440,000	216,000	1,224,000
Berjaya Food Berhad – ESS Shares				
Dato' Sri Robin Tan Yeong Ching	-	360,000	-	360,000

Notes:

Δ Indirect interests pursuant to Section 8 of the Companies Act 2016.
(a) Indirect interests pursuant to Section 59(11)(c) of the Companies Act 2016.
^ Inclusive of share dividend distribution by the Company on the basis of three (3) BCorp treasury shares for every one hundred (100) existing BCorp ordinary shares on 30.12.2016.
** Inclusive of shares arising from the exercise of ESS Options.

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

ISSUE OF SHARES

During the financial year, the Company increased its issued and fully paid-up share capital from RM4,673,179,934 to RM4,930,556,943 by way of:

(i) the issuance of 250,411,260 new ordinary shares at the issue price of RM1.00 per share pursuant to conversion of 250,411,260 BCorp 2% ICULS 2016/2026; and
(ii) the inclusion of the credit balance of share premium account of RM6,965,749 as part of the paid up share capital pursuant to Section 618(2) of the Companies Act 2016.

TREASURY SHARES

The number and carrying amount of treasury shares as at 30 April 2017 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Balance as at 30 April 2016	0.72	182,000,000	130,399
Increase in treasury shares	0.36	8,000,000	2,850
Distributed as share dividend	0.70	(141,991,848)	(99,580)
Total treasury shares as at 30 April 2017	0.70	48,008,152	33,669

As at 30 April 2017, the issued and paid-up share capital of the Company with voting rights was 4,875,583,042 (2016: 4,491,179,934) ordinary shares.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position and statements of profit or loss 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 have been written off and that adequate provision had been made for doubtful debts; and
  (ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it 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 provision for doubtful debts 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) As at the date of this report, there does not exist:
  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:
  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 46 to the financial statements.

SUBSEQUENT EVENTS

Significant events subsequent to the end of the financial year are disclosed in Note 47 to the financial statements.

AUDITORS

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

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

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young neither during the financial year nor since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 11 August 2017

DATO' SRI ROBIN TAN YEONG CHING

DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

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

We, DATO' SRI ROBIN TAN YEONG CHING and DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR, being two of the directors of BERJAYA CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 67 to 284 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2017 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out in Note 49 to the financial statements on page 285 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 11 August 2017

DATO' SRI ROBIN TAN YEONG CHING

DATO' HJ MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

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

I, TAN THIAM CHAI, being the officer primarily responsible for the financial management of BERJAYA CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 67 to 285 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 11 August 2017) TAN THIAM CHAI

Before me:

OOI AH BAH (W152)

Commissioner for Oaths

Kuala Lumpur

		Group			Company	
		2017	2016	1.5.2015	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
			(Restated)	(Restated)		
ASSETS						
Non-current assets						
Property, plant and equipment	3	3,722,983	3,766,965	3,514,521	113,988	1,097
Biological assets	4	4,193	4,773	5,300	-	-
Investment properties	5	840,177	768,438	702,905	-	-
Land held for development	6	2,640,614	2,607,092	1,956,934	-	-
Prepaid land lease premium		-	-	1,018	-	-
Subsidiary companies	7	-	-	-	1,666,563	1,605,050
Associated companies	8	1,215,343	1,272,209	2,441,745	257,732	227,917
Joint ventures	9	119,707	95,132	44,812	-	-
Other investments	10	152,409	92,444	87,997	-	-
Other long term receivables	11	737,076	647,470	579,735	-	-
Intangible assets	12	5,853,796	6,582,857	6,432,372	122,446	140,422
Deferred tax assets	26	77,124	85,643	54,675	-	-
		15,363,422	15,923,023	15,822,014	2,160,729	1,974,486
Current assets						
Development properties	13	978,374	847,393	2,020,387	-	-
Inventories	14	1,156,715	1,052,957	935,081	-	-
Trade and other receivables	15	2,153,619	1,467,378	1,284,452	5,125,727	4,960,757
Short term investments	16	11,927	12,152	5,854	-	-
Tax recoverable		90,732	65,071	33,747	-	-
Deposits with financial institutions	17	636,024	809,789	633,178	49,825	75,973
Cash and bank balances	18	1,098,273	1,788,664	958,744	37,897	23,776
		6,125,664	6,043,404	5,871,443	5,213,449	5,060,506
Assets of disposal group/ Non-current assets classified as held for sale	19	43,462	1,392,624	612,612	-	62,421
		6,169,126	7,436,028	6,484,055	5,213,449	5,122,927
TOTAL ASSETS		21,532,548	23,359,051	22,306,069	7,374,178	7,097,413

STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2017

		Group			Company	
	Note	2017 RM'000	2016 RM'000 (Restated)	1.5.2015 RM'000 (Restated)	2017 RM'000	2016 RM'000
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Share capital	20	4,930,556	4,673,180	4,330,614	4,930,556	4,673,180
Equity component of irredeemable convertible unsecured loan stocks	21	306,848	253,608	409,972	306,848	253,608
Reserves	22	1,951,570	1,784,013	2,034,142	922,418	1,053,756
		7,188,974	6,710,801	6,774,728	6,159,822	5,980,544
Treasury shares	23	(33,669)	(130,399)	(130,399)	(33,669)	(130,399)
		7,155,305	6,580,402	6,644,329	6,126,153	5,850,145
Non-controlling interests		3,663,364	4,476,304	4,317,697	-	-
Total equity		10,818,669	11,056,706	10,962,026	6,126,153	5,850,145
Non-current liabilities						
Liability component of irredeemable convertible unsecured loan stocks	21	152,278	158,731	192,743	152,167	158,582
Long term borrowings	24	3,304,466	4,530,187	4,735,377	392,132	363,864
Other long term liabilities	25	221,553	237,657	188,078	107,594	106,304
Deferred tax liabilities	26	1,361,446	1,530,522	1,426,262	17,085	17,996
Provisions	27	23,189	21,492	23,004	-	-
		5,062,932	6,478,589	6,565,464	668,978	646,746
Current liabilities						
Trade and other payables	28	2,283,177	2,757,941	1,993,043	168,965	78,441
Provisions	27	11,672	11,562	9,259	-	-
Short term borrowings	29	3,308,755	2,843,939	2,689,407	407,874	520,001
Taxation		42,360	185,967	83,196	-	-
Derivative liability	30	2,208	2,080	-	2,208	2,080
		5,648,172	5,801,489	4,774,905	579,047	600,522
Liabilities directly associated with disposal groups classified as held for sale	19	2,775	22,267	3,674	-	-
		5,650,947	5,823,756	4,778,579	579,047	600,522
Total liabilities		10,713,879	12,302,345	11,344,043	1,248,025	1,247,268
TOTAL EQUITY AND LIABILITIES		21,532,548	23,359,051	22,306,069	7,374,178	7,097,413

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

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 APRIL 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	31	9,182,394	9,016,774	79,755	618,408
Cost of sales		(6,402,222)	(6,204,842)	(50,159)	-
Gross profit		2,780,172	2,811,932	29,596	618,408
Other income		519,746	638,088	64,639	111,726
Administrative expenses		(1,552,920)	(1,512,231)	(45,590)	(41,954)
Selling and distribution expenses		(550,828)	(560,392)	-	-
Other expenses		(194,450)	(776,451)	(21,810)	(34,623)
		1,001,720	600,946	26,835	653,557
Finance costs	32	(398,305)	(423,383)	(85,840)	(88,609)
Share of results of associates		60,913	130,453	-	-
Share of results of joint ventures		(1,700)	(14,279)	-	-
Profit/(Loss) before tax	33	662,628	293,737	(59,005)	564,948
Taxation	35	(345,208)	(410,826)	2,128	(3,251)
Profit/(Loss) for the year		317,420	(117,089)	(56,877)	561,697
Attributable to:					
Owners of the parent		149,285	(177,223)	(56,877)	561,697
Non-controlling interests		168,135	60,134	-	-
		317,420	(117,089)	(56,877)	561,697
Earnings/(Loss) per share attributable to owners of the parent (sen)	36				
- Basic, for the year		2.93	(3.22)		
- Diluted, for the year		2.93	(3.24)		
Dividend per share (sen)					
- Final dividend				-	2.10

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017

	Note	Group 2017 RM'000	Group 2016 RM'000 (Restated)	Company 2017 RM'000	Company 2016 RM'000
Profit/(Loss) for the year		317,420	(117,089)	(56,877)	561,697
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Net changes on available-for-sale ("AFS") financial assets					
- Changes in fair value of AFS investments		7,258	(7,873)	-	-
- Transferred to profit or loss due to:					
- Disposal of AFS investments		797	(6,778)	-	-
- Impairment of AFS investments		575	8,579	-	-
- Deemed disposal of an associated company		-	9	-	-
Foreign currency translation		180,232	137,641	(730)	-
Foreign currency reserve transfer to profit or loss due to disposal of subsidiaries		(2,739)	(10,969)	-	-
Foreign currency reserve transfer to profit or loss due to disposal of an associated company		(30,664)	-	-	-
Impairment in value of gaming rights		(696,390)	(50,040)	-	-
Share of other comprehensive items of associates		164	(6,841)	-	-
Changes in fair value reserve upon:					
- recognition of deferred tax liability on gaming rights with finite life		-	(42,532)	-	-
- reversal of deferred tax liability on impairment of gaming rights	35	167,134	12,058	-	-
Taxation relating to components of other comprehensive income	35	3,877	1,758	-	-
Items that will not be reclassified subsequently to profit or loss					
Revaluation of land and buildings		579	706	-	-
Actuarial (loss)/gain recognised in defined benefit pension scheme		(657)	762	-	-
Tax effects relating to the revaluation of building	35	(71)	-	-	-
Tax effects relating to the defined benefit pension scheme	35	168	(159)	-	-
Total comprehensive income for the year		(52,317)	(80,768)	(57,607)	561,697
Total comprehensive income Attributable to:					
- Owners of the parent		61,007	(165,015)	(57,607)	561,697
- Non-controlling interests		(113,324)	84,247	-	-
		(52,317)	(80,768)	(57,607)	561,697

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	Attributable to the equity holders of the Company															
				Non-distributable												
	Share capital	Share premium	ICULS - equity component #	AFS reserves*	Reserve of disposal group classified as held for sale	Employees' share plan reserve	Warrant reserve^	Consolidation reserve	Fair value reserve	Capital reserves	Foreign currency translation reserves	Retained earnings	Treasury shares	Total	Non-controlling interests	Total equity
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2016	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	(879,770)	723,259	31,312	111,321	1,996,003	(130,399)	6,929,012	5,171,636	12,100,648
Prior year adjustments (Note 2.6)	-	-	-	-	-	-	-	48,036	(396,646)	-	-	-	-	(348,610)	(695,332)	(1,043,942)
As restated	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	(831,734)	326,613	31,312	111,321	1,996,003	(130,399)	6,580,402	4,476,304	11,056,706
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	149,285	-	149,285	168,135	317,420
Other comprehensive income	-	-	-	13,617	-	(53)	-	1,326	(177,036)	-	74,018	(150)	-	(88,278)	(281,459)	(369,737)
Total comprehensive income for the year	-	-	-	13,617	-	(53)	-	1,326	(177,036)	-	74,018	149,135	-	61,007	(113,324)	(52,317)
Share of an associated company's effect arising on part disposal of equity interest in an associate's subsidiary	-	-	-	-	-	-	-	-	-	-	-	16,618	-	16,618	-	16,618
Effects of amortisation on gaming rights	-	-	-	-	-	-	-	-	(10,031)	-	-	7,159	-	(2,872)	2,872	-
Transactions with owners:																
Reversal of deferred tax liability on conversion of BCorp ICULS 2016/2026	-	-	2,992	-	-	-	-	-	-	-	-	-	-	2,992	-	2,992
Issuance of BCorp ICULS 2016/2026 and Warrants 2016/2026	-	-	187,061	-	-	-	113,039	-	-	-	-	-	-	300,100	-	300,100
Effects on deferred tax liability on liability component of BCorp ICULS 2016/2026	-	-	(4,209)	-	-	-	-	-	-	-	-	-	-	(4,209)	-	(4,209)
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	-	(2,850)	(2,850)	-	(2,850)
Transfer of reserves	-	-	-	709	(9,971)	(343)	-	3,190	(8,758)	99,765	(4,471)	(80,121)	-	-	-	-
Arising from conversion of BCorp ICULS 2016/2026 - by surrender option	250,411	-	(132,604)	-	-	-	-	-	-	-	-	(80,225)	-	37,582	-	37,582
Share options forfeited	-	-	-	-	-	(1,054)	-	-	-	-	-	-	-	(1,054)	-	(1,054)
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	(162)	-	4,557	-	-	-	-	-	4,395	86,154	90,549
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	3	-	162,578	-	-	-	(188)	-	162,393	(662,695)	(500,302)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	256	256
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	-	-	-	-	-	99,073	-	(99,073)	-	-	-	-
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,375)	(5,375)
Share based payment	-	-	-	-	-	801	-	-	-	-	-	-	-	801	1,045	1,846
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(121,873)	(121,873)
Dividends (Note 37)	-	-	-	-	-	-	-	-	-	-	-	(99,580)	99,580	-	-	-
	250,411	-	53,240	709	(9,971)	(755)	113,039	170,325	(8,758)	198,838	(4,471)	(359,187)	96,730	500,150	(702,488)	(202,338)
	4,923,591	6,965	306,848	1,079	-	243	258,797	(660,083)	130,788	230,150	180,868	1,809,728	(33,669)	7,155,305	3,663,364	10,818,669
Transfer pursuant to S618(2) of CA 2016~	6,965	(6,965)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 April 2017	4,930,556	-	306,848	1,079	-	243	258,797	(660,083)	130,788	230,150	180,868	1,809,728	(33,669)	7,155,305	3,663,364	10,818,669

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	Attributable to the equity holders of the Company															
				Non-distributable												
GROUP	Share capital RM'000	Share premium RM'000	ICULS - equity component # RM'000	AFS reserves* RM'000	Reserve of disposal group classified as held for sale RM'000	Employees' share plan reserve RM'000	Warrant reserve^ RM'000	Consolidation reserve RM'000	Fair value reserve RM'000	Capital reserves RM'000	Foreign currency translation reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2015	4,330,614	6,965	409,972	(73,582)	-	4,921	145,758	(892,224)	842,879	28,377	73,995	2,255,460	(130,399)	7,002,736	5,015,290	12,018,026
Prior year adjustments (Note 2.6)	-	-	-	-	-	-	-	41,788	(400,195)	-	-	-	-	(358,407)	(697,593)	(1,056,000)
As restated	4,330,614	6,965	409,972	(73,582)	-	4,921	145,758	(850,436)	442,684	28,377	73,995	2,255,460	(130,399)	6,644,329	4,317,697	10,962,026
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	(177,223)	-	(177,223)	60,134	(117,089)
Other comprehensive income	-	-	-	(8,273)	-	50	-	2	(19,993)	599	39,653	170	-	12,208	24,113	36,321
Total comprehensive income for the year	-	-	-	(8,273)	-	50	-	2	(19,993)	599	39,653	(177,053)	-	(165,015)	84,247	(80,768)
Share of an associated company's effect arising on acquisition of additional interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	14,521	-	14,521	7,790	22,311
Effects of amortisation on gaming rights	-	-	-	-	-	-	-	-	(9,635)	-	-	5,980	-	(3,655)	3,655	-
Transactions with owners:																
Reversal of deferred tax liability on conversion of BCorp ICULS 2012/2022	-	-	1,520	-	-	-	-	-	-	-	-	-	-	1,520	-	1,520
Re-issue of BCorp ICULS 2005/2015 previously held within the Group to third parties	-	-	155,744	-	-	-	-	-	-	-	-	(59,092)	-	96,652	(38,369)	58,283
Transfer of reserves	-	-	-	68,608	-	(3,943)	-	(1,347)	(78,231)	2,768	(2,031)	14,176	-	-	-	-
Arising from conversion of BCorp ICULS 2005/2015 and 2012/2022																
- by surrender option	65,003	-	(36,060)	-	-	-	-	-	-	-	-	(15,120)	-	13,823	-	13,823
- by mandatory conversion upon maturity of BCorp ICULS 2005/2015 on 30 October 2015	277,563	-	(277,568)	-	-	-	-	-	-	-	-	-	-	(5)	-	(5)
Reserve attributable to non-current assets classified as held for sale	-	-	-	-	9,971	(1,031)	-	-	(8,212)	(432)	(296)	-	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	204,923	204,923
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	-	-	-	18,745	-	-	-	-	-	18,745	39,284	58,029
Arising from increase in equity interest in subsidiary companies																
- as previously reported	-	-	-	-	-	-	-	(4,946)	-	-	-	(866)	-	(5,812)	(18,822)	(24,634)
- prior year adjustments (Note 2.6)	-	-	-	-	-	-	-	6,248	-	-	-	-	-	6,248	(6,248)	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,516	4,516
Share based payment	-	-	-	-	-	1,054	-	-	-	-	-	-	-	1,054	-	1,054
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(122,369)	(122,369)
Dividends (Note 37)	-	-	-	-	-	-	-	-	-	-	-	(42,003)	-	(42,003)	-	(42,003)
	342,566	-	(156,364)	68,608	9,971	(3,920)	-	18,700	(86,443)	2,336	(2,327)	(102,905)	-	90,222	62,915	153,137
At 30 April 2016	4,673,180	6,965	253,608	(13,247)	9,971	1,051	145,758	(831,734)	326,613	31,312	111,321	1,996,003	(130,399)	6,580,402	4,476,304	11,056,706

Notes:

This comprises the equity components of 0% Irredeemable Convertible Unsecured Loan Stocks October 2005/2015 (“BCorp ICULS 2005/2015”), 5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022 (“BCorp ICULS 2012/2022”) and 2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026 (“BCorp ICULS 2016/2026”).

* This represents available-for-sale reserves.

^ This comprises the fair values of 10-year Warrants 2012/2022 (“Warrants 2012/2022”) and 10-year Warrants 2016/2026 (“Warrants 2016/2026”).

~ Pursuant to Section 618(2) of the Companies Act 2016, any outstanding share premium and capital redemption reserve accounts shall become part of share capital.

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

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

COMPANY	Share capital RM'000	Share premium RM'000	ICULS - equity component# RM'000	Warrant reserve^ RM'000	Foreign currency translation reserves RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total RM'000
At 1 May 2016	4,673,180	6,965	253,608	147,018	-	899,773	(130,399)	5,850,145
Total comprehensive income	-	-	-	-	(730)	(56,877)	-	(57,607)
Transactions with owners:								
Issuance of BCorp ICULS 2016/2026 and Warrants 2016/2026	-	-	187,061	113,039	-	-	-	300,100
Arising from conversion of BCorp ICULS 2016/2026 - by surrender option	250,411	-	(132,604)	-	-	(80,225)	-	37,582
Effects on deferred tax liability on liability component of BCorp ICULS 2016/2026	-	-	(4,209)	-	-	-	-	(4,209)
Reversal of deferred tax liability on conversion of BCorp ICULS 2016/2026	-	-	2,992	-	-	-	-	2,992
Treasury shares acquired	-	-	-	-	-	-	(2,850)	(2,850)
Dividends (Note 37)	-	-	-	-	-	(99,580)	99,580	-
	4,923,591	6,965	306,848	260,057	(730)	663,091	(33,669)	6,126,153
Transfer pursuant to S618(2) of CA 2016~	6,965	(6,965)	-	-	-	-	-	-
At 30 April 2017	4,930,556	-	306,848	260,057	(730)	663,091	(33,669)	6,126,153

COMPANY	Share capital RM'000	Share premium RM'000	ICULS - equity component# RM'000	Warrant reserve^ RM'000	Distributable Retained earnings RM'000	Treasury shares RM'000	Total RM'000
At 1 May 2015	4,330,614	6,965	565,716	147,018	395,199	(130,399)	5,315,113
Total comprehensive income	-	-	-	-	561,697	-	561,697
Transactions with owners:							
Arising from conversion of BCorp ICULS 2005/2015 and 2012/2022 - by surrender option	65,003	-	(36,060)	-	(15,120)	-	13,823
- by mandatory conversion upon maturity of BCorp ICULS 2005/2015 on 30 October 2015	277,563	-	(277,568)	-	-	-	(5)
Reversal of deferred tax liability on conversion of BCorp ICULS 2012/2022	-	-	1,520	-	-	-	1,520
Dividends (Note 37)	-	-	-	-	(42,003)	-	(42,003)
At 30 April 2016	4,673,180	6,965	253,608	147,018	899,773	(130,399)	5,850,145

Notes:

\# This comprises equity components of BCorp ICULS 2005/2015, BCorp ICULS 2012/2022 and BCorp ICULS 2016/2026.

^ This comprises the fair values of Warrants 2012/2022 and 2016/2026.

~ Pursuant to Section 618(2) of the Companies Act 2016, any outstanding share premium and capital redemption reserve accounts shall become part of share capital.

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2017

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	9,829,511	9,687,902	2,537	2,541
Receipt of part of the sales consideration from the disposal of development project	-	680,899	-	-
Payment to suppliers, prize winners and operating expenses	(8,581,033)	(8,386,430)	(3,508)	(39,809)
Development expenditure incurred	(452,178)	(658,970)	-	-
Expenditure incurred on disposal of development project	(244,016)	-	-	-
Tax refund	50,192	17,280	-	273
Payment of taxes	(563,258)	(362,599)	-	(5,088)
Other receipts (Note c)	57,686	17,197	-	-
Net cash flow generated from/(used in) operating activities	96,904	995,279	(971)	(42,083)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	36,354	15,202	2	-
Sales of investment properties and other non-current assets	-	1,060,212	-	-
Sales of investments in subsidiary companies (Note b)	102,540	155,745	18,963	74,098
Sales of investments in associated companies	501,545	579,811	-	-
Sales of other investments	63,786	35,109	-	-
Proceeds from settlement of surrendering certain assets and lease interests to related authorities	218,309	-	-	-
Acquisition of property, plant and equipment (Note 3)	(353,842)	(853,533)	(406)	(183)
Acquisition of business operations (Note 12.1)	-	(168)	-	-
Acquisition of investments in subsidiary companies (Note a)	(184,211)	(95,528)	(93,544)	(195,577)
Acquisition of investments in associated companies	(33,832)	(28,094)	(50)	-
Acquisition of other investments	(34,767)	(15,571)	-	-
Acquisition of other non-current assets and intangible assets (Note d)	(93,501)	(152,368)	-	-
Acquisition of treasury shares by subsidiary companies	(8,356)	(21,458)	-	-
Interest received	54,430	53,251	63,751	51,732
Dividends received	18,217	68,608	626,597	15,700
Net (advances to)/repayment from subsidiary companies	-	-	(418,818)	341,972
Net repayment from joint ventures	2,671	10,962	-	-
Deposit placements with fund managers	(22,223)	(53,154)	-	-
Other receipts/(payments) arising from investments	118,012	(3,852)	(2,505)	(2,750)
Net cash flow generated from/(used in) investing activities	385,132	755,174	193,990	284,992

	Group		Company	
	2017 RM'000	2016 RM'000 (Restated)	2017 RM'000	2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital to non-controlling interests of subsidiary companies	4,219	9,653	-	-
Treasury shares acquired	(2,850)	-	(2,850)	-
Reissuance of BCorp ICULS 2005/2015	-	58,283	-	-
Issuance of medium term notes by subsidiary companies	80,000	305,000	-	-
Redemption of medium term notes	(105,000)	(280,000)	-	-
Drawdown of bank borrowings and other loans	1,357,431	2,421,487	365,165	788,233
Repayment of bank borrowings and other loans	(2,240,443)	(2,649,070)	(454,512)	(797,126)
Payment of hire purchase/lease liabilities	(15,560)	(16,000)	(294)	(182)
Interest paid	(379,307)	(411,555)	(112,557)	(107,321)
Dividends paid to shareholders of the Company	-	(42,003)	-	(42,003)
Dividends paid to non-controlling interests of subsidiary companies	(124,507)	(120,515)	-	-
(Placement)/Withdrawal of bank deposits	(4,134)	97	-	-
Withdrawal from/(Placement in) banks as security pledged for borrowings	696,510	(611,629)	(20,114)	(50,126)
Net cash flow (used in)/generated from financing activities	(733,641)	(1,336,252)	(225,162)	(208,525)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(251,605)	414,201	(32,143)	34,384
EFFECT OF EXCHANGE RATE CHANGES	52,428	9,512	2	-
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,607,368	1,183,655	35,640	1,256
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,408,191	1,607,368	3,499	35,640

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

	Group		Company	
CASH AND CASH EQUIVALENTS	**2017 RM'000**	**2016 RM'000 (Restated)**	**2017 RM'000**	**2016 RM'000**
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances (Note 18)	1,098,273	1,788,664	37,897	23,776
Deposits with financial institutions (Note 17)	636,024	809,789	49,825	75,973
	1,734,297	2,598,453	87,722	99,749
Bank overdrafts (Note 29)	(82,587)	(56,259)	-	-
	1,651,710	2,542,194	87,722	99,749
Excluding : Remisiers' deposits held in trust	(13,206)	(13,320)	-	-
	1,638,504	2,528,874	87,722	99,749
Less : Cash and cash equivalents restricted for use				
- Deposits	(162,138)	(141,130)	(49,825)	(52,034)
- Cash and bank balances	(68,338)	(781,722)	(34,398)	(12,075)
	1,408,028	1,606,022	3,499	35,640
Including: Cash and cash equivalents classified as held for sale	163	1,346	-	-
	1,408,191	1,607,368	3,499	35,640

Notes:

a) Analysis of the effects of subsidiary companies acquired:

	Group	
	2017 RM'000	**2016 RM'000**
Property, plant and equipment (Note 3)	37	40,726
Net other assets acquired	817	350,796
Non-controlling interests	(256)	(187,337)
Other intangible assets on consolidation	-	3,831
Goodwill on consolidation	767	112,848
Net assets acquired	1,365	320,864
Excluding: Cash and cash equivalents of subsidiary companies acquired	-	(25,440)
Carrying amount of the equity interests previously owned at the date of acquisition	-	(195,950)
Gain on remeasurement (Note 33(d)(ii))	-	(13,952)
Fair value of the equity interests previously owned at the date of acquisition	-	(209,902)
	1,365	85,522
Payment for previous year acquisition	-	1,977
Acquisition of additional interest in subsidiary companies	182,846	8,029
Cash flow on acquisition (net of cash in subsidiary companies acquired)	184,211	95,528

b) Analysis of the effects of subsidiary companies disposed:

	Group	
	2017 RM'000	2016 RM'000
Property, plant and equipment (Note 3)	-	2,775
Net other assets disposed	-	63,087
Non-controlling interests	(1,597)	-
Goodwill on consolidation (Note 12)	-	5,130
Less: Reclassification to joint venture at fair value	-	(35,895)
Add: Gain on remeasurement (Note 33(d)(ii))	-	18,611
Assets and liabilities previously classified as disposal groups	20,763	11,833
Net assets disposed	19,166	65,541
Excluding: Cash and cash equivalents of subsidiary companies disposed	(4,125)	(8,608)
Consideration utilised to settle amount due to disposal group	(11,593)	-
Consideration utilised to settle bank borrowings	(10,566)	-
Cash consideration not received during the financial year	-	(9,895)
Cash consideration received in previous year	-	(2,775)
Partial disposal of shares in subsidiary companies (Note #)	106,665	63,934
Net gain arising from disposal	2,993	47,548
Cash flow on disposal (net of cash in subsidiary companies disposed)	102,540	155,745

These are proceeds from partial disposal of shares in subsidiary companies that did not result in loss of control.

c) Other receipts include rental income received, deposits received and other miscellaneous income received.

d) Acquisition of other non-current assets and intangible assets includes payments for acquisition of land held for development, investment properties and intangible assets.

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, provision of management services and lottery operations.

The principal activities of the subsidiary companies consist of:

(i) Financial services;
(ii) Marketing of consumer products and services;
(iii) Motor trading and distribution and provision of after-sales services;
(iv) Environmental and clean technology services;
(v) Food and beverage;
(vi) Property development and investment;
(vii) Development and operation of hotels, resorts and other recreational activities;
(viii) Gaming operations comprising lottery operations, Toto betting, leasing of online lottery equipment, provision of software support and the manufacture and distribution of computerised lottery and voting systems;
(ix) Telecommunication and information technology related services, solutions and products; and
(x) Investment holding and others.

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

The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur. The principal place of business of the Company is located at Level 12, Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 11 August 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

On 15 September 2016, the Companies Act 2016 was enacted and it replaces the Companies Act, 1965 in Malaysia with effect from 31 January 2017. Amongst the key changes introduced in the Companies Act 2016 which have affected the financial statements of the Group and of the Company upon the commencement of the Companies Act 2016 on 31 January 2017 are:

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

The adoption of Companies Act 2016 has no financial impact on the Group and the Company for the current financial year ended 30 April 2017. The effect of adoption is mainly on the disclosures to the financial statements of the Group and of the Company.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values/units are rounded to the nearest thousand (“RM’000”)/(‘000) except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies

2.2.1 Subsidiaries and 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.

Subsidiary companies are those investees controlled by the Group. The Group controls an investee if and only if the Group has all the following:
(1) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
(2) exposure, or rights, to variable returns from its investment with the investee; and
(3) 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:
(1) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(2) potential voting rights held by the Group, other vote holders or other parties;
(3) rights arising from other contractual arrangements; and
(4) 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 except for the business combination with Berjaya Group Berhad ("BGroup"), which is accounted for under the pooling of interests method as the business combination of this subsidiary company involved an entity under common control.

Under the pooling of interests method of accounting, the results of the entities under common control are presented as if the entities had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves acquired are reflected within equity as merger reserve (or adjusted against any suitable reserve in the case of debit differences).

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, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.1 Subsidiaries and basis of consolidation (continued)

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.

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: Financial Instruments: Recognition and Measurement or FRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.1 Subsidiaries and basis of consolidation (continued)

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 Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between:
(1) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(2) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest at the date when control is lost;
is recognised in 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.

2.2.2 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 financial statements and supplemented by management financial statements of the associated companies and the joint ventures made up to the Group's financial year-end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.2 Associated companies and joint ventures (continued)

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

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

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

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company or joint venture, including any long term interest, that, in substance, form part of the Group’s net investment in the associated companies or the joint ventures, 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 an legal and constructive obligations or has made payment on behalf of the associated companies or the joint ventures.

When there is share buyback by an associated company, the accretion of the Group’s interest is recognised as a deemed acquisition of additional equity interest in the associated company. Any reduction of the Group’s pre-acquisition reserves arising from the share buyback (i.e. Goodwill) is included in the carrying amount of the investment and is not amortised. Any increase of the Group’s pre-acquisition reserves arising from the share buyback (i.e. Negative Goodwill) is included as income in the determination of the Group's share of associated company's results in the period of share buybacks.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

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

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

Freehold land has an unlimited useful life and therefore is not depreciated but 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 30 to 999 years
Buildings	1.25% - 20%
Plant and equipment	5% - 33%
Computer and office equipment	10% - 67%
Renovation	2% - 33%
Furniture and fittings	5% - 33%
Motor vehicles	10% - 33%
Aircraft	Ranging from 5 to 20 years or based on flying hours
Golf course development expenditure	1% - 1.75%
Others	2% - 50%

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.4 Biological assets

This represents plantation development expenditure consisting of costs incurred on land clearing and upkeep of oil palms to maturity which are initially recorded at cost and amortised over 20 years, which is the estimated useful life of the assets, upon maturity of the crop. Biological assets are stated at cost less accumulated amortisation and impairment losses.

2.2.5 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and the valuation 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 investment property carried at fair value is transferred to property, plant and equipment following a change in its use, the property's deemed cost for subsequent accounting in accordance with FRS 116: Property, Plant and Equipment shall be its fair value at the date of change in use.

When an item of property, plant and equipment is transferred to investment 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 in other comprehensive income. However, if such 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 the transfer and its fair value is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.6 Land held for development and property development costs

(1) 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 development is reclassified as development properties at the point when development activities have commenced and where it can be demonstrated that the development cycle can be completed within the normal operating cycle.

(2) 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 of the property development costs incurred for work performed to date which 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 an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the 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 the profit or loss is classified as progress billings within payables.

2.2.7 Inventories

Inventories 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, the weighted average cost method, or by specific identification. Net realisable value represents the estimated selling price less all estimated costs to 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.7 Inventories (continued)

Trading account securities comprising quoted investments are stated at the lower of cost and market value determined on an aggregate basis by category of investments. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the profit or loss.

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.

2.2.8 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the certified work done or proportion of contract costs incurred for work performed to date, to the estimated total contract costs.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.2.9 Intangible assets

(1) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Intangible assets (continue)

(2) Gaming rights

The costs of gaming rights acquired in a business combination are their fair value 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 on-line 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.

(3) Trademarks

The cost of trademarks acquired represents its fair value as at the date of acquisition. Following initial recognition, trademarks are carried at cost less any accumulated impairment losses. Trademarks, which are considered to have indefinite useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of trademarks 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 a prospective basis.

(4) Concession assets

Concession assets comprise the development expenditure for the construction of plants or structures for the concession which are not covered by a contractual guarantee from the grantor of the concession. These portions of the development expenditure represent the right to charge users of the public service. Concession assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is provided for on a straight-line basis over the period of the concession. At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

Borrowing costs incurred in connection with an arrangement falling within the scope of IC Interpretation 12: Service Concession Arrangements will be expensed as incurred, unless the Group recognises an intangible asset under the Interpretation. In this case, borrowing costs are capitalised in accordance with the general rules of FRS 123: Borrowing Costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Intangible assets (continued)

(5) Dealership rights

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

(6) Computer software

Computer software acquired separately are measured on initial recognition at cost. Following initial recognition, computer software are carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software are amortised on a straight-line basis over its 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 a computer software are reviewed at each reporting date.

(7) Development right fees and licence fees

Development rights fees are required to be paid for the rights to develop the franchise business in the respective countries. The development rights fees are capitalised and amortised over the period of the respective development agreement from the date the operation commences.

Licences fees are required to be paid in respect of the opening of new outlets in the respective countries. The licences fees paid are capitalised and amortised over the period of the respective development agreement. The licence fees are amortised from the date when the respective outlet commences operations.

(8) Customer relationships

The cost of customer relationships acquired in a business combination is measured 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.

(9) Telecommunications licences with allocated spectrum

The Group's telecommunication licences with allocated spectrum were acquired as part of a business combination. The fair value of telecommunication licences with allocated spectrum as at the date of business combination is deemed as its cost. Following initial recognition, telecommunication licences with allocated spectrum are carried at cost less any accumulated impairment losses. The telecommunication licences with allocated spectrum are considered to have indefinite economic useful lives, are not amortised but tested for impairment, annually or more frequently when indicators of impairment are identified. The useful lives of telecommunication licences with allocated spectrum 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 a prospective basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.9 Intangible assets (continued)

(10) Lottery business cooperation contract

Lottery business cooperation contract relates to the contributions required to be paid for the right to participate in the operation of a lottery business. These contributions are capitalised and amortised over the contract period from the date when the operation commences.

(11) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed yearly at each reporting date. Intangible assets with indefinite lives are not amortised but tested for impairment annually or more frequently when indicators of impairment are identified. The useful lives of intangible assets with indefinite lives 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 a prospective basis.

2.2.10 Impairment of non-financial assets

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.10 Impairment of non-financial assets (continued)

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.2.11 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:
(1) in the principal market for the asset or liability; or
(2) in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole as described in Note 42.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.12 Financial assets

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

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

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

(1) Financial assets at fair value through profit or loss

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

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

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in 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 settlement date.

(2) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.12 Financial assets (continued)

(3) 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.

(4) Available-for-sale financial assets

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

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in 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 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 when the contractual right to receive cash flows from the asset has expired or has been transferred and the Group has transferred substantially all the risks and rewards of ownership. 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 comprehensive income will be recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.13 Impairment of financial assets

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

(1) 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 trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade 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.

(2) 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 and Company’s share of net assets or the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(3) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.13 Impairment of financial assets (continued)

(3) Available-for-sale financial assets (continued)

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 instruments 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 instruments, 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.

2.2.14 Cash and cash equivalents

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

The Group has excluded clients' monies and remisiers' deposits held in trust by the stockbroking subsidiary company from cash and cash equivalents of the Group.

2.2.15 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.

2.2.16 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, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants that compensate the Group for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants that compensate the Group for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.17 Financial liabilities

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

Financial liabilities are recognised in the statements of financial position when, and only when, the Group or the Company becomes 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.

(1) 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 or 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) Other financial liabilities

Other financial liabilities of the Group and the Company include trade payables, other payables and loans and borrowings.

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

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.

<u>Offsetting of financial instruments</u>

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.18 Leases

(1) 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 or the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in 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) As lessor

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

2.2.19 Non-current assets (or disposal groups) held for sale and discontinued operation

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 (or disposal group) 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 (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets and financial assets) are measured in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.20 Irredeemable convertible unsecured loan stocks/securities ("ICULS")

ICULS which were issued after the effective date of FRS 132: Financial Instruments: Disclosure and Presentation, are regarded as compound instruments, consisting of an equity component and a liability component.

When the ICULS, which were previously acquired and held by the Group, are reissued at values which are different from the nominal value of the ICULS, the differences would be taken to profit or loss if the ICULS are classified as a liability instrument or to equity if the ICULS are classified as an equity instrument.

2.2.21 Warrants

Warrants are classified as equity instrument and it is allocated its value based on the closing price of the first trading day, if the warrant is listed, or estimated using option pricing models, if the warrant is not listed.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

2.2.22 Equity instruments

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

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

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

2.2.23 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 expenditure 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.24 Customer loyalty programme

The Group operates customer loyalty programmes which allow customers to accumulate redemption points when they purchase products from the Group. The redemption points can then be used to purchase a selection of products at discounted price or redeem products.

The consideration received is allocated between the products sold and the redemption points issued, with the consideration allocated to the redemption points being equal to their fair value. Fair value is determined by applying statistical techniques.

The fair value of the redemption points issued is deferred and recognised as revenue when the redemption points are utilised.

2.2.25 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.

2.2.26 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 or 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.

2.2.27 Current and non-current classification

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

An asset is classified as current when it is:
(i) expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within 12 months after the reporting period; or
(iv) 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:
(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within 12 months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.
All other liabilities are classified as non-current.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.28 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. The following specific recognition criteria must also be met before revenue is recognised.

(1) Hire purchase and lease interest income

Interest income is recognised using the effective interest method.

(2) Development properties

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

(3) Brokerage fees and commissions

Income from brokerage is recognised upon execution of contracts while underwriting commission is recognised upon completion of the corporate exercises concerned. Revenue in relation to commission on vehicle sales as an agent and insurance sales as a broker are recognised on the completion of the related transactions.

(4) Dividend income

Dividend income from investments in subsidiary and associated companies and other investments is recognised when the shareholders' rights to receive payment is established.

(5) Interest income

Interest income is recognised on the effective interest method unless recoverability is in doubt, or where a loan is considered to be non-performing in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on receipt basis until all arrears have been paid except for margin accounts where interest is suspended until the account is reclassified as performing.

Interest income from investments in bonds, government securities and loan stocks are recognised on a time proportion basis that takes into account the effective yield of the asset.

(6) Enrolment fees

Enrolment fees for members joining the golf and recreation clubs are recognised as revenue upon the admission of applicants to the membership register. Advance licence fee, 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.

(7) 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 rendered is recognised upon its completion. Revenue is recognised net of sales or goods and service tax and service tax and discount, where applicable.

(8) Casino operations

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.28 Revenue recognition (continued)

(9) Revenue from water theme park operations

Entrance fee to the water theme park is recognised when tickets are sold.

(10) Rental income

Rental income, including those from investment properties, is recognised based on a straight-line basis over the lease term unless collection is in doubt, in which case it is recognised on receipt basis.

(11) Hotel room sales

Revenue from hotel room sales is recognised on an accrual basis.

(12) Royalty income

Royalty income is recognised on accrual basis in accordance with the terms of the franchise agreements.

(13) Franchisee fees

The portion of the franchise fee, relating to the reservation of restaurant sites and which is non-refundable and payable upon signing of the franchise agreement/master development agreement relating to the development of the restaurant businesses, is recognised as income upon signing of franchise agreement. The remaining portion of the franchise fee income is deferred until the completion of the franchisee's obligation under the agreement.

(14) Management fee income

Management fee income is recognised on accrual basis.

(15) 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.

(16) Lottery equipment lease rental

Revenue from the lease of lottery equipment is recognised based on certain percentage of gross receipts from lottery ticket sales, excluding foreign value-added tax and trade discounts.

(17) Lottery product and voting product sales, services and licensing income

Revenue from lottery product 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.

(18) Service charges

Service charges which represent income on sale of trust fund units, is recognised upon allotment of units, net of cost of units sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.28 Revenue recognition (continued)

(19) Revenue from private university college operations

Tuition fees are recognised on an accrual basis based on the duration of the courses.

General administration fees and other fees are recognised on receipt basis.

(20) Revenue from waste treatment services

Revenue from waste treatment services are recognised upon the performance of services.

(21) Sale of call bandwidth

Revenue from sale of mobile telephony, fixed services, interconnection revenue and other network based services are recognised based on actual traffic volume net of rebates/discounts.

(22) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(23) Other income

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

2.2.29 Foreign currencies

(1) Functional and presentation currency

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

(2) Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in 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 operation. 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 operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.29 Foreign currencies (continued)

(2) Foreign currency transactions (continued)

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.

(3) Foreign operations

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the financial year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of 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 subsidiaries before 1 May 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2.2.30 Employee benefits

(1) Short term benefits

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

(2) Defined contribution plans

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.30 Employee benefits (continued)

(3) 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 local and foreign subsidiaries of the Group provide 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 subsidiary companies are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The liability recognised in the consolidated statement of financial position for defined plans is the discounted present value of the defined benefit obligation using prudent and appropriate discount factor at the consolidated 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 an actuary using the projected unit credit method.

Re-measurements, comprising of 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.30 Employee benefits (continued)

(3) Defined benefit plans (continued)

(b) Unfunded defined benefit plan

Certain local subsidiary companies within the Group operate unfunded, defined Retirement Benefit Schemes ("Schemes") 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.

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.

The present value 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.

(4) Employees' share schemes

Employees of certain subsidiary companies of the Group received remuneration in the form of share options or share awards as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the share options and share awards at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the employees' share plan reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the subsidiary companies' best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for share options or share awards that do not ultimately vest, except for share options or share awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the share options are exercised or share awards are vested, the employees' share plan reserve relating to the exercised options or vested shares is transferred to share capital. When the share options or share awards are forfeited, the employees' share plan reserve relating to the forfeited share options or share awards is transferred to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.31 Taxes

(1) Current tax

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

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

(2) 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, associates and interests in 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:
- 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, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

2.2.31 Taxes (continued)

(2) Deferred tax (continued)

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 taxes relate 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.

(3) Goods and Services Tax (“GST”) or Value Added Tax (“VAT”)

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

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

2.2.32 Segmental reporting

For management purposes, the Group is organised into operating segments based on their products and services which is 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 revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities. Revenue is attributed to geographical segments based on location where the sales are transacted. Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in accounting policies

On 1 May 2016, the Group and the Company adopted the following new FRS, Amendments to FRS and Annual Improvements to FRSs:

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

Adoption of the above new FRS, Amendments to FRSs and Annual Improvements to FRSs did not have any effect on the financial performance or position of the Group and of the Company.

2.4 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRS, 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 2017:

- Amendment to FRS 107: Statement of Cash Flows – Disclosure Initiative
- Amendments to FRS 112: Income taxes – Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to FRSs 2014-2016 Cycle - Amendments to FRS 12: Disclosure of Interests in Other Entities

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 (Deferred)

Unless otherwise described below, the new FRS, 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 arising from the adoption of all the above FRS, Amendments to FRSs and Annual Improvements to FRSs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not yet effective (continued)

The Group is currently assessing the impact of the adoption of the standards below will have on its financial position and performance.

(1) FRS 9: Financial Instruments (2014)

In November 2014, the Malaysian Accounting Standards Board ("MASB") issued the final version of FRS 9: Financial Instruments 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. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards

On 19 November 2011, the 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 2017 could be different if prepared under the MFRS Framework.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not yet effective (continued)

Malaysian Financial Reporting Standards (continued)

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:

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

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

- MFRS 16: Leases

(1) Amendments to MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Standards and interpretations issued but not yet effective (continued)

Malaysian Financial Reporting Standards (continued)

(2) MFRS 16: Leases

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

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

2.5 Significant accounting estimates and judgements

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(1) Critical judgements made in applying accounting policies

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

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

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

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

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(1) Critical judgements made in applying accounting policies (continued)

(b) 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.

(c) Useful life of gaming rights, dealerships rights 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. On 13 August 2015, the ELA was transitionally extended for a period of 3 years to August 2018, pending the resolution of the issue on the exclusivity rights through arbitration proceedings which is disclosed in Note 41(4). The Group is confident that the outcome of the arbitration proceedings will result in at least a two-year extension beyond August 2018 and hence assessed the useful life of the Gaming Rights - ELA to be 5 years.

The customer relationships are recognised separable from goodwill on acquisition of a subsidiary company. The useful lives of the customer relationships are estimated to be 10 years, determined based on customer attrition from the acquired relationships. The estimated useful lives of customer relationships are reviewed periodically.

(d) 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 subsidiary companies 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.

(e) Classification of fair value through profit or loss investments

The Group designated warrants issued by associated companies, 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 value of these investments at the reporting date is disclosed in Note 43.1 and the details of the fair value changes are disclosed in Note 33(c)(ii) and 33(d)(ii).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(1) Critical judgements made in applying accounting policies (continued)

(f) Impairment of available-for-sale investments

The Group reviews its investments in equity instruments, which are classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group records impairment charges when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. During the year, the Group impaired quoted and unquoted equity instruments with “significant” decline in fair value greater than 20%, and “prolonged” period as greater than 12 months or more.

For the financial year ended 30 April 2017, the amount of impairment loss recognised for available-for-sale investments are disclosed in Note 33(c)(ii).

(g) Financial guarantee contracts

At each reporting date, the Company determines the fair value of the guarantees based on the likelihood of the guaranteed party defaulting within the guaranteed period and estimate the loss exposure (after taking into account of the value of assets pledged for the loans).

For the current financial year, the Company has assessed the financial guarantee contracts and determined that the guarantees are not likely to be called upon by the banks. Financial impact of such guarantees is not material.

(h) ICULS

The fair values of the equity and liability components of a compound financial instrument requires the determination of the most appropriate valuation model to use depending on the terms and conditions of the financial instrument, the discount rate, and assumptions about the future cash flow streams.

(i) Significant influence over associated companies

Although the Group holds less than 20% of the voting shares in some of the associated companies as disclosed in Note 48, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of these associated companies by way of representation on the board of directors.

(j) Control over Berjaya Food Berhad (“BFood”)

At the reporting date, the Group held 43.37% equity interest in BFood. Based on the attendance and voting patterns at Annual General Meetings in the previous years, the participation of the other shareholders have been consistently below 25%. The Group concluded that its voting rights of 43.37% are sufficient to give it power over BFood. Hence, in accordance with the requirements of FRS 10, the Group is able to exercise control and continues to regard BFood as a subsidiary company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(1) Critical judgements made in applying accounting policies (continued)

(k) Control over Berjaya Sports Toto Berhad (“BToto”)

At the reporting date, the Group held 48.29% equity interest in BToto. The Group has obtained written undertakings from 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 49.38% 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 de facto control and continues to regard BToto as a subsidiary company.

(l) Status of Berjaya Jeju Resort Limited (“BJR”) project

BJR has previously commenced development activities on Jeju Island, South Korea (“Jeju Project”) over certain parcels of land purchased from Jeju Free International City Development Center (“JDC”) in 2009. These lands were expropriated by JDC from various landowners. On 20 March 2015, the Supreme Court of the Republic of Korea ("Korean Supreme Court") ruled that the expropriation of the lands by JDC from these landowners was invalid. As explained in Note 41(3), 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 dated 30 March 2009 (“Land SPA”) by JDC when it failed to deliver unencumbered titles to 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 amounting to RM604,255,000 (2016: RM541,965,000) incurred to-date on the development of the Jeju Project.

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 its lawsuit against JDC on the claim for costs incurred. Based on this premise, BJR has determined that it is appropriate to recognize 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.

(m) Contingent liabilities – Litigation

As disclosed in Note 41, the Group has pending litigations as at the financial year end. The Group has not made any provision for liabilities in the financial statements as the Group has concluded that the liabilities are not probable, after due consultation with the Group’s solicitors and having assessed the merits of the cases.

(n) Recoverability of amounts owing by joint ventures and associated companies

The Group did not recognise any impairment loss on the amounts owing by the joint ventures and associated companies in the current financial year, as the directors have assessed the repayment ability of these investees and determined that these amounts are recoverable as there are no objective evidences that an impairment loss has been incurred on these balances.

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The amounts owing by the joint ventures and associated companies as at 30 April 2017 are RM696,126,000 (2016: RM612,198,000) and RM178,150,000 (2016: RM88,593,000) respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(1) Critical judgements made in applying accounting policies (continued)

(o) Recoverability of balance cash consideration for the disposal of 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"), by Berjaya (China) Great Mall Co Ltd.

At reporting date, pursuant to the completion of disposal of Great Mall Project to Beijing SkyOcean International Holdings Limited (“Beijing SkyOcean”), the balance consideration receivable amounting to RM598,884,000 was accounted for as receivable. This receivable is secured by a guarantee granted by SkyOcean Holdings Group Limited, the holding company of Beijing SkyOcean and its major shareholder, Mr. Zhou Zheng ("Guarantees").

The Group has assessed and determined that the amount is recoverable as it has legal recourse under the Guarantees, in the event of non-performance by Beijing SkyOcean.

(2) 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 set out below:

(a) Impairment of goodwill, gaming rights and dealerships rights

The Group performs an impairment test on its gaming rights, dealerships 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 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. Details of assumptions used for VIU computation are disclosed in Note 12.

During the current financial year, the Group recognised impairment loss in respect of:

(i) gaming rights – licence and goodwill allocated to the Malaysian toto betting operations; and

(ii) goodwill 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.

In regard to the impairment review of the CGU for the dealerships, the Group has assessed VIU amounts that could sufficiently address the carrying amount of this CGU.

The carrying amounts of gaming rights, dealerships and goodwill of the Group as at 30 April 2017 are disclosed in Note 12.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(2) Key sources of estimation uncertainty (continued)

(b) Impairment of property, plant and equipment

During the current financial year, the Group recognised impairment losses in respect of certain subsidiary companies' property, plant and equipment. The Group carried out the impairment test based on a variety of estimation including the 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 impairment losses recognised are disclosed in Note 3.

The carrying amounts of property, plant and equipment are disclosed in Note 3.

(c) 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.

(d) 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 18 to 50 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(2) Key sources of estimation uncertainty (continued)

(e) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of that property development costs incurred for work performed to date which 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 relies on its past experience and the work of specialists. Details of property development costs are disclosed in Note 13.

(f) Income taxes

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 35.

(g) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. Details of deferred tax assets are disclosed in Note 26.

(h) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Details of impairment of loans and receivables are disclosed in Note 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Significant accounting estimates and judgements (continued)

(2) Key sources of estimation uncertainty (continued)

(i) Impairment of investment in subsidiaries, associated companies and joint ventures

During the current financial year, the Group recognised impairment losses in respect of its investments in certain associated companies and joint ventures. The Group and the Company carried out the impairment test based on the assessment of the fair value less cost to sell of the investees' assets or CGU or based on the estimation of the VIU of the CGUs of the respective subsidiaries, associated companies and joint ventures. Estimating the VIU requires the Group and 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. Further details of the accumulated impairment losses recognised are disclosed in Notes 7, 8 and 9.

The Group did not recognise any impairment in value of an associated company, which shares are quoted in Malaysia, as the directors have evaluated that the fair value of the underlying assets of the investee to be higher than its carrying value.

The carrying amounts of investments in associated companies and joint ventures of the Group and of investment in subsidiary companies of the Company are disclosed in Notes 7, 8 and 9, accordingly.

(j) Customer loyalty programmes

The Group operates customer loyalty programmes which allow customers to accumulate redemption points when they purchase products from the Group. Management estimates the fair value of the redemption points issued and such fair value is reviewed regularly, and adjusted if appropriate.

(k) 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 provisions taken as necessary.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Prior year adjustments

Prior year adjustment 1

Classifications from IFRS Interpretation Committee on FRS 112: Income Taxes – Expected Recovery on Intangible Assets with Indefinite Useful Lives

At the point of gaining control of the toto betting operations in Malaysia and the motor dealership business in the United Kingdom in prior years via separate business combinations, the Group had recognised intangible assets namely the Gaming Rights – Licence amounting to RM4.40 billion in respect of the toto betting operations, and Dealerships of RM52.53 million in relation to the motor dealership business. These intangible assets were assessed to have indefinite useful lives which are not amortised but tested for impairment annually or when indication of impairment arises. Deferred tax had not been provided for the Gaming Rights - Licence and Dealerships as the Group has previously taken the view commonly applied that the carrying amount of an indefinite useful life intangible asset will be recovered through sale.

In November 2016, the IFRS Interpretation Committee ("IFRS IC") clarified that an indefinite useful life intangible asset is not a non-depreciable asset as it does not have infinite life, but rather it is not amortised because there is no foreseeable limit on the period during which an entity expects to consume future economic benefits embodied in that asset. Hence an entity cannot automatically avail itself to the requirements of paragraph 51B of the FRS 112: Income Taxes, i.e. to assume recovery through sale as in the case of a non-depreciable asset measured using the revaluation model in FRS 116: Property, Plant and Equipment.

Following the above clarification from IFRS IC, the Group changed its accounting policy on the expected method of recovering its carrying amount of Gaming Rights – Licence and Dealership Rights to recovery through use instead of recovery through sale. As such, deferred tax would now be measured and provided on these intangible assets with indefinite useful life. The change in accounting policy is applied retrospectively.

Prior year adjustment 2

Reclassification

The Group has also:

(i) reclassified certain payables due to vehicle manufacturers into short term borrowings as the terms and facilities provided by the vehicle manufacturers have the characteristics of borrowings; and

(ii) reclassified margin account facilities from other payables to short term borrowings.

Prior year adjustment 3

The Group has also adjusted the amount in relation to the change in fair value reserve upon recognition of deferred tax liabilities on gaming rights with finite life to reflect the gross amount in the consolidated statement of changes in equity and appropriately account for the non-controlling interests in the statement of changes in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Prior year adjustments (continued)

As a result of the above, certain comparative amounts as at 30 April 2016 and 1 May 2015 have been adjusted and disclosed below:

Group At 30 April 2016	Note	As previously reported RM'000	Effects of prior year adjustment 1 RM'000	Effects of prior year adjustment 2 RM'000	Effects of prior year adjustment 3 RM'000	As restated RM'000
Statements of Financial Position						
Intangible assets - Goodwill	12	1,018,412	11,734	-	-	1,030,146
Reserves - Fair value reserve	22	723,259	(400,195)	-	3,549	326,613
Reserves - Consolidation reserve	22	(879,770)	48,036	-	-	(831,734)
Non-controlling interests		5,171,636	(703,841)	-	8,509	4,476,304
Deferred tax	26	389,203	1,067,734	-	(12,058)	1,444,879
Trade and other payables	28	3,279,893	-	(521,952)	-	2,757,941
Short term borrowings	29	2,321,987	-	521,952	-	2,843,939
Consolidated Statements of Cash Flows						
Net cash generated from operating activities		1,062,653	-	(67,374)	-	995,279
Net cash used in financing activities		(1,403,119)	-	66,867	-	(1,336,252)
Cash and bank balances restricted in use		(781,215)	-	(507)	-	(781,722)
Statements of Comprehensive Income						
Changes in fair value reserve upon recognition of deferred tax liability on gaming rights with finite life		(15,429)	-	-	27,103	(42,532)
Changes in fair value reserve upon reversal of deferred tax liability on impairment of gaming rights		-	-	-	(12,058)	12,058
Total comprehensive income attributable to non-controlling interests		102,841	-	-	(18,594)	84,247
At 1 May 2015						
Statements of Financial Position						
Intangible assets - Goodwill	12	1,282,142	12,015	-	-	1,294,157
Reserves - Fair value reserve		842,879	(400,195)	-	-	442,684
Reserves - Consolidation reserve		(892,224)	41,788	-	-	(850,436)
Non-controlling interests		5,015,290	(697,593)	-	-	4,317,697
Deferred tax	26	303,572	1,068,015	-	-	1,371,587
Trade and other payables	28	2,391,676	-	(398,633)	-	1,993,043
Short term borrowings	29	2,290,774	-	398,633	-	2,689,407

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

2017 Net Carrying Amount	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the year RM'000	Impairment reversal/ (loss) RM'000	Reclassi- fication / Adjustments RM'000	Acquisition of subsidiaries RM'000	Exchange differences RM'000	Reclassified to disposal groups RM'000	At end of year RM'000
Freehold land	213,009	-	-	-	(8)	136,316	-	683	(290)	349,710
Long leasehold land	66,950	-	-	(398)	-	(19)	-	-	-	66,533
Short leasehold land	49,716	-	-	(1,327)	1	-	-	-	-	48,390
Buildings	1,504,576	99,302	(17,513)	(53,294)	-	619,650	-	12,117	(39,740)	2,125,098
Plant and equipment	165,871	76,859	(2,992)	(36,331)	(9,202)	12,788	-	2,868	(505)	209,356
Computer and office equipment	56,348	70,606	(534)	(27,117)	(596)	541	3	639	(159)	99,731
Renovation	204,088	57,298	(6,203)	(46,205)	(9,795)	2,208	-	596	(129)	201,858
Furniture and fittings	73,712	134,846	(198)	(28,042)	(1,399)	122,595	-	1,049	(1,009)	301,554
Motor vehicles	46,572	12,674	(5,134)	(11,812)	(341)	947	34	237	-	43,177
Aircraft	128,918	-	-	(8,239)	(7,070)	(125)	-	2,126	-	115,610
Golf course development expenditure	122,607	-	-	(1,804)	-	-	-	-	-	120,803
Capital work-in-progress	1,104,979	13,388	-	-	(43)	(1,200,911)	-	95,361	(16)	12,758
Others	29,619	3,921	(1,891)	(1,970)	-	(961)	-	21	(334)	28,405
	3,766,965	468,894	(34,465)	(216,539)	(28,453)	(306,971)	37	115,697	(42,182)	3,722,983

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP

2016 Net Carrying Amount	At beginning of year RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the year RM'000	Impairment reversal/ (loss) RM'000	Reclassi-fication / Adjustments RM'000	Acquisition of subsidiaries RM'000	Disposal of subsidiaries RM'000	Exchange differences RM'000	Reclassified to disposal groups RM'000	At end of year RM'000
Freehold land	206,798	-	-	-	6,100	(459)	-	-	570	-	213,009
Long leasehold land	68,157	-	-	(1,207)	-	-	-	-	-	-	66,950
Short leasehold land	51,012	-	-	(1,303)	7	-	-	-	-	-	49,716
Buildings	1,477,410	25,406	-	(46,663)	21,846	5,654	4,861	-	16,062	-	1,504,576
Plant and equipment	121,948	55,731	(1,923)	(31,504)	3,712	1,079	20,151	(2,668)	2,543	(3,198)	165,871
Computer and office equipment	65,886	13,137	(644)	(25,253)	(723)	(64)	3,947	(25)	805	(718)	56,348
Renovation	182,676	56,633	(2,933)	(47,436)	(4,887)	15,019	1,899	-	3,445	(328)	204,088
Furniture and fittings	79,097	10,537	(338)	(19,359)	(444)	1,803	269	(49)	2,212	(16)	73,712
Motor vehicles	48,732	12,989	(1,988)	(13,050)	(648)	-	421	(33)	286	(137)	46,572
Aircraft	155,646	41	(3,614)	(9,455)	(16,266)	-	-	-	2,566	-	128,918
Golf course development expenditure	124,407	-	-	(1,800)	-	-	-	-	-	-	122,607
Capital work-in-progress	907,096	689,750	(69)	-	-	(25,889)	-	-	112,197	(578,106)	1,104,979
Others	25,656	3,736	(11)	(1,385)	(9,613)	2,035	9,178	-	23	-	29,619
	3,514,521	867,960	(11,520)	(198,415)	(916)	(822)	40,726	(2,775)	140,709	(582,503)	3,766,965

3. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

GROUP

As at 30 April 2017	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Net carrying amount RM'000
Freehold land	352,822	-	(3,112)	349,710
Long leasehold land	80,701	(14,168)	-	66,533
Short leasehold land	69,121	(20,731)	-	48,390
Buildings	2,640,461	(508,423)	(6,940)	2,125,098
Plant and equipment	513,314	(293,358)	(10,600)	209,356
Computer and office equipment	397,223	(294,501)	(2,991)	99,731
Renovation	580,979	(350,280)	(28,841)	201,858
Furniture and fittings	507,118	(203,407)	(2,157)	301,554
Motor vehicles	147,878	(104,379)	(322)	43,177
Aircraft	306,260	(123,763)	(66,887)	115,610
Golf course development expenditure	164,942	(30,302)	(13,837)	120,803
Capital work-in-progress	16,760	-	(4,002)	12,758
Others	55,471	(24,218)	(2,848)	28,405
	5,833,050	(1,967,530)	(142,537)	3,722,983

As at 30 April 2016	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Net carrying amount RM'000
Freehold land	216,121	-	(3,112)	213,009
Long leasehold land	80,436	(13,486)	-	66,950
Short leasehold land	69,121	(19,404)	(1)	49,716
Buildings	1,995,838	(472,717)	(18,545)	1,504,576
Plant and equipment	460,660	(281,540)	(13,249)	165,871
Computer and office equipment	344,025	(285,246)	(2,431)	56,348
Renovation	555,288	(329,290)	(21,910)	204,088
Furniture and fittings	276,862	(201,706)	(1,444)	73,712
Motor vehicles	152,702	(105,822)	(308)	46,572
Aircraft	305,070	(117,378)	(58,774)	128,918
Golf course development expenditure	164,942	(28,498)	(13,837)	122,607
Capital work-in-progress	1,108,981	-	(4,002)	1,104,979
Others	52,529	(20,069)	(2,841)	29,619
	5,782,575	(1,875,156)	(140,454)	3,766,965

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY

2017 Net Carrying Amount	At beginning of year RM'000	Additions RM'000	Depreciation charge for the year RM'000	At end of year RM'000
Plant and equipment	-	72,199	(5,248)	66,951
Computer and office equipment	304	51,321	(5,807)	45,818
Furniture and fittings	73	19	(17)	75
Motor vehicles	720	808	(384)	1,144
	1,097	124,347	(11,456)	113,988

2016 Net Carrying Amount	At beginning of year RM'000	Additions RM'000	Depreciation charge for the year RM'000	At end of year RM'000
Computer and office equipment	424	109	(229)	304
Furniture and fittings	61	26	(14)	73
Motor vehicles	641	314	(235)	720
	1,126	449	(478)	1,097

As at 30 April 2017	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
Plant and equipment	72,199	(5,248)	66,951
Computer and office equipment	52,244	(6,426)	45,818
Furniture and fittings	129	(54)	75
Motor vehicles	2,112	(968)	1,144
	126,684	(12,696)	113,988

As at 30 April 2016	Cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000
Computer and office equipment	923	(619)	304
Furniture and fittings	110	(37)	73
Motor vehicles	1,304	(584)	720
	2,337	(1,240)	1,097

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Finance leases	9,610	10,746	-	266
Cash	353,842	853,533	406	183
Deposits paid in prior years	-	1,450	-	-
Deferred payment	105,223	-	123,941	-
Provision for restoration costs	219	2,231	-	-
	468,894	867,960	124,347	449

The Group conducted a review of the recoverable amounts of certain property, plant and equipment and the review has led to the following recognitions:

(1) an impairment loss of RM28,566,000 (2016: RM39,200,000), included in Other expenses – investing activities as disclosed in Note 33(c)(ii). The impairment loss was due to a decline in the market values of aircraft, closure of certain outlets and of certain property, plant and equipment for which the VIU is less than the carrying value. The recoverable amounts of these assets were RM12,990,000 (2016: RM103,542,000); and

(2) a reversal of impairment loss of RM113,000 (2016: RM38,284,000), included in Other income – investing activities as disclosed in Note 33(d)(ii). In the previous financial year, the reversal of impairment loss of:
   (a) RM22,883,000 in value of certain buildings and related plant and equipment was based on the recoverable amount of RM28,886,000 as the subsidiary company entered into a settlement agreement with relevant authorities on surrendering these assets to the authorities. As a consequence, certain premiums incurred on the land would also be recoverable and now transferred to receivables; and
   (b) RM15,401,000 in value of certain properties was due to the fair value of these assets are higher than their carrying amounts. The fair values of these assets totalling RM266,500,000 are based on valuations by independent qualified valuers. Fair values are computed based on primarily the comparison method and the depreciable replacement cost method.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in the Group's reclassification/adjustments column are:

		Group	
		2017 RM'000	2016 RM'000
(i)	transfer of certain property from investment properties (Note 5)	1,182	1,082
(ii)	transfer of certain property to investment properties (Note 5)	(6,368)	(2,181)
(iii)	gross revaluation surplus resulting from a change in its use from property, plant and equipment to investment properties	508	706
(iv)	transfer of certain property (to)/from development properties (Note 13)	(7,279)	145
(v)	over accrual of cost for certain property, plant and equipment	-	(6)
(vi)	transfer to inventory	(295,014)	-
(vii)	transfer to intangible assets (Note 12)	-	(3,303)
(viii)	transfer of property, plant and equipment from assets held for sale	-	2,735
		(306,971)	(822)

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

Property, plant and equipment with net book value of RM1,007,581,000 (2016: RM1,148,045,000) have been pledged to financial institutions for facilities granted to certain subsidiary companies.

The net carrying amounts of assets acquired under finance leases and hire purchase arrangements are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Plant and equipment	4,605	9,006	-	-
Computer and office equipment	783	1,286	-	-
Office renovation	2,726	1,282	-	-
Furniture and fittings	509	133	-	-
Motor vehicles	9,418	11,638	1,144	720
Aircraft	80,879	85,536	-	-
	98,920	108,881	1,144	720

4. BIOLOGICAL ASSETS

	Group	
	2017	2016
	RM'000	RM'000
At carrying amount		
At beginning of year	4,773	5,300
Amortisation for the year	(580)	(221)
Disposals	-	(306)
At end of year	4,193	4,773
Cost	5,401	6,429
Accumulated amortisation	(1,208)	(1,656)
Carrying amount	4,193	4,773

Biological assets consist of oil palm trees, which are cultivated for the harvest of fresh fruit bunches. The fresh fruit bunches are then processed into crude palm oil and palm kernel. The plantation is on freehold land located at Batang Berjuntai, Selangor Darul Ehsan.

5. INVESTMENT PROPERTIES

	Group	
	2017	2016
	RM'000	RM'000
At beginning of year	768,438	702,905
Additions	35,722	46,385
Fair value adjustments, net	22,981	14,718
Exchange differences	7,850	2,188
Net transfer from property, plant and equipment (Note 3)	5,186	1,099
Acquisition of subsidiary company	-	1,143
At end of year	840,177	768,438

Investment properties with carrying amount totalling RM113,130,000 (2016: RM102,856,000) 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.

The carrying amounts of the investment properties were determined based on valuations by independent valuers, who hold recognised qualifications and have relevant experience. These valuations make reference to market evidence of transaction prices of similar properties or comparable available market data.

5. INVESTMENT PROPERTIES (CONTINUED)

The Group determined that certain properties that were previously classified as investment properties amounting to RM1,182,000 (2016: RM1,082,000), are now occupied by subsidiary companies of the Group, thus, do not qualify as investment properties according to FRS 140: Investment Property. Certain other properties previously classified under property, plant and equipment amounting to RM6,368,000 (2016: RM2,181,000), are now not occupied by subsidiary companies of the Group, thus, qualify as investment properties according to FRS 140: Investment Property. These properties were reclassified accordingly.

Investment properties of the Group amounting to RM582,673,000 (2016: RM564,606,000) have been pledged to various financial institutions for credit facilities granted to certain subsidiary companies.

6. LAND HELD FOR DEVELOPMENT

	Group	
	2017 RM'000	2016 RM'000
At cost:		
At beginning of year:		
- freehold land	1,481,721	1,177,384
- long leasehold land	69,287	78,507
- land use rights/land lease premium	177,623	174,175
- development costs	891,330	548,539
	2,619,961	1,978,605
Transfer/Adjustments during the year:		
- freehold land	(20,721)	475,618
- long leasehold land	(7,045)	(9,287)
- land use rights/land lease premium	(19,774)	(7,742)
- development costs	(3,569)	471,261
	(51,109)	929,850
Additions:		
- freehold land	25,373	33,715
- development costs	12,016	4,529
	37,389	38,244
Disposals:		
- freehold land	(20,958)	(222,431)
- development costs	(26,306)	(145,755)
	(47,264)	(368,186)
Exchange differences:		
- freehold land	11,422	17,435
- long leasehold land	62	67
- land use rights/land lease premium	14,759	11,190
- development costs	61,082	12,756
	87,325	41,448
Total cost at end of year	2,646,302	2,619,961
Accumulated impairment losses:		
At beginning of year	(12,869)	(21,671)
Write-off/Reversal of impairment loss	7,181	8,802
At end of year	(5,688)	(12,869)
Carrying value at end of year	2,640,614	2,607,092

6. LAND HELD FOR DEVELOPMENT (CONTINUED)

In the previous financial year, a subsidiary recognised a reversal of impairment loss totalling RM8,802,000.

Land held for development with carrying value of RM624,398,000 (2016: RM626,635,000) have been pledged to various financial institutions.

Included in land held for development is the Jeju Project referred to in Notes 2.5(1)(I) and 41(3) amounting to RM604,255,000 (2016: RM541,965,000). The recovery of the carrying amount of the Jeju Project is subject to the outcome of the lawsuit as disclosed in Note 2.5(1)(I). The Jeju Project has been placed under lien by the main contractor. The amount outstanding due to the main contractor at the reporting date amounted to RM70,553,000 (2016: RM63,165,000) as disclosed in Note 28. The main contractor has also placed a lien on the potential compensation receivable pending a positive judgement over the litigation mentioned in Note 41(3).

Included in the transfer/adjustments section are the following:

	Group	
	2017	2016
	RM'000	RM'000
(i) transfer (to)/from development properties (Note 13)	(51,109)	947,450
(ii) transfer to non-current assets classified as held for sale (Note 19)	-	(8,798)
(iii) transfer to receivables	-	(8,802)
	(51,109)	929,850

7. SUBSIDIARY COMPANIES

	Company	
	2017	2016
	RM'000	RM'000
At cost:		
Quoted shares in Malaysia	299,967	266,055
Unquoted shares	1,412,140	1,368,165
	1,712,107	1,634,220
Less: Accumulated impairment	(45,544)	(29,170)
	1,666,563	1,605,050
Market value:		
Quoted shares in Malaysia	212,781	209,257

The Group's equity interests in the subsidiary companies, their respective principal activities and country of incorporation are shown in Note 48.

Quoted shares costing RM204,483,000 (2016: RM236,230,000) have been pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

During the current financial year, the Company conducted a review of the recoverable amounts of its investments in certain subsidiary companies of which its carrying amount of investments exceeded its share of net assets in the respective subsidiary companies at the reporting date.

7. SUBSIDIARY COMPANIES (CONTINUED)

The review gave rise to the recognition of an impairment loss of investment in a subsidiary company of RM16,374,000 (2016: RM28,411,000) as disclosed in Note 33(c)(ii) based on recoverable amount of RM111,323,000 (2016: RM143,354,000). The recoverable amount is determined based on VIU calculations. The impairment indication is detailed in Note 12.3(5)(a).

7.1 Acquisition of subsidiary companies

7.1.1 Current financial year

During the financial year, the Group completed the acquisition of 70% equity interest in Hotel Integration Sdn Bhd ("HISB") for a total cash consideration of RM1.36 million by Berjaya Vacation Club Berhad, a wholly-owned subsidiary company of the Group.

The cost of acquisition comprised the following:

2017 Group	Acquisition of HISB RM'000
Purchase consideration satisfied by cash, representing total cost of acquisition	1,365

The acquired subsidiary company which qualified as business combination contributed the following results to the Group in the current financial year:

2017 Group	Acquisition of HISB RM'000
Revenue	35
Profit for the year	2

The fair values of the assets and liabilities of the acquired subsidiary company at the date of acquisition were as follows:

2017 Group	Acquisition of HISB RM'000
Non-current assets	37
Current assets	890
	927
Current liabilities	73
Net assets acquired	854
Less: Non-controlling interests	(256)
Group's share of net assets	598
Goodwill on consolidation	767
Total cost of acquisition	1,365

7. SUBSIDIARY COMPANIES (CONTINUED)

7.1 Acquisition of subsidiary companies (continued)

7.1.1 Current financial year (continued)

The net cash flows on acquisition were as follows:

2017 Group	Acquisition of HISB RM'000
Purchase consideration satisfied by cash	1,365
Cash and cash equivalent of subsidiary company acquired	-
Net cash outflow on acquisition of subsidiary company at the date of acquisition	1,365

7.1.2 Previous financial year

In the previous financial year, the Group completed the following acquisitions:

(1) The Group's equity interests in REDtone International Berhad ("REDtone") increased to more than 50% as a result of the conditional take-over offer and accordingly REDtone was deemed a subsidiary company of the Group; and

(2) H.R. Owen Plc, a subsidiary company of the Group, completed the acquisition of 50,000 ordinary shares of GBP1.00 each representing 100% equity interest in Bodytechnics Limited ("BTL"), for a total cash consideration of GBP2.6 million (equivalent to approximately RM16.9 million).

The cost of acquisitions comprised the following:

2016 Group	REDtone RM'000	Acquisition of BTL RM'000	Total RM'000
Purchase consideration satisfied by cash	94,021	16,941	110,962
Classified from associated company	195,950	-	195,950
Fair value adjustments on associated company prior to reclassification to investment in subsidiary company	13,952	-	13,952
Total cost of acquisition, representing fair value of the consideration	303,923	16,941	320,864

The acquired subsidiary companies which qualified as business combinations contributed the following results to the Group in the previous financial year:

2016 Group	REDtone RM'000	Acquisition of BTL RM'000	Total RM'000
Revenue	153,101	13,889	166,990
(Loss)/Profit for the year	(15,887)	1,138	(14,749)

7. SUBSIDIARY COMPANIES (CONTINUED)

7.1 Acquisition of subsidiary companies (continued)

7.1.2 Previous financial year (continued)

The fair values of the assets and liabilities of the acquired subsidiary companies at the date of acquisition were as follows:

2016 Group	REDtone RM'000	Acquisition of BTL RM'000	Total RM'000
Non-current assets excluding intangible assets	387,039	1,752	388,791
Current assets	149,649	10,294	159,943
	536,688	12,046	548,734
Non-current liabilities	81,667	35	81,702
Current liabilities	71,036	4,474	75,510
	152,703	4,509	157,212
Net assets acquired	383,985	7,537	391,522
Less: Non-controlling interests	(187,337)	-	(187,337)
Group's share of net assets	196,648	7,537	204,185
Customer relationships on consolidation	-	3,831	3,831
Goodwill on consolidation	107,275	5,573	112,848
Total cost of acquisition	303,923	16,941	320,864

The net cash flows on acquisitions were as follows:

2016 Group	REDtone RM'000	Acquisition of BTL RM'000	Total RM'000
Purchase consideration satisfied by cash	(94,021)	(16,941)	(110,962)
Cash and cash equivalent of subsidiary companies acquired	22,213	3,227	25,440
Net cash outflow on acquisition of subsidiaries company at the date of acquisition	(71,808)	(13,714)	(85,522)

7.2 Acquisition of subsidiary company subsequent to financial year end

There is no acquisition of subsidiary company subsequent to the financial year end.

7.3 Disposal of subsidiary companies

7.3.1 Current financial year

During the current financial year, the Group completed the disposal of its entire equity interest of 92.31% in REDtone Asia Inc ("REDtoneAsia") for a consideration of RMB36.11 million (about RM22.16 million).

7. SUBSIDIARY COMPANIES (CONTINUED)

7.3 Disposal of subsidiary companies (continued)

7.3.2 Previous financial year

(i) The Group completed the disposal of 10 million ordinary shares of RM1.00 each, representing 100% equity interest in Berjaya Bandartex Sdn Bhd for a cash consideration of about RM16.6 million;

(ii) The Group completed the disposal of 5 million ordinary shares of RM1.00 each, representing 100% equity interest in Berjaya Knitex Sdn Bhd for a cash consideration of about RM11.1 million; and

(iii) The Group completed the disposal of its entire 100% interest in Berjaya Environmental Engineering (Foshan) Co Ltd for a cash consideration of RMB126.75 million or about RM84.0 million.

7.3.3 Effects of disposal

The effects of the disposal on the financial position of the Group are disclosed in the Consolidated Statement of Cash Flows, Note (b).

The acquisition, incorporation or disposal of subsidiary companies during the financial year which do not have any material effect on the financial position of the Group and of the Company are not listed above.

7.4 Subsidiary companies with material non-controlling interests

The Group regards the non-controlling interests of the following subsidiary companies material to the Group and is set out below. The equity interests held by non-controlling interests are as follows:

	Equity interest held by non-controlling interests	
	2017	2016
Name	%	%
Berjaya Land Berhad ("BLand")	28.6	40.6
BFood	56.6	57.1
REDtone	48.3	48.3

Summarised financial information of subsidiary companies which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination and after modifying for fair value adjustments arising from business combination.

7. SUBSIDIARY COMPANIES (CONTINUED)

7.4 Subsidiary companies with material non-controlling interests (continued)

GROUP

At 30 April 2017	BLand RM'000	BFood RM'000	REDtone RM'000	Total RM'000
Non-current assets	8,653,491	698,240	366,060	9,717,791
Current assets	4,279,692	90,795	165,799	4,536,286
Non-current liabilities	(3,118,991)	(136,711)	(74,927)	(3,330,629)
Current liabilities	(3,113,550)	(277,994)	(94,984)	(3,486,528)
Net assets	6,700,642	374,330	361,948	7,436,920
Equity attributable to equity holders of the parent	3,531,350	169,821	182,384	3,883,555
Non-controlling interests	3,169,292	204,509	179,564	3,553,365
Total equity	6,700,642	374,330	361,948	7,436,920
Year ended 30 April 2017				
Revenue	6,371,366	605,441	150,567	7,127,374
Profit/(Loss) for the year	436,605	6,332	(5,866)	437,071
Other comprehensive income	146,967	(2,466)	3,337	147,838
Total comprehensive income for the year	583,572	3,866	(2,529)	584,909
Profit/(Loss) for the year				
- Owners of the parent	247,649	4,913	(2,774)	249,788
- Non-controlling interests	188,956	1,419	(3,092)	187,283
	436,605	6,332	(5,866)	437,071
Total comprehensive income attributable to:				
- Owners of the parent	339,954	4,481	173	344,608
- Non-controlling interests	243,618	(615)	(2,702)	240,301
	583,572	3,866	(2,529)	584,909
Year ended 30 April 2017				
Net cash (used in)/generated from:				
Operating activities	55,465	75,093	(25,322)	105,236
Investing activities	(187,643)	(78,624)	13,697	(252,570)
Financing activities	(54,116)	(8,180)	6,590	(55,706)
Net change in cash and cash equivalents	(186,294)	(11,711)	(5,035)	(203,040)
Dividends paid to non-controlling interests	(110,666)	(5,683)	-	(116,349)

7. SUBSIDIARY COMPANIES (CONTINUED)

7.4 Subsidiary companies with material non-controlling interests (continued)

GROUP

At 30 April 2016	BLand RM'000 (Restated)	BFood RM'000	REDtone RM'000	Total RM'000 (Restated)
Non-current assets	9,439,453	630,710	368,467	10,438,630
Current assets	5,195,291	115,947	178,538	5,489,776
Non-current liabilities	(4,286,606)	(177,606)	(75,941)	(4,540,153)
Current liabilities	(3,194,224)	(180,545)	(101,198)	(3,475,967)
Net assets	7,153,914	388,506	369,866	7,912,286
Equity attributable to equity holders of the parent	3,264,100	171,405	185,959	3,621,464
Non-controlling interests	3,889,814	217,101	183,907	4,290,822
Total equity	7,153,914	388,506	369,866	7,912,286
Year ended 30 April 2016				
Revenue	6,283,997	554,363	153,101	6,991,461
(Loss)/Profit for the year	(146,093)	17,542	(39,640)	(168,191)
Other comprehensive income	78,419	(650)	757	78,526
Total comprehensive income for the year	(67,674)	16,892	(38,883)	(89,665)
(Loss)/Profit attributable to:				
- Owners of the parent	(218,530)	11,083	(15,887)	(223,334)
- Non-controlling interests	72,437	6,459	(23,753)	55,143
	(146,093)	17,542	(39,640)	(168,191)
Total comprehensive income attributable to:				
- Owners of the parent	(176,760)	11,091	(19,532)	(185,201)
- Non-controlling interests	109,086	5,801	(19,351)	95,536
	(67,674)	16,892	(38,883)	(89,665)
Year ended 30 April 2016				
Net cash generated from/(used in):				
Operating activities	921,899	42,613	27,747	992,259
Investing activities	303,497	(51,357)	21,028	273,168
Financing activities	(1,180,378)	8,551	(47,336)	(1,219,163)
Net change in cash and cash equivalents	45,018	(193)	1,439	46,264
Dividends paid to non-controlling interests	(109,048)	(9,496)	-	(118,544)

8. ASSOCIATED COMPANIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
At cost:				
Quoted shares - in Malaysia	519,933	482,124	257,682	227,917
Quoted shares - outside Malaysia	104,209	176,853	-	-
Unquoted shares	459,065	457,377	50	-
Less: Unrealised profit on transactions with associated companies	(7,012)	(6,343)	-	-
	1,076,195	1,110,011	257,732	227,917
Group's share of post acquisition reserves	283,652	294,765	-	-
	1,359,847	1,404,776	257,732	227,917
Less: Accumulated impairment				
- Quoted shares in Malaysia	(9,348)	(9,348)	-	-
- Quoted shares outside Malaysia	(51,435)	(46,575)	-	-
- Unquoted shares	(83,721)	(76,644)	-	-
	(144,504)	(132,567)	-	-
	1,215,343	1,272,209	257,732	227,917
Carrying value of:				
Quoted shares - in Malaysia	688,991	639,338	257,682	227,917
Quoted shares - outside Malaysia	8,914	151,339	-	-
Unquoted shares	517,438	481,532	50	-
	1,215,343	1,272,209	257,732	227,917
Market value:				
Quoted shares - in Malaysia	531,277	473,676	293,910	280,328
Quoted shares - outside Malaysia	8,941	207,549	-	-

Certain quoted shares of the Group and of the Company costing RM312,120,000 (2016: RM378,210,000) and RM220,262,000 (2016: RM227,704,000) respectively, have been pledged to financial institutions for credit facilities granted to the Company and certain subsidiary companies.

During the financial year, the Group recognised total impairment loss amounting to RM13,824,000 (2016: RM136,743,000) as disclosed in Note 33(c)(ii), in associated companies with recoverable amount of RM25,307,000 (2016: RM390,229,000)

The Group's equity interest in the associated companies, their respective principal activities and country of incorporation are shown in Note 48.

8. ASSOCIATED COMPANIES (CONTINUED)

During the current financial year, the value of a quoted investment in associated company was not impaired to its market value as the directors have evaluated that the fair values of the underlying assets of this associated company quoted in Malaysia, to be higher than or equal to its carrying value.

Although the Group holds less than 20% of the voting shares in Berjaya Assets Berhad ("BAssets") and Berjaya Media Berhad, the Group exercises significant influence by virtue of its ability to participate in the financial and operating policy decisions of these companies by way of representation on their respective boards of directors.

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

GROUP	Atlan Holdings Bhd	Berjaya Assets Berhad	Berjaya Sompo Insurance Berhad	Total
2017	RM'000	RM'000	RM'000	RM'000
Non-current assets	285,101	3,105,227	1,384,114	4,774,442
Current assets	660,064	304,493	493,381	1,457,938
Non-current liabilities	(65,198)	(1,008,397)	(8,759)	(1,082,354)
Current liabilities	(231,187)	(210,529)	(1,099,056)	(1,540,772)
Net assets	648,780	2,190,794	769,680	3,609,254
Equity attributable to:				
Owners of the associated company	480,316	2,181,443	769,680	3,431,439
Non-controlling interests of the associated company	168,464	9,351	-	177,815
Total equity	648,780	2,190,794	769,680	3,609,254

GROUP	Atlan Holdings Bhd	Berjaya Assets Berhad	Berjaya Sompo Insurance Berhad	Total
2016	RM'000	RM'000	RM'000	RM'000
Non-current assets	298,860	3,190,116	1,194,088	4,683,064
Current assets	517,431	294,046	372,617	1,184,094
Non-current liabilities	(81,908)	(788,664)	(3,136)	(873,708)
Current liabilities	(246,084)	(425,531)	(859,669)	(1,531,284)
Net assets	488,299	2,269,967	703,900	3,462,166
Equity attributable to:				
Owners of the associated company	397,032	2,260,437	703,900	3,361,369
Non-controlling interests of the associated company	91,267	9,530	-	100,797
Total equity	488,299	2,269,967	703,900	3,462,166

8. ASSOCIATED COMPANIES (CONTINUED)

GROUP 2017	Atlan Holdings Bhd RM'000	Berjaya Assets Berhad RM'000	Berjaya Sompo Insurance Berhad RM'000	Total RM'000
Revenue	809,435	368,860	749,178	1,927,473
Profit/(Loss) for the year	75,599	(76,834)	53,430	52,195
Other comprehensive income	1,236	(1,919)	12,350	11,667
Total comprehensive income for the year	76,835	(78,753)	65,780	63,862
Profit/(Loss) for the year attributable to:				
- owners of the associated company	54,536	(77,838)	53,430	30,128
- non-controlling interests of the associated company	21,063	1,004	-	22,067
	75,599	(76,834)	53,430	52,195
Total comprehensive income attributable to:				
- owners of the associated company	55,664	(78,994)	65,780	42,450
- non-controlling interests of the associated company	21,171	241	-	21,412
	76,835	(78,753)	65,780	63,862
Dividends received from the associated companies during the year	15,237	-	-	15,237

GROUP 2016	Atlan Holdings Bhd RM'000	Berjaya Assets Berhad RM'000	Berjaya Sompo Insurance Berhad RM'000	Total RM'000
Revenue	768,058	391,993	691,717	1,851,768
Profit for the year	56,364	24,200	82,628	163,192
Other comprehensive income	-	832	(17,375)	(16,543)
Total comprehensive income for the year	56,364	25,032	65,253	146,649
Profit for the year attributable to:				
- owners of the associated company	43,084	17,192	82,628	142,904
- non-controlling interests of the associated company	13,280	7,008	-	20,288
	56,364	24,200	82,628	163,192
Total comprehensive income attributable to:				
- owners of the associated company	43,084	17,343	65,253	125,680
- non-controlling interests of the associated company	13,280	7,689	-	20,969
	56,364	25,032	65,253	146,649
Dividends received from the associated companies during the year	11,675	1,824	-	13,499

8. ASSOCIATED COMPANIES (CONTINUED)

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

GROUP 2017	Atlan Holdings Bhd RM'000	Berjaya Assets Berhad RM'000	Berjaya Sompo Insurance Berhad RM'000	Total RM'000
Attributable to the owners of associated companies:				
Net assets at beginning of year	397,032	2,260,437	703,900	3,361,369
Profit/(Loss) for the year	54,536	(77,838)	53,430	30,128
Other comprehensive income	1,128	(1,156)	12,350	12,322
Dividends paid during the year	(59,320)	-	-	(59,320)
Other transactions with owners	86,940	-	-	86,940
Net assets at end of year	480,316	2,181,443	769,680	3,431,439
Group's equity interest	26.69%	16.90%	30.00%	
Interest in associated companies	128,192	368,613	230,904	727,709
Goodwill	186,337	187	158,400	344,924
Exchange differences	2,623	-	-	2,623
Unrealised profit on transaction with associated company	-	-	(7,033)	(7,033)
Adjustments	-	873	-	873
Less: Intragroup adjustments	-	(2,451)	-	(2,451)
Carrying value of Group's interest in associated companies	317,152	367,222	382,271	1,066,645

GROUP 2016	Atlan Holdings Bhd RM'000	Berjaya Assets Berhad RM'000	Berjaya Sompo Insurance Berhad RM'000	Berjaya Auto Berhad RM'000	Total RM'000
Attributable to the owners of associated companies:					
Net assets at beginning of year	398,329	2,118,182	638,647	473,605	3,628,763
Profit for the year	43,084	17,192	82,628	197,629	340,533
Other comprehensive income	-	151	(17,375)	152	(17,072)
Dividends paid during the year	(44,389)	(11,130)	-	(147,248)	(202,767)
Other transactions with owners	8	136,042	-	7,103	143,153
Net assets at end of year	397,032	2,260,437	703,900	531,241	3,892,610
Group's equity interest	26.69%	16.38%	30.00%	14.05%	
Interest in associated companies	105,964	370,207	211,170	74,615	761,956
Goodwill	186,406	187	158,400	277,427	622,420
Exchange differences	1,354	-	-	-	1,354
Unrealised profit on transaction with associated company	-	-	(6,343)	(894)	(7,237)
Transfer to assets held for sale	(29,886)	-	-	(351,148)	(381,034)
Less: Intragroup adjustments	-	(2,279)	-	-	(2,279)
Carrying value of Group's interest in associated companies	263,838	368,115	363,227	-	995,180

8. ASSOCIATED COMPANIES (CONTINUED)

Aggregate information of associated companies that are not individually material:

	Group 2017 RM'000	Group 2016 RM'000
The Group's share of profit for the year	43,478	27,059
The Group's share of other comprehensive income	(3,647)	(3,342)
The Group's share of total comprehensive income for the year	39,831	23,717
Aggregate carrying amount of the Group's interests in these associated companies	148,698	277,029

The Group has discontinued the recognition of its share of losses of certain associated companies because the share of losses of these associated companies has exceeded the Group's interest in these associated companies. As at the reporting date, the Group's cumulative unrecognised share of losses in these associated companies amounted to RM29,385,000 (2016: RM28,866,000), which exceeded the Group's interest in these associated companies. Accordingly, the Group did not recognise its share of the current year loss amounting to RM519,000 (2016: share of loss of RM30,000) of these associated companies.

9. JOINT VENTURES

	Group 2017 RM'000	Group 2016 RM'000
Contributed legal capital/cost of investment	334,101	310,955
Share of post-acquisition reserves	(193,637)	(191,249)
Exchange differences	7,887	4,070
	148,351	123,776
Less : Accumulated impairment	(28,644)	(28,644)
	119,707	95,132

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	% of ownership interest held by the Group 2017	% of ownership interest held by the Group 2016	Principal activities
Held by Berjaya Leisure (Cayman) Limited				
Berjaya-Handico12 Co Ltd	Socialist Republic of Vietnam	80.0	80.0	Property investment and development.
RC Hotel and Resort JV Holdings (BVI) Company Limited	British Virgin Islands	56.7	56.7	Investment holding.
Held by T.P.C. Development Limited				
T.P.C. Nghi Tam Village Limited ("TPC")	Socialist Republic of Vietnam	75.0	75.0	Developer and operator of an international standard five star hotel.