



**BERJAYA**

**BERJAYA CORPORATION BERHAD**

[Registration No. 200101019033 (554790-X)]

برجاي كورپوريشن برحد

成功集團有限公司

20

ANNUAL REPORT





The corporate logo comprises the word BERJAYA in blue and a symbol made up of four outward-facing Bs in green with blue lining around the circumference and a blue dot in the centre.

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

## VISION

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

## MISSION

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

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

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*The swimming pool at The Ritz-Carlton Residences Kuala Lumpur.*

**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.

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

### Executive Chairman

Tan Sri Dato' Seri Vincent Tan Chee Youn

### 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

Datuk Robert Yong Kuen Loke

Dr Jayanthi Naidu G. Danasamy

Penelope Gan Paik Ling

## AUDIT COMMITTEE

### Chairman/Senior Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

### Independent Non-Executive Directors

Dr Jayanthi Naidu G. Danasamy

Penelope Gan Paik Ling

## SECRETARIES

Tham Lai Heng Michelle  
(MAICSA No. 7013702)  
(SSM PC No. 202008001622)

Wong Siew Guek  
(MAICSA No. 7042922)  
(SSM PC No. 202008001490)

Soh Ley Moi  
(MAICSA No. 7049925)  
(SSM PC No. 202008003510)

## SHARE REGISTRAR

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

## AUDITORS

Messrs Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & 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  
CIMB Bank Berhad  
OCBC Bank (Malaysia) Berhad  
RHB Bank Berhad  
AmBank (M) 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



**TAN SRI DATO' SERI VINCENT  
TAN CHEE YIOUN**  
EXECUTIVE CHAIRMAN

AGE	NATIONALITY	GENDER
68	MALAYSIAN	MALE

He was previously appointed to the Board of the Company on 15 September 2005 as the Chairman/Chief Executive Officer ("CEO"). Subsequently on 1 January 2011, he relinquished his position as the CEO and remained as the Chairman of the Company until his retirement on 23 February 2012.

On 1 November 2017, Tan Sri Dato' Seri Vincent Tan Chee Yioun was re-appointed as the Executive Chairman of the Company.

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

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

His children, Dato' Sri Robin Tan Yeong Ching and Ms Nerine Tan Sheik Ping are also members of the Board.



**DATO' SRI ROBIN TAN  
YEONG CHING**  
CHIEF EXECUTIVE OFFICER

AGE	NATIONALITY	GENDER
46	MALAYSIAN	MALE

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. Subsequently on 1 November 2017, he relinquished his position as the Chairman of the Company and continues to remain as the CEO of the Company.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chairman of Berjaya Media Berhad and Informatics Education Ltd, Singapore and a Director of Atlan Holdings Bhd and KDE Recreation Berhad. He is also an Executive Director of Berjaya Golf Resort Berhad, Bukit Kiara Resort Berhad and Staffield Country Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

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

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

## PROFILE OF DIRECTORS



**VIVIENNE CHENG CHI FAN**  
EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
61	MALAYSIAN	FEMALE

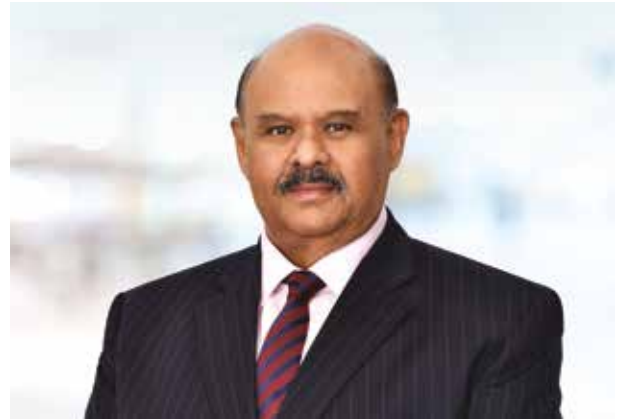
She was appointed to the Board on 15 September 2005 as an Executive Director.

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 an Executive Director of Berjaya Group Berhad and a Director of Cosway Corporation Berhad and several other private limited companies in the Berjaya Corporation group of companies.

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



**DATO' SRI AZLAN MEAH  
BIN HJ AHMED MEAH**  
EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
64	MALAYSIAN	MALE

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 35 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, education, financial services, green technology and environmental services. He is also actively involved in projects related to privatization and government incentives, 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.

Currently, Dato' Sri Azlan Meah Bin Hj Ahmed Meah is an Executive Director of Berjaya Group Berhad and a Director of Berjaya Hills Resort Berhad, and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

## PROFILE OF DIRECTORS



**DATO' ZURAINAH BINTI MUSA**  
EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
58	MALAYSIAN	FEMALE

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. She has more than 25 years of experience in the field of Human Resource Management and Development and is well skilled in the art of Networking, Negotiations and Human Relationship Management. Her experience includes inter-alia, the designing, developing, managing, organising and conducting training program and courses as well as providing 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.

Previously, she was a Director of Berjaya Food Berhad from May 2010 to January 2017 and Federal Agricultural Marketing Authority (FAMA) from September 2013 to July 2018.

Currently, Dato' Zurainah Binti Musa is a Director of Boustead Holdings Berhad, Uzma Berhad and Tioman Island Resort Berhad. She also holds directorships in several other private limited companies and also in Uzma Berhad's group of 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**  
EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
44	MALAYSIAN	FEMALE

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

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

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

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

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

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

## PROFILE OF DIRECTORS



**CHAN KIEN SING**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
64	MALAYSIAN	MALE

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

Currently, Mr Chan Kien Sing is a Director of Berjaya Sports Toto Berhad, Berjaya Assets Berhad, 7-Eleven Malaysia Holdings Berhad and Berjaya Media Berhad. He also holds directorships in several other private limited companies.



**DATUK ROBERT YONG KUEN LOKE**

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
68	MALAYSIAN	MALE

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, Berjaya Assets Berhad and Berjaya Media Berhad.

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



## PROFILE OF DIRECTORS



**DR JAYANTHI NAIDU G. DANASAMY**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
44	MALAYSIAN	FEMALE

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 namely, Synergio and BoomGrow Productions Sdn Bhd.

Dr Jayanthi Naidu G. Danasamy is a member of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company.



**PENELOPE GAN PAIK LING**  
INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	NATIONALITY	GENDER
44	MALAYSIAN	FEMALE

She was appointed to the Board on 30 March 2018.

She is a law graduate from University of Sheffield, United Kingdom (LLB Hons). In 2001, she completed her Malaysian Certificate of Legal Practice and was subsequently admitted to the High Court of Malaya as an advocate and solicitor in year 2003.

She has over 15 years of legal practice as an advocate and solicitor. Additionally, she was an in-house legal advisor for a multinational company. Her experience in various areas of law is proved to be invaluable as she has gained extensive experience from conveyance of properties to drafting of various corporate and securities agreements.

She is the founder of Messrs Penelope G, a legal firm which provides professional legal services to corporations, financial institutions, developers, statutory bodies as well as individual clients.

Ms Penelope Gan Paik Ling is a member of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company.

Save as disclosed, none of the Directors have:-

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

# KEY SENIOR MANAGEMENT

## ERNEST LAU LUB DING

AGE	NATIONALITY	GENDER
54	MALAYSIAN	MALE

**Chief Financial Officer  
Berjaya Corporation Berhad**

He was appointed as Chief Financial Officer of Berjaya Corporation Berhad on 1 January 2019.

He has a Bachelor of Accounting (Hons) degree from University Malaya. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Chartered Tax Institute of Malaysia.

He started his career with KPMG and during his tenure there, he was involved in the audit of companies in the various financial sectors such as banking, stock broking and insurance.

In 1993, he joined Berjaya Group Berhad in the Group Accounts division. He has been with the Berjaya Group for more than 25 years and has been involved in group reporting and various corporate exercises of the Group.

## SYED ALI SHAHUL HAMEED

AGE	NATIONALITY	GENDER
49	INDIAN	MALE

**Chief Executive Officer  
Berjaya Land Berhad**

He was appointed to the Board of Berjaya Land Berhad (“BLand”) on 20 March 2019 as an Executive Director and subsequently appointed as the Chief Executive Officer of BLand on 8 August 2019. He holds a Bachelor of Engineering degree from Institute of Road & Transport Technology, Bharathiar University at Coimbatore.

He began his career as a lecturer in a Technical Institution for a short stint of 2 years before embarking his journey in the Hospitality Industry. He joined BLand on 4 September 1997 as an Assistant Engineer at Berjaya Tioman Resort and rose to the position of Chief Engineer on 4 September 2003. He held the position of Director of Engineering & Technical Services since 20 January 2009 before his appointment as Corporate Director, Engineering & Technical Services of Berjaya Hotels & Resorts Division on 1 April 2009. He was subsequently appointed as Director, Property Development and Complexes, Property Division on 11 March 2019.

During his stint of over 23 years in BLand, he has a myriad of exposure in the area of due diligence and technical involvement with Inter-Continental and Sheraton Hotels in Hanoi as well as Four Seasons and Ritz Carlton projects.

He was also actively involved in the Four Seasons Hotel and Hotel Residences, Kyoto and The Ritz-Carlton Residences Kuala Lumpur.

On the engineering field, he oversees the maintenance aspects of the properties and was entrusted to spearhead various in-house renovation projects in BLand properties.

On the hospitality business, he has acquired experience in managing interior design projects as well as corporate purchasing ranging from designer products, construction items and food & beverage goods.

Currently, he is responsible for overseeing all the engineering aspects of all BLand properties in Malaysia and overseas; leading the operations in Japan for the Four Seasons Resort and Private Residences Okinawa and the Four Seasons Yokohama. He is also managing all the local and overseas property development projects as well as the Group’s complexes.

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

### SEOW SWEE PIN

AGE	NATIONALITY	GENDER
63	MALAYSIAN	MALE

**Non-Independent 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 and the Malaysian Institute of Accountants. He worked with Ernst & Young from 1976 to 1984 where he last held the position as an Audit Manager. Between 1984 and 1990, he held senior management position in several major public listed groups.

He joined Berjaya Group in 1991 and was subsequently appointed as General Manager (Finance) of Sports Toto Malaysia Sdn Bhd in 1993. He was promoted to Senior General manager in 1996 and Executive Director in 2008.

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

### SYDNEY LAWRANCE QUAYS

AGE	NATIONALITY	GENDER
52	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 the Chairman of the Employees' Share Scheme Committee and a member of the Sustainability 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 ("Starbucks") holding the position as 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 Award" in years 2014 and 2016 respectively and "The Asia Responsible Entrepreneur" in 2016.

Currently, he is overseeing the day-to-day operation decisions for BStarbucks, Berjaya Roasters (M) Sdn Bhd ("BROasters"), Jollibean Foods Pte Ltd ("JFPL") and BFood Supreme. He is responsible for developing the business strategies and directions for business growth and new market expansion as well as preparing and implementing comprehensive business and marketing plans, bringing new and innovative ideas to build sales and elevate brand status. In addition, he is responsible for the financial performance, profitability and future prospects of the businesses.

He is Managing Director of Berjaya Food Trading Sdn Bhd ("BFood Trading") and is responsible for the growth of BFood Trading, which operates the fast-moving consumer goods ("FMCG") business, overseeing the expansion of the FMCG business into different channels and other retail sections as well as the implementation of new products.

He is also a Director of BROasters, Berjaya Jollibean (M) Sdn Bhd, JFPL, Berjaya Food (International) Sdn Bhd, and holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

## KEY SENIOR MANAGEMENT

### LAU BIK SOON

AGE	NATIONALITY	GENDER
49	MALAYSIAN	MALE

**Group Chief Executive Officer  
REDtone International Berhad**

He was appointed to the Board of Directors of REDtone on 13 August 2008. He assumed the position of REDtone's Group Chief Executive Officer on 8 July 2011. He has a First Class Honours Degree in Electrical Engineering from University Technology Malaysia.

Having guided REDtone to achieve a firm footing in the data and broadband space, he will continue to play a significant role in driving REDtone as it expands its spectrum of offerings, particularly in the area of digital services and infrastructure. He was awarded the 2014 Asia Pacific Entrepreneurship Awards, a regional award for outstanding entrepreneurship.

His extensive experience in the ICT and telecommunications industry spans over 26 years during which he held key positions with international organisations such as Cisco Systems, Sun Microsystems, Compaq Computer, TQC Consultant (IT Division) Sdn Bhd and Motorola. He won numerous sales management excellence awards and accolades during his time there. Prior to joining REDtone, he was the Country Manager for Hitachi Data Systems Malaysia.

### HEW CHIT KONG

AGE	NATIONALITY	GENDER
55	MALAYSIAN	MALE

**Corporate Director, Finance  
Berjaya Hotels & Resorts Division**

He is a member of The Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has over 28 years of working experience in the fields of accounting, audit and financial management. He started his career as an Audit Assistant in Messrs Anuarul, Azizan, Chew & Co, a public accounting firm in Kuala Lumpur from 1991 to 1995 where he last held the position of an Audit Manager. Between 1996 and 2001, he held senior management positions in several private limited companies.

He joined Berjaya Golf Resort Berhad in 2002 as a Finance Manager and was promoted to Senior Finance Manager and transferred to the Head Office to oversee the group accounting function of Berjaya Clubs Division in 2005. Subsequently, he was appointed as an Assistant General Manager (Finance) of the Berjaya Hotels & Resorts, a division of Berjaya Land Berhad in June 2007.

He was appointed as Corporate Director, Finance on 1 April 2009.

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

### KHOR POH WAA

AGE	NATIONALITY	GENDER
64	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 2021.

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

### CHOCK ENG TAH

AGE	NATIONALITY	GENDER
62	MALAYSIAN	MALE

**Managing Director**  
**Berjaya Enviroparks Sdn Bhd**  
(formerly known as  
KUB-Berjaya Enviro Sdn Bhd)

He was appointed to the Board of Berjaya Enviroparks Sdn Bhd as the Managing Director on 28 September 2005. He is also the Managing Director of Berjaya Energies Sdn Bhd, Executive Director of Berjaya Project Management Sdn Bhd, the Chairman and Managing Director of Amita Berjaya Sdn Bhd, Managing Director of Berjaya Enviro Holdings Sdn Bhd and Director of several local and overseas subsidiaries of Berjaya Corporation Berhad.

He graduated with a Bachelor of Civil Engineering and has 38 years of working experience in the civil engineering and construction industry.

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

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

# EXECUTIVE CHAIRMAN'S MESSAGE

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 June 2020.

## FINANCIAL RESULTS

For the previous 14-month period ended 30 June 2019, the Group reported a revenue of RM9.79 billion and pre-tax profit of RM423.54 million. The revenue was mainly contributed by the gaming and motor distribution business segments.

The pre-tax profit for the 14-month period included the substantial gain realised on the disposal of a joint venture of RM195.74 million, the gain on disposal of subsidiary companies of RM95.71 million, the impairment in associated companies, unfavourable fair value changes of investment properties, impairment of goodwill and certain assets recorded then.

The Group registered a revenue of RM6.99 billion and pre-tax profit of RM145.22 million for the financial year under review. The gaming business segment and motor distribution business were the main contributors to the Group's revenue.

Owing to the COVID-19 pandemic, the Group's operations were impacted by the implementation of the lockdown measures by the various countries which resulted in the closure of operations of its subsidiaries.

Sports Toto Malaysia Sdn Bhd (“Sports Toto”) cancelled 40 draws from 18 March 2020, upon commencement of the Movement Control Order (“MCO”) implemented by the Malaysian Government to 16 June 2020, and only resumed operation on 17 June 2020. The operation of H.R. Owen PLC (“H.R. Owen”) in the United Kingdom (“UK”) was shut down for more than 2 months in compliance with the UK government's lockdown order during the period from 23 March 2020 to 31 May 2020.

The restaurants and cafes business segment recorded negative same-store-sales growth which caused a reduction in gross profit contribution.

The hotels and resorts business segment reported significantly low average occupancy and room rates arising from the low tourist arrivals recorded since January 2020.

The pre-tax profit of the financial year under review was mainly contributed by the significant gain of RM669.79 million arising from the disposal of the trust beneficial interest on the hotel component of the Four Seasons Hotel & Hotel Residences Kyoto, Japan. This gain offset the operating losses and impairment of certain assets of the Group.

## DIVIDEND

The directors declared and approved on 28 August 2020, a first interim share dividend via distribution of treasury shares on the basis of 4 treasury shares for every 100 existing ordinary shares held (equivalent to a dividend of approximately 1.08 sen per share) for the financial year ended 30 June 2020. The total dividend amounted to about RM52.851 million and it was credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 15 October 2020.



*H.R. Owen's special edition Bentley Bentayga – a Jack Barclay-Huntsman collaboration.*

### SIGNIFICANT CORPORATE DEVELOPMENTS

Following the previous financial period's report, Berjaya Corporation Berhad ("BCorp") and its subsidiaries proposed and completed several corporate exercises and I wish to highlight the following significant corporate developments:

1. On 13 July 2019, Berjaya Property Ireland Limited ("BPIL"), a wholly-owned subsidiary of B-Land, has entered into a Share Purchase Agreement ("SPA") with Icelandair Group hf. ("Seller") for the proposed acquisition of 75% stake in Icelandair Hotels ehf, which will acquire 100% of Hljomalindarreitur ehf and certain hotels and real estate assets in Iceland ("New Icelandair Hotels Group") for a total cash consideration of approximately USD53.63 million (or about RM222.03 million) ("Acquisition").

On 24 December 2019, B-Land announced that a total of USD15.0 million has been paid towards the purchase consideration. The final balance payment was to be determined and accordingly, on 28 February 2020, B-Land announced that the balance of the final payment has been determined at USD40.31 million.

As announced on 3 April 2020, a total of USD35 million has already been paid to the Seller, leaving a balance of USD20.31 million which a discount of USD10.00 million has been granted. The final net balance due of USD10.31 million was paid on 3 April 2020 and the Acquisition was completed on even date.

2. On 7 February 2020, B-Land announced that its 80%-owned subsidiary, BDS Smart City Co., Ltd ("BDS") has entered into a concession agreement ("CA") with the Government of Yangon Region ("YRG"), the Republic of Union of Myanmar to formalise a collaboration in undertaking a housing and mixed development project on 12 parcels of land ("Land") in Dagon Seikkan Township, Yangon Region, Myanmar.

Pursuant to the CA, BDS will own the exclusive rights over the Land for a period of 50 years from the date on which the conditions precedent of the CA are fulfilled (or waived) and further extendable for 2 consecutive terms of 10 years each. In consideration of the rights granted by YRG to BDS under the CA, BDS shall pay in the following manner:

- (i) cash of USD3.00 million (or about RM12.27 million); and
- (ii) the affordable housing with an estimated net floor area of about 242,800 square meters (or an equivalent number of units worth) valued at USD182.76 million (or about RM747.49 million).

3. On 28 February 2020, BCorp announced that its subsidiary, Kyoto Higashiyama Hospitality Assets Tokutei Mokuteki Kaisha ("KHHA") entered into a Real Property Trust Beneficial Interest Purchase and Sale Agreement with Godo Kaisha Tigre ("Tigre") for the disposal by KHHA of the trust beneficial interest in the hotel component of Four Seasons Hotel & Hotel Residences Kyoto in Japan ("Hotel") to Tigre for a cash consideration of JPY49.00 billion (about RM1.87 billion) ("Disposal"). The Disposal was completed on 10 March 2020 and Berjaya Kyoto Development Kabushiki Kaisha ("BKD"), another indirect subsidiary of BCorp, had on even date entered into an Amended and Restated Fixed Term Building Lease Agreement with Mitsubishi UFJ Trust and Banking Corporation and Tigre for the leaseback of the Hotel for a period of about 17 years.

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

On 30 June 2020, B-Land announced that the Seoul Central District Court has rendered a mediation decision at the request of the parties to the JDC Lawsuit based upon the principal terms of their settlement negotiations and a Settlement Agreement was entered into with JDC ("Settlement").

On 28 August 2020, B-Land announced that the Settlement was completed and that BJR ceased as a subsidiary of the Group. The Settlement sum after taxes and expenses received by the Group was about KRW102.1 billion (equivalent to about RM361.0 million).

### FUTURE PROSPECTS

Malaysia's Gross Domestic Product ("GDP") contracted by 8.3% year-on-year in the first half of 2020, as consumption, exports and investment were impacted by the COVID-19 pandemic, with restrictions on travel and business activity, as well as weak labour market conditions resulting from layoffs and salary cuts curbing household and consumer spending. The Government's fiscal stimulus and liquidity support, equivalent to 20% of the GDP, is anticipated to boost domestic demand.

## EXECUTIVE CHAIRMAN'S MESSAGE

Following the global outbreak of the COVID-19 pandemic, many governments had imposed varying degrees of lockdown as a preventive measure to curb the outbreak. The earlier phases of lockdown in Malaysia and globally which required temporary closure of all businesses except for those involved in the provision of essential services and products had resulted in closure of the business operations of the Group for varied periods of time during the third and fourth quarters of the financial year under review. Economic activities progressively resumed with the gradual easing of the global population lockdown. Malaysia has now eased into the recovery phase of the MCO which will end on 31 December 2020.

The financial year under review was challenging for Sports Toto with the closure of its operations for 3 months from 18 March 2020 to 16 June 2020 whereby Sports Toto had to forego a total of 40 draws.

Nevertheless, Sports Toto created a total of 35 millionaires and paid a total amount of RM341.0 million as jackpot prizes from its four jackpot games during the financial year under review. Sports Toto has also maintained its position as the market leader among all the Number Forecast Operators ("NFO") in the country in terms of total revenue. The company is cautiously optimistic that its business will remain resilient as it had during past economic crises and turbulent periods and is confident that it will continue to maintain its market share in the NFO business for the financial year 2021.

In Vietnam, the Group's lottery business is now in 57 provinces with 5 games in the market. In the financial year 2021, the Group will be expanding the lottery operations to the remaining 6 provinces, as well as launch more lottery products to capture a larger market segment. The Group will also introduce betting via mobile phones in the fourth quarter of 2020.

As for the restaurants and cafes business segment, the Group will continue to leverage on the strength of Starbucks' brand position as the leading premium coffee company in the market and expand the business through new store openings in strategic locations. The Group has also opened Berjaya Café, which serves contemporary vegetarian cuisine, and invested in popular local plant-based restaurant, Sala KL with the aim of growing its presence in Malaysia and beyond. The Group believes that the demand and interest in plant-based alternatives will continue to grow as consumers become increasingly discerning about their food and lifestyle choices.

The introduction of new products and packaged goods such as Jollibean's Ban Heang products and YouTiao Chips, and Starbucks' Bottled Frappuccino and Double Shot range of products has created an additional revenue stream for the Group. This has also inadvertently created a stronger brand presence as the products are carried in major retail outlets throughout Malaysia and Singapore.



*Berjaya Cafe at Berjaya Times Square Hotel Kuala Lumpur.*

The tourism industry bears the brunt of the COVID-19 pandemic with the continued closure of international borders. Domestic tourism, although gradually increasing, is insufficient to kick start the currently sluggish tourism industry. As such, the Directors expect the occupancy rates and the revenue from events at the hotels and resorts business segment to remain low if the international borders remain closed. The incentives announced under the Short-Term Economic Recovery Plan ("PENJANA"), particularly for the hotels and resorts, motor industry and property development business segments, are expected to stimulate the country's economic activities.

Cosway Corporation Berhad ("Cosway") will focus its efforts on revenue growth in all its existing markets using digital marketing strategies to market its products to the younger generation of consumers who are geared towards online media. Cosway will also introduce more products targeted at its growing market of Muslim consumers, to increase its profit margin.

In the United Kingdom, H.R. Owen continues to be dependent on high volumes of new car sales to allow its business to make a healthy return, following the 2-month lockdown period from 23 March 2020 to 31 May 2020. The company will continue to further improve its business operations in order to generate revenue growth and remains cautiously optimistic about its future prospects, post COVID-19.

The property development business segment is expected to be impacted by slower property sales mainly due to the expected liquidity squeeze arising from the contraction of the economy in the short term. The Group's property development division will leverage on the various incentives introduced by the Malaysian Government under PENJANA and work on moving its property projects through innovative and aggressive sales packages. As physical distancing becomes a new normal, more consumers are moving towards e-commerce activities to procure goods and services. With this in mind, the Group's Property Development Division will utilise the various digital platforms available to reach its potential clients as well as tap on the growing buying interest from foreign buyers, especially in Hong Kong.



## EXECUTIVE CHAIRMAN'S MESSAGE

Overseas, in Japan, the Group will be continuing its partnership with Four Seasons Hotels and Resorts for a hotel development in Okinawa. The Four Seasons Resort and Private Residences Okinawa ("Four Seasons Okinawa") is part of the Group's master plan development site comprising about 100 acres of beach front land in Onna Village, along the western coast of the island, with easy access by highway from the airport and very near the major tourist attractions. The Four Seasons Okinawa will comprise about 35 acres of the project land area. It will be a relatively low-dense and low-rise resort development, offering a total of 279 accommodation units. A groundbreaking ceremony was held on 28 October 2020. Once ready, the Four Seasons Okinawa is expected to contribute positive returns for the Group.

### APPRECIATION

On behalf of the Board, I would like to thank all our loyal customers, business partners, financiers, and regulatory authorities, for your ongoing support and trust towards our Group especially when times were most challenging.

To the management and staff of the various operating companies within the Group, I would like to express my sincere gratitude and appreciation for your hard work and dedicated efforts in executing our business objectives throughout the year, and remaining resolute especially during the MCO period where various austerity measures had to be introduced to preserve business continuity.

I extend my heartfelt appreciation to my fellow colleagues on the Board for your support, commitment and valuable contributions and I look forward to your continued participation as we work together to ensure the continuous growth of the Group.

**TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN**  
Executive Chairman  
28 October 2020



**Groundbreaking Ceremony for The Four Seasons Resort and Private Residences Okinawa on 28 October 2020.**

- 1&2. (From left) Kokuba Gumi President, Kokuba Yukikazu; Land Owner Association Chairman, Shimabukuro Akira; Onna Village Counselor Chairman, Matayoshi Kaoru; Berjaya Okinawa Development Co Ltd Director, Tan Teng Yan; Onna Village Mayor, Nagahama Yoshimi; Kuniken Chairman, Higa Moritomo and Seikou Okinawa Construction Director, Izena Yoshio during the groundbreaking ceremony.
3. Guests of honour performing the Kuwarenogi (Ceremony of Hoe).
4. BCorp Executive Chairman, Tan Sri Dato' Seri Vincent Tan delivering his speech virtually from BCorp's head office in Kuala Lumpur.
5. Onna Village Mayor, Nagahama Yoshimi presenting his speech.

# MANAGEMENT DISCUSSION & ANALYSIS

Due to the change of financial year end from 30 April 2019 to 30 June 2019 in the last financial period, the financial results which were prepared for a 14-month financial period ended 30 June 2019 are not comparable to the results of the financial year under review.

## FINANCIAL SERVICES

### Inter-Pacific Capital Sdn Bhd (“IPC”)

#### Market Overview

After relatively calm conditions over the second half of 2019, the FBM KLCI underwent a tumultuous period in the ensuing quarter following the COVID-19 outbreak that necessitated a near complete shutdown of most economic activities in March and April 2020, greatly affecting GDP and corporate earnings performance. As a result, the FBM KLCI tumbled some 27.1% from end of the previous financial period ended 30 June 2019 of 1,672.13 points to a low of 1,219.72 points in March 2020 before staging a “V-shape” recovery to 1,500.97 points by the last day of June 2020. This follows the Government’s introduction of the PRIHATIN and PENJANA initiatives to cushion the country’s economy from the ill-effects of the COVID-19 pandemic. Further, Bank Negara Malaysia’s OPR and SRR reductions also helped to restore investor sentiment with the combination of lower interest rates and increased liquidity finding their way into the equity market, particularly on the lower liners and broader market shares as retail interest was re-ignited after a long hiatus. Overall, the FBM KLCI shed 10.2% during the financial year from 1 July 2019 to 30 June 2020.



IPC's stockbroking office in Penang.

During the financial year under review, average daily transactions on Bursa Malaysia amounted to 3.66 billion shares worth RM2.46 billion, compared to the previous financial period where the daily volume averaged 2.44 billion shares valued at RM2.19 billion. Much of the higher volumes were due to increased market volatility during the last quarter of the financial year.

Reflecting the increased market velocity, the overall value of transactions traded on Bursa Malaysia totalled RM640 billion for the financial year ended 30 June 2020. This represented an increase of 11.1% as compared to the annualised traded value of RM576 billion in the previous 14-month financial period ended 30 June 2019.

During the financial year under review, IPC recorded operating revenue of RM61.6 million compared to RM48.8 million recorded in the previous 14-month financial period ended 30 June 2019. Pre-tax profit tripled to RM31.5 million for the financial year ended 30 June 2020 compared to RM10.5 million recorded in the previous 14-month financial period ended 30 June 2019 due mainly to the increase in the overall volume of transactions on Bursa Malaysia and the doubling of IPC's market share.

#### Prospects and Outlook

With GDP and corporate earnings largely expected to be lower for 2020, attention has shifted to the anticipated recovery in 2021, particularly hopes for a stronger recovery as more economic activities resume. However, there are still substantive uncertainties to the outlook due to the continuing pandemic conditions globally that could adversely impact the recovery prospects. The stock market's recovery from its year low has also left valuations toppish and is likely to result in increasing market volatility, going forward.

Notwithstanding the lingering COVID-19 concerns and toppish market conditions, IPC is of the opinion that equities could stay elevated for longer, riding on hopes that a vaccine can be produced soon and a potentially firmer-than-expected economic recovery. At the same time, there remains an abundance of liquidity to sustain interest in equities, particularly from the retail segment, with Bank Negara's promise of prolonged easy monetary environment to provide much-needed impetus for the economy. The loose monetary conditions will also increase the risk appetite for equities as well as help lift both market breadth and depth. In view of the foregoing, IPC is optimistic that its results for the financial year ending 30 June 2021 will remain comparable to or better than the financial year ended 30 June 2020.

### MARKETING OF CONSUMER PRODUCTS AND SERVICES

#### Cosway Corporation Berhad (“Cosway”)

Cosway started its business in 1979. It is a home-grown company with its success in providing premium quality JAKIM-certified consumer products that appeal to a vast demographic of consumers in various markets locally as well as internationally.

Since 2005, Cosway has expanded internationally. To date, Cosway tirelessly works closely with its entrepreneurial business owners and networkers to creatively improve the sustainability of its business which has gradually evolved to a hybrid multi-level marketing model while leveraging on the usage of digital technology and marketing tools, which allows the business to expand further into social e-commerce digital marketing.

For the financial year ended 30 June 2020, Cosway recorded a total revenue of RM403.7 million compared to RM576.7 million in the previous financial period and an increase in total pre-tax loss mainly due to goodwill impairment.

Cosway’s business has faced unprecedented challenges during the financial year under review, including the significant financial impact of the violent protests in Hong Kong on the Asian market, the outbreak of the COVID-19 pandemic which has created major business disruption; and Typhoon Hagupit impacting Northern Asia. Despite these challenges, with continuous efforts in product revamp, and new product launches with favourable margins, Cosway’s gross profit margin improved by 1% in the financial year under review.

The COVID-19 recovery period (from May 2020 onwards) has been a mitigating period for Cosway. There has been a 26% increment in performance in the first quarter of the financial year 2021. Consumer sentiments on spending has proven to influence their shopping behavior and categories deemed as “essential” like household cleaning/disinfecting and wellness products continue to notch the highest gain since the outbreak of the pandemic. To meet the surge in demand in the aforementioned categories, Cosway will continue to focus on developing and rolling out promotions and campaigns on these categories of products, in line with



*Cosway’s range of Dignita products.*

the company’s new motto: **“COSWAY’S 4C: CARE, CLEAN, COVER and CONTAIN.”**

The new membership recruitment campaign has been encouraging with an increase of 115% in the membership base in the first quarter of the financial year 2021. Coupled with Muslim friendly and trendier products, a shift of demographics is observed with an increase of 4% in the Malay market base and an 8% increase in the number of members below 40 years old. Cosway has introduced a Direct Incentive Scheme to attract young entrepreneurs to build their business together with Cosway.

Cosway will continue improving and leveraging on e-commerce marketing as it has received encouraging results from the sales contribution through its online platforms. The total monthly revenue increased from an average of 1% to 18% which has significantly helped during this pandemic outbreak.

### HOTELS AND RESORTS

#### Berjaya Hotels and Resorts Division (“BHR”)

BHR owns and operates 29 hotels and resorts locally and internationally.

BHR’s business performance in the first half of the financial year 2020 was satisfactory, but it was extremely impacted from February 2020 onwards by increased business disruptions and booking cancellations as countries imposed restrictions on travel to stem the spread of the COVID-19 pandemic.



*Aerial view of The Taaras Beach & Spa Resort, Redang Island.*

## MANAGEMENT DISCUSSION & ANALYSIS

As a result of the unprecedented situation, BHR experienced significant reduction in its revenues, both from rooms, as well as food and beverage in all its hotels and resorts. For the financial year ended 30 June 2020, BHR recorded a combined gross revenue of RM397.3 million, with the Four Seasons Hotel and Hotel Residences, Kyoto, Japan as the main revenue contributor, accounting for 35% of the total gross revenue. The adverse impact on revenue was partially mitigated by adopting tight cost-control measures and also applying for salary subsidy grants from the Government, and BHR registered a total loss before tax of RM27.1 million.

BHR's room night bookings were mainly driven by the leisure individual and group segments. Overall, the Average Room Rate ("ARR") was marginally down with the occupancy rate of 40.6%, which translated into a Revenue per Available Room ("RevPAR") of RM218.

### Malaysia Hotels & Resorts

BHR's 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.

Due to the significant drop in international visitor arrivals since January 2020 amid the COVID-19 pandemic, as well as most business operations of the hotels and resorts within the Group being temporarily closed during the enforcement of the Movement Control Order ("MCO") and Conditional MCO, BHR suffered a steep drop in its revenue across all segments, registering a total gross revenue of RM194.0 million for the financial year under review. Declining top-line performance was further worsened by fixed operating expenses which had an adverse impact on the bottom-line. Consequently, the Malaysian-based properties incurred a total pre-tax loss of RM34.0 million.

A substantial drop in demand from the leisure individual and corporate group markets led to a fall in occupancy of 40%, while the RevPAR registered at RM139.

### Overseas Hotels & Resorts

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

Generally, room night bookings for the overseas properties are generated from the leisure travel market. However, due to the COVID-19 pandemic, most borders of the countries in which the Group's hospitality businesses operate were closed to foreign travellers since March 2020. As a result, for the financial year under review, the overseas properties registered a reduction in combined occupancy rate at 42.4%, with the combined RevPAR of RM435.

For the financial year ended 30 June 2020, due to the negative effects of the COVID-19 pandemic, BHR's overseas properties posted a lower total gross revenue of RM203.3 million. The total revenue was largely contributed by the Four Seasons Hotel and Hotel Residences, Kyoto, Japan. Despite the significant drop in total revenue, BHR's overseas properties managed to record a small profit before tax of RM6.9 million.

### Future Prospects

Going forward, the hospitality industry outlook in the next financial year will be in a highly uncertain operating environment. Globally, businesses are facing unprecedented social and economic challenges following the COVID-19 pandemic. As BHR's properties operate on a global platform, any changes in global, national, or regional economies and governmental policies due to the COVID-19 pandemic will materially impact BHR's business performance if these conditions are extended



*Icelandair Hotel, Akureyri in Iceland.*



*Four Seasons Hotel and Hotel Residences Kyoto, Japan.*

longer than anticipated, or in other circumstances that the Group is not able to predict or mitigate. Given corporate travel has been limited by many companies, and MICE activity is anticipated to remain subdued until containment of the pandemic, BHR's main focus will be on the domestic leisure market over the coming months. In addition, BHR will continue to implement stringent cost control measures and increase efficiency so as to maximize profitability in all areas.

### CLUBS AND RECREATION

#### Clubs and Recreation Division ("The Clubs")

The Clubs operates five golf clubs and one equestrian club located in the Klang Valley; Nilai, Negeri Sembilan; Batu Pahat, 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 has a total membership of 13,986 as at 30 June 2020 of which 7,263 are golf memberships and 6,723 are non-golf memberships.

During the year, to improve on their services to their members, Bukit Jalil Golf and Country Resort upgraded its buggy track and other facilities, while Kelab Darul Ehsan replaced its buggy fleets. With the upgrading of the facilities, The Clubs expects its revenue will improve in the near future.

The Clubs reported a total revenue of RM52.08 million for the financial year ended 30 June 2020. The implementation of the MCO by the Malaysian Government effective 18 March 2020 had caused revenue derived from The Clubs' Food & Beverage division, Golf and Recreation division and other non-golf businesses softened as members and visitors were restricted in patronizing the Clubs. However, income in the form of club members' subscription fees increased by 5% year-on-year basis.

For the financial year ended 30 June 2020, The Clubs reported a total loss before tax of RM3.22 million mainly due to the decrease in banqueting and event functions, lower revenue from golf rounds and other non-golf businesses resulting from the MCO.

The financial year ending 2021 will remain competitive and challenging for the golf and recreation club industry. The softened economic conditions as a result of the ongoing Recovery Movement Control Order ("RMCO") whereby The Clubs' operating environment has been severely restricted due to social distancing and the standard operating procedures set by the National Security Council. Nonetheless, The Clubs will continue to upgrade its facilities including the golf courses as part of its strategy to enhance the quality of its services and to be prepared for the business environment post COVID-19 pandemic.



Staffield Country Resort, Negeri Sembilan – Western Hole 9 fairway.

## MANAGEMENT DISCUSSION & ANALYSIS

### VACATION TIME SHARE

#### Berjaya Vacation Club Berhad (“BVC”)

BVC operates and manages a vacation membership scheme which provides and coordinates holiday accommodation packages at holiday resorts in Malaysia. Through the affiliation with Resort Condominiums International, BVC also offers accommodation packages at more than 4,000 resorts in over 100 countries spanning across Asia, Europe, Middle East and Africa, among others.

BVC recorded a revenue of RM15.3 million for the financial year ended 30 June 2020. The revenue for the previous financial period ended 30 June 2019 was RM24.77 million. During the previous financial period, the improvement in revenue was mainly due to the adjustment of deferred income in compliance with the Malaysian Financial Reporting Standard 15 (“MFRS 15”).

For the financial year ended 30 June 2020, BVC recorded a lower operating profit of RM7.98 million due to the lower termination of delinquent members. In comparison, the operating profit for the previous financial period was RM15.4 million.

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

### PROPERTY DEVELOPMENT

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

The financial year under review was extremely tough as the country underwent a series of social and economic challenges brought on by the unprecedented outbreak of the COVID-19 pandemic in the first quarter of 2020. The MCO which was imposed by the Government from 18 March till 4 May 2020 undoubtedly caused a downward impact on buying sentiment, affected the process of sales completion and payment, as well as caused delay in the completion of projects.

For the financial year under review, the PD Division recorded a revenue of RM269.66 million and a pre-tax profit of RM674.53 million.

During the first half of the financial year under review, the PD Division focused its efforts on driving sales to reduce its inventories of completed as well as under construction properties such as The Link 2, KM1 East, Residensi Lanai as well as The Tropika at Bukit Jalil, riding on the various incentives such as the Home Ownership Campaign and National Housing Policy 2.0 put in place by the Government to boost home ownership especially among the middle-income



*The entrance to Kensington Gardens in Penang.*

population. The PD Division participated in various home ownership campaigns, property fairs and as well promoted its products actively via digital platforms. The total sales generated from these projects amounted to RM111.05 million during the financial year under review.

The Tropika at Bukit Jalil comprises four towers of 868 units of apartments together with 9 units of shop offices and 11 retail outlets built over 2.6 hectares of freehold land. Tower A and Tower B comprising 229 units and 236 units respective recorded a total number of 121 units sold as at 30 June 2020 with a total sales value of RM95 million. The PD Division has also successfully secured Jaya Grocer as its anchor tenant for the commercial component with a total area of 23,695 square feet. The PD Division is working on filling up the shop offices and retail spaces with businesses that complement Jaya Grocer to cater to the lifestyle needs of the occupants of the residential units. As at 30 June 2020, the progress of works at The Tropika reached 15% on schedule.

The PD Division successfully completed its first affordable home project, Residensi Lanai at Bukit Jalil and progressively handed over the keys to 632 purchasers from the middle of February 2020. The 648 three-bedroom units, each measuring 800 square feet and priced at RM300,000, were sold to purchasers who were qualified to purchase the units based on the guidelines set by Residensi Wilayah (Federal Territories Affordable Housing Projects).

Efforts to market the remaining 16 unsold high-end low density bungalow lots at The Peak in Taman TAR were carried out through networking with property agents as well as direct marketing to selected potential high net worth individuals. The bungalow lots at The Peak are priced averagely at RM317 per square foot.

During the year under review, the PD Division collaborated with foreign real estate partners to market its unsold inventories at The Ritz-Carlton Residences Kuala Lumpur to potential overseas investors in Hong Kong, Japan, Taiwan, Korea and Singapore. A series of marketing events were held in many major cities like



*Artist's impression of The Tropika at Bukit Jalil, Kuala Lumpur.*

Tokyo, Osaka, Kobe, Shanghai, Taipei and Kowloon to promote the completed development to target audiences. The PD Division is also exploring alternative sales packages like Rent-to-Own Scheme and Guaranteed Rental Return to market its units. For the financial year under review, a total of 15 units were sold, amounting to a sales value of RM78.39 million.

Up north in Penang, Kensington Gardens, Phase 1 of Jesselton Villas, comprising 68 units of bungalow lots with an average price of RM665 per square foot were handed over to purchasers progressively from March 2020. The remaining 20 units of unsold bungalow lots are being marketed through various marketing events and activities.

In Ho Chi Minh City, Vietnam, the Topaz Twins features 2 towers of 668 units of residential apartments and 15 units of shop lots located at the administration hub of Bien Hoa City. The total estimated gross development value is VND1,371 billion (approximately RM248.0 million). As at 30 June 2020, 661 apartment units and all 15 units of shop lots were sold with the value of VND1,255 billion (approximately RM227.0 million). Construction works have been completed and handing over of units to purchasers is currently in progress.

Over in Hanoi, Vietnam, the PD Division is involved in the development of Hanoi Garden City, a joint venture mixed development on 78 acres of land located at Thach Ban Ward in Long Bien district. As at 30 June 2020, 99 units of the total 103 units of Arden Park Garden Villas have been sold with a total sales value of VND785.6 billion (approximately RM141.9 million). For Canal Park Apartments, all 148 units of residential apartments have

been fully sold with a total sales value of VND388.1 billion (approximately RM69.9 million). As for Phase 3 of Eastern Park, all 72 units of shop houses with a gross development value of VND631.5 billion (approximately RM114.1 million) have been fully sold and handed over to purchasers in January 2020.

Echoing the success of Eastern Park, Hanoi Garden City has launched another new phase of shop houses, 88 Central which consists of 86 units of trendy style shop houses with an estimated gross development value of VND850.0 billion (approximately RM153.5 million) in January 2020. As at 30 June 2020, the PD Division managed to lock in sales bookings for 40 units of shop houses at 88 Central with a total sales value of VND345.5 billion (approximately RM62.4 million). The piling works for 88 Central has been completed.

The PD Division is taking a cautious approach to launching new projects in the forthcoming financial year.

At Berjaya Park, Shah Alam, the PD Division is planning to launch another high-rise stratified residential development named Bayu Timur. Scheduled to be launched within the second quarter of 2021, the estimated gross development value of this project amounts to RM260 million.

Another project in the pipeline is The Courtyard Villas, Phase 2 of Jesselton Villas in Penang. The Courtyard Villas will comprise 239 units of bungalows and link villas with a total gross development value of RM680.0 million. The launch of Phase 2 is slated for the third quarter of 2021.

In Bukit Jalil, the PD Division is currently planning the final phase of a development project on approximately 12.25 acres of elevated land fronting the golf course. The PD Division anticipates that it will be ready for launch in early 2022.

The forthcoming financial year is expected to remain extremely challenging as the country remains gripped in the turmoil resulting from the COVID-19 pandemic which has not only crippled the local economy but the global economy as a whole. The property market was not spared the effects of the MCO with the fear of unemployment, reduction of personal disposable income coupled with a lot of uncertainties arising from the pandemic, resulting in a decrease in the number of home seekers.

To stimulate the property market post MCO, the Government has re-introduced the Home Ownership Campaign 2020 ("HOC 2020") and introduced several new incentives under the Short-term Economic Recovery Plan such as stamp duty exemption for transfer and loan agreements signed between 1 June 2020 to 31 May 2021 for properties priced up to RM1 million, uplifting of 70% margin of financing for the third residential property, and the exemption of Real Property Gains Tax for gains arising from disposal of residential property from 1 June 2020 to 31 December 2021 for all Malaysians.

## MANAGEMENT DISCUSSION & ANALYSIS

To remain competitive in the property market post MCO, the PD Division has made adjustments in its business strategies to adapt to the new normal. Leveraging on the various stimulus packages introduced by the Government, the PD Division will work on moving its property projects through innovative and aggressive sales packages. As social distancing becomes a new normal, more consumers are moving towards e-commerce activities to procure goods and services. With this in mind, the PD Division will utilise the various digital platforms available to better reach its potential clients. This seamless marketing will also enable the PD Division to tap on the growing buying interest from foreign buyers especially in Hong Kong.

The COVID-19 global pandemic has brought on interruptions to the progress of work at the project sites as well as impacted the global supply chain as manufacturers and suppliers of building materials had to temporarily shut down operations and manufacturing activities. The PD Division will be taking stringent measures to mitigate the delay in the progress of construction works which could lead to potential claims for late delivery and also the rising cost of materials which could lead to overrun in project costs.

### PROPERTY INVESTMENT

The Property Investment Division (“PI Division”) owns 4 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur; Wisma Cosway, Kuala Lumpur; and Berjaya Megamall, Kuantan, Pahang.

For the financial year ended 30 June 2020, the PI Division registered a revenue of RM18.0 million and profit before tax of RM0.015 million. The financial performance of the PI Division was affected by the COVID-19 pandemic which resulted in a downward adjustment to the fair value of its investment properties.

The Group’s complexes in Kuala Lumpur are expected to remain resilient despite stiff competition from the growing number of complexes in the Klang Valley. With its strategic locations within the city centre of Kuala Lumpur and easy accessibility, the Group’s complexes will continue to perform well. Efforts to entice anchor tenants will be intensified to improve overall occupancy rate.



Kota Raya Complex, Kuala Lumpur.

### 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, manufacturing and distribution of computerized wagering and voting systems, and provision of software licences and support. In Vietnam, BCorp operates a computerized lottery business together with its business cooperation partner, Vietnam Computerized Lottery One Member Company Limited (“Vietlott”).

#### Malaysia

Sports Toto Malaysia Sdn Bhd (“Sports Toto”), the principal operating subsidiary of BToto, has approximately 680 outlets operating throughout the country, offering 8 games namely Toto 4D, Toto 4D Jackpot, Toto 4D Zodiac, Toto 5D, Toto 6D, Star Toto 6/50, Power Toto 6/55 and Supreme Toto 6/58 which are drawn three days a week.

For the financial year ended 30 June 2020, Sports Toto recorded a revenue of RM2.47 billion. Revenue for the previous financial period was RM3.64 billion. The lower revenue in the financial year under review was due to the cancellation of 40 draws during the MCO period which commenced on 18 March 2020 until business resumed on 17 June 2020.

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 for the financial year under review was RM258.2 million while it reported a profit before tax of RM453.3 million in the previous 14-month financial period. This was mainly due to lower revenue generated from a reduction of draws coupled with unavoidable fixed operating costs incurred during the MCO period in the financial year under review.

Sports Toto anticipates a slower pace to recovery as the business environment was significantly impacted by economic closures and new social practices during the COVID-19 pandemic. The company is cautiously optimistic that its business will remain resilient as it had



Customer service area at Sports Toto’s head office in Berjaya Times Square, Kuala Lumpur.





Sports Toto's Supreme 6/58 Jackpot poster.

during past economic crises and turbulent periods. Sports Toto is optimistically confident that it will continue to maintain its market share in the NFO business for the upcoming financial year 2021.

Sports Toto attained the World Lottery Association Security Control Standard:2016 (WLA-SCS:2016) certification and the Information Security Management System standard ISO/IEC 27001:2013 in December 2019. Both certifications are leading internationally recognised security standards for information security management system (ISMS) incorporating lottery specific security and integrity control.

In line with this certification, Sports Toto had also been accorded the Certificate of Accreditation in Level 2 of the WLA Responsible Gaming Framework in June 2020. Sports Toto is committed in its efforts to educate the public on the negative social impact of illegal gaming and to engage the authorities in combating illegal gaming.

**The United States of America**

In the United States of America ("USA"), International Lottery & Totalizator Systems, Inc. ("ILTS"), a subsidiary of BToto, provides computerized wagering equipment

and systems to the online lottery and pari-mutuel racing industries worldwide. ILTS also has a voting business segment operated through Unisyn Voting Solutions, Inc. ("Unisyn") which develops and markets the OpenElect® digital optical scan election system to election jurisdictions. The OpenElect® election system is the only digital optical scan voting system built with Java on a streamlined and hardened Linux platform.

ILTS recorded a higher revenue and profit before tax for the financial year ended 30 June 2020 compared to the annualised 14-month financial period ended 30 June 2019.

During the financial year, ILTS delivered additional lottery terminals to Berjaya Gia Thinh Investment Technology Joint Stock Company ("BGT") in Vietnam. In addition, ILTS provided BGT with new games and technical support. BGT has an exclusive contract to invest in and operate a nationwide computerized lottery in Vietnam under a business cooperation contract with Vietlott. ILTS also provided associated services and technical support to Sports Toto, Philippine Gaming Management Corporation, Ab Trav Och Galopp and Natural Avenue Sdn Bhd.

For its voting business segment, Unisyn reported additional sales of its OpenElect® digital optical scan voting system and products through its authorised sales representatives and its own direct sales efforts to counties in various states in the USA. Unisyn currently has more than 15,000 OpenElect® voting systems and products installed and used in the elections in more than 250 counties throughout the states of Arizona, Illinois, Indiana, Iowa, Kansas, Missouri, Ohio, Pennsylvania, Tennessee, Utah and Virginia. Counties in these states will use the OpenElect® voting systems and machines in the November 2020 Presidential election.

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.



Unisyn's OpenElect® equipment ready to be installed for the November 2020 Presidential election.

## MANAGEMENT DISCUSSION & ANALYSIS

### Vietnam

BCorp together with its business cooperation partner, Vietlott has been operating a computerized lottery business since 18 July 2016. For the financial year under review, Vietlott has 5 games in the market namely Mega 6/45 Lotto Jackpot Game, Power 6/55 Lotto Jackpot Game, Max 4D Digit Game, Max 3D+ Digit Game, and Keno fast draw game.

The COVID-19 pandemic impacted lottery sales in April 2020, when the operation was temporarily suspended for 23 days which resulted in an estimated 8% loss of annual total revenue.

Despite the disruption caused by the pandemic, BCorp recorded a higher fee revenue of VND430.0 billion in the financial year under review mainly from the introduction of the Keno fast draw game in August 2019. Revenue was VND315.0 billion in the previous financial period. During the financial year under review, the business operation expanded to 57 provinces (there are 63 provinces in Vietnam), with approximately 5,480 terminals.

In the financial year 2021, the operations will expand to the remaining 6 provinces, together with the introduction of its distribution channel via mobile phones in the fourth quarter of 2020 and the launch of more lottery products to capture a bigger market segment.



Vietlott's Keno fast draw game was introduced in August 2019.

## MOTOR TRADING AND DISTRIBUTION

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

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

For the financial year ended 30 June 2020, H.R. Owen recorded a revenue of £388.7 million and a total of 1,058 new prestige cars and 1,472 pre-owned cars sold. H.R.



H.R. Owen's Lamborghini Sian.

Owen posted a revenue of £532.0 million in the previous financial period with 1,646 new prestige cars and 1,435 pre-owned cars sold.

H.R. Owen registered a profit before tax of £1.9 million for the financial year ended 30 June 2020. H.R. Owen's performance was negatively impacted as its operation was shut down for more than 2 months in compliance with the UK government's lockdown order during the period from 23 March to 31 May 2020. The company recorded a profit before tax of £8.3 million in the previous financial period ended 30 June 2019.

H.R. Owen remains cautiously optimistic about its future prospects. The uncertainty over Brexit may threaten consumer spending, and will no doubt be on the minds of car buyers in the UK. H.R. Owen continues to be dependent on high volumes of new car sales to allow its business model to make a healthy return, as the cost of operating in one of the most expensive cities in the world remains very high. However, H.R. Owen is particularly sensitive to any deterioration in trading conditions, especially when this is combined with a lack of new model introductions. Nevertheless, its main franchises performed robustly and the Bentley, Bugatti, Ferrari, Lamborghini and Rolls-Royce London operations retained their position as the UK's largest dealer outlets for the supply of new cars.

### Berjaya China Motor Sdn Bhd ("BCM")

BCM is involved in the importation, distribution, retailing and after-sales service for light commercial vehicles and passenger vans from China under the brand names of Changan/Chana (for two- and five-seater pick-up trucks and panel vans), Foton Motor Group (FMG) (from 10- to 14-seater passenger vans & two seater panel van) and Golden Dragon (17-seater passenger van).

In December 2019, BCM launched the Foton View C2 2-seater Panel Van model powered by 2.0L Petrol engine/2.8L Turbo Diesel engines to cater for the increasing demand in goods delivery vehicles due to a



*Foton View C2 Panel Van.*

surge in e-commerce. With its competitive pricing, durability and low maintenance cost, the Foton View C2 has received positive response from the market.

During the financial year under review, BCM employed various strategies to increase its market share such as creating brand awareness through targeted marketing activities, enhancing dealers' performance through sales incentives and technical trainings on products, as well as engaging with bankers for more end financing.

BCM recorded a revenue of RM33.3 million and an increase in pre-tax profit to RM2.1 million for the financial year under review mainly due to higher gross margin and lower sales & distribution expenses.

The Malaysian economy started to slow down in the early part of Year 2020 and was significantly impacted by the outbreak of the COVID-19 pandemic and the resulting MCO and CMCO periods. However, the economic stimulus packages implemented by the Government has helped to mitigate the adverse impact of the economic slowdown. Hence, BCM is cautiously optimistic about its future vehicles sales.

Moving forward, BCM will continue to assess the market and select suitable vehicle models from the respective Principals that are able to meet its customers' needs. BCM will also continue to improve on its customer satisfaction levels through strengthening its existing sales and aftersales service networks.

### 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 nature of BStarbucks' business is to sell high-quality whole bean coffees, along with freshly brewed coffees, Italian-style espresso beverages, cold blended beverages, a variety of pastries and confectionery, coffee-related equipment and accessories, and a selection of premium teas, among others.

As at 30 June 2020, BStarbucks has 316 stores located throughout Malaysia, except in the state of Perlis, an increase from 291 stores in the previous financial period. During the financial year under review, BStarbucks opened two Starbucks Reserve Stores – Starbucks Reserve Gurney Plaza and Starbucks Reserve Bukit Bintang Junction, which also marked BStarbucks' 300th Store milestone in Malaysia. In November 2019, BStarbucks opened its first Signing Store in Penang (the second Signing Store in Malaysia) – Starbucks Signing Store Burmah Road. BStarbucks also expanded its business into the state of Terengganu in March 2020 with the opening of Starbucks KTCC Mall (Kuala Terengganu City Centre). The number of drive-thru stores increased to 52 stores for the financial year under review from 46 stores in the previous financial period.

For the financial year ended 30 June 2020, BStarbucks registered a revenue of RM533.2 million and a pre-tax profit of RM21.3 million mainly due to the negative impact arising from the COVID-19 pandemic. BStarbucks registered a revenue of RM650.2 million and a pre-tax profit of RM70.0 million in the previous financial period.

The Starbucks Card Programme, Starbucks Rewards ("SR"), registered a tender rate of 49%, contributing a total of RM296.4 million for the financial year under review. During the year, SR Malaysia featured the limited edition Gawai Kaamatan Starbucks Card, Malaysia National Day Card, and the market specific Malaysia Signing Store Starbucks Card. BStarbucks was also the first to launch the Constellation Card and Tag Series in the region. As at 30 June 2020, there were more than 3.3 million (30 June 2019: 2.8 million) registered SR members and a total of 12 million (30 June 2019: 10 million) Starbucks Cards in active circulation nationwide.



*Starbucks Reserve Gurney Plaza, Penang.*

## MANAGEMENT DISCUSSION & ANALYSIS

In the financial year 2021, BStarbucks plans to open 18 new stores with one additional Reserve Drive-Thru concept store. BStarbucks will continue to focus on unique and elevated store designs with relevant local elements for its new stores to create affinity and strengthen its brand presence.

BStarbucks will continue to introduce innovative food and beverage offerings that resonate with its customers' tastes and expectations of Starbucks as a premium coffee company. BStarbucks will also continue to promote the SR to drive customers' loyalty and purchase frequency, offering more card designs and attractive benefits. BStarbucks will also leverage on digital innovations, strengthen its IT capabilities and improve on its Customer Relationship Management system to provide more efficiency and cater for future growth.

As part of its commitment towards empowering Malaysian communities, BStarbucks will continue to obtain raw materials from local communities to develop food products and merchandise for sale in Starbucks' stores, such as its banana food products and range of Mengkuang merchandise.

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

BRoasters is the master franchisee of restaurant chain, Kenny Rogers ROASTERS ("KRR") in Malaysia. It offers a mid-casual dining setting with rotisserie-roasted chicken as its main core item complemented by a variety of hot and cold side dishes, Kenny's famous home-made muffins, soups, desserts and beverages served in a friendly and comfortable environment.

During the financial year under review, KRR launched four limited time offers, namely i-Yam Legend (Tom Yam Chicken), Egg-citing Giler (Salted Egg Chicken), Chikin Craze (Korean Fried Chicken) and Garlic Butter Chicken. KRR also introduced a different menu with quick bite items such as Golden Nuggets served with KRR's signature cheese sauce or black pepper sauce, Potato Wedges, Chicken Cheesy Macaroni Bowl served with KRR rotisserie-roasted chicken chunks & signature cheese sauce, and Beef Bolognese Macaroni Bowl to cater to different taste profiles.

For the financial year ended 30 June 2020, BRoasters recorded a lower revenue of RM68.7 million and a loss before tax of RM12.2 million mainly due to the outbreak of the COVID-19 pandemic and the imposition of the MCO which resulted in the closure of dine-in facilities at KRR restaurants. BRoasters registered a revenue of RM96.7 million and a loss before tax of RM6.6 million in the previous financial period. During the financial year under review, BRoasters opened 7 new stores and closed 14 non-performing stores.

In line with the increased popularity of e-commerce, BRoasters is working on various online shopping initiatives to drive sales. In addition, BRoasters is offering more e-wallet options as a contactless payment mode for customers while working on collaborative marketing programmes with prominent e-wallet providers to build brand exposure and drive footfall to its restaurants. BRoasters will continue to drive its online delivery business through partnerships with leading food delivery companies.



Promotional poster for KRR's Anniversary Meal.



KRR Drive-Thru outlet in Juru, Penang.

### Roasters Asia Pacific (Hong Kong) Limited (“RAP”)

RAP was incorporated in Hong Kong in June 1993. 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. RAP grants franchises to operate restaurants under the “Kenny Rogers ROASTERS” name and related trademarks.

As at 30 June 2020, there are 174 KRR outlets operating in Malaysia, Philippines, Singapore, India, Thailand.

For the financial year ended 30 June 2020, RAP recorded a revenue of RM2.60 million. RAP recorded a revenue of RM3.36 million in the previous financial period ended 30 June 2019. The decrease in revenue was mainly due to the reduction in royalty fees from franchises affected by the COVID-19 pandemic, as well as the temporary closure of restaurants or minimization of business activities due to the lockdown imposed by the respective governments of the countries in which there are KRR franchises.

RAP recorded a loss before tax of RM0.74 million during the financial year under review while its loss before tax for the previous financial period was RM0.98 million, due to a reduction of operating expenses.

Over the years, RAP has been able to sustain its growth and remain competitive in markets that are saturated with new and existing food and beverages players, with a reasonable amount of brand recognition.

RAP will continue to increase brand awareness in its existing markets through aggressive marketing campaigns and new product innovations. RAP will also continue to improve its sales performance through the growth of new stores in its existing markets, as well as penetrate new markets in the financial year 2021. Moving forward, RAP plans to expand KRR’s presence into Brunei, Sri Lanka and Qatar which will contribute positively to the growth of RAP.

### Jollibean Foods Pte Ltd (“Jollibean Foods”)

Jollibean Foods holds the sole and exclusive worldwide rights to develop, franchise, operate and manage all outlets, stalls, and kiosks and the distribution rights for the products under the brand names of “Jollibean”, “Sushi Deli”, “Kopi Alley” and “Kopi Alley Plus” in Singapore, and “Joybean” in Malaysia. The “Jollibean” brand has become a household name since its inception in 1995. It all started with the philosophy of bringing back the nostalgic childhood memories of Singaporeans by providing nutritious and healthy traditional snacks suitable for all ages. As at 30 June 2020, Jollibean Foods operates 33 outlets under the 4 brands in Singapore and 5 outlets in Malaysia.

For the financial year ended 30 June 2020, Jollibean Foods recorded a revenue of SGD7.2 million mainly due to the impact of the COVID-19 pandemic. Jollibean Foods registered a revenue of SGD9.5 million in the financial period ended 30 June 2019.

Jollibean Foods recorded a loss before tax of SGD814,000 compared to SGD750,000 in the previous financial period due to the adoption of the new accounting standard MFRS16, and the impact of the COVID-19 pandemic.

Moving into the financial year 2021, Jollibean Foods will focus on store expansion and targets to open another 5 new stores during the financial year. At the same time, Jollibean Foods will minimize capital expenditure for its new stores. Jollibean Foods will also increase sales revenue through the launch of new products such as the Ban Heang range of products and YouTiao Chips.

Jollibean Foods will be changing some of its existing outlets in Singapore to the “Joybean” brand, which will have halal certification to make it more accessible for the Muslim community. Capitalising on the popularity of online and e-commerce channels, Jollibean Foods will engage with its customers via social media and other digital platforms, as well as work with online food delivery and e-wallet companies to offer greater convenience and access to its products.



Promotional poster for Joybean’s combo set.

## MANAGEMENT DISCUSSION & ANALYSIS

### **Berjaya Krispy Kreme Doughnuts Sdn Bhd (“BKKD”)**

BKKD is the franchise holder of Krispy Kreme Doughnuts (“KKD”) stores in Malaysia. As at 30 June 2020, BKKD has a total of 22 stores, with 3 stores located out of Kuala Lumpur in Genting Highlands and Berjaya Hills Resort, Pahang Darul Makmur.

For the financial year ended 30 June 2020, BKKD registered a revenue of RM12.1 million compared to RM11.7 million for the financial period ended 30 June 2019. Although the opening of the new stores contributed to the sales revenue, there was a decline in sales due to the impact of the COVID-19 pandemic, whereby the business was solely dependent on food delivery platforms and take-aways only. BKKD has launched aggressive promotions and special offers during this challenging period to ensure speedy sales recovery in May 2020. During the financial year under review, BKKD have opened 5 new stores at Berjaya Hills Resort, The Waterfront Desa Park City, Central i-City, Subang Parade and Tropicana Gardens Mall. The new store openings have helped the brand to expand its reach to more untapped high-profile areas, and added to its customer base.

In addition, more effort has been put in to new creations and innovative product offerings which appeal to customers. BKKD rolled out its first filled ring doughnut, the Nutella Filled Ring, which was a huge hit among customers, especially in March until June 2020. Despite the tough period, this doughnut turned out to be the most successful new premium doughnut in the history of the brand in Malaysia.

For the financial year ended 30 June 2020, BKKD recorded a loss of RM1.7 million and a loss of RM1.9 million in the financial period ended 30 June 2019. Although BKKD was expected to break even due to the incremental sales growth and reduction of operating expenses, the business and financial results were greatly impacted by the implementation of the MCO.



KKD's Nutella Filled Ring Doughnut.

Moving forward into the next financial year, BKKD will seek to increase market reach via new product pricing, attractive new doughnut boxes with window packaging, more aggressive marketing initiatives such as collaborating with influential partners for marketing campaigns and organising more external events through pop-up stores, booths or its Joy Patrol Food Truck. It will also increase brand awareness and engagement via social media channels.

### **ENVIRONMENTAL AND CLEAN TECHNOLOGY SERVICES**

#### **Berjaya EnviroParks Sdn Bhd (“BEParks”) (Formerly known as KUB-Berjaya Enviro Sdn Bhd)**

BEParks 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. BEParks manages and operates the sanitary landfill at Bukit Tagar EnviroParks (“BTEP”) under a 30-year concession from the Government.

BTEP currently receives an average of 2,720 tonnes of municipal solid waste (“MSW”) per day from Kuala Lumpur, the Selayang District and Ulu Selangor District in the state of Selangor, and a few private companies.

BTEP is located approximately 55km from Kuala Lumpur and is accessible from the North-South Expressway through the purpose-built Bukit Tagar interchange. BEParks constructed the interchange together with a new 9km 4-lane access road to enable direct and easy access to BTEP from Kuala Lumpur and Selangor.

Due to the restrictions imposed on all the business and commercial activities throughout the nation during the MCO and CMCO periods, waste generation was significantly affected. For the financial year ended 30 June 2020, BEParks registered a revenue of RM46.3 million due to lower waste tonnage recorded. BEParks recorded a revenue of RM55.8 million in the previous 14-month financial period. BEParks registered a profit before tax of RM15.3 million as a result of the lower revenue generated. Profit before tax registered at RM16.1 million in the previous financial period.

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

#### **Berjaya Energies Sdn Bhd (“BEnergies”) (Formerly known as KUB-Berjaya Energy Sdn Bhd)**

BEnergies, a wholly-owned subsidiary of BEParks, is involved in the generation and sale of electricity from landfill gas. BEnergies commenced its commercial operation on 1 June 2011. BEnergies is commissioned by BEParks, a concessionaire of BTEP to manage the landfill gas.



Aerial view of the Renewable Energy Center at Bukit Tagar EnviroParks.

The electricity generated is sold to Tenaga Nasional Malaysia (“TNB”) under the Feed-in Tariff (“FiT”) scheme based on the following agreements:-

- Renewable Energy Power Purchase Agreement (“REPPA”) with TNB for the sale of up to 1.2MW renewable energy under FiT for a duration of 16 years, up to June 2028 at the agreed rate of RM0.42/kWh;
- REPPA with TNB for the sale of up to 3.2MW renewable energy under FiT for a duration of 16 years, expiring in June 2030 at the agreed rate of RM0.4169/kWh;
- REPPA with TNB for the sale of up to 6.0MW renewable energy under FiT for a duration of 16 years, expiring in December 2035, at the agreed rate of RM0.4469/kWh; and
- REPPA with TNB for the sale of up to 0.125MW solar power under FiT for a duration of 21 years, expiring in December 2034, at the agreed rate of RM1.0488/kWh.

BEnergies’ Power Generation Licence was granted by Suruhanjaya Tenaga under the Minister of Energy, Green, Technology and Water, while approval for sale of energy to TNB was granted by the Sustainable Energy Development Authority (“SEDA”).

For the financial year ended 30 June 2020, BEnergies reported a revenue of RM16.9 million, due to a higher volume of electricity generated by an additional 4.5MW generation capacity. BEnergies registered a revenue of RM8.7 million in the previous financial period. On the back of the higher revenue, profit before tax registered at RM8.9 million. Profit before tax was RM1.8 million in the previous financial period.

### **Amita Berjaya Sdn Bhd (“ABS B”)** **(Formerly known as Amita KUB-Berjaya Kitar Sdn Bhd)**

ABS B is licensed by the Department of Environment Malaysia (“DOE”) to receive, manage and transport Scheduled Waste under the Environmental Quality Act 1974.

ABS B offers a sustainable alternative to the conventional method of managing Scheduled Waste. ABS B’s proprietary technology enables Scheduled

Waste to be 100% recycled without any residue by turning Scheduled Waste into Alternative Raw Material (“ARM”) and Alternative Fuel (“AF”) as a substitute for natural raw material and fossil fuel for the cement production industry. ABS B is approved by the DOE to manage 14 categories of Scheduled Waste.

For the financial year ended 30 June 2020, ABS B recorded a revenue of RM12.7 million mainly due to higher waste tonnage received. ABS B registered a revenue of RM9.4 million in the previous financial period. On the back of higher revenue, ABS B recorded a profit before tax of RM5.1 million. Profit before tax was RM0.9 million in the previous financial period.

Moving forward, the future prospects of the industry is very encouraging as the level of ARM usage in the cement plants as replacement of natural raw material in the country is relatively low at approximately 2% of total natural raw materials consumed, compared to Japan where the ARM usage is over 40% in relation to the natural raw material used. This provides tremendous growth potential for ABS B in the coming years.

### **AWF Limited (“AWF”)**

AWF is a wholly-owned subsidiary of the Group and the main shareholder of the Longxi Water Projects (“The Project”) which manages and operates three potable water treatment plants in Boluo County, Longxi Sub-District, Guangdong Province, the People’s Republic of China 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”).



ABS B’s integrated processing line with air pollution control system.

## MANAGEMENT DISCUSSION & ANALYSIS

AWF has been managing the operation of the three potable water treatment plants and providing water supply services to consumers within the Longxi Sub-District, Boluo County since 1 October 2014. AWF is supplying 50 million liters per day (“MLD”) of treated potable water to the population of approximately 130,000 people in the region.

For the financial year under review, AWF recorded a total consolidated revenue of RMB25.42 million. The decrease in revenue was due to lower water usage after the majority of industrial and commercial consumers shut down their business activities in January and February 2020, under the lockdown enforced by the China authorities due to the COVID-19 pandemic. The industrial and commercial consumers contributed 70% of the total revenue in the previous financial period. AWF recorded a consolidated gross profit of RMB3.83 million for the financial year under review. AWF registered a revenue and gross profit of RMB26.77 million and RMB5.18 million respectively in the previous financial period. AWF incurred a consolidated loss before tax of RMB6.81 million during the financial year under review. Loss before tax registered at RMB6.94 million in the previous financial period.

In view of the prevailing challenging economic environment in 2020, China Authority and Boluo County Government are implementing the Economic Stimulation Policy and Recovery Scheme in stages to sustain its economic growth. Several major infrastructure and property development projects have resumed since May 2020, amongst them are: -

- Development of 2 main bridges and roadworks to connect the developed areas in Dongguan City and Longxi Sub-District.
- Construction of a High-Speed Railway Station in Longxi Sub-District.
- Property development of an additional 6,000 houses in Longxi Sub-District.

With the above, AWF expects its financial performance to grow marginally in the financial year 2021.

### EDUCATION

#### Berjaya Higher Education Sdn Bhd (“BHE”)

**BERJAYA University College (“BERJAYA UC”)** is a higher learning education institution which operates under BHE. BERJAYA UC’s campus is located at Level 11, West Wing, Berjaya Times Square. To date, all 24 programmes offered at BERJAYA UC are approved by the Malaysian Qualifications Agency (“MQA”), ranging from foundation, diploma, degree and postgraduate Masters under the following four faculties:-

- 1) Faculty of Business
- 2) Faculty of Culinary Arts
- 3) Faculty of Hospitality & Tourism
- 4) Faculty of Liberal Arts



*The Pengfa water treatment plant in China.*

In the second half of the calendar year 2019, BERJAYA UC secured approvals from the Ministry of Higher Education (“MOHE”) and the MQA to conduct the Master of Business Administration programme in Online and Distant Learning mode under the Faculty of Business. BERJAYA UC is now fully prepared to launch this programme and recruit students. The Foundation in Arts and Social Science under the Faculty of Liberal Arts gained full accreditation in the first quarter of 2020.

BERJAYA UC registered a lower revenue of RM14.84 million in the financial year under review mainly due to a lower enrolment of students in 2019 and in the January and June 2020 intakes, as well as loss of income from the short-term student mobility programme from South Korea, Japan and China as a result of the travel restrictions between countries due to the COVID-19 pandemic. Revenue for the previous financial period was RM20.0 million. BERJAYA UC registered a loss before tax of RM11.32 million in the financial year under review, mainly due to the drop in revenue. Loss before tax for the previous financial period was RM11.78 million.

BERJAYA UC continues to strive under the existing challenging market conditions with strong competition. The management has taken serious measures to improve revenue through strategic actions such as increasing the appointment of international agents, widening local outreach, and collaborating with corporates. During the MCO period, BERJAYA UC conducted many activities, including teaching and training, through online learning platforms and online recruiting platforms. Some of these activities continued through to the RMCO.

Over a short span of six months from July 2019 to December 2019, BERJAYA UC students won more than 40 awards in various competitions across the hospitality, events and culinary fields, competing against professional chefs and experts in the respective fields. BERJAYA UC also received the “Industry Excellence in Private Education” award at the Malaysia Top Achievers 2019 awards held in December 2019.

Moving into the financial year 2021, BERJAYA UC will continue its efforts to gain more market share locally through roadshows and marketing activities to a wider selection of secondary schools nationwide. It will also continuously improve on its systems, business processes, policies, and procedures to comply with the legislative requirements under the MOHE and MQA. BERJAYA UC will also capitalise on opportunities for potential growth





BERJAYA UC students participated in Food Hotel Malaysia 2020.

in its Lifelong Learning programmes, Technical Vocational Education and Training (TVET) programmes and Online Learning delivery for its existing accredited programmes.

**Berjaya Global Professional Development Sdn Bhd (“BGLOBAL”)** is a training and professional development provider, wholly owned by BHE and supported by BERJAYA UC. BGLOBAL is a registered training provider with the Malaysian Ministry of Human Resources and recently approved by PERKESO to run training courses under the PENJANA scheme.

BGLOBAL generated a revenue of approximately RM0.196 million during the financial year under review, despite the severity of the COVID-19 impact on the business which is unprecedented and is challenging most global economies, including Malaysia’s.

Leveraging on the support and strength of BERJAYA UC and its collaborative partners, BGLOBAL has submitted professional development and soft skills training courses to PERKESO and HRDF under the government-initiated PENJANA scheme or the National Economy Recovery Plan. BGLOBAL is moving forward cautiously in this period of uncertainty with the COVID-19 pandemic.

### TELECOMMUNICATIONS

#### REDtone International Berhad (“REDtone”)

REDtone is a subsidiary company of BCorp, listed on the ACE Market of Bursa Malaysia Securities Berhad in 2004. REDtone is a leading digital infrastructure and services provider, and offers an extensive range of services under three core businesses:-

- a) Telecommunications Services (“TS”) – REDtone offers data and voice services to government, enterprises and small and medium enterprises (“SMEs”), and is the only service provider in the industry to provide infrastructure integration expertise. Its access to a unique suite of last mile technologies also enables it to offer comprehensive solution that satisfy customer demands.
- b) Managed Telecommunications Network Services (“MTNS”) – this includes building, maintaining and operating large scale WiFi hotspots, radio access network infrastructure and fibre optic infrastructure.

- c) Industry Digital Services (“IDS”) – this includes data centre services, cloud services and applications, Internet of Things (“IoT”) which includes smart farming services.

REDtone registered a revenue of RM177.9 million for the financial year ended 30 June 2020 while revenue was registered at RM211.4 million in the previous financial period. The decrease in revenue was mainly due to the lower revenue from TS and MTNS segments.

REDtone recorded a gross profit of RM76.3 million or a gross profit margin of 43% for the financial year under review. REDtone registered a gross profit of RM85.2 million or a gross profit margin of 40% in the previous financial period. The improvement in the gross profit margin was due to higher contribution from the TS segment relative to the MTNS segment for the financial year under review.

REDtone registered a profit before tax of RM19.7 million in the financial year under review mainly contributed by its TS and MTNS segments. Profit before tax was RM33.6 million in the previous financial period. The lower profit before tax recorded during the financial year under review was also attributed to the impairment loss on intangible asset amounting to RM24.7 million.

The Directors of REDtone are of the view that the operating performance of REDtone for the next financial year ending 30 June 2021 will remain challenging and competitive. The company will continue to focus on measures to improve operational efficiencies and profitability in its core businesses. REDtone expects the contributions from its MTNS segment will remain significant while data services for enterprise market would continue to be the main focus in extracting growth from recurring businesses. The economic stimulus packages introduced by the Government helps soften the impact of the COVID-19 pandemic and support a gradual normalization of the economic activities in the country until successful containment of the pandemic which has been impacting many businesses. REDtone believes technology is the way forward to thrive in this unprecedented crisis. In this regard, REDtone has introduced a few technological solutions to facilitate businesses in their digital transformation efforts in order to adapt to the rapidly changing business environment and to operate efficiently in a challenging post COVID-19 era.



REDtone was named a winner in the “Social Empowerment” category at the Asia Responsible Enterprise Awards (AREA) 2019, held in Taipei, Taiwan on 24 May 2019.

# CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures as at 1 October 2020

## BERJAYA CORPORATION BERHAD



■ Listed Company

+ Combined Interest

**BERJAYA CORPORATION BERHAD**

**HOTELS, RESORTS, VACATION TIMESHARE, AND RECREATION**

- 100%** **BTS Hotel Sdn Bhd**
  - Berjaya Times Square Hotel, Kuala Lumpur
- 100%** **ANSA Hotel KL Sdn Bhd**
  - ANSA Hotel, Kuala Lumpur
- 100%** **Berjaya Vacation Club Berhad**
  - Berjaya Penang 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
- 99.80%** **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 (Temporary closure for redevelopment exercise)
- 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
- 100%** **Perdana Hotel, Philippines Inc**
  - Berjaya Makati Hotel, Makati, Philippines
- 100%** **Berjaya Kyoto Development Kabushiki Kaisha**
  - Four Seasons Hotel, Kyoto, Japan

- 100%** **Berjaya Property Ireland Ltd**
  - Canopy by Hilton Reykjavik City Centre
  - Icelandair Hotel Herad
  - Icelandair Hotel Akureyri
  - Icelandair Hotel Myvatn
  - Hilton Reykjavik Nordica
  - Icelandair Hotel Reykjavik Natura
  - Icelandair Hotel Reykjavik Marina
  - Reykjavik Konsulat CURIO
  - Alda Hotel Reykjavik
  - Development of Iceland Parliament Hotel CURIO
- 100%** **Bukit Kiara Resort Berhad**
  - Bukit Kiara Equestrian & Country Resort, KL
- 100%** **KDE Recreation Berhad**
  - Kelab Darul Ehsan, Selangor
- 100%** **Berjaya Hills Resort 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
  - The Tropika, 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
- 78.12%** **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%** **Berjaya Engineering Construction Sdn Bhd**
- 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-D2D Company Limited**
  - Bien Hoa City Square, Dong Nai Province, Vietnam
- 100%** **Berjaya Okinawa Development Co. Ltd**
  - ANSA Okinawa Resort, Japan
  - Development of Four Seasons Resort and Private Residences Okinawa
- 100%** **Berjaya Myanmar Holdings Sdn Bhd**
- 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
- 11.52%** **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 Assembly Sdn Bhd
- 100%** **Kyoto Higashiyama Hospitality Assets TMK**
  - Hotel Residences, Kyoto Japan

# GROUP FINANCIAL SUMMARY

Description	2020 USD'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000
Revenue	1,631,792	6,989,780	9,793,275	8,694,348	9,182,394	9,016,774
Profit/(Loss) Before Tax	33,902	145,221	423,535	(90,162)	662,628	293,737
(Loss)/Profit After Tax	(21,274)	(91,126)	121,534	(345,287)	317,420	(117,089)
(Loss)/Profit Attributable To Shareholders	(23,378)	(117,272)	(111,757)	(357,867)	149,285	(177,223)
Share Capital	1,171,462	5,017,956	5,017,956	4,930,556	4,930,556	4,673,180
Equity Component of ICULS	71,609	306,739	306,739	306,739	306,848	253,608
Reserves	305,911	1,310,370	1,398,628	1,503,099	1,835,144	1,784,013
Equity Funds	1,548,982	6,635,065	6,723,323	6,740,394	7,072,548	6,710,801
Treasury Shares	(21,558)	(92,344)	(34,253)	(33,669)	(33,669)	(130,399)
<b>Net Equity Funds</b>	<b>1,527,424</b>	<b>6,542,721</b>	<b>6,689,070</b>	<b>6,706,725</b>	<b>7,038,879</b>	<b>6,580,402</b>
Non-controlling Interests	693,071	2,968,771	3,043,826	3,482,257	3,622,916	4,476,304
<b>Total Equity</b>	<b>2,220,495</b>	<b>9,511,492</b>	<b>9,732,896</b>	<b>10,188,982</b>	<b>10,661,795</b>	<b>11,056,706</b>
ICULS	17,199	73,673	101,591	128,193	152,278	158,731
Long Term Liabilities	1,550,423	6,641,237	5,119,881	5,365,883	5,121,625	6,319,858
Current Liabilities	1,206,777	5,169,228	4,866,271	5,173,349	5,650,819	5,823,756
<b>Total Equity and Liabilities</b>	<b>4,994,894</b>	<b>21,395,630</b>	<b>19,820,639</b>	<b>20,856,407</b>	<b>21,586,517</b>	<b>23,359,051</b>
Property, Plant and Equipment	696,701	2,984,319	3,481,071	3,465,051	3,727,176	3,766,965
Right-of-use assets	478,513	2,049,711	-	-	-	-
Intangible Assets	1,165,680	4,993,190	5,251,165	5,695,064	5,853,796	6,582,857
Investments and Long Term Receivables	1,144,757	4,903,567	5,673,031	5,880,826	5,849,136	5,573,201
Current Assets	1,509,243	6,464,843	5,415,372	5,815,466	6,156,409	7,436,028
<b>Total Assets</b>	<b>4,994,894</b>	<b>21,395,630</b>	<b>19,820,639</b>	<b>20,856,407</b>	<b>21,586,517</b>	<b>23,359,051</b>
Total number of share with voting rights in issue	4,874,324	4,874,324	5,164,924	4,875,583	4,875,583	4,491,180
Net Assets Per Share (USD/RM)	0.30	1.28	1.24	1.31	1.38	1.41
Net (Loss)/Earnings Per Share (Cents/Sen)	(0.45)	(1.91)	(1.81)	(6.18)	2.93	(3.22)
Dividend (Sen/Share)	0.25	1.08	-	-	-	2.10
Total Net Dividend Amount (USD'000/RM'000)	12,338*	52,851*	-	-	-	99,580

## Notes:

Figures for 2016-2018 are for 12 months ended 30 April, 2019 are for 14-month ended 30 June 2019, and 2020 are 12-month ended 30 June 2020.

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

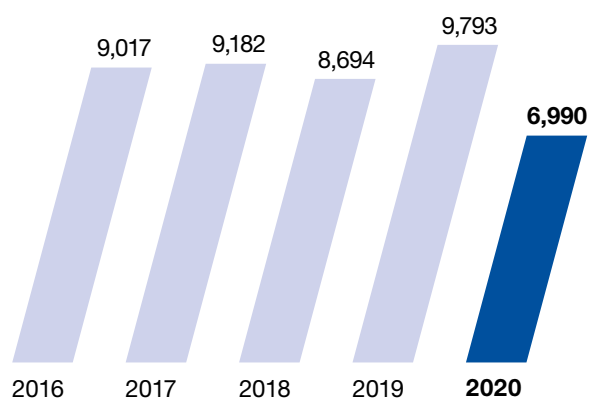
Net Assets Per Share represents the net equity funds less equity component of ICULS divided by the number of outstanding shares in issue with voting rights.

Exchange rate as at 30 June 2020: US\$1.00=RM4.2835

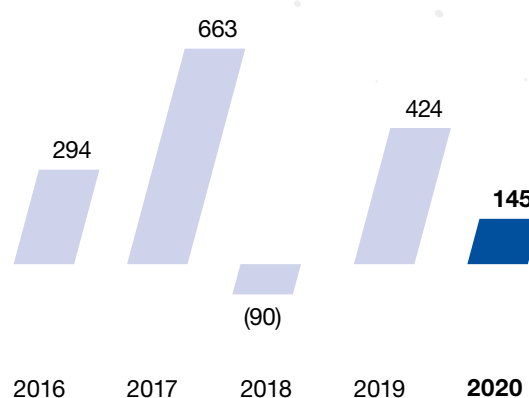
\* On 28 August 2020, the Directors and the Company approved and declared a first interim share dividend via distribution of treasury shares on the basis of 4 treasury shares for every 100 existing ordinary shares held, which was credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 15 October 2020.

# GROUP FINANCIAL HIGHLIGHTS

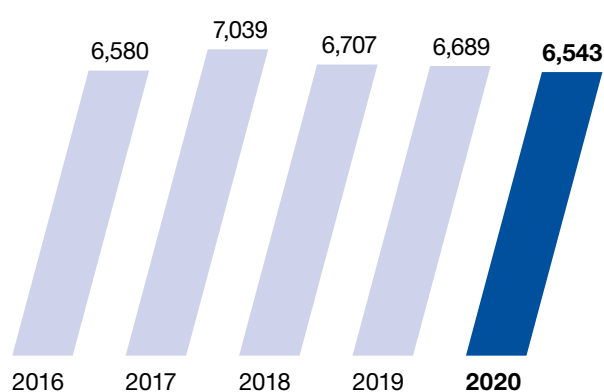
## REVENUE (RM' Million)



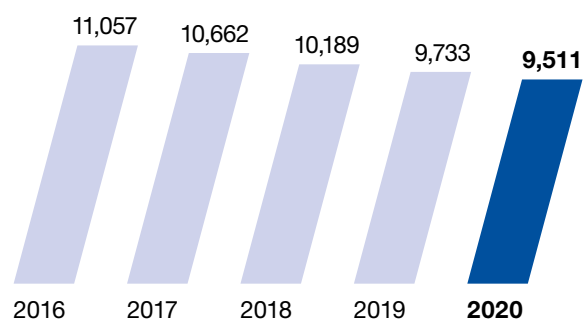
## PROFIT/(LOSS) BEFORE TAX (RM' Million)



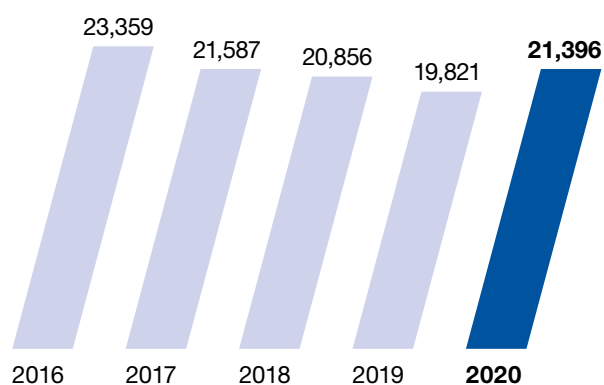
## NET EQUITY FUNDS (RM' Million)



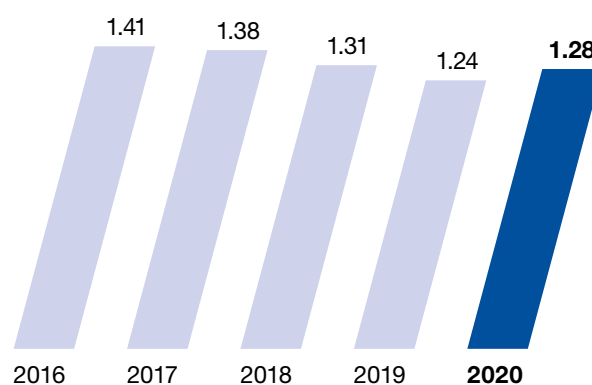
## TOTAL EQUITY (RM' Million)



## TOTAL ASSETS (RM' Million)



## NET ASSETS PER SHARE (RM)



# SUSTAINABILITY STATEMENT

## 1. REPORTING PROFILE AND SCOPE

This Sustainability Statement for Berjaya Corporation Berhad (“BCorp”) is prepared in accordance with the Sustainability Reporting Guide from Bursa Malaysia Securities Berhad (“Bursa Malaysia”) which highlights the Group’s commitment to undertaking business in a responsible and sustainable manner. The information in this section focuses primarily on the operations and management of the economic, environmental and social sustainability of BCorp for the financial year ended 30 June 2020.

Due to the diverse business nature of the Group, the scope of this sustainability statement covers material issues arising from its principal business activities in Malaysia, Singapore, and United Kingdom, operated under the following entities – Berjaya Enviro Holdings Sdn Bhd, Berjaya EnviroParks Sdn Bhd (formerly known as KUB-Berjaya Enviro Sdn Bhd), Berjaya Energies Sdn Bhd (formerly known as KUB-Berjaya Energy Sdn Bhd), Amita Berjaya Sdn Bhd (formerly known as Amita-KUB Berjaya Kitar Sdn Bhd), Cosway (M) Sdn Bhd, Inter-Pacific Securities Sdn Bhd, Berjaya Higher Education Sdn Bhd, Berjaya Starbucks Coffee Company Sdn Bhd, Berjaya Roasters (M) Sdn Bhd, Berjaya Hills Resort Berhad, Property Development and Investment Division, Berjaya Hotels and Resorts, Berjaya Clubs, REDtone International Berhad, Sports Toto Malaysia Sdn Bhd, Jollibean Foods Pte Ltd, Singapore, Berjaya Philippines Inc., and H.R. Owen Plc, United Kingdom.

BCorp recognises the challenges of its operating environment as well as the expectations of its various stakeholders and is committed to evolving and developing a sustainable business that has a positive impact on the community, economy and environment. This statement outlines the various practices that have been embedded into the Group’s processes with the ultimate aim of bringing more value to its businesses, society and stakeholders.

The structure and write-up of this statement are guided by Bursa Malaysia’s Sustainability Reporting Guide and Toolkits. The information and data disclosed in this statement were derived from internal reporting processes, systems and records.

## 2. APPROACH TO SUSTAINABILITY

The COVID-19 pandemic has brought about significant disruption affecting almost all sectors of economies across the globe. The various lockdown measures implemented by governments around the world to contain the spread have led to various levels of business suspension.

With the emergence of the COVID-19 pandemic, sustainability issues are gaining more importance in the decision-making of the various stakeholder groups. During this challenging period of uncertainty, BCorp has faced disruptive changes with significant impact on its business operations. Nevertheless, BCorp strives to conduct its business operations according to pragmatic principles and sustainable practices with a long-term sustainability strategy comprising 3 main aspects:-



### ECONOMIC SUSTAINABILITY

Creation of long-term value for all the stakeholders.



### ENVIRONMENTAL SUSTAINABILITY

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



### SOCIAL SUSTAINABILITY

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

Although several key activities planned for the year were halted during this period, the Group has nevertheless implemented stringent hygiene standards and operational procedures as mandated by the local Government authorities to ensure business continuity in the new normal and to safeguard the well-being of its employees and the various stakeholder groups.

While the Group continued to navigate the global coronavirus pandemic and the impact on its businesses and the communities it serves locally and internationally, the continuing impact going forward cannot be accurately estimated at this juncture. The Group strives to adapt, innovate and take the necessary steps to navigate through this incredibly challenging time.

For more detailed information on the Group’s Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, please refer to pages 63 to 81 of the BCorp Annual Report 2020.

## 3. MATERIALITY

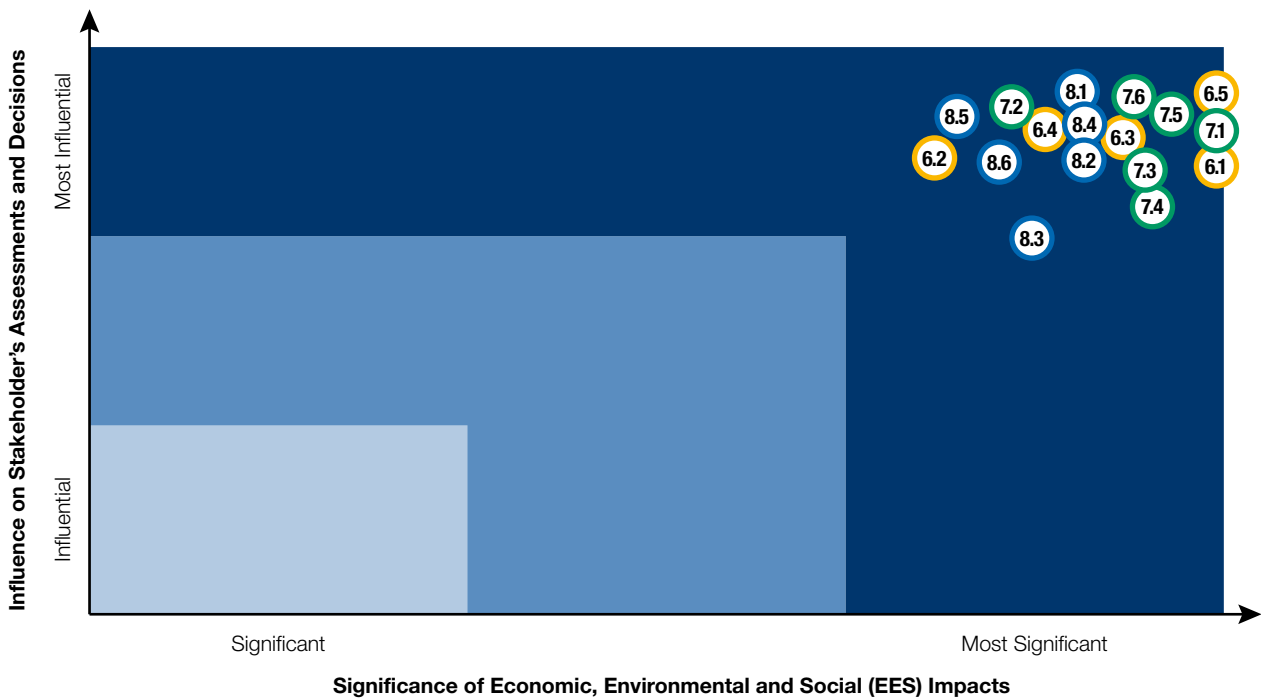
Determining materiality aids the Group in identifying and categorising prevalent issues to focus its efforts on and chart its direction in sustainability. Material issues are defined as elements that are expected to have a significant effect on and are related to the Group's various stakeholders.

The materiality assessment for the Group is based on its engagement with the relevant stakeholders in its daily operations which resulted in the identification of 17 material issues which impact the economic, environmental, and social sustainability of the Group. These material issues identified are mapped to the relevant sustainability pillars as elaborated on pages 40 to 62.

### BCORP'S SUSTAINABILITY PILLARS

ECONOMIC	ENVIRONMENTAL	SOCIAL
6.1 Financial Performance	7.1 Emissions	8.1 Human Resource Diversity
6.2 Procurement Practices	7.2 Waste and Effluents	8.2 Occupational Safety and Health
6.3 Indirect Economic Impact	7.3 Water Conservation	8.3 Labour Practices – Human Capital
6.4 Design Efficiency through Value Engineering	7.4 Energy	8.4 Society
6.5 Implications of the COVID-19 Pandemic	7.5 Biodiversity	8.5 Product and Service Responsibility
	7.6 Compliance (Environment)	8.6 Compliance (Social)

### BCORP'S MATERIALITY MATRIX



# SUSTAINABILITY STATEMENT

## 4. STAKEHOLDER ENGAGEMENT

Operating as an effective and sustainable business entity, the Group believes that maintaining a good degree of communication and understanding through continuous dialogue and sharing of information with all its internal and external stakeholders are highly essential.

BCorp has established a series of engagement initiatives with various stakeholders through its respective operating divisions. The input and perspectives gathered from all the relevant stakeholders specialised in their respective fields have been beneficial the development of the Group's business strategy and operations in respect of the trends, impacts, risks and opportunities that the Group has to take into account.

The Group's key stakeholders and engagement platforms are listed below:

STAKEHOLDER ENGAGEMENT MATRIX	
Government and Regulators	<ul style="list-style-type: none"> <li>Meetings with Government bodies and regulators on policy matters, issues and concerns arising from the changing operating environment as well as matters concerning the customers and the general public.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Regular networking activities and gatherings.</li> <li>Formal and informal meetings to collect feedback, attend to grievances and disseminate information on the Group's products and services.</li> <li>Customer surveys are conducted periodically to keep updated with the customers' needs and expectations for the Group's products and services.</li> <li>Regular outlet/store visits are made to keep tabs on customer behaviour and satisfaction.</li> <li>Online reservation/purchase channels. Company websites, printed material, telecommunication companies' messages, and other communication channels to disseminate information/updates on products and services.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Internal engagement channels such as the intranet and corporate newsletters to communicate information on events, activities, staff promotions as well as messages from the Group's Executive Chairman and Chief Executive Officer.</li> <li>Orientation for new staff.</li> <li>Training and development programmes.</li> <li>Synergy meetings attended by representatives of the various operating companies.</li> </ul>
Suppliers, consultants, vendors	<ul style="list-style-type: none"> <li>Tender and procurement process.</li> <li>Regular review of major suppliers to provide feedback on service delivery and areas of improvement for the mutual benefit of both parties.</li> </ul>
Communities, non-governmental organisations, industry groups	<ul style="list-style-type: none"> <li>Focus groups and consultative meetings.</li> <li>Community programmes in collaboration with non-governmental organisations ("NGOs") and charitable organisations.</li> </ul>
Media	<ul style="list-style-type: none"> <li>Regular engagement and updates with the mainstream media.</li> <li>Press conferences, media releases, and media visits relating to key business development and CSR activities.</li> </ul>
Investors, shareholders and stock analysts	<ul style="list-style-type: none"> <li>Communication via announcements to Bursa Securities, Annual Report, General Meetings, the Group's and Corporate Website, as well as conducting briefings and updates for analysts, fund managers and potential investors as and when required.</li> </ul>



## 5. GOVERNANCE

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

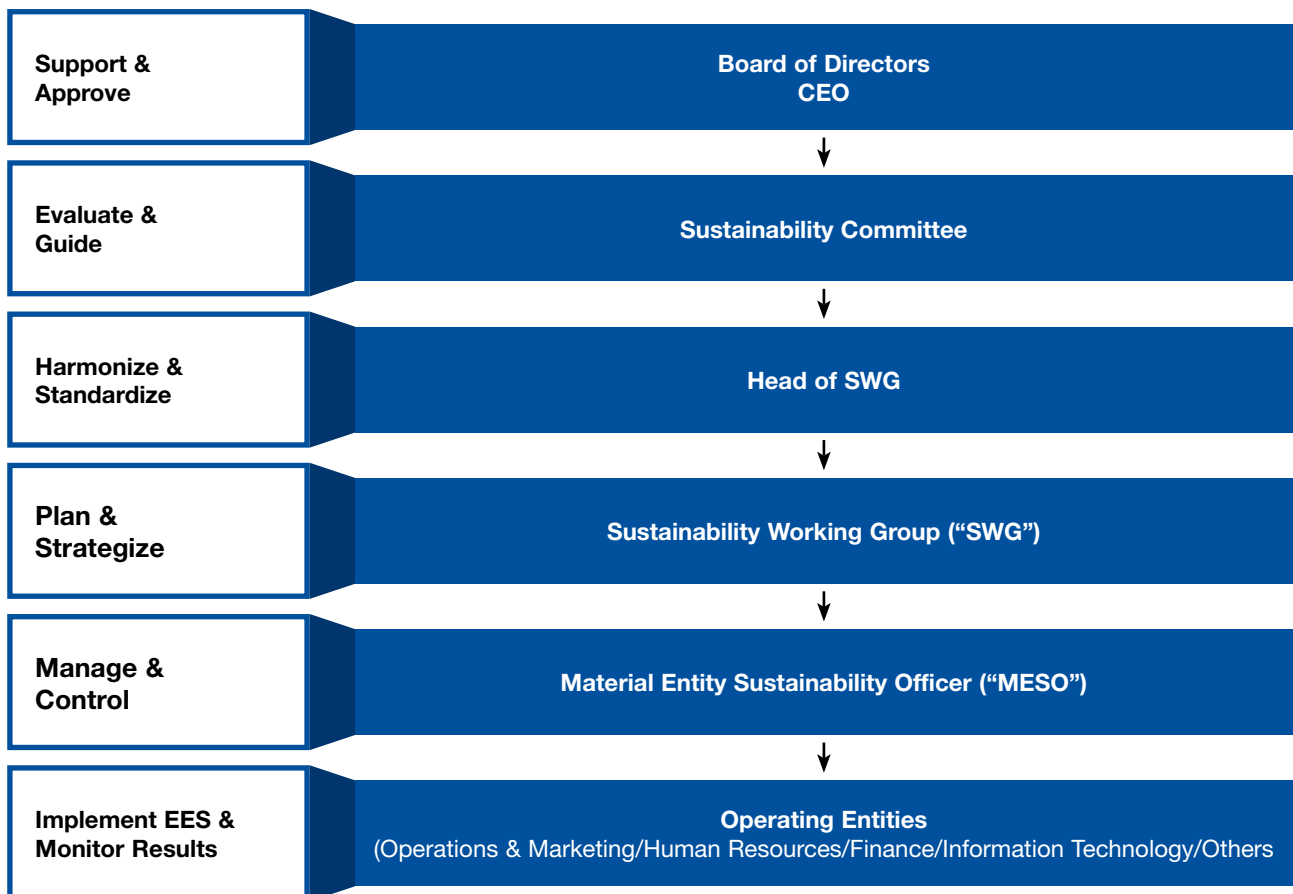
In line with the Group’s belief that corporate governance and creation of value for stakeholders are mutually dependent as both are critical components for business continuity and sustainability, a Sustainability Working Group (“SWG”) was formed in 2017. Each of the operating companies is represented by a Material Entity Sustainability Officer (“MESO”) who collates the significant findings on the economic, environmental and social aspects of sustainability which are then submitted to the SWG for evaluation and preparation of the Sustainability Statement. Subsequently, the Sustainability

Statement is presented to the Sustainability Committee for review, followed by the Board’s approval. Each of the Group’s operating divisions has been charged with the fiduciary duty to take sustainability into consideration in their business strategy planning, operations and processes.

In doing so, the Group strives to develop systems to monitor the implementation of its internal control and sustainability measures as well as the completeness and reliability of information regarding the financial, operational, safety, health and environmental management aspects of the Group. The Board and management are committed to continually refining and improving these processes over time.

For more detailed information on the Group’s Statement on Corporate Governance and Statement on Risk Management and Internal Control, please refer to pages 63 to 81 of the BCorp Annual Report 2020.

### SUSTAINABILITY GOVERNANCE STRUCTURE



Note: ESS denotes Economic, Environmental and Social.

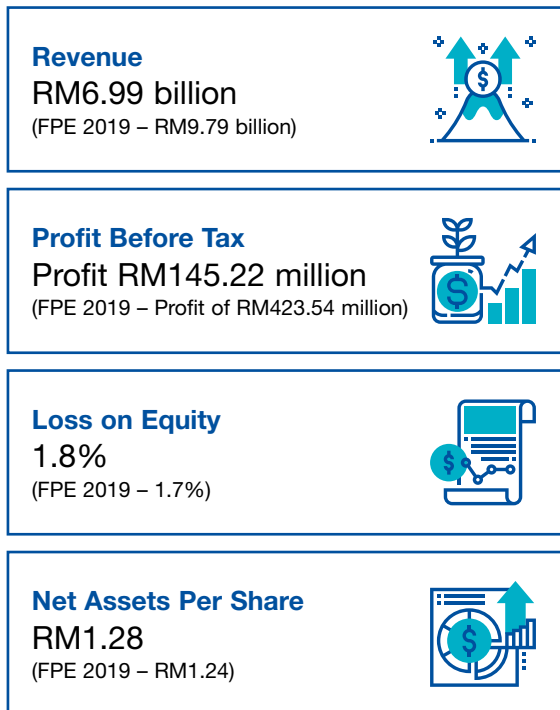
# SUSTAINABILITY STATEMENT

## 6. ECONOMIC SUSTAINABILITY

### 6.1 Financial Performance

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

BCorp's financial performance highlights for the financial year ended 30 June 2020 and its comparatives for the fourteen months ended 30 June 2019 are as follows:-



Amidst the challenging and evolving business landscape, the Group continues to operate effectively through stringent and prudent cost management whilst enhancing the productivity and efficiency of its businesses.

For more information on the Group's financial performance, please refer to the Group Financial Summary and Highlights on pages 34 and 35 of the BCorp Annual Report 2020.

### 6.2 Procurement Practices

BCorp and its subsidiaries maintain key supply chains for key materials and delivery services to ensure its operations are sustainable. To ensure continuity of the key supply chains, its core products

are secured based on supply agreements with established suppliers and several prominent third-party logistics transporters. BCorp also seeks local suppliers for its procurement requirements to generate direct economic value in the local community.

Priority is given to locally produced items and responsibly sourced products and services to support the local economy and reduce transportation-related emission while taking into account the need to ensure that the products conform to high standards of quality and delivery. All procurements also adhere to strict standard operating procedures to ensure fair and reliable business transactions. BCorp companies endeavour to procure their products from responsible and reputable manufacturers or suppliers who are ISO, Good Manufacturing Practice ("GMP") or Hazard Analysis and Critical Control Points ("HACCP") certified.

BCorp's food and beverage businesses ensure that 100% of their food products adhere to the "Halal" requirements from JAKIM. Suppliers are required to self-declare and provide updated certification. Compliance audits are conducted regularly to ensure that local regulatory hygiene practices are complied with.

Based on Starbucks global direction, Berjaya Starbucks Coffee Company Sdn Bhd ("BStarbucks") imports its raw materials such as coffee beans, chocolate powder and ingredient beverages from its Regional Distribution Centre which emphasizes ethical sourcing and commitment to continuous improvement to distribute the best quality products.

Berjaya EnviroParks Sdn Bhd ("BEnviroParks") employs an open concept whereby all its tenders for contract works are carried out through an open tendering process which is part of its standard operating procedure to ensure fair practices. It has successfully achieved a 100% local procurement by awarding contracts to local contractors/suppliers and also appointment of local consultants.

The Group's Property Development Division ("PD Division") practises a fair and stringent tendering process which involves the evaluation of tenderers based on past project track records, project references and company financial background. Interview sessions are conducted to clarify all ambiguities in relation to design, technical, commercial and work methodology embracing buildability in terms of deployment of innovation and

technology to reduce overall cost. The PD Division has successfully achieved 100% local procurement by awarding the construction and consultancy contracts for its projects in Malaysia to local contractors and vendors.

The selection of ethical vendors, which is aligned with Cosway (M) Sdn Bhd's ("Cosway") business values and principles, is critical to ensure that its extended business footprint is sustainable and create value from the EES perspective. Cosway continues to work with ethical business partners and acknowledges the importance of procuring "Made in Malaysia" products. The percentage of procurement from the local suppliers and manufacturers are as follows:-

- i. FYE 2020: 77%
- ii. FPE 2019: 70%
- iii. FYE 2018: 68%

Cosway's supply of household products, in particular hygiene products such as detergents, bleach, and stain removers are sourced from its OEM manufacturer which is ISO 9001:2008 certified.

Inter-Pacific Securities Sdn Bhd ("IPS") procures products such as contract statements, computer forms, stationery, ribbons, and cartridges from local vendors. Approximately 98% of its yearly service subscriptions, such as for system maintenance, are sourced from local service providers. These suppliers comply with IPS' standard procurement procedures and the service quality of these suppliers is evaluated on a half-yearly basis.

Sports Toto Malaysia Sdn Bhd's ("Sports Toto") local procurement of products and services needed for its Toto lottery operations is largely conducted through a tender process managed by a tender committee, taking into consideration the need to establish a secure, reliable and cost-effective supply chain that adheres to high standards of quality and delivery.

Where local procurement is not possible, BCorp and its subsidiaries will look for opportunities to procure products and services from other entities within the Group or collaborate with reputable local business partners to introduce the product or technology from abroad. For instance, Sports Toto procures its lottery terminals, central system and system software from its subsidiary company, International Lottery & Totalizator Systems, Inc. ("ILTS"), which is a leading supplier of lottery systems in the USA.

### 6.3 Indirect Economic Impact

BCorp and its subsidiaries create an indirect economic impact through their support and contributions to the local communities. Since 2018, BStarbucks has empowered the Silent Teddies Bakery by retailing the Starbucks Jumbo Chocolate Chip Cookie in all the Starbucks' stores in Malaysia. For every cookie purchased, BStarbucks donates RM1 to The Silent Teddies Bakery. Since the implementation of the programme till 31 January 2020, BStarbucks has raised more than RM30,000.

Cosway promotes entrepreneurship which is an essential component to ensure economic development. Cosway has increased recruitment of its membership for young entrepreneurs, in particular, Bumiputra entrepreneurs, who have increased year-on-year. 41% of the total young entrepreneurs are Bumiputra as at 30 June 2020 as compared to 32% as at 30 June 2019. Young entrepreneurs are defined as 25 to 34 years of age.

To promote the development priorities of the local farmers in Hulu Selangor and Sarawak, REDtone provided Smart Farming solutions which include systems for Smart Greenhouses, Smart Aquafarming, Smart Fertigation and Smart Pesticide Misting. Smart Farming takes advantage of the real-time data captured by IoT sensors so that farmers can predict the weather, check soil and water conditions, prevent diseases and manage crop conditions. These smart solutions ensure crops are well-nourished and watered without human intervention. The data collected from sensors are stored in the cloud and can be easily accessed using a phone, tablet or desktop computer at the farmer's convenience. These solutions are aimed at digitalising the agriculture sector to increase farming productivity and quality and maintain the affordability and sustainability of the value chain.



*REDtone participated in Agri Malaysia 2019 to promote its Smart Farming Solutions.*

## SUSTAINABILITY STATEMENT

In East Malaysia, REDtone has repaired certain roads to facilitate its access and to maintain the telecommunication towers which are located in the rural areas. This also enables the local communities to connect to suburban communities and resources.

Since 2012, Berjaya Philippines Inc. (“BPI”) has been a supporter of Gawad Kalinga, a Philippine-based poverty alleviation and nation-building organisation established in the year 2003. To date, the Berjaya-Gawad Kalinga collaboration has built more than 1,200 homes for the poor in the Philippines.

### 6.4 Design Efficiency Through Value Engineering

The PD Division and Property Investment Division (“PI”) are always mindful of the economic sustainability of their development projects and continuously review their design concepts, material selections and work methodology with the aim of reducing the overall project costs through value engineering and alternative material selection or substitution without compromising on quality and delivery.

The Tropika and the affordable homes project, Residensi Lanai in Bukit Jalil uses a precast Industrialised Building System (“IBS”) which enhances the efficiency of the construction process, reduces construction wastage and provides a safer construction environment. Residensi Lanai also used Autoclaved Aerated Concrete, a type of precast concrete composed of natural raw materials and is well-known for its high fire and termite resistant features, apart from easy handling and installation due to its light weight.



*Residensi Lanai at Bukit Jalil, Kuala Lumpur.*

Precast design software such as the “Cloud Work sharing” and “Autodesk Revit with BIM 360” are used by the contractors to produce consistent, coordinated and complete model-based building architectural designs in the construction of projects in Residensi Lanai and The Peak.

The Kensington Gardens engaged geotechnical engineers for detailed soil investigation and slope analysis works to facilitate a more sustainable construction method.

As a result of the PI’s design efficiency and careful selection of construction products and materials, the renovation works at the 68-room hotel in the Kota Raya Complex and the 26 units of apartments in Plaza Berjaya provide long term economic sustainability to the Group.

### 6.5 Implications of the COVID-19 Pandemic

The business community experienced severe economic impact due to the unprecedented COVID-19 pandemic which has caused various governments to implement population lockdown which have led to various levels of business suspension or closure. Consequently, the various operating companies of the Group implemented various strategies to sustain their business operations.

BERJAYA University College (“BERJAYA UC”) implemented online classes to ensure a continuous process of teaching and learning. The academic staff used the “Classcast” through its learning management system, ‘Course Networking’, ‘Zoom’, and ‘Google Classroom’ to conduct online classes, presentations and student assessments. All the online classes were also recorded for the students’ reference. However, classes which required practical facilities like the use of the laboratory resumed in July 2020.

While the Group’s food and beverage businesses had to cease dine-in operations during the MCO period, they were able to continue operating via take-away services and online food aggregators such as “Grab Food” and “Food Panda”. A Business Continuity Plan was also implemented to support the sustainability of the operations.

When the MCO period led to the closure of its stores, Cosway took the opportunity to revamp its online website to incorporate user-friendly features to improve on customer experience, and this resulted in an increase of its online sales. In addition, Cosway rolled out its “You Shop, We Deliver” Campaign which offers free delivery service and set up a “Care Team” to provide assistance to members who order their stocks online.

# SUSTAINABILITY STATEMENT

Cosway further increased its digital engagement with its members and customers by distributing e-catalogues and sharing product knowledge and showcasing new products via live podcasts on Facebook and Tik Tok. The social engagement rate via social media with its customers and prospects increased 250% in April 2020 as compared to that of February 2020.

The COVID-19 pandemic has affected consumers' behaviour, lifestyle and outlook towards healthcare as they opt for healthcare products, in particular dietary supplements to strengthen their immune system. To cater to this trend, Cosway has increased its procurement for healthcare and hygiene products.

In catering to the requirement for social distancing, improved connectivity and REDtone offered its customers new technological tools and support such as virtual reality and virtual event solutions. REDtone also increased its marketing efforts and secured leads and customers via various digital tools and platforms. REDtone's FlexiCraft Holodeck's virtual reality platform provides a panoramic 720-degree virtual tour through retail outlets, automotive showrooms, hotels, restaurants, museums, and art galleries. REDtone's Flexicloud Immersive Virtual Event provides businesses with an integrated platform to host and organise various events such as product launches, roadshows, exhibitions, and conferences. The immersive power of virtual reality negates large crowd gatherings. REDtone's Body Temperature Scanner for business premises offers non-contact temperature detection through infrared measurement, face detection and real-time warning for high temperature detection.



Promotional visual for REDtone's virtual reality platform.

## 7. ENVIRONMENTAL SUSTAINABILITY

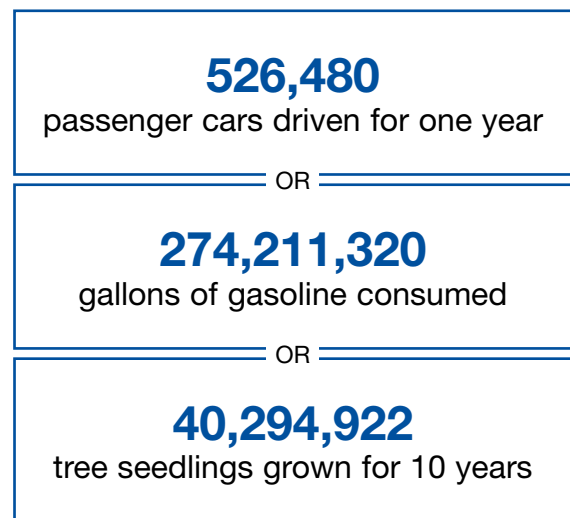
BCorp and its subsidiaries endeavour to reduce its negative environmental impact through the efficient use of resources and minimising wastage in the course of conducting its businesses. BCorp and its subsidiaries strive to monitor carbon emission and increase usage of 'green products' where possible.

### 7.1 Emissions

During the construction of The Tropika, the PD prioritised the usage of environmentally friendly materials such as low carbon timber, low carbon steel, Volatile Organic Compounds paints and coatings, apart from certified adhesives and sealants.

BEnviroParks supports on going initiatives to reduce the impact of carbon emissions associated with its business operations. In this regard, BTEP, a registered Clean Development Mechanism ("CDM") project with the United Nations Framework Convention on Climate Change, has achieved one of the highest Certified Emission Reduction ("CER") among landfills in the region. Methane gas emitted from the decaying waste is destroyed by flaring and by feeding into a gas engine to generate Renewable Energy.

BEnviroParks achieved 2,436,916 CERs from August 2009 till January 2020, which is equivalent to the units of measurements shown below:-



At Bukit Kiara Equestrian and Country Resort ("BKE"), the horses' manure is covered with sawdust to ensure that the smell and odour do not attract flies. The manure is harrowed frequently to break up accumulated manure piles. This will kill parasitic insect larvae, and reduces leaching into water sources.

# SUSTAINABILITY STATEMENT

In advocating healthier, safer and greener living, Cosway strives to ensure its products meet stringent quality control, comply with local regulations, and are free from harmful ingredients like paraben, formaldehyde, triclosan heavy metals, synthetic colorants, petroleum distillate and ammonium chloride.

## 7.2 Waste and Effluents

The Group acknowledges that the management of waste is an important aspect of modern living.

In January 2020, Berjaya Enviro Holdings Sdn Bhd (“BEnviro”) officially launched the first Borneo Trash Skimmer Boat at Semporna Seafest Jetty as part of its “Save The Sea” initiative. The waste management initiative encompassed a 3-month deployment of a trash skimmer boat to demonstrate the effectiveness of the seaboard cleansing method using advanced equipment. The objective of the project was to clean up Semporna’s seaboard area of floating debris and garbage. The trash skimmer boat operates at Semporna’s open sea area, whilst two units of sampan boats are used to service the shallow waterfront areas such as the jetty and the coastal line. The boats are able to cover an area of 2.9 million square metres, from Bangau-Bangau to Semporna City, Kampung Sejati, and Tampi-Tampi.

Apart from that, BEnviro contributed two units of All-Terrain Vehicles to the Mayor of Kota Kinabalu City, to facilitate cleaning activities at the Kota Kinabalu beach areas. This is testament to BEnviro’s commitment towards assisting the Sabah Government to attain a Zero-Waste City status for Kota Kinabalu.

Bukit Tagar EnviroParks (“BTEP”) is a state-of-the-art level 4 sanitary landfill. The operating landfill cells, which measure about 58 hectares, are lined with an impermeable flexible high-density polyethylene (“HDPE”) membrane, which forms the composite liner system that prevents infiltration of leachate into the ground. The leachate generated from the garbage in the landfill cell is collected and sent for treatment at BTEP’s state-of-the-art leachate treatment plant, the largest in Malaysia. Although the



The trash skimmer boat and sampan donated by BEnviro in Sabah.

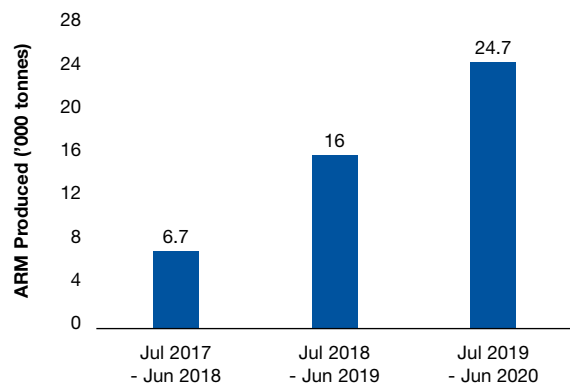
leachate is treated to meet environmental discharge standards, it is not released to open water courses but instead irrigated to the surrounding plantation and vegetation within the site boundary. This process is in line with BTEP’s ‘Zero Discharge’ Policy.

The following municipal solid waste (in tonnes) has been properly disposed of at BTEP:-

- i. July 2019 to June 2020: 979,000
- ii. July 2018 to June 2019: 1,019,000
- iii. July 2017 to June 2018: 980,000

Amita Berjaya Sdn Bhd’s (“ABSB”) proprietary technology enables certain Scheduled Waste to be 100% recycled without any residue by turning Scheduled Waste into Alternative Raw Material (“ARM”) and Alternative Fuel (“AF”), which are used as substitutes for natural raw material and fossil fuel in the cement making industry. In the financial year under review, a total of 24,700 tonnes of ARM have been produced from Scheduled Wastes. This is a significant contribution towards the conservation of natural resources which would have otherwise been mined and consumed in the cement-making industry. ABSB’s pioneering technology achieves the sustainability of resources by adopting the “Cradle-to-Cradle” principle where Scheduled Wastes are recycled for continuous use, in line with the Government’s Green Industry Strategic Plan. The reuse and recycling of these Scheduled Wastes have resulted in saving approximately 12,000 square metres of land which is equivalent to the landfill size needed to securely dispose of these hazardous wastes.

### ABSB’S ALTERNATIVE RAW MATERIAL (“ARM”) PRODUCED



The GreenRE Assessment Scheme, established in 2013, is a recognised green building rating system which is tailored for tropical climate. GreenRE sets the parameters and establishes indicators to facilitate the design, construction and operation of buildings to increase energy effectiveness and enhance environmental performance. The GreenRE

## SUSTAINABILITY STATEMENT

V3.1 Bronze Award received in the previous financial period has become the PD's benchmark in improving its green initiatives.

The PD emphasises on the usage of sustainable and recycled materials; green cement with approved industrial by-products such as the Ground Granulated Blast furnace Slag, silica fume and fly ashes to replace the Ordinary Portland Cement for super-structural works. The PD complies with the Concrete Usage Index of less than 0.60 m<sup>3</sup>/m<sup>2</sup> for The Tropika to minimise the usage of concrete.

Timber, plywood and rebars wood-based were collected and sold to wood chip manufacturers for wood waste compost. At The Tropika, compost bins are provided to collect organic waste and wire mesh sold as scrap to the steel mills. Recyclable and biodegradable paper is reused or recycled where possible.

Berjaya Hotels and Resorts ("BHR") continues to improve on waste management in its daily operations through several initiatives. BHR adopts a paperless check-in process and invoices are only printed upon request, whilst quotations and room confirmation are communicated via emails. Old linens and towels are repurposed into rags and floor mats for use in common areas. Plastic wrappers for in-room amenities are replaced with recycled paper wrapping. At Berjaya Langkawi Resort and The Taaras Beach & Spa Resort in Redang Island, water dispenser units are provided to complement the existing practice of using water bottles in the hotel rooms.

In an effort to reduce waste associated with its business practices, BCorp's food and beverage companies are also working to shrink their environmental footprint. BStarbucks has a "Bring Your Own Tumbler" programme which rewards its customers with a RM2 discount when they bring their personal Starbucks tumbler to purchase coffee in Starbucks stores. The number of customers who used Starbucks tumblers when purchasing their beverages are as follows:-

- i. FYE 2020: 617,700
- ii. FPE 2019: 1,186,273
- iii. FYE 2018: 862,517

Berjaya Roasters (M) Sdn Bhd ("BRoasters") introduced the i.Care Box and i.Care Bag as its ongoing environmental initiative to manage waste better. BRoasters provides a special discount to Kenny Rogers Roasters' ("KRR") customers who use the i.Care Box for their purchases. The number of customers who supported the KRR i.Care Box programme are as follows:

- i. FYE 2020: 20,606
- ii. FPE 2019: 17,113
- iii. FYE 2018: 12,415



The KRR i-care box.

Coffee grounds make an excellent garden fertilizer and provide much-needed nutrients to the soil. Almost 93% of Starbucks stores gave away used coffee grounds. The "Grounds for Your Garden" programme provides interested customers with complimentary 1kg bags of soil-enriching used coffee grounds to take home for their gardens. The mass (in kilogrammes) of used coffee grounds are as follows:-

- i. FYE 2020: 180,086
- ii. FPE 2019: 248,286
- iii. FYE 2018: 237,919

During the financial year under review, BStarbucks partnered with the Young Women's Christian Association ("YWCA"), Kuala Lumpur to upcycle its Flavorlock coffee bags into pouches which are retailed in all Starbucks' stores. RM1 for each pouch sold was channelled back to YWCA and to the B40 community who helped to convert these Flavorlock coffee bags into pouches. The partnership with YWCA contributes to the Vocational Opportunity Centre curriculum and enhance the skill sets of the young girls and women who lent a helping hand in sewing the Starbucks' Flavorlock coffee bags. Some of the other projects organised by YWCA include a shelter for women in crisis, a pre-school kindergarten, and an onsite vocational school for young women in Kuala Lumpur.

Sports Toto Malaysia Sdn Bhd ("Sports Toto") uses recycled papers for its betting slips and biodegradable paper cores for its thermal ticket rolls. The distribution of thermal paper for bet tickets to

## SUSTAINABILITY STATEMENT

Sports Toto outlets is closely monitored by its Logistics Department with a computerised ticket roll and inventory tracking system to ensure efficient paper consumption. Unused promotional materials and used betting slips are discarded responsibly.

H.R. Owen Plc (“H.R. Owen”) minimizes the printing of marketing material by emphasising e-communication. H.R. Owen has invested in artificial intelligence and cloud technology for its finance department to reduce printed papers and reports.

By reaching out to its customers via various digital channels, Cosway has managed to reduce its number of printed materials. The reduction in the number of printed copies of newsletters and brochures year-on-year are as follows:-

- i. FYE 2020: 2,740,500
- ii. FPE 2019: 4,130,000
- iii. FYE 2018: 3,990,000

Cosway continues to optimise its logistic services for product deliveries from its centralised warehouse to its physical stores and uses recyclable and durable plastic totes for the consignments, therefore reducing the usage of corrugated boxes. Such a move has resulted in the following savings on the usage of paper (in kg):-

- i. FYE 2020: 44,161
- ii. FPE 2019: 65,270
- iii. FYE 2018: 72,600

Inter-Pacific Securities Sdn Bhd (“IPS”) introduced e-statements and the Auto-Trust Payment (“ATP”) payment service whereby proceeds payable to clients are automatically credited into their trust accounts with IPS. IPS has also set up a panel of waste management agencies to handle the disposal of non-biodegradable materials to prevent contamination of the environment. The number of clients who opted for the ATP was 31,814 as at 30 June 2020 compared to 22,762 as at 30 June 2019, an increase of 49%. The number of transactions made by clients via the JomPAY payment platform as at 30 June 2020 were 708 transactions, as compared to 676 transactions as at 30 June 2019. The number of clients who subscribed to e-statements as at 30 June 2020 increased to 15,759 as compared to 4,422 as at 30 June 2019.

IPS engaged a waste management specialist to handle the disposal of its non-biodegradable material. As at 30 June 2020, there were 136 units of obsolete or faulty IT equipment which were properly disposed of.

Similarly, other BCorp companies are mindful of the materials used for their packaging and other products and have switched to using biodegradable materials, wherever possible. REDtone has developed various online portals to serve the various needs of its customers and employees without incurring paper usage.

### 7.3 Water Conservation

In BTEP, treated waste water is used for the irrigation of oil palms, rubber plantation, and secondary forest. About 700 to 800 cubic meter of water is treated daily.

The PD collects and stores storm water for use in landscaping irrigation and construction cleaning. There are two methods systems of storing storm water, namely the use of underground tanks and On-site Detention (“OSD”) tanks. In Kensington Gardens, storm water is stored in underground tanks whilst at The Tropika and Bayu Timur, OSD tanks are installed to manage storm water in compliance with The Urban Storm Water Management Regulation.

The Tropika uses the GreenRE RB V3.1 Bronze Award as the standard for its Water Efficient Fittings. Water fittings are certified by the Water Efficiency Products Labelling Scheme (“WEPLS”) and Water Efficient Labelling Scheme (“WELS”). Water fittings are certified based on  $6.0 < f \text{ (L/min)} < 8.0$  for taps, mixers and bidets. Such fittings, which are based on WEPLS, results in 10% to 15% savings of water. Sub-meters were installed for better monitoring and control of water usage. The Cold Water Schematic System Design used in The Tropika identifies the possibility of operational failures prior to the construction and improves the monitoring and the distribution of water.

The PI also installed self-closing pillar tap fittings and dual flush cistern and hand dryers in some of its complexes, which helps to reduce water wastage.

BHR’s other efforts in water conservation include the installation of a water flow regulator in its water taps system, and the installation of water sub-meters to improve the monitoring of its water consumption and early detection of leaks.

The Clubs’ golf courses use reclaimed water stored in the irrigation pond to irrigate its golf course areas which requires specific irrigation care as compared to the other green areas. The amount of water required for an average green size of 500m<sup>2</sup> is about 450 litres for each round of watering. Water sourced from rivers, rain and man-made ponds is used for general cleaning of the golf course greens and landscape, the indoor arena and indoor sports complex, thus minimizing the usage of treated water.

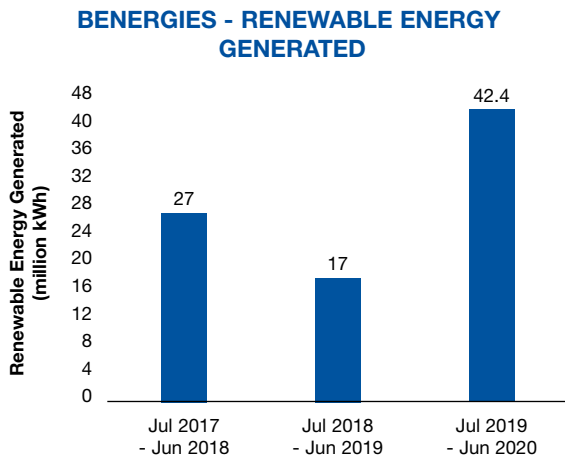
Water is a key ingredient in Starbucks’ beverages and a necessity for operating Starbucks’ stores. BStarbucks has replaced its “dipper wells” with the



auto-close water faucet in order to reduce water consumption. Other water-saving measures such as rain water harvesting systems for garden watering purposes, were introduced at the stand-alone and Drive-Thru Starbucks' stores.

**7.4 Energy**

Berjaya Energies Sdn Bhd ("BEnergies") is involved in the production of electricity using landfill gas and conversion of solar energy. Energy produced from the solar project will be supplied to TNB under the Feed-In Tariff scheme. The total renewable energy generated by all of the power generation assets are as follows:-



**42,391,500 kWh**  
(July 2019 to June 2020)

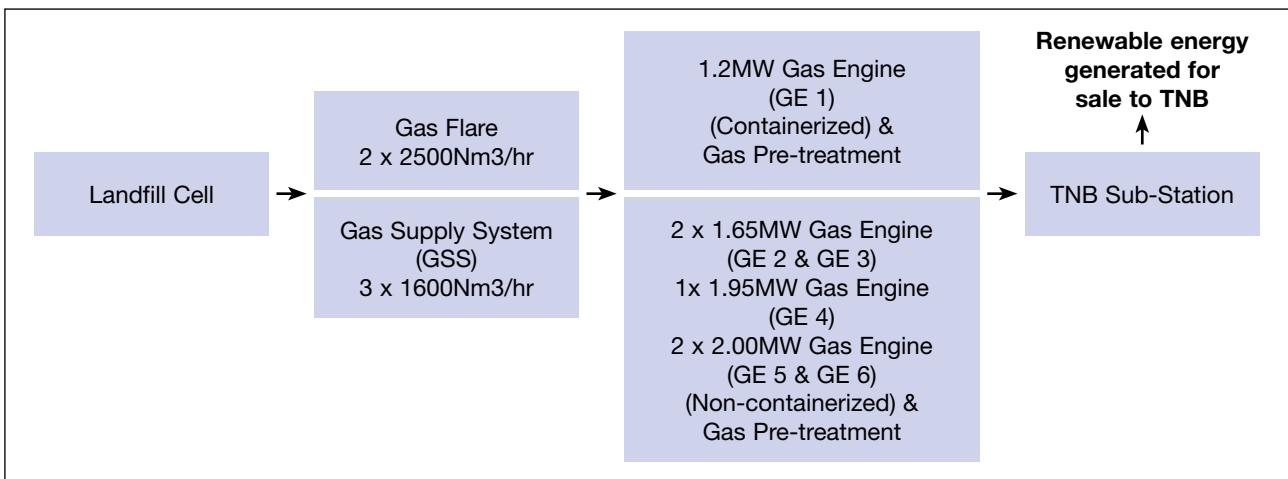
is equivalent to:

**3,822,458,034**  
number of smartphones charged

OR  
**14,519**  
Air-conditioners power a year

OR  
**11,582**  
Homes' electricity use for one year

**BENVIOPARKS - LANDFILL GAS MANAGEMENT**



BEnergies employs a comprehensive landfill gas ("LFG") management strategy to harness the landfill gas that is emitted upon the decomposition of buried waste and uses the harnessed gas to generate renewable energy. Generating renewable energy from LFG promotes sustainability of natural resources by reducing the use of fossil fuel in electricity production. BEnviroParks has one of the largest waste-to-energy projects in the nation, with a combination of 10.5 megawatt gas engines to

generate electricity from LFG. The electricity is then fed into the grid under the Government's Feed-in Tariff programme which is administered by the Sustainable Energy Development Authority ("SEDA"). BTEP is the largest grid-connected biogas (landfill gas) renewable energy facility under the Feed-in Tariff programme in Malaysia. In addition, BEnergies also deploys gas flare to eliminate excess methane gas.

## SUSTAINABILITY STATEMENT

The energy-efficient efforts at The Link 2 in Bukit Jalil has successfully gained the certification of “GreenRE Bronze” for both its residential and non-residential developments. In line with this achievement, the PD adopts a similar standard for the construction of The Tropika. The GreenRE RB V3.1 advocates the “Thermal Performance of Building Envelope” Concept which aims to minimise heat gains through the envelope of the building.

To comply with the Uniform Building By-Law (“UBBL”) clause 39 National Ventilation requirement, The Tropika at Bukit Jalil provides for natural ventilation in common areas such as the staircase, corridors and lift lobbies. All rooms are designed to provide for openable windows to allow a minimum of 5% fresh air passage. With the use of energy-efficient design and the control of ventilation systems in the car parks, prevailing wind conditions are used in an optimal manner. CIDB requires 70% cross ventilation for the car park areas and this condition is met where natural ventilation is optimised utilising prevailing wind conditions.

To optimise the use of daylighting at The Tropika, all the rooms are designed to comply to the UBBL Clause 39 Natural Daylight requirements. These rooms are designed to allow a minimum of 10% daylight.

The PD aims to achieve optimised energy efficiency in its development projects by incorporating features of natural lighting, cross or natural ventilation, and sun shading to reduce the impact of heat from the sun into the designs of the buildings. Phase 1 of The Link 2, and Residensi Lanai in Bukit Jalil, Bayu Timur and Berjaya Property Gallery at Berjaya Park, Shah Alam, and Jesselton Villas in Penang have integrated green building features which include energy-saving light fittings, smart lighting with automated intelligent control switching features, mechanical and electrical equipment selection with emphasis on green energy and control systems such as variable voltage variable frequency (“VVVF”) in lift drive and control. Kensington Gardens, Penang uses a solar panel lighting system for its outdoor facilities such as its playground and parking lots.

Similarly, the PI has implemented VVVF in lifts and escalator motors. The lift replacement at Plaza Berjaya has reduced its energy consumption from a fixed rating of 32.1kW to 21kW or lower per lift, resulting in 35% of energy savings.

With the use of LED lightings to upgrade the carparks, Plaza Cosway registered a savings of 20% to 25% electricity consumption.

BStarbucks implemented energy tracking of its consumption of electricity (kWH) in Starbucks’ stores during the financial year under review. About 70% of



*The Link 2 at Bukit Jalil, Kuala Lumpur.*

the Starbucks stores replaced the conventional lightings with LED type halogen and metal halide bulbs which emit 5W LED and 50Q LED floodlights. Energy consumption was reduced by 20%.

As of 30 June 2020,

- i. 70% of Starbucks stores have switched to LED lightings, and
- ii. 20% of Starbucks stores have switched to Inverter Air-Conditioners.

BStarbucks has installed solar panels at its Drive-Thru store in Tanjong Tokong, Penang. Solar energy does not produce greenhouse gases and does not pollute water. BStarbucks targets to implement a water heater system powered by solar panels in three of its Drive-Thru stores by the end of December 2020.

All of Jollibean Food Pte Ltd’s (“Jollibean Food”) stores have also been installed with LED lightings and has conserved about 18% of the electricity consumption. All of its Singapore Mass Rapid Transit (“SMRT”) outlets have completed their certification for the ECO-shop project, which is a joint initiative between SMRT and Singapore Environment Council to adopt environmentally sustainable practices in its daily operations. Consequently, Jollibean Food’s SMRT stores conserved about 6% of their electricity and water consumption due to the ECO-shop project. On the other hand, BRoasters is in the process of switching to LED lighting during the refurbishment process of all of its KRR restaurants. As at 30 June 2020, 9 KRR restaurants had upgraded to LED lighting.

H.R. Owen has complied with the various local regulations for its environmental responsibilities. The UK Government's mandatory energy assessment scheme called Energy Savings Opportunity Scheme requires H.R. Owen to measure its total energy consumption and carry out its energy audits to identify cost-effective energy-saving opportunities. H.R. Owen also invested in energy-saving fit-outs on the refurbishment of its existing and new sites. It has also officially opened its Ferrari Mayfair showroom which showcased the UK debut of the SF90 Stradale, Ferrari's first series production plug-in hybrid electric vehicle ("PHEV"). PHEV significantly reduces the vehicle's petrol consumption and it emits less greenhouse gas as compared to the conventional vehicle.



H.R. Owen's Ferrari SF90 Stradale.

Cosway's consolidation of its warehouse space has resulted in a substantial reduction in its electricity consumption, decreasing from a monthly average of RM161,000 for the financial period ended June 2019, to RM115,000 for the financial year under review. The total electricity usage at the store level (in kWh) is as follows:-

- i. FYE 2020: 2,273,709
- ii. FPE 2019: 3,025,147
- iii. FYE 2018: 4,889,388

Similarly, Cosway's central warehouse has reduced its electricity usage as follows (in kWh):-

- i. FYE 2020: 615,512
- ii. FPE 2019: 998,530
- iii. FYE 2018: 866,980

REDtone data centres are designed with sustainability in mind and are incorporated with green technologies. Energy-efficient services, power usage optimisation and cooling capacity enhancement show REDtone's commitment to emphasize energy efficiency gains to minimise carbon footprint.

## 7.5 Biodiversity

Projects such as Residensi Lanai, Bayu Timur and The Tropika conform to the Green Provision which emphasises the greater use of greenery and restoration of existing trees, to reduce the heat island effect and to achieve a high Green Plot Ratio ("GnPR") landscape design. GnPR is calculated by considering the 3D volume which is covered by the plants using the Leaf Area Index. In line with the authorities' requirements, the PD maintains 10% of the plot area for greenery and landscape purposes. The PD also prioritises materials with "green" product certification during the selection of construction materials.

Kensington Gardens in Penang has a licensed Arborist who was appointed to examine the existing trees and to write recommendation reports which are submitted with the approved methodology to the local council for approval. The number of mature trees which were relocated for development at the Kensington Gardens are as follows:-

- i. FYE 2020: 66
- ii. FPE 2019: 63
- iii. FYE 2018: 45.

At Bayu Timur, Residensi Lanai and Berjaya Property Gallery at Berjaya Park, the PD has rehabilitated the brownfield sites with lush green landscaping and mature trees to return the sites to a green ecosystem. Functional landscaping features were provided to encourage the residents to pursue a healthy lifestyle.

BHR continues to promote awareness on the preservation of the marine ecosystem at Redang Island through its annual activities such as the clean-up dive to remove sea debris and crown-of-thorns from the sea bed and regular beach cleaning activities.



Tan Sri Dato' Seri Vincent Tan with employees of The Taaras Beach & Spa Resort with the collected trash from the Redang beach clean-up.

## SUSTAINABILITY STATEMENT

BHR signed a Memorandum of Understanding with Universiti Malaysia Terengganu to set up Malaysia's first-of-its-kind Sea Turtle Research Unit Turtle Lab at The Taaras Beach & Spa Resort in Redang Island to promote and develop education programmes, research and campaigns related to the sustainability of sea turtle conservation efforts in Redang. The Turtle Lab is managed by its very own marine biologist and it serves as a research centre to experiment on sea turtle hatchlings based on their digging and swimming activities.

Berjaya Tioman Resort has been organising its Tioman Island Conservation Day ("TICD") for several years. The initiative focuses on underwater clean-up activities for divers and coastal clean-up activities for non-divers. In October 2019, the resort launched a new approach in conserving corals, the Adopt-A-Coral Programme, whereby hotel guests are able to adopt a coral in Berjaya Tioman Resort with a minimal fee per coral. This fund contributes towards the rehabilitation of rescued corals and its maintenance throughout the entire restoration process – from coral selection till final out-planting. Adopted corals are monitored during its growth and recovery in a coral nursery and returned to the reef once matured. Berjaya Tioman Resort also collaborated with TGV Cinemas to raise public awareness on environmental conservation as part of TICD 2019.

On 20 July 2019, the Department of Fisheries Malaysia celebrated its Silver Jubilee of Malaysia's Marine Park where Tioman Island was awarded "Category 4 flagship site". "Category 4" flagship site is classified by the "Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security", to represent large and effectively managed sites which have exceptional regional importance in ecology, governance, or socioeconomic influence.

In BTEP, 76% of the total size of the landfill, which is 283 hectares, remain as oil palm and rubber plantations. In a mixed landscape of oil palm and forests, BTEP continues to maintain its ecological connectivity among the population of forest species. Furthermore, the oil palm captures large amounts of carbon and provides good protection to the soil.

Berjaya Hills Resort Berhad ("BHills Resort") occupies a total land area of 5,600 hectares in Bukit Tinggi, Pahang of which 85% of its area remained as a natural environment with its mountaintop hills and rainforest. BHills Resort practises minimal tree cutting where only trees which are cracked or rotten are taken down.

At Bukit Tinggi, soil erosion and landslip are triggered by torrential rain and wind. As part of its effort to preserve the environment and sustainability where it operates, BHills Resort performed the necessary assessment, risk management, and remediation activities to reduce soil erosion and landslip. Despite the cost involved, BHill Resort's management will continue its efforts to minimize the impact of soil erosion and landslip at Bukit Tinggi, Pahang.

### 7.6 Compliance (Environment)

BCorp and several of its subsidiaries comply with laws and guidelines relating to the environment in operating its business as well as undertaking efforts to assess the anticipated environmental and social impact of its activities.

ISO 14001, developed by the International Organisation for Standardisation specifies requirements for an effective environmental management system. It maps out frameworks which BCorp, ABSB and BERJAYA University College ("BERJAYA UC") comply with to enhance its environmental performance, minimise environmental footprint and develop its businesses in a more sustainable manner.

For the purpose of implementing project development, BHills Resort seeks prior approval from the relevant government authorities including Department of Environment ("DOE"). For development projects which require Environmental Impact Assessment and Environmental Management Plan approvals, BHills Resort complies with the DOE's standards and guidelines which aims to prevent pollution and protect the environment.



Participants of the Tioman Island Conservation Day 2019.

## 8. SOCIAL SUSTAINABILITY

### 8.1 Human Resource Diversity

BCorp and its subsidiaries embrace diversity as they promote a collaborative and respectful working environment among their employees. Employment opportunities are also provided by BCorp to the local communities where it operates. BCorp believes that its fair employment practice, equal treatment to all employees and equal access to opportunity are keys to boosting employees' morale and achieving competitive advantage through its diverse workforce.

As an example, in BTEP, more than 90% of the local employees who work on the landfill site are from the neighbouring towns and villages such as Bukit Beruntung, Batang Berjuntai, Bukit Tagar Estates and Felda Sungai Tenggi.

BHills Resort employed 36 Orang Asli in the financial year under review. They serve as office support staff, work in housekeeping and operation. They are mostly recruited through the Head of villages who reside in remote areas of Kuala Lipis, Jerantut, Temerloh, Karak and Bidor.

In the financial year under review, BCorp's food and beverage companies employed 79 Senior Citizens and 23 Persons with Disabilities. Jollibean Foods also hires senior citizens across all its stores, with 54% (30 June 2019: 59%) of its 143 full-timers, are above 55 years old.

BStarbucks' Starbucks Signing Store provides a platform and the opportunity for Deaf employees to have a meaningful career and attain self-sufficiency. Deaf employees provide customers with a uniquely uplifting Starbucks Experience and the store celebrates the contributions of Deaf employees and raises awareness towards people with disabilities in the workplace. Since the opening of the first Signing Store in Kuala Lumpur in 2016, Starbucks has expanded this unique store model globally, including in Washington D.C. in USA, Guangzhou in China, and Tokyo, Japan. In November 2019, BStarbucks' opened its 2nd Signing Store in Burmah Road, Penang. To-date, BStarbucks has successfully

certified 8 Deaf employees as Coffee Masters and promoted 2 Deaf employees as Shift Managers. As at 30 June 2020, BStarbucks employed 16 Deaf employees at its Signing Stores.

### 8.2 Occupational Safety and Health

BCorp promotes a proactive occupational safety, health and environmental philosophy and adopts best practices in building and maintaining a healthy and safe working environment.

The Group undertook various COVID-19 preventive measures in accordance with guidelines and Standard Operating Procedures which are mandated by the Malaysian Government.

At BCorp's Corporate Office, the Occupational, Health, Safety and Environment ("OHSE") Committee, together with its OHSE Support Team of 105 employees trained for critical OHSE roles such as Fire Marshals, First Aider and Environmentalist, are tasked to ensure that the OHSE best practices are well communicated and adopted at the workplace.

In July 2019, BCorp conducted a fire drill at its Corporate Office and a few subsidiary companies located within the same building. To ensure proper compliance and safe evacuation of all employees, the fire marshals were briefed, and they performed a rehearsal and conducted floor checks on the emergency escape routes.

In October 2019, BCorp converted its Occupational Health and Safety Management System (OHSAS 18001:2007) to ISO 45001:2018 which integrates with other management systems and aligns directly with ISO 9001:2015 and ISO 14001:2015, and continued to comply with the Environmental Management System (ISO14001:2004).

In December 2019, BCorp's Corporate Office introduced a QR Code for Facility Maintenance Reporting to encourage hazard reporting by employees and to improve its operational efficiency and response time.

In January 2020, BCorp rolled out its Crisis Management and Recovery ("CMR") policy to its subsidiaries, where a training session was conducted and attended by the Heads of companies and representatives. The training covered CMR policy, scope, organisation and planning for emergencies, threat assessment and emergency response.

Various awareness talks and training programmes were organised on relevant topics such as Prevention of Fire, Safety and Health at Work and training on CPR and First Aid Training. As of 30 June 2020, a total of 1,868 employees from the Group's subsidiaries participated in various training and awareness programmes.



The opening of Starbucks' second signing store in Malaysia.

## SUSTAINABILITY STATEMENT

Employee safety is one of the Group's priorities and consistent with its emphasis of an injury-free work environment. As an example, BHills Resort adopts best practices in safety and health and it continues to offer training on the proper use of Personal Protective Equipment.

At BTEP, various measures have been implemented to ensure that the landfill site is a safe workplace for employees. These include implementation of health and safety policies, monthly site safety meetings, chemical spillage training and fire drills. Annual vaccinations such as for typhoid, tetanus and meningitis, are carried out for the staff and contractors who work at BTEP.

Trainings on chemical spillage, as well as regular fire drills are provided to the employees and sub-contractors.

The Safety & Health standard operating procedures serve as a guideline for the daily operations of the sanitary landfill. The policy was formalized in 2013 and was updated in March 2017. The Safety Committee is chaired by the senior management and the Committee meets on a monthly basis. It is represented by the management, site operations, general workers' supervisors and subcontractors.

To promote personnel safety at the landfill site, safety briefings were also conducted for the sub-contractors, Alam Flora's workers and third-party drivers. Various control measures such as Hazard Identification, Risk Assessment and Risk Control ("HIRARC") and Chemical Health Risk Assessment ("CHRA") are implemented to assess and anticipate risks to the health of employees and persons working in the sanitary landfill operations. The landfill project site is approved by the Department of Occupational Safety and Health. HIRARC represents three consecutive activities, namely, hazard identification, risk assessment, and risk control. CHRA represents chemical, health risk assessment as a result of chemical exposure.

The PD ensures its contractors set up Safety Committees and demonstrate their commitment to providing initiatives such as occupational health and safety induction and workshops. The PD also provides leadership support to promote employee participation in the safety programmes at the project sites such as The Tropika, Kensington Gardens, and Bayu Timur.

BERJAYA UC was awarded the OHSAS 18001, Occupational Health and Safety Management Certification which recognises that BERJAYA UC has put in place rigorous health and safety policy for employees, students and the public, and has adopted international best practices in relation to risk management.

There are Safety Officers ("SO") who are tasked with dedicated OSHA functions in several BHR properties such as Berjaya Times Square Hotel Kuala Lumpur and Berjaya Langkawi Resort. The general duties of a SO are to ensure compliance and to promote safe work conduct, as well as provide training on safety topics.

Cosway provides safety and health training and equipment to its warehouse employees.

H.R. Owen ensures that all of its vehicle sites comply with the health and safety requirements. H.R. Owen has in place a Health and Safety Action Plan which includes the identification of risks and hazards by the Health and Safety Advisor. H.R. Owen is required under the Health & Safety at Work Act 1974 Section 2(8) to inform its employees of the actions that are taken to mitigate risks at the place of work. H.R. Owen conducts Workplace Risks Assessments at its vehicle sites such as The Burr Road and Jack Barclay.

REDtone's field engineers are required to undergo safety induction training before they are assigned to their respective sites. They are also required to obtain a Construction Industry Development Board Malaysia ("CIDB") card. CIDB is an integrated programme that involves the registration and accreditation of field employees to enhance safety levels at sites.

REDtone's Safety and Health Officer, who was trained by the National Institute of Occupational Safety, provides regular training at its corporate office and branches. Risk assessments concerning safety-related facilities are also conducted at REDtone's Corporate Office, branches and sites annually. The main contractors for IT equipment, for example, Huawei and Ericsson, regularly conduct audits at the sites to ensure guidelines on safety and health are complied with.

### 8.3 Labour Practices - Human Capital

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

H.R. Owen adopts a zero-tolerance approach to modern slavery. Effective systems and controls are implemented and The Modern Slavery and Human Trafficking Statement is applicable to all its employees, contractors, external consultants, and third-party representatives. Through H.R. Owen's Induction Programme, employees are encouraged to identify and report any potential breaches of anti-slavery and human trafficking policy.

## i. Human Resource Deliverables

BCorp recognises that human capital is one of the critical enablers for driving and sustaining the Group's success and growth. As such, BCorp strongly believes that human capital development and availability of a highly resilient workforce is very important to support the continued expansion and growth.

To this end, BCorp invests immense efforts in recruiting the best fits, strengthening the talent and leadership pipeline and cultivating a positive and learning culture within the organisation. BCorp aims to ensure that its employees are not just engaged but knowledgeable, productive and competitive while enriching its work culture and environment, distinguishing the organisation as an "Employer of Choice".



## ii. Company and Employer Branding

BCorp aims to build a strong employer brand to attract potential talents in anticipation of its future hiring needs. BCorp seeks to get the "right people for the right job" through robust recruitment and selection methods which include the use of competency-based interview process and behavioural assessment.

BCorp also collaborates with universities to participate in on-campus fairs and continues to leverage on using social media channels such as LinkedIn to reach more talents. BCorp's Employee Referral Programme for the Corporate Office and Property Division offer referral incentives to employees. BCorp has established its employer brand locally and overseas which helps to convey to internal and external talents what distinguishes the Group from its competitors.

In 2019, BCorp bagged another 3 awards, recognising its employer brand's impact and presence, locally as well as in Asia, and a special award recognising its best practices implemented within the Group.

"Continuously Striving for Excellence" – BCorp's Awards and Recognition for 2019

-  ❖ Top 100 Asia's Best Employer Brands 2019
-  ❖ HR Best Practices (Gold Award) 2019
-  ❖ Malaysia's 100 Leading Graduate Employers Awards 2019

BCorp's branding facilitates its strategy to bring in the best internal and external talents. Its branding is recognized by the industry and government agencies with several awards.

BHR was honoured to win five awards from the Asia Pacific Tourism & Travel Federation Awards 2019. Other awards are as follows:-

- i. Best Luxury Beach Resort - The Taaras Beach & Spa Resort;
- ii. Best Island Resort - Redang Island Resort;
- iii. Best Beach Resort in Malaysia - Berjaya Langkawi Resort;
- iv. Outstanding Beach Resort in Malaysia - Berjaya Tioman Resort; and
- v. Best Wellness Resort - The Chateau Spa & Organic Wellness Resort.

## SUSTAINABILITY STATEMENT



*The Taaras Beach and Spa Resort Redang - Best 5-Star Hotel Award.*

The Taaras Beach & Spa Resort was awarded the Best 5-Star Hotel Award at the Terengganu Tourism and Cultural Awards 2018/2019 for its excellent achievements in developing innovative products and services to place Terengganu as one of the top travel destinations. It was also awarded a score of 8.5/10 by "Booking.com's Traveller Review Award for Year 2020". This award was in recognition by the resort's guests who were satisfied with the service rendered throughout their stay.

Berjaya Penang Hotel was awarded the Exceptional Guest Experience (Best of the Best) Award and ANSA Hotel, Kuala Lumpur was awarded the Best Guest Experience in Service Prestige Award under the Traveloka Hotel Awards 2019 with a total of 28 winners from its hotel partners in Kuala Lumpur, Selangor, Pahang, and Negeri Sembilan. The hotels were evaluated based on overall food, services, and cleanliness under the "Prestige" category.

BStarbucks' corporate branding impacts several aspects of the company, such as the evaluation of its product and services, corporate identity and culture. In recognition of its efforts, the following awards were bestowed upon BStarbucks :-

- Malaysian e-Payments Excellence Awards – Top Prize, MyDebit Category 2019;
- AMCHAM Cares – Recognition Achievement Award 2019;
- CSR Malaysia 2019;
- GrabFood Eater Awards – Eater's Choice 2019; and
- Putra Brand Award – Restaurant and Fast Food Category 2019.

BStarbucks emerged as a winner among the 50 organisations which were honoured at the CSR Malaysia Awards 2019 in recognition of BStarbucks' Green Outreach Programme.

### iii. Learning and Development

BCorp continues its efforts to build a learning culture and a highly agile workforce through learning and development programmes.

BCorp has in place a formal talent management framework which focuses on providing the best-tailored programmes cater to its different pool of talents, especially for employees holding key positions, potential successors and high potential talents.

Unique and specially tailored, Berjaya's Talent Management Programmes are designed to meet its future talent needs and to build opportunities for current talent growth. BCorp continues to offer its leadership development programmes, namely Berjaya Advanced Leadership Programme ("B.ALP"), Berjaya Manager Development Programme ("B.MDP") and Berjaya Executive Development Programme ("B.EDP"), to help the employees develop and reach their full potential.

The number of employees who graduated from B.ALP, B.MDP and B.EDP is as follows:-

- FYE 2020: 53
- FPE 2019: 53
- FYE 2018: 72.

In order to track the progress of graduates of Berjaya's development programmes as well as the effectiveness of the programmes, every graduate is required to plan and craft out their short term and long term individual development plans. With these, BCorp is able to gauge the graduates' potential further and meet the needs of their career development and BCorp's employment plans.

During the financial year under review, a total of 14 B.ALP alumni and Business Unit Heads were equipped to apply solution-focused coaching skills to boost productivity at the workplace.

In line with BCorp's aim of cultivating a high performance-driven culture, it continues with its implementation of the Performance Management based on Balance ScoreCard Concept ("BSC") and e-Appraisal system training for Performance ScoreCard ("PSC") module.



The number of training sessions on Performance Management based on BSC and the number of attendees respectively are as follows:-

- i. FYE 2020: 11 / 89
- ii. FPE 2019: 25 / 337.

The number of trainings on the e-Appraisal system and the number of attendees are as follows:-

- i. FYE 2020: 32 / 173
- ii. FPE 2019: 28 / 244.

In order to ensure sustainable technical development and competitiveness of its employees, BEnviroParks conducts various technical knowledge trainings and programmes yearly to enhance its employees' knowledge to keep abreast with external changes and new requirements.

As at 30 June 2020, a total of 1,087 employees from BHR and The Clubs have attended various training programmes such as the English language classes, grooming workshops, coffee training, upselling and customer service programmes and food handling training.

BCorp's Food and Beverage Division continues to conduct training programmes which emphasize coaching, skills training, supervisory and manager training programmes, and retail management and customer service programmes for its operations staff. The number of participants who attended these training programmes are as follows:-

- i. FYE 2020: 6,990
- ii. FPE 2019: 5,625
- iii. FYE 2018: 9,657

In the financial year under review, BStarbucks introduced an advanced level of the Coffee Master Programme by rolling out the Advanced Coffee Master in the Pour Over, Latte Art, Chemex, Black Eagle and Siphon. The Coffee Master Programme is aimed at deepening each employee's knowledge and elevating the coffee experience for BStarbucks' customers. The number of BStarbucks' employees who are certified as Coffee Masters are as follows:-

- i. FYE 2020: 1,548
- ii. FPE 2019: 1,384
- iii. FYE 2018: 1,066

Jollibean Foods provides training for its employees to become certified Masters in making pancakes, soybean jelly and soya beverages.

In the financial year under review, IPS continued to provide on-the-job training such as the Anti-Money Laundering Act 2001 and Market Misconduct courses for its staff and dealer representatives.

In order to improve its customer service levels, Sports Toto provides the following product training to its employees and agents' frontline staff:-

- i. FYE 2020: 13 sessions
- ii. FPE 2019: 21 sessions
- iii. FYE 2018: 19 sessions

The number of service upselling training sessions (including navigating the 'new normal' in view of the COVID-19 pandemic) conducted are as follows:-

- i. FYE 2020: 4
- ii. FPE 2019: 35
- iii. FYE 2018: 20

The number of employees as well as its agents' frontline staff who have attended the above-mentioned training sessions are as follows:-

- i. FYE 2020: 331
- ii. FPE 2019: 2,077
- iii. FYE 2018: 932

Cyber Security Awareness Training via Video Tele-Conferencing ("VTC") was conducted to equip 100 employees with the knowledge and skills to protect the company from cybercrime elements.

#### iv. Employee Engagement and Wellbeing

Maintaining a high level of employee engagement is important for BCorp to attract and retain talented employees and ultimately, deliver business success. BCorp's Employee Engagement Committee ("EEC") continues to promote greater collaboration among employees through various engagement activities. In the financial year under review, the emphasis was placed on education, health and welfare of the employees. Health-related activities and talks such as on HIV, Cancer and Women's Health were organised to provide health awareness knowledge, while talks concerning "Wills" and "Marriage and Divorce" provided an insight into the legal procedures involved. A total of 190 employees attended these talks. EEC also supported local non-profit organisations by inviting them to set up bazaars at BCorp's Corporate Office.

# SUSTAINABILITY STATEMENT

During the financial year under review, BCorp launched its very own in-house mobile application - “Buzz” - for employees who are based in the Corporate Office, Property Division and a few other subsidiaries. The mobile application is designed to serve as a communication and engagement tool for BCorp employees. The mobile application is targeted to roll-out to all employees of BCorp by stages.

## The Buzz Mobile Application



**Main features of Buzz:-**

- Announcement & Events
- Contest & Surveys
- Employee-Exclusive Offers & Promotions
- Hall of Buzz (platform to Welcome New Employees & Recognise Achievements)

Employees from different business units continue to uphold the practice of constant synergy, collaboration and partnership through participation in the Group’s various activities and initiatives. Communication with employees is conducted using commonly used platforms, such as BStarbucks’ MySiren App, “Buzz” Mobile App, “Bfamily” intranet, “Beritajaya” newsletter and synergy meetings. “MySiren App”, a dedicated platform for Starbucks Support Center, is aimed at improving the productivity and efficiency of Starbucks stores.

BCorp believes that understanding its employees from a holistic perspective, taking into account the totality and quality of their lives are equally important. Employees who are in good health, physically and

emotionally are more motivated and can create positive energy that leads to higher productivity and a better working environment. BCorp provides a range of initiatives aimed not just to create awareness but also to encourage employees to make informed choices that will impact their career and personal life, and at the same time enhance their overall health and wellbeing.

A Webinar on “Managing Stress and Relationships” was held during the MCO period. This webinar, which was organised by the Group Human Resource Division, showed employees how to maintain and keep positive mental health during the unprecedented period. 100 employees from BCorp participated in this Webinar which was held in April 2020.

Building a healthy mind and body is an ongoing process, for the prevention and early detection of sicknesses. BCorp employees are encouraged to perform yearly health screenings/health checks by utilising the balance of their yearly clinical outpatient entitlement at selected panel clinics at a special staff rate.

In March 2019, BCorp launched its Flexi Benefits Scheme for all its employees. With the Flexi Benefits Scheme, employees have the option of selecting the type of benefits they require from a package of benefits offered by the Group and are able to better manage their utilisation of benefits based on their yearly entitlement.

In the financial year under review, employees are offered the Group Term Life Assurance Policy which covers death or permanent disablement arising from natural causes and critical illness.

## FLEXI BENEFITS SCHEME



BCorp implemented workplace improvements which benefit its employees by allowing them more flexible work hours through a “Staggered Work Hours Arrangement” and further revised its application to benefit more employees. BCorp also has a nursing room for returning mothers who are based at Corporate Office, providing a private, safe and clean environment to help them ease back to work and balance their new work-life priorities.

BCorp continues to assist its employees in times of need. BCorp provides financial assistance to its employees and their immediate family members to alleviate their financial burden in times of crisis, that is to cover medical expenses incurred by the employee/employee’s immediate family members or in the event that the home of an employee is affected by fire or natural disaster.

In July 2019, BCorp launched its fitness challenge campaign, “STOP x START” (that is STOP giving excuses, but START to work-out). This three-month campaign encouraged participants to challenge their “overall health transformation” through extensive fitness activities which are designed to achieve the targets. A total of 12 employees took up the challenge and their physiques have improved as a result of better Body Mass Index reading, reduction of body fat, and improved muscle-gain.

STOP giving excuses, but START to work-out



BCorp continues to provide employees with subsidies for the membership subscription for Sports Toto Fitness Centre, to encourage its employees to live a healthy lifestyle. Several physical exercise sessions such as Bollywood dance, Les Mills Body Pump and Body Step fitness sessions attracted participation from 32 employees from Corporate Office, during the financial year under review.

BCorp also collaborated with Pertubuhan Pembangunan Orang Buta Malaysia (“PPOBM”) to organise 3 special charity drive massage sessions at its Corporate Office. This collaboration was

especially meaningful as it supported the services provided by the members of the PPOBM and created awareness on the existence of PPOBM.

Sports Toto continued its “Boost Your Health” campaign where fruits were provided daily to all its employees who are based in Klang Valley. Employees were also provided with several dental care products free-of-charge, to further promote good hygiene.

REDtone’s management and employees formed the “RED FORCE” team in 2017 to initiate its employees’ welfare events. At the branch level, celebrations include its employees and their families.

## 8.4 Society

BCorp recognizes the importance of being a responsible corporate citizen. In this regard, BCorp has been providing financial and non-financial support to those in need, with a special focus on programmes targeted at the younger generation and the less privileged.

### i. Community

BCorp donated RM1 million to the Malaysian Government’s COVID-19 Fund which provides financial assistance to needy patients of the disease. BCorp also donated a total of 1 million latex gloves to the Red Cross Society of China in Beijing to support the Chinese Government’s efforts to curb the spread of COVID-19. The shipment of latex gloves was delivered to Beijing on 22 February 2020.

To show support towards the frontliners during the MCO period, BStarbucks delivered more than 1,000 cups of beverages to the medical frontliners of Pusat Perubatan University Malaysia, Klinik Kesihatan Bangi, Klinik Kesihatan Kajang and other frontliners like Bomba and PDRM. BStarbucks also partnered with HOPE Worldwide Malaysia to distribute 375 boxes of Chewy Kurma Cookies to approximately 200 low-income families.

BRoasters delivered 1,500 sets of wholesome Kenny’s Quarter Meals to the medical frontliners of Sungai Buloh Hospital and collaborated with Mamee Double-Decker Sdn Bhd to contribute RM5,000 worth of meals to Pusat Kesihatan Lembah Pantai Kuala Lumpur and other charities.

BCorp empathized with the hardship faced by the tenants of its complexes in view of the MCO. The Group, through its PI, granted relief on rental and service charges for four weeks from 18 March to 14 April 2020 to alleviate its tenants’ financial burden.

## SUSTAINABILITY STATEMENT



*BEnviro contributed 50,000 pieces of face masks to the Ministry of Housing and Local Government.*

In April 2020, BEnviro contributed a total of 130,000 pieces of face masks to the Ministry of Federal Territories, the Ministry of Environment and Water, and the Ministry of Housing and Local Government, which were in turn distributed to the frontliners including the police, army and other enforcement agencies.

REDtone collaborated with the Malaysia Association of Professional Trainers and Coaches (“MAPTaC”) for the “C-19 Heroes Support Group” to provide psychosocial support service to frontliners during the MCO period

During the financial year under review, BCorp and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate communities by hosting various festive gatherings for Malaysians nationwide. The 33rd Sports Toto Chinese New Year Ang Pow Donation Campaign was one of the biggest festive donation campaigns in the country reaching out to more than 19,000 needy senior citizens in 50 cities and towns. About 3,500 needy senior citizens including residents from five old folk’s homes in Klang Valley attended the campaign launch. More than 800 employees and Sports Toto agents participated in that campaign.

BCorp and its subsidiaries hosted various festive gatherings with sumptuous treats, gifts, and



*KRR team members visited the Fugee School as part of their annual Wishing Tree Programme.*

entertainment for the underprivileged communities during the Chinese New Year, Hari Raya, Deepavali and Christmas festive seasons. Under the KRR Community Chest programme, BRoasters continued to contribute to the communities in which it operates. Its annual Wishing Tree Programme has fulfilled 2,003 wishes which were gathered from 46 non-governmental organisations (“NGOs”) nationwide. Since its inception, the “KRR Wishing Tree” initiative has fulfilled more than 20,000 simple and meaningful wishes.

Cosway and ADCAS Lifescience Sdn Bhd organised a blood donation campaign at Universiti Pertahanan Nasional Malaysia on 30 November 2019 which garnered 596 donors. In August 2019, REDtone met its blood donation target with a total donation of 78 pints of blood.

When the Taal Volcano erupted in January 2020, Berjaya Philippines Inc. distributed relief packs to 350 evacuees from 100 families at an evacuation centre in Barangay San Antonio in Santo Tomas, Batangas. Each family was given clothing and food.

### ii. Sports

BCorp sponsored the World Stats Run 2019 organised by the Department of Statistics Malaysia and Bank Negara Malaysia in conjunction with the 62nd World Statistics Congress 2019. This event was held on 18 August 2019 at Dataran Merdeka which saw more than 7,000 local and international runners. BCorp fielded a team of 30 runners for the 5km fun run.

Cosway sealed a partnership with the Malaysian Gymnastics Federation (“MGF”) to reach out to the younger demographics through youth sports and promote an active and healthy lifestyle. Cosway will sponsor RM1.0 million in cash and in-kind over a period of three years.



*Sports Toto’s Chinese New Year Ang Pow Donation Campaign 2020.*

Apart from providing substantial annual financial contributions to the National Sports Council, Sports Toto also supported numerous community sports activities such as:-

- i. Kuching Festival's 3 on 3 Basketball Jamboree - August 2019;
- ii. Sports Toto's High School Basketball Tournament - July 2019;
- iii. Seremban Half Marathon - September 2019;
- iv. Sungai Petani Half Marathon - September 2019;
- v. Sutera Harbour 7K Charity Run - October 2019; and
- vi. Penang Bridge International Marathon - November 2019.

REDtone has been the title sponsor of the Kuala Lumpur International Junior Open Squash Championships, organised by the Squash Racquets Association of Federal Territory, for eight consecutive years since year 2012. Its concerted effort in facilitating youth development through squash has helped to nurture several World Junior Champions and Asian Junior Champions for squash which is the largest youth sports in Asia.

### iii. Arts & Culture

BERJAYA UC emerged as the Grand Champion for the fourth year in a row at the 2019 MICE Destination Marketing Contest, scooping first place in the Star of MICE (meetings, incentives, conferences, and exhibitions) Award, Marketing Plan Award, Booth Design Award and second place in the English Presentation Award. This contest was hosted by the Taiwanese Ministry of Economic Affairs, Bureau of Foreign Trade, Taiwan, and Taiwan External Trade Development Council. The students presented Langkawi as their marketing destination, using the concept "Vitalising Incentives with Dazzling Experiences".

During the financial year under review, Sports Toto supported various cultural festivals such as Pesta Tanglung in Muar, Johor, Penang Chingay Parade 2019, Hungry Ghost Month Festival and the Nine Emperor God Festival.



*BCorp participants of the World Stats Run 2019.*

### iv. Culture of Volunteerism

BCorp embraces the values of Corporate Social Responsibility ("CSR") and encourages its employees to make a difference, to bring about positive change and to give back to society.

The number of employees from BCorp's subsidiaries who participated in the Berjaya Group's CSR projects such as visits and festive celebrations with the less fortunate are as follows:-

- i. FYE 2020: 1,209
- ii. FPE 2019: 2,964

On 10 August 2019, 30 B.Youth volunteers participated in a mooncake-making charity project organised by Tzu Chi Foundation Malaysia. 1,500 pieces of mooncakes were made for a charity sale which raised RM30,000 for the construction of the Tzu-Chi International School Kuala Lumpur at Bukit Jalil.

On 21 October 2019, B.Youth volunteers participated in the monthly food distribution programme organised by Persatuan Kebajikan Hope Worldwide Malaysia. The volunteers packed and distributed groceries for 100 needy families in Sentul, Kuala Lumpur.

## 8.5 Product and Service Responsibility

### i. Responsible Marketing and Communication Practices

The Group ensures that the products and services offered to its customers adhere to regulatory guidelines, and takes the responsibility to ensure that all the information being disseminated through its promotional materials and marketing channels are clear, concise and fair.

# SUSTAINABILITY STATEMENT



Cosway provided sponsorship to the MGF.

Social considerations such as effects on students' health, safety and privacy are key considerations for BERJAYA UC in its process of designing, developing and delivering a new product or service. In line with this, BERJAYA UC maintains its College Management System ("CMS") which facilitates enrolment, admissions, attendance, fees, grades, and all aspects relating to students' courses. As long as there is internet connectivity, the students can access information and updates via the CMS.

In response to the MCO as a result of the COVID-19 pandemic, BERJAYA UC adapted to a new way of teaching through Course Network ("CN") which facilitated instructors to create and teach their courses online. Instructors are able to guide their students in making taking quizzes, turning in assignments, reading uploaded documents, and attending live lectures. The students are able to access the CN from anywhere as long as there is internet connectivity and online courses are convenient for working adults.

BStarbucks reached out to its registered customers via Electronic Direct Mail ("EDM") and the EDMS sent out are as follows:-

- i. FYE 2020: 1.5 million
- ii. FPE 2019: 1.5 million
- iii. FYE 2018: 1.3 million

BStarbucks continued to provide product information through the Starbucks Mobile Application which has garnered the following downloads:-

- i. FYE 2020: 927,000
- ii. FPE 2019: 600,000
- iii. FYE 2018: 400,000

## ii. Customer Care and Experience

BCorp and its subsidiaries have various communication channels to engage with their customers. As an example, customers and followers on social media are provided with regular product information updates, seasonal greetings, marketing and promotional offers/activities.

BHR signed an agreement with Travel Prologue in March 2019 to deliver "live room rates" and inventory to the traditional offline travel agencies, wholesalers and corporate travel intermediaries on Trip Affiliates Network ("TA Network"). The TA Network platform is designed to facilitate direct connectivity and automate inventory management processes. The system minimizes clerical error associated with room allotments hence improving on customer satisfaction.

Cosway continues to update its members and followers on social media with product information, seasonal greetings, members' success stories, marketing and promotions as well as CSR activities.

In the previous financial period, Cosway launched its Virtual Online Store ("VOC") to capture market share from the growing segment of online shoppers and generating business opportunities for the youth segment. This online business model resulted in a reduction in operational costs such as store set-up cost and staff costs. As at 30 June 2020, there were 27 certified VOCs.

REDtone's vision is to serve and make a positive impact on people and organisations by delivering reliable digital infrastructure and services. "Flexibility", "Value" and "Dependability" are key objectives set out by REDtone to its customers, underscoring a firm commitment to delivering reliable services with professionalism.

## 8.6 Compliance (Social)

### i. Information Security, Privacy Policy and Risk Management Framework

The Group recognizes the importance of respecting the privacy of its customers and takes strict measures to ensure that the customers' information are safeguarded at all times.

In compliance with the Personal Data Protection Act 2010, a privacy policy has been published on the respective operating companies' websites.

In line with the MCO which took effect on 18 March 2020 till 31 December 2020, BCorp encouraged its employees to work from home except for those who are directly involved in the provision of essential products and services. Berjaya's IT continues to provide unwavering support to the employees, to protect the Group's information security and privacy. Using VTC software such as "Microsoft TEAMS" and "Cisco Webex" have become a new experience for the employees.

Cosway acknowledges the pertinence of respecting the privacy of its customers' and stockists' database and takes stringent measures to ensure that their personal data are protected and treated with the strictest confidence at all times.

Sports Toto and REDtone have attained the ISO/IEC 27001:2013 certification in December 2019 and January 2018 respectively. ISO/IEC 27001:2013 provides a set of standardised requirements for an Information Security Management System ("ISMS"). The Standard adopts a process-based approach for establishing, implementing, operating, monitoring, maintaining, and improving the ISMS.

Sports Toto attained the World Lottery Association Security Control Standard: 2016 (WLA-SCS:2016) which is valid up to December 2022, and level 2 of the Responsible Gaming certification from the World Lotteries Association in June 2020.

## ii. IT Integrity and Cyber Security

Information technology ("IT") integrity and cybersecurity are of vital importance to all the operations of the businesses in BCorp. Various security measures are put in place to minimise exposure to cyber security risk.

One of BCorp's IT preventive measure includes identifying potential vulnerabilities in its operating environment, and ensure timely response and recovery in the event of a cyber-breach. Intensive system testing and review measures are conducted regularly to prevent unauthorised access to its computer systems and network.

BCorp regularly organises training programmes which are conducted by industry experts, to educate its employees on the latest data security threats and protection measures.

As for Cosway, it engages recognized and reputable third parties such as IBM and Fujitsu as the anchor service providers to ensure proper measures are undertaken in handling cyber attacks.

IPS performs vulnerability assessments on its IT facility and IT infrastructure apart from regular preventive monitoring. These measures include:-

- Implementing cybersecurity services to protect systems from internal or external attacks and conducting annual system penetration tests;
- Regular monitoring and testing of all perimeter security controls. A Security Operation Center monitors trading systems at all times;
- Malware scanning across IPS's systems on a routine basis;
- Establishment of a response security incident team and procedures to manage any security breach; and
- Review of the cyber security report on a monthly basis.

IPS carried out an IT system penetration test for its mobile trading applications namely "iPacOnline" (for both iOS and Android) in the last financial period. IPS continues to comply with the Securities Commission Malaysia's Guideline relating to the management of cyber risk, and Section 377 of the Capital Market and Services Act 2007 ("CMSA") as well as educate its staff on matters concerning cyber risk.

## iii. Good Governance

Several policies and procedures are published on BCorp's website and they include, among others, the following:-

- i. Adequate Procedures to Curb and Prevent Bribery and Corruption – T.R.U.S.T Concept;
- ii. Employees' Code of Conduct; and
- iii. Whistleblowing Policy & Procedures.

BEnviroParks which operates BTEP and ABSB are ISO9001:2015 certified. To ensure compliance with this ISO, annual training are conducted in various technical and administration areas for all levels of employees.

BTEP is known for its high standards in environmental protection and it meets the requirements of the United States Environmental Protection Agency Resource Conservation and Recovery Act Regulations. BTEP is classified as a Level 4 landfill under the Technical Guidelines for Sanitary Landfill, Design and Operation, which are issued by the

## SUSTAINABILITY STATEMENT

Ministry of Urban Wellbeing, Housing and Local Government. BTEP executes a comprehensive environmental monitoring plan and it complies with the Department of Environment's regulations for water, air, noise and odour emissions.

BEnviroParks works together with its consultants, suppliers and contractors to comply with the relevant environmental laws and regulations. Based on the BEnviroParks management agreement, the National Solid Waste Management Department ("NSWMD"), which is under the Ministry of Housing and Local Government, performs monthly visits to verify the operations in BTEP which include the weighbridge, landfill, maintenance of landfill assets, and monitoring and reporting. NSWMD consistently provides BEnviroParks with a monthly performance score as high as 95%.

BEnviroParks was awarded The CDL Outstanding Singapore Environmental Achievement Awards 2013 and DFS Singapore Environmental Achievement Awards 2013 (Regional) from the Singapore Environment Council. BEnergies was recognized by the National Energy Awards for its contribution in power generation using renewable sources; earned the Merit Awards Category 2-National Grid in 2019 and was awarded the ASEAN Energy Awards in 2012 and 2016.

The PD continues to engage with its stakeholders in the government agencies and regulatory bodies on matters relating to the policies that govern PD's business in property development. It also keeps abreast of the changes to ensure its developments conform to the stipulated requirements for sustainable planning and growth.

Cosway maintains a good relationship with the Government authorities and agencies such as Direct Sales Association Malaysia and Ministry of Domestic Trade, Co-operatives and Consumerism, local councils and district police departments to ensure the interests of the public and customers are safeguarded.

In compliance with label requirements which are set by the National Pharmaceutical Regulatory Agency under the Ministry of Health Malaysia, Cosway's product labelling continues to disclose the required details such as Manufacturer, Distributor, Product

Ingredients, Product Registration Serial Code (MAL Licence) and Usage Directions for its healthcare supplement, skincare and personal care products.

Cosway continues to adhere to the laws and regulations which are set by the Ministry of Domestic Trade, Co-operatives and Consumerism; and the Code of Conduct which are issued by the Direct Sales Association Malaysia. It also complies with other laws including Direct Selling and Anti-Pyramid Act 1993, Price Control and Anti-Profiteering laws, to name a few.

Cosway adheres to health and product safety regulations and it is subject to regular inspections by the relevant authorities. Its Quality Control Department conducts rigorous product checks and quality audits by batch on an ongoing basis. Cosway sources its products from reputable and quality suppliers with certification standards as ISO, GMP or HACCP to ensure its products are of high quality.

IPS's Compliance and Internal Audit department carry out timely reviews and audits on the stockbroking operations, and its reports on the findings are duly submitted to its senior management for review and further improvement.

Sports Toto continues to work closely and maintain good relationships with the Government authorities and agencies including Bank Negara Malaysia, MOF, local councils and district police departments so that public interest is safeguarded. The company ensures that its gaming operations are in compliance with the relevant laws governing legal gaming operations, including but not limited to the Pool Betting Act 1967 and anti-money laundering laws.

Sports Toto continues to comply with the local laws and regulations including but not limited to observing social sensitivity aspects, and age limits. Sports Toto is also committed to promoting responsible behaviour among its customers and employees in its premises and dedicate its resources to educate and build awareness, especially among minors and Muslims, to deter problem gambling. A Responsible Gaming Committee will be established in the last quarter of 2020.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Berjaya Corporation Berhad (or “the Company”) 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.

This Corporate Governance Overview Statement (“CG”) provides a summary of the corporate governance practices of the Company during the financial year ended 30 June 2020 (“FYE 2020”) with reference to the three (3) key Principles of good corporate practices as set out in the Malaysian Code on Corporate Governance (“MCCG”) as follows:-

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

This statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Company’s Corporate Governance Report (“CG Report”) for FYE 2020 which is available on Bursa Securities website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the FYE 2020. The Board considers that the Company has substantially complied with the MCCG throughout FYE 2020 save for the exceptions which are fully described in the CG Report.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board is responsible for the performance and affairs of the Company and its subsidiaries (collectively “the Group”). It also provides leadership and guidance 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 has assigned the day-to-day affairs of the Group’s businesses within the various divisions 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 businesses within the agreed business strategies.

The Board is led by the Executive Chairman and is supported by the Chief Executive Officer (“CEO”) and other 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 positions of the Executive Chairman and CEO are held by two different individuals. The roles and responsibilities of the Executive Chairman and CEO are distinct and separated to ensure that there is a balance of power and authority. The Executive Chairman is responsible for providing leadership to the Board and ensuring the smooth and effective functioning of the Board. The CEO is responsible for overseeing the day-to-day management of the Group’s businesses and implementing Board’s policies and decisions.

The Group’s Executive Directors are involved in leadership roles by overseeing the day-to-day operations and management within their specific areas of expertise or assigned responsibilities. They are also responsible for implementing strategic plans and policies set by the Board and to assist CEO in discharging his duties. They represent the Company at the highest level and are decision makers on matters within their scope. They liaise frequently with the CEO (or the Managing Director as the case may be) and with each other to lead the management to drive the Company and the Group forward.

The Non-Executive Directors are not involved in the day-to-day management of the Group but are contributing their particular expertise and experience in assisting the development of business strategy of the Group and to make insightful contribution to the Board’s deliberations. They also assist and ensure the Board adopts a good corporate governance practice within the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Board Committees

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

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- Sustainability Committee

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

## Company Secretary

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

In order to discharge their roles effectively, the Company Secretaries have been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.

## Board Meeting and Meeting Materials

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Access to information and advice

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

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

The Board has the following in place:-

### (a) Board Charter

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

The Board Charter is subject to review by the Board periodically to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices. The Board Charter was reviewed on 28 August 2019 and a copy is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

### (b) Code of Ethics for Director

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

### (c) Code of Conduct and Business Ethics

The Group has established and adopted a Code of Conduct covering business ethics, workplace safety and employees' personal conduct for all employees of the Company and all of its subsidiaries and associates. This is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation. All employees and Directors of the Company are required to declare that they have received, read and understood the provisions of the Code of Conduct and agreed to comply with its terms throughout their employment or tenure with the Company.

The Board will periodically review the Code of Conduct and the Code of Conduct is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

### (d) Whistleblowing Policy and Procedures

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

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

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

The Whistleblowing Policy and Procedures was recently reviewed, updated and approved by the Board on 27 August 2020 so as to enhance the reporting procedure to safeguard against the acts of bribery and corruption pursuant to Section 17A of Malaysian Anti-Corruption Commission Act 2009.

The revised and updated Whistleblowing Policy and Procedures, underlining its protection and reporting channels, is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### (e) T.R.U.S.T Concept

#### - Adequate Procedures to Curb and Prevent Bribery and Corruption

The Board has adopted a T.R.U.S.T Concept on 27 August 2020 which form the ethos and philosophy of the top management in respect of the Group's fight against bribery and corruption in all its business dealings, transactions and such other related activities.

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

- Principle I : Top Level Commitment;
- Principle II : Risk Management Assessment;
- Principle III : Undertake Control Measures;
- Principle IV : Systematic Review, Monitoring and Enforcement; and
- Principle V : Training and Communication.

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

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

The T.R.U.S.T Concept can be accessed on the Company's website at [www.berjaya.com](http://www.berjaya.com).

### Sustainability Strategies

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

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

### Board Composition

The current Board composition of the Company represents a mix of knowledge, skills and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board of the Company currently has ten (10) members comprising the Executive Chairman, CEO, four (4) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The profiles of each of the Directors are set out on pages 3 to 7 of the Annual Report.

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Boardroom Diversity

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

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

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

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

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

Currently, the Board has five (5) female Directors namely, Vivienne Cheng Chi Fan, Dato' Zurainah Binti Musa, Nerine Tan Sheik Ping, Dr Jayanthi Naidu G. Danasamy and Penelope Gan Paik Ling and they represent 50% of the total Board members. They are part of the Board's gender diversity that serves to bring value to the Board discussions from different perspectives and approaches of the female Directors.

The Board Diversity Policy of the Company is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

## Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. During the FYE 2020, the Board met six (6) times and the attendances of the Directors at the Board meetings were as follows:-

DIRECTORS	ATTENDANCE
Tan Sri Dato' Seri Tan Chee Yioun (Executive Chairman)	4/6
Dato' Sri Robin Tan Yeong Ching (CEO)	6/6
Vivienne Cheng Chi Fan	6/6
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	6/6
Dato' Zurainah Binti Musa	4/6
Nerine Tan Sheik Ping	6/6
Chan Kien Sing	6/6
Datuk Robert Yong Kuen Loke <sup>#</sup>	6/6
Dr Jayanthi Naidu G. Danasamy <sup>#</sup>	6/6
Penelope Gan Paik Ling <sup>#</sup>	6/6

<sup>#</sup> Denotes Independent Non-Executive Director.

All the Directors of the Company do not hold more than five (5) directorships in listed issuers pursuant to Paragraph 15.06 of the Main Market Listing Requirements of Bursa Securities. They are required to notify the Executive 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 Executive Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Directors' Training

All the Directors of the Company including the newly appointed 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 FYE 2020, the seminars and conferences attended by the Directors were as follows:-

DIRECTORS	SEMINARS/CONFERENCES/FORUM
Tan Sri Dato' Seri Vincent Tan Chee Yioun	<ul style="list-style-type: none"> <li>- 9th Malaysian International Conference on Holistic Healing in Cancer 2019</li> <li>- Seminar Menang Saham Bersama Dato' Dr. Nazri Khan</li> </ul>
Dato' Sri Robin Tan Yeong Ching	<ul style="list-style-type: none"> <li>- Smart Investors using M&amp;A to ride the tide of disruption</li> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> </ul>
Vivienne Cheng Chi Fan	<ul style="list-style-type: none"> <li>- Capitalising on the Recovery from Lockdown via Zoom Webinar</li> </ul>
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	<ul style="list-style-type: none"> <li>- The new Section 17A on Corporate Liability in the Malaysian Anti-Corruption Act</li> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> </ul>
Dato' Zurainah Binti Musa	<ul style="list-style-type: none"> <li>- World Marketing Summit (WMS) Kuala Lumpur 2020</li> <li>- Anti Bribery Training via Microsoft Teams</li> </ul>
Nerine Tan Sheik Ping	<ul style="list-style-type: none"> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> </ul>
Chan Kien Sing	<ul style="list-style-type: none"> <li>- MIA International Accountants Conference 2019</li> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> <li>- Anti-Bribery and Anti-Corruption Framework and Policy</li> </ul>
Datuk Robert Yong Kuen Loke	<ul style="list-style-type: none"> <li>- Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</li> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> </ul>
Dr Jayanthi Naidu G. Danasamy	<ul style="list-style-type: none"> <li>- Thought leadership series : The Convergence of Digitisation and Sustainability</li> <li>- Regional conference on climate change "Climate Change Risks and Opportunities: Respond, Not Reach"</li> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> </ul>
Penelope Gan Paik Ling	<ul style="list-style-type: none"> <li>- Corporate Liability Section 17A (MACC Act): Implementing Effective 'Adequate Procedures' based on ISO 37001:2016 ABMS</li> <li>- Risk Management Conference 2019: Governance and Risk in a Digital World</li> <li>- Case study workshop for Independent Directors: Towards Boardroom Excellence</li> <li>- Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</li> <li>- Malaysian Anti-Corruption Commission Act 2009 Section 17A : Are you ready to comply?</li> <li>- Adequate procedures: The Director's Response to Individual Liability</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Appointment to the Board

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

Datuk Robert Yong Kuen Loke - Chairman/Senior Independent Non-Executive Director

Dr Jayanthi Naidu G. Danasamy - Member/Independent Non-Executive Director

Penelope Gan Paik Ling - Member/Independent Non-Executive Director

Datuk Robert Yong Kuen Loke has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

The composition, authority as well as the duties and responsibilities of the Nomination Committee are set out in its TOR which is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

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, major shareholders and/or other independent source such as external 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.

## Annual Assessment

The Nomination Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluation are guided by the Corporate Governance Guide issued by Bursa Securities. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

During the FYE 2020, the Nomination Committee carried out the following activities:-

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Re-election of Directors

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

Clause 117 of the Company’s Constitution provides that at least one-third of the Directors are subject to retirement by rotation at each AGM and that all Directors shall retire once in every three years, and are eligible to offer themselves for re-election.

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

At the forthcoming AGM of the Company, the following Directors are due for retirement and are eligible for re-election pursuant to Clause 117 of the Company’s Constitution as follows:-

DIRECTORS	RETIRING PURSUANT TO
(i) Chan Kien Sing	Clause 117
(ii) Dato’ Sri Robin Tan Yeong Ching	Clause 117
(iii) Datuk Robert Yong Kuen Loke	Clause 117

### Tenure of Independent Directors

The MCGG 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 Directors’ re-designation as a Non-Independent Director. The MCGG also sets out a recommendation that the Board must justify and seek shareholders’ approval in the event it retains an Independent Director who has served in that capacity for more than nine (9) years.

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.

As at the FYE 2020, none of the tenure of Independent Directors has exceeded a cumulative term of nine (9) years except for Datuk Robert Yong Kuen Loke (“DRY”). However, the tenure of the Independent Director namely, Dr Jayanthi Naidu G. Danasamy (“DJN”) will reach a cumulative term of nine (9) years after 13 January 2021.

DRY was re-designated from a Non-Independent Non-Executive Director to an Independent Non-Executive Director of the Company on 1 December 2009 and has therefore served the Company as an Independent Director for a cumulative term of more than nine (9) years but less than twelve (12) years.

The Nomination Committee (save for DRY and DJN who have abstained from deliberation on their own retention) have assessed the independence of DRY and DJN for the FYE 2020 based on criteria set out in the Main Market Listing Requirements of Bursa Securities. The Nomination Committee concluded that DRY and DJN have satisfied the independence criteria and they are able to provide independent judgment and act in the best interest of the Company.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Following the assessment and recommendation by the Nomination Committee, the Board (save for DRY and DJN have abstained from deliberation on their own retention) concluded that pursuant to Practice 4.2 of the MCCG, the Board will be seeking approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain DRY and DJN as Independent Non-Executive Directors of the Company based on the following justifications:-

### **Datuk Robert Yong Kuen Loke**

- i) He has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and being independent, he would be able to function as a check and balance, bringing an element of objectivity to the Board.
- ii) He has been with the Company for more than nine (9) years and is familiar with the Company's diversified business operations in multiple jurisdictions.
- iii) He remains independent in expressing his views and in his participation in deliberations and decision making processes of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company.
- iv) He has exercised due care during his tenure as Independent Non-Executive Director of the Company as well as the Chairman of Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company. Even as the Senior Independent Non-Executive Director, he has carried out his duties proficiently in the best interest of the Company and the shareholders.

### **Dr Jayanthi Naidu G. Danasamy**

- i) She has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and being independent, she would be able to function as a check and balance, bringing an element of objectivity to the Board.
- ii) She has been with the Company for more than eight (8) years and is familiar with the Company's diversified business operations in multiple jurisdictions.
- iii) She remains independent in expressing her views and in her participation in deliberations and decision making processes of the Board and Board Committees. The length of her service on the Board does not in any way interfere with her exercise of independent judgement and ability to act in the best interest of the Company.
- iv) She has exercised due care during her tenure as Independent Non-Executive Director of the Company as well as a member of Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee of the Company. Even as the Independent Non-Executive Director, she has carried out her duties proficiently in the best interest of the Company and the shareholders.

### **Annual Assessment of Independence**

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

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

The current Independent Directors of the Company namely, Datuk Robert Yong Kuen Loke, Dr Jayanthi Naidu G. Danasamy and Penelope Gan Paik Ling have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Main Market Listing Requirements of Bursa Securities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Remuneration policies and procedures

The Company has a Remuneration Committee which comprises a majority of Independent Non-Executive Directors. The members of the Remuneration Committee as at the date of this Statement are as follows:-

Datuk Robert Yong Kuen Loke - Chairman/Senior Independent Non-Executive Director

Dato' Sri Robin Tan Yeong Ching - Member/Chief Executive Officer

Dr Jayanthi Naidu G. Danasamy - Member/Independent Non-Executive Director

Penelope Gan Paik Ling - Member/Independent Non-Executive Director

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

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

The Board has delegated to the Remuneration Committee to implement its Remuneration Policy.

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

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

Both the remuneration of Executive Directors and Key Senior Management are structured so as to link rewards to the achievement of individual and corporate performance.

The Remuneration Committee is also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommend to the Board for their consideration with the Director concerned abstaining from deliberations and voting on decision in respect of his/her individual remuneration package. The Board recommended that the level of remuneration should reflect the experience and the level of responsibilities undertaken by each Non-Executive Director. The Board will then recommend the 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 CA 2016.

The Board will periodically review the Remuneration Policy and a copy is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 FYE 2020 were as follows:-

### a) Individual Directors on a named basis

COMPANY	RM'000					
	FEES	SALARIES	BONUS	BENEFITS IN-KIND	OTHER EMOLUMENTS	TOTAL
<b>Executive</b>						
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	-	-	-	-	-
Dato' Sri Robin Tan Yeong Ching	-	-	-	-	-	-
Vivienne Cheng Chi Fan	-	341	62	32	77	512
Dato' Sri Azlan Meah Bin Hj Ahmad Meah	-	77	7	29	11	124
Dato' Zurainah Binti Musa	-	332	30	25	44	431
Nerine Tan Sheik Ping	-	-	-	-	-	-
<b>Non-Executive</b>						
Chan Kien Sing	90	-	-	23	59	172
Datuk Robert Yong Kuen Loke	90	-	-	-	30	120
Dr Jayanthi Naidu G. Danasamy	90	-	-	-	26	116
Penelope Gan Paik Ling	90	-	-	-	26	116
	<b>360</b>	<b>750</b>	<b>99</b>	<b>109</b>	<b>273</b>	<b>1,591</b>

GROUP	RM'000					
	FEES	SALARIES	BONUS	BENEFITS IN-KIND	OTHER EMOLUMENTS	TOTAL
<b>Executive</b>						
Tan Sri Dato' Seri Vincent Tan Chee Yioun	-	15,553	9,000	207	3,683	28,443
Dato' Sri Robin Tan Yeong Ching	-	2,503	267	266	2,791	5,827
Vivienne Cheng Chi Fan	-	1,599	344	32	371	2,346
Dato' Sri Azlan Meah Bin Hj Ahmad Meah	-	829	163	29	380	1,401
Dato' Zurainah Binti Musa	-	1,017	92	25	135	1,269
Nerine Tan Sheik Ping	-	1,263	300	12	189	1,764

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

GROUP	RM'000					
	FEES	SALARIES	BONUS	BENEFITS IN-KIND	OTHER EMOLUMENTS	TOTAL
<b>Non-Executive</b>						
Chan Kien Sing	170	-	20	23	342	555
Datuk Robert Yong Kuen Loke	254	-	13	12	244	523
Dr Jayanthi Naidu G. Danasamy	90	-	-	-	26	116
Penelope Gan Paik Ling	90	-	-	-	26	116
	<b>604</b>	<b>22,764</b>	<b>10,199</b>	<b>606</b>	<b>8,187</b>	<b>42,360</b>

### b) The remuneration of top five (5) Key Senior Management in bands of RM50,000 on an aggregate basis

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

	NUMBER OF KEY SENIOR MANAGEMENT
RM600,001 - RM650,000	1
RM950,001 - RM1,000,000	1
RM1,650,001 - RM1,700,000	1
RM1,850,001 - RM1,900,000	2
	<b>5</b>

Although the MCCG has recommended that the Company should disclose on a named basis, the detailed remuneration of the top five (5) Senior Management, the Board has opined that it is inappropriate to make such disclosure on the remuneration of Senior Management due to sensitivity of the remuneration package, privacy, security and issue of staff poaching.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### Audit Committee

The Audit Committee ("AC") is established by the Board and comprises three (3) members, all of whom are Independent Non-Executive Directors. The members of AC are as follows:-

Datuk Robert Yong Kuen Loke - Chairman/Senior Independent Non-Executive Director

Dr Jayanthi Naidu G. Danasamy - Member/Independent Non-Executive Director

Penelope Gan Paik Ling - Member/Independent Non-Executive Director

The Chairman of AC is appointed by the Board and is not the Chairman of the Board. The composition, authority as well as the duties and responsibilities of the AC are set out in its TOR approved by the Board and is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is assisted by the AC to oversee the Group's and Company's financial reporting process and the quality of financial reporting and to ensure that the financial statements comply with the provisions of the CA 2016 and the applicable Malaysian Financial Reporting Standards in Malaysia and International Financial Reporting Standards.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's and Company's financial performance and prospects and ensures that the financial statements are prepared in accordance with the provisions of the CA 2016, applicable Malaysian Financial Reporting Standards in Malaysia and International Financial Reporting Standards so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company. The Financial Statements are also reviewed and recommended by the AC for Board's approval.

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

In addition, the AC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

Besides overseeing the Group's accounting and financial reporting process, AC is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, to oversee and monitor the Group internal audit functions, review any related party transactions, oversee recurrent related party transactions, risk management activities and other activities such as governance matters. An AC Report detailing its composition and a summary of activities during the financial year is set out on pages 82 to 87 of this Annual Report.

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

Based on the evaluation, the Nomination Committee concluded that the AC has been effective in its performance and has carried out its duties in accordance with its TOR during the FYE 2020.

### **Assessment of External Auditors**

The Board maintains a transparent and professional relationship with the External Auditors through the AC. Under the existing practice, the AC 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 AC 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.

The AC has adopted an External Auditors Policy ("EA Policy") which outlines the policies and procedures for the AC to govern the assessment and to monitor the External Auditors. The EA Policy covers, among others, the appointment of External Auditors, assessment of External Auditors, independence of External Auditors, non-audit services including the need to obtain approvals from the Chief Financial Officer (if any)/Executive Director/Head of Group Accounts or the AC for non-audit work up to a certain threshold and the annual reporting and rotation of the External Audit Engagement Partner. In addition, the EA policy also included a requirement for a former audit partner to observe a cooling-off period for at least two (2) years before they can be considered for appointment as a member of the AC and/or the Board.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

To support the AC's assessment of their independence, the External Auditors will provide the AC 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 AC as specified in the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors have provided the declaration in their annual audit plan presented to the AC of the Company.

During the FYE 2020, the amount of statutory audit and non-audit fees paid/payable to the External Auditors by the Company and the Group respectively for the financial FYE 2020 were as follows:-

	COMPANY		GROUP	
	FYE 2020 RM'000	FPE 2019* RM'000	FYE 2020 RM'000	FPE 2019* RM'000
Statutory audit fees paid/payable to:-				
- Ernst & Young PLT ("EY") Malaysia	170	170	3,269	3,533
- Affiliates of EY Malaysia	-	-	883	1,037
<b>Total (a)</b>	<b>170</b>	<b>170</b>	<b>4,152</b>	<b>4,570</b>
Non-audit fees paid/payable to:-				
- EY Malaysia	377	377	1,730	1,422
- Affiliates of EY Malaysia	5	5	258	256
<b>Total (b)</b>	<b>382</b>	<b>382</b>	<b>1,988</b>	<b>1,678</b>
% of non-audit fees (b/a)	<b>225</b>	<b>225</b>	<b>48</b>	<b>37</b>

\* FPE 2019 covered a 14 months period from 1 May 2018 to 30 June 2019.

In considering the nature and scope of non-audit fees, the AC 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 AC will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

The details of the AC's functions are set out in the AC Report on pages 82 to 87 of this Annual Report.

### Risk Management and Internal Control Framework

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Datuk Robert Yong Kuen Loke - Chairman/Senior Independent Non-Executive Director

Vivienne Cheng Chi Fan - Member/Executive Director

Nerine Tan Sheik Ping - Member/Executive Director

Dr Jayanthi Naidu G. Danasamy - Member/Independent Non-Executive Director

Penelope Gan Paik Ling - Member/Independent Non-Executive Director

A Statement of Risk Management and Internal Control of the Group which provides an overview of the state of internal controls within the Group is set out on pages 79 to 81 of the Annual Report.

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

#### Communication with Stakeholders

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

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

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

#### Conduct of General Meetings

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Poll Voting

All the resolutions passed by the shareholders at the previous AGM held on 16 December 2019 were voted by way of a poll in accordance with the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities Berhad. The shareholders were briefed on the voting procedures by the Share Registrar namely, Berjaya Registration Services Sdn Bhd while the results of the poll were verified and announced by the independent scrutineer, Messrs LT Lim & Associates (now known as LT Lim & Associates PLT).

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

### Leverage Technology for Remote Participation and Voting by Shareholders

In view of the Coronavirus Disease 2019 pandemic and as part of the Company's precautionary measures and initiatives, the forthcoming Nineteenth AGM of the Company will be held on a fully virtual basis through live streaming from the broadcast venue and online remote voting using the Remote Participation and Voting Facilities ("RPV Facilities") provided by the Poll Administrator of the Company, SS E Solutions Sdn Bhd via Securities Services ePortal's platform at <https://sshsb.net.my/>. This allows shareholders to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV Facilities.

Going forward, the Company may consider leveraging on the use of technology to facilitate voting in absentia and/or remote shareholders participation at general meetings, taking into consideration the number of shareholders, applicable laws and regulations and the cost and resources required vis-à-vis benefits.

This CG Overview Statement was approved by the Board of Directors of the Company on 22 October 2020.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

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

## RESPONSIBILITY

The Board of BCorp 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.

## 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### 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 82 to 87 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

### WHISTLEBLOWING POLICY

The Group has in place a whistleblowing policy, which provides an avenue for employees, the Group’s third party service providers, independent contractors, vendors and suppliers and members of the public to raise genuine concerns, disclosed alleged, suspected or actual wrongdoings or known improper conduct on a confidential basis and without fear of any form of victimisation, harassment, retribution or retaliation.

The whistleblowing policy was recently revised to clarify and further enhance the existing reporting procedures.

### 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 Datuk Robert Yong Kuen Loke (Chairman), Vivienne Cheng Chi Fan, Nerine Tan Sheik Ping, Dr Jayanthi Naidu G. Danasamy and Penelope Gan Paik Ling.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 June 2020, the Risk Management Committee held five meetings where it reviewed and evaluated the adequacy of risk management activities of various unlisted operating subsidiary companies (i.e. Natural Intelligence Solutions Technology Sdn Bhd (formerly known as Natural Intelligence Solutions Sdn Bhd), Natural Intelligence Solutions Pte Ltd, Kimia Suchi Sdn Bhd, Kimia Suchi Marketing Sdn Bhd, Razer Fintech Holdings Pte Ltd, Berjaya Krispy Krems Doughnuts Sdn Bhd and Cosway Corporation Group of Companies), 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.

### REVIEW BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants, for the year ended 30 June 2020, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. AAPG 3 does not require the auditors to consider whether the Directors' SRMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

### CONCLUSION

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

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

# AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Corporation Berhad (“BCorporation”) is pleased to present the report of the Audit Committee for the financial year ended 30 June 2020.

## AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee (“AC”) are as follows:-

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

Dr Jayanthi Naidu G. Danasamy  
*Independent Non-Executive Director*

Penelope Gan Paik Ling  
*Independent Non-Executive Director*

The AC held six (6) meetings during the financial year ended 30 June 2020. The details of attendance of the AC members are as follows:-

Name	Attendance
Datuk Robert Yong Kuen Loke	6/6
Dr Jayanthi Naidu G. Danasamy	6/6
Penelope Gan Paik Ling	6/6

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

The Head of Group Internal Audit, the Financial Advisor and Chief Financial Officer of the Company were invited to attend the AC Meetings. The External Auditors were also invited to attend three (3) of these meetings and having private session with the AC members without the presence of executive Board members and the Management. In addition, the senior management of the relevant operations was also invited to provide clarification on the follow-up audit review and the adequacy on internal controls implemented to address to those issues raised from the audit reports.

## SUMMARY OF ACTIVITIES AND WORK OF THE AUDIT COMMITTEE

The duties and responsibilities of the AC are set out in its Terms of Reference, a copy of which is available on the Company's website at [www.berjaya.com](http://www.berjaya.com).

In discharging its duties and responsibilities, the AC had undertaken the following activities and work during the financial year ended 30 June 2020:-

### 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
28 August 2019	Fifth period results as well as the unaudited results of the Company and Group for financial period ended 30 June 2019*
28 November 2019	First quarter results for financial year ended 30 June 2020
26 February 2020	Second quarter results for financial year ended 30 June 2020
15 June 2020	Third quarter results for financial year ended 30 June 2020

\* The Fifth period results were due to change of the Company's Financial Year end from 30 April to 30 June.

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 Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards, requirements of the Companies Act 2016 and the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

- (b) Reviewed and made recommendations to the Board for approval in respect of the audited financial statements of the Company and the Group for the financial period ended 30 June 2019 at its meeting held on 21 October 2019 and to ensure that it presented a true and fair view of the Company's financial position and performance for the period and it is in compliance with all disclosure and regulatory requirements. Prior to that, the AC had reviewed the status report on the Audit Plan for financial period ended 30 June 2019 prepared by the External Auditors at the meeting held on 28 August 2019.
- (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 applicable accounting standards.

### 2) External Audit

- (a) Evaluated the performance of the External Auditors for the financial period ended 30 June 2019 covering areas such as calibre of the audit firm, quality processes/performance, audit team, independent and objectivity, audit scope and planning, audit fees and audit communications with the External Auditors. The AC, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young PLT ("EY"), recommended to the Board, the re-appointment of EY as External Auditors for the ensuing financial year of 30 June 2020 at its meeting held on 21 October 2019 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 AC also had a private discussion with the External Auditors on 21 October 2019 without the presence of Management to highlight on the significant of Section 17A of Malaysian Anti-Corruption Commission ("MACC") (Amendment) Act 2018 towards the Group business operations and to put in place appropriate procedures and policies to address the said Section 17A of MACC (Amendment) Act 2018.

## AUDIT COMMITTEE REPORT

- (c) Reviewed with the External Auditors at the meeting held on 15 June 2020, their audit plan for the financial year ending 30 June 2020, outlining the audit service team, timetable and timeline, communication through EY client portal, Group scoping, involvement of internal audit and others, areas of audit emphasis, fraud considerations and the risk of management override, internal control considerations, EY digital audit, Important Update, Section 17A of MACC (Amendment) Act 2018, auditors' independence, engagement letters for the year 2020 statutory audit and review of Directors' Statement on Risk Management and Internal Control, Financial Reporting Developments and Areas of Audit emphasis of Significant listed subsidiary companies.

### 3) Internal Audit

- (a) Reviewed sixteen (16) Internal Audit reports on various non-listed operating subsidiaries of the Group that are involved in different activities such as:-
- (i) Manage Berjaya University College (BUC) (formerly known as Berjaya University College of Hospitality (BUCH), a niche university specialising in culinary arts and hospitality education.
  - (ii) Manage Berjaya TVET College that provide technical and vocational education and training (TVET), focusing on practical-oriented effective learning for students and its quality of teaching and learning is assured by Jabatan Pembangunan Kemahiran.
  - (iii) Investment holding and to grant franchises under "Kenny Rogers Roasters" (KRR) name and related trademarks in the territory in Hong Kong and China.
  - (iv) Direct selling of household, personal care, healthcare and other consumer products to members and consumers.
  - (v) Hotel operations, golf and recreation club operations, investment in property and property development.
  - (vi) Maintaining the common property of Wisma Cosway building and to collect monthly service charge and sinking fund from owners of the retail, office lots and apartments.
  - (vii) Repacking and trading of imported organic and natural products.
  - (viii) Operating a chain of Borders book stores in Malaysia.
  - (ix) Provision of after sales services and selling of spare parts for Chana Era Star pick-up trucks, new Chana Star series of commercial trucks and vans.
  - (x) To assemble and distribute "Jinbei Haise" multipurpose van (Petrol and Diesel) and the Jinbei H2L (Petrol and Diesel) van in Malaysia for 20 years.
  - (xi) Production and selling of China brands of vehicles, namely Chana, Jinbei, Foton View and Dong Feng.
  - (xii) Treatment of solid waste, involving, the development, design, construction, management, operation and maintenance of the Bukit Tagar Sanitary Landfill.
  - (xiii) Generation and sale of electricity from biogas and solar sources.
  - (xiv) Management of scheduled waste, as well as transportation of schedule waste.

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

- (1) Admissions & Records, Exams & Awards, Government & External Liaison, Quality Assurance, Student Services
- (2) Property Upkeep & Maintenance/Property Maintenance
- (3) Franchise Development, Brand & Marketing, Operation & Business, Learning & Talent, Supply Chain and R&D
- (4) Cash & Bank Balances
- (5) Front Office & Reservation
- (6) Food & Beverage
- (7) Club Membership Management, Golf & Sports Operations, Golf Course & Property Maintenance
- (8) Purchasing & Inventory Management
- (9) Legal & Corporate Affairs
- (10) Store Operations and Store Development
- (11) Human Resources
- (12) Information Technology
- (13) Finance
- (14) Billing & Credit Control, Billing & Collection
- (15) Safety and Security
- (16) Supply Chain & Inventory Management
- (17) Production and Quality Assurance
- (18) Merchandising

- (19) Sales & Marketing/Marketing
- (20) Warehouse Operations
- (21) Security & Health
- (22) Marketing & Lease Management
- (23) Credit Control
- (24) After Sales Services
- (25) CKD Vehicle Operation, Inventory & Insurance Coverage
- (26) Landfill Operations and Gas Management System, Maintenance of Leachate Treatment Plant, Industrial Waste Recycling Facility, Contract Tendering

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

- (b) Reviewed and approved the Internal Audit Plan for financial year ending 30 June 2021 to ensure there is adequate scope and comprehensive coverage over the activities of the non-listed operating subsidiaries 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 AC for review;
- (iv) The AC 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 AC also reviewed the procedures and processes with regards to the RRPT on a half yearly basis to ensure that the transactions are within the approved mandate;
- (vi) Directors who have any 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(s) 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 period, 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.

## AUDIT COMMITTEE REPORT

### 5) Related Party Transactions

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

During the financial year, the AC had reviewed, the following Related Party Transactions, prior to their recommendation to the Board for approval and to make the relevant announcement thereof:-

- (a) Proposed Subscription of additional 1,500,000 new ordinary shares at an issue price of RM2.00 each in Jubli Mentari Sdn Bhd for a total cash consideration of RM3,000,000.00 by Berjaya Group Berhad, a wholly-owned subsidiary of the Company.
- (b) Proposed acquisitions of shares in 7-Eleven Malaysia Holdings Berhad ("SEM Shares") by the Company and/or unlisted subsidiaries over a period of twelve (12) months from the open market and/or via direct business transaction based on the then prevailing market prices of SEM Shares during the time of transactions for a total consideration of up to RM14.5 million.

### 6) Other activities

- (a) Reviewed and recommended to the Board for approval, the Audit Committee Report, Corporate Governance Report and Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the 2019 Annual Report.
- (b) Assessed the adequacy of the scope, competency and performance of the internal audit function and its effectiveness of the audit processes for the financial period ended 30 June 2019.
- (c) Reviewed and assessed the financial literacy of the AC members for the financial period ended 30 June 2019.
- (d) Reviewed, discussed and took note of the new accounting standards and amendments that came into effect during the financial year and other regulatory requirements with the External Auditors and the Management and its impact on the Company's financial statements.

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

## 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 operation of book stores, franchising business, distribution and retailing of pharmaceutical/non-pharmaceutical products, manufacturing/trading of industrial/household cleaning products, sanitary landfill, generation and sales of electricity, recycling industrial waste, automobile distribution, sales of spare parts and workshop services, logistic/transportation, warehousing and courier services, customer loyalty programme and mobile digital media/application, business consultancy services and training programs for business analytics solutions.



The activities undertaken by the Internal Audit Division during the financial year ended 30 June 2020 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 June 2020 was approximately RM2,743,177.

### TERMS OF REFERENCE OF AUDIT COMMITTEE

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

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

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

In preparing the financial statements, the directors have:

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

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

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



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

## 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, provision of software support and development, manufacturing and distribution of computerised wagering and voting systems;
- (ix) Telecommunication and information technology related services, solutions and products;
- (x) Investment holding and others.

## RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
(Loss)/Profit for the year	<u>(91,126)</u>	<u>158,240</u>
Attributable to:		
Owners of the parent	(117,272)	158,240
Non-controlling interests	<u>26,146</u>	<u>-</u>
	<u>(91,126)</u>	<u>158,240</u>

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

In the opinion of the directors, the results of the 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 Notes 33, 40 and 45 to the financial statements.

**DIVIDENDS**In respect of financial year ended 30 June 2020:

The directors declared and approved on 28 August 2020, a first interim share dividend via distribution of treasury shares on the basis of 4 treasury shares for every 100 existing ordinary shares held (equivalent to a dividend of approximately 1.08 sen per share). The total dividend amounted to about RM52.851 million and it was credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 15 October 2020.

The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2021.

**DIRECTORS**

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

Tan Sri Dato' Seri Vincent Tan Chee Yioun  
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  
Datuk Robert Yong Kuen Loke  
Dr. Jayanthi Naidu G. Danasamy  
Penelope Gan Paik Ling

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

**DIRECTORS' BENEFITS**

Neither at the end of the financial 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 period, 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 38 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 and of the Group as at the financial year end was RM375,611. 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' REPORT

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 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>The Company (or "BCorp")</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,125,499,929	64,300,071	-	1,189,800,000
(a)	8,604,910	-	-	8,604,910
Δ	1,343,738,754	39,056,246	141,246	1,382,653,754
Dato' Sri Robin Tan Yeong Ching	2,289,532	-	-	2,289,532
(a)	5,150	-	-	5,150
Δ	645,107,122	37,000,000	-	682,107,122
Vivienne Cheng Chi Fan	12,360	-	-	12,360
Dato' Sri Azlan Meah bin Haji Ahmed Meah	5,703	-	-	5,703
Chan Kien Sing	49,118	-	-	49,118
Datuk Robert Yong Kuen Loke	1,051,545	-	-	1,051,545

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>The Company</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	174,713,065	1,315,500	-	176,028,565
(a)	82,768,949	-	752,100	82,016,849
Δ	123,996,700	24,000	4,944,000	119,076,700
Dato' Sri Robin Tan Yeong Ching	2,620,500	-	-	2,620,500
(a)	1,000	-	-	1,000
Δ	66,574,000	-	-	66,574,000
Nerine Tan Sheik Ping	132,000	-	-	132,000
Vivienne Cheng Chi Fan	2,000	-	-	2,000
Chan Kien Sing	10,000	-	-	10,000
Datuk Robert Yong Kuen Loke	2,516,508	-	-	2,516,508

	Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>The Company</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	102,627,780	-	-	102,627,780

	Number of Warrants 2012/2022			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>The Company</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	211,082,731	24,000	24,000	211,082,731
(a)	1,500,000	-	-	1,500,000
Δ	156,303,500	-	-	156,303,500
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
Chan Kien Sing	10,000	-	-	10,000
Datuk Robert Yong Kuen Loke	170,108	-	-	170,108

	Number of Warrants 2016/2026			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>The Company</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	353,135,340	-	-	353,135,340

**Subsidiary companies:**

	Number of ordinary shares			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>Berjaya Land Berhad</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	69,150,400	26,381,600	-	95,532,000
Δ	4,156,086,872	35,636,000	30,000,000	4,161,722,872
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 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>Berjaya Sports Toto Berhad</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	10,305,641	-	-	10,305,641
Δ	667,183,566	35,454,616	57,410,000	645,228,182
Dato' Sri Robin Tan Yeong Ching	1,007,142	-	-	1,007,142
Chan Kien Sing	3,610	-	-	3,610
Datuk Robert Yong Kuen Loke	123,667	-	-	123,667
Penelope Gan Paik Ling	10,000	-	-	10,000

	Number of ordinary shares			
	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>Berjaya Food Berhad</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,000,000	15,800,000	-	16,800,000
Δ	195,241,720	56,797,400	20,170,000	231,869,120
Dato' Sri Robin Tan Yeong Ching	2,642,000	72,000 *	-	2,714,000

## DIRECTORS' REPORT

### Number of ordinary shares under Employees' Share Scheme ("ESS")

	At 1.7.2019	Granted	Exercised/ vested	At 30.6.2020
<b>Berjaya Food Berhad – ESS Options</b>				
Dato' Sri Robin Tan Yeong Ching	1,224,000	-	-	1,224,000
<b>Berjaya Food Berhad – ESS Shares</b>				
Dato' Sri Robin Tan Yeong Ching	234,000	-	72,000	162,000

### Number of ordinary shares

	At 1.7.2019	Acquired	Disposed	At 30.6.2020
<b>REDtone International Berhad ("REDtone")</b>				
Tan Sri Dato' Seri Vincent Tan Chee Yioun	7,000,000	-	-	7,000,000
Δ 386,812,912		18,101,780 ##	-	404,914,692
Penelope Gan Paik Ling	100,000	-	100,000	-

### Number of 2.75% Irredeemable Convertible Unsecured Loan Stocks 2010/2020 of RM1.00 nominal value each ("Redtone ICULS") #

	At 1.7.2019	Acquired	Converted	At 30.6.2020
<b>REDtone</b>				
Tan Sri Dato Seri Vincent Tan Chee Yioun Δ	45,129,450	-	45,129,450	-

#### 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.
- \* Shares arising from the vesting of Berjaya Food Berhad's ESS shares.
- # REDtone ICULS had been automatically converted into ordinary shares on the basis of ten (10) REDtone ICULS into four (4) ordinary shares upon its maturity on 4 March 2020 ("REDtone ICULS conversion").
- ## Inclusive of REDtone ICULS conversion.

By virtue of his interests in the shares of BCorp, Tan Sri Dato' Seri Vincent Tan Chee Yioun is also deemed interested in the shares of all the subsidiary companies of the Company to the extent the Company has an interest.

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.



**TREASURY SHARES**

The number and carrying amount of treasury shares as at 30 June 2020 were as follows:

	<b>Average price per share (RM)</b>	<b>Number of shares</b>	<b>Amount RM'000</b>
Balance as at 30 June 2019	0.69	50,000,000	34,253
Acquisition of treasury shares	0.20	290,600,000	58,091
Total treasury shares as at 30 June 2020	<u>0.27</u>	<u>340,600,000</u>	<u>92,344</u>

As at 30 June 2020, the issued ordinary share capital of the Company with voting rights was 4,874,324,527 (2019: 5,164,924,527) 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 in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) 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.

## **DIRECTORS' REPORT**

### **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

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

### **SUBSEQUENT EVENTS**

Significant events subsequent to the end of the financial year are disclosed in Note 46 to the financial statements.

### **AUDITORS**

The auditors of the Company, Ernst & Young PLT (change of legal status from a conventional partnership to a Limited Liability Partnership on 2 January 2020), have expressed their willingness to continue in office.

The remuneration of the auditors of the Company and the other auditors of the Group are 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 PLT, 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 PLT during the financial year and since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 October 2020

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

DATO' SRI ROBIN TAN YEONG CHING

# STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN and DATO' SRI ROBIN TAN YEONG CHING, 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 98 to 336 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 October 2020

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

DATO' SRI ROBIN TAN YEONG CHING

## STATUTORY DECLARATION

Pursuant to Section 251(1) (b) of the Companies Act 2016

I, ERNEST LAU LUB DING, 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 98 to 336 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 )  
ERNEST LAU LUB DING at Kuala Lumpur in the Federal )  
Territory on 28 October 2020

) ERNEST LAU LUB DING  
MIA No.: 7788

Before me:

YM TENGKU FARIDDUDIN BIN TENGKU SULAIMAN  
(No. W533)

Commissioner for Oaths

Kuala Lumpur

# STATEMENTS OF FINANCIAL POSITION

as at 30 June 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	2,984,319	3,481,071	125,114	120,374
Right-of-use assets	4	2,049,711	-	-	-
Investment properties	5	1,012,176	859,094	-	-
Inventories - land held for property development	6	2,165,351	1,931,657	-	-
Subsidiary companies	7	-	-	5,728,594	5,734,295
Associated companies	8	1,075,280	1,137,140	202,818	248,510
Joint ventures	9	114,018	98,302	-	-
Other investments	10	159,325	132,315	8,027	-
Other long term receivables	11	263,036	1,406,951	-	64,654
Intangible assets	12	4,993,190	5,251,165	99,968	107,066
Deferred tax assets	28	114,381	107,572	-	-
		<u>14,930,787</u>	<u>14,405,267</u>	<u>6,164,521</u>	<u>6,274,899</u>
<b>Current assets</b>					
Inventories - property development costs	6	67,447	196,621	-	-
Inventories - others	6	1,717,677	1,750,432	-	-
Contract cost assets	13	118,554	97,951	-	-
Trade and other receivables	14	1,986,478	1,302,692	1,666,081	1,303,963
Contract assets	15	62,280	137,121	-	-
Short term investments	16	78,439	33,040	-	-
Tax recoverable		85,502	66,573	205	-
Derivative assets	17	2,302	-	1,959	-
Deposits with financial institutions	18	494,946	688,129	26,247	98,817
Cash and bank balances	19	1,009,839	881,706	21,661	8,607
		<u>5,623,464</u>	<u>5,154,265</u>	<u>1,716,153</u>	<u>1,411,387</u>
Assets of disposal group/ Non-current assets classified as held for sale	20	841,379	261,107	-	-
		<u>6,464,843</u>	<u>5,415,372</u>	<u>1,716,153</u>	<u>1,411,387</u>
<b>TOTAL ASSETS</b>		<u>21,395,630</u>	<u>19,820,639</u>	<u>7,880,674</u>	<u>7,686,286</u>

# STATEMENTS OF FINANCIAL POSITION

as at 30 June 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share capital	21	5,017,956	5,017,956	5,017,956	5,017,956
Equity component of irredeemable convertible unsecured loan stocks	22	306,739	306,739	306,739	306,739
Reserves	23	1,310,370	1,398,628	1,174,009	1,022,391
		6,635,065	6,723,323	6,498,704	6,347,086
Treasury shares	24	(92,344)	(34,253)	(92,344)	(34,253)
		6,542,721	6,689,070	6,406,360	6,312,833
Non-controlling interests		2,968,771	3,043,826	-	-
<b>Total equity</b>		<b>9,511,492</b>	<b>9,732,896</b>	<b>6,406,360</b>	<b>6,312,833</b>
<b>Non-current liabilities</b>					
Liability component of irredeemable convertible unsecured loan stocks	22	39,160	67,259	38,440	67,259
Long term borrowings	25	3,013,575	3,491,437	374,292	510,948
Lease liabilities	4	1,936,977	-	-	-
Other long term liabilities	26	97,509	114,209	75,698	84,303
Contract liabilities	15	224,814	240,206	-	-
Provisions	27	26,051	23,125	-	-
Deferred tax liabilities	28	1,314,072	1,250,904	8,208	11,530
Derivative liabilities	17	28,239	-	-	-
		6,680,397	5,187,140	496,638	674,040
<b>Current liabilities</b>					
Liability component of irredeemable convertible unsecured loan stocks	22	34,513	34,332	34,309	34,307
Trade and other payables	29	2,035,071	2,000,670	542,075	224,112
Contract liabilities	15	452,563	395,478	-	-
Provisions	27	7,466	5,988	-	-
Short term borrowings	30	2,299,650	2,412,990	395,063	440,944
Lease liabilities	4	222,907	-	-	-
Taxation		41,046	39,052	-	50
Derivative liabilities	17	6,992	-	6,229	-
		5,100,208	4,888,510	977,676	699,413
Liabilities directly associated with disposal groups classified as held for sale	20	103,533	12,093	-	-
		5,203,741	4,900,603	977,676	699,413
<b>Total liabilities</b>		<b>11,884,138</b>	<b>10,087,743</b>	<b>1,474,314</b>	<b>1,373,453</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,395,630</b>	<b>19,820,639</b>	<b>7,880,674</b>	<b>7,686,286</b>

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

# STATEMENTS OF PROFIT OR LOSS

for the year ended 30 June 2020

	Note	Group		Company	
		1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Revenue	31	6,989,780	9,793,275	356,946	76,328
Cost of sales		(5,113,683)	(7,003,799)	(87,995)	(67,380)
<b>Gross profit</b>		<b>1,876,097</b>	<b>2,789,476</b>	<b>268,951</b>	<b>8,948</b>
Other income		1,094,650	606,223	69,398	288,321
Administrative expenses		(1,677,362)	(1,743,262)	(33,527)	(40,804)
Selling and distribution expenses		(421,148)	(581,853)	-	-
Other expenses		(348,663)	(226,816)	(33,313)	(12,276)
		<b>523,574</b>	<b>843,768</b>	<b>271,509</b>	<b>244,189</b>
Finance costs	32	(390,321)	(423,557)	(107,147)	(127,596)
Share of results of associates		3,583	(811)	-	-
Share of results of joint ventures		8,385	4,135	-	-
<b>Profit before tax</b>	33	<b>145,221</b>	<b>423,535</b>	<b>164,362</b>	<b>116,593</b>
Taxation	35	(236,347)	(302,001)	(6,122)	(18,344)
<b>(Loss)/Profit for the year/period</b>		<b>(91,126)</b>	<b>121,534</b>	<b>158,240</b>	<b>98,249</b>
<b>Attributable to:</b>					
Owners of the parent		(117,272)	(111,757)	158,240	98,249
Non-controlling interests		26,146	233,291	-	-
		<b>(91,126)</b>	<b>121,534</b>	<b>158,240</b>	<b>98,249</b>
Loss per share attributable to owners of the parent (sen)	36				
- Basic, for the year/period		(1.91)	(1.81)		
- Diluted, for the year/period		(1.91)	(1.81)		
Dividend per share (sen)					
- First interim share dividend	23(h)			1.08	-

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

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	Group		Company	
		1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
(Loss)/Profit for the year/period		(91,126)	121,534	158,240	98,249
Other comprehensive income:					
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>					
Foreign currency translation		2,175	24,632	(5,406)	(3,006)
Foreign currency reserve transfer to profit or loss due to dilution of interests in subsidiaries		-	(26,947)	-	-
Share of other comprehensive items of associates		21,650	(2,169)	-	-
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>					
Net changes in fair value reserve of equity investments classified as fair value through other comprehensive income ("FVTOCI")		(11,549)	(22,168)	(1,216)	-
Share of associated companies' changes in fair values of FVTOCI investments		(3,303)	(5,552)	-	-
Changes in fair value reserve:					
- Impairment in value of gaming rights		-	(417,406)	-	-
- Reversal of deferred tax liabilities on impairment of gaming rights	35	-	100,177	-	-
Revaluation of land and buildings		(382)	7,167	-	-
Actuarial loss recognised in defined benefit pension scheme		(4,657)	(673)	-	-
Tax effects relating to					
- Revaluation of land and buildings	35	(7)	6,191	-	-
- FVTOCI investment	35	(223)	1,785	-	-
- Defined benefit pension scheme	35	986	134	-	-
		4,690	(334,829)	(6,622)	(3,006)
<b>Total comprehensive income for the year/period</b>		<b>(86,436)</b>	<b>(213,295)</b>	<b>151,618</b>	<b>95,243</b>
<b>Attributable to:</b>					
- Owners of the parent		(118,171)	(239,417)	151,618	95,243
- Non-controlling interests		31,735	26,122	-	-
		<b>(86,436)</b>	<b>(213,295)</b>	<b>151,618</b>	<b>95,243</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

Attributable to the equity holders of the Company

Non-distributable

	Attributable to the equity holders of the Company														
	Share capital	ICJLS - equity component #	FVTOCI reserves+	Reserve of disposal group classified as held for sale	Employees' share plan reserve	Warrant reserve <sup>A</sup>	Consolidation reserve	Fair value reserve	Capital reserves	Foreign currency translation reserves	Retained earnings	Treasury shares	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>GROUP</b>															
At 1 July 2019	5,017,956	306,739	(151,338)	926	2,077	258,797	(488,705)	63,387	226,266	98,694	1,388,524	(34,253)	6,689,070	3,043,826	9,732,896
Loss for the year	-	-	-	-	-	-	-	-	-	-	(117,272)	-	(117,272)	26,146	(91,126)
Other comprehensive income	-	-	(4,689)	-	-	-	18,761	(390)	5,414	(18,981)	(1,014)	-	(899)	5,569	4,690
Total comprehensive income for the year	-	-	(4,689)	-	-	-	18,761	(390)	5,414	(18,981)	(118,286)	-	(118,171)	31,735	(86,436)
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	1,151	-	1,151	-	1,151
<b>Transactions with owners:</b>															
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	-	(58,091)	(58,091)	-	(58,091)
Transfer of reserves	-	-	(9,952)	50,478	(77)	-	5,224	4,517	(9,016)	(66,485)	25,311	-	-	-	-
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	476	-	(17,673)	-	-	-	(113)	-	(17,310)	89,614	72,304
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	-	(1,119)	-	-	-	47,452	-	46,333	(232,858)	(186,525)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	-	101,749	101,749
Capital contribution by non-controlling interests	-	-	-	-	30	-	-	-	-	-	-	-	30	2,391	2,391
Share based payment - ESS options	-	-	-	-	(291)	-	-	-	-	-	-	-	(291)	-	(291)
Share based payment - ESS shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(67,686)	(67,686)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2020	5,017,956	306,739	(165,979)	51,404	2,215	258,797	(483,512)	67,514	222,664	13,228	1,344,039	(92,344)	6,542,721	2,968,771	9,511,492



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Attributable to the equity holders of the Company														
	Non-distributable														
	Share capital RM'000	ICULS - equity component # RM'000	FVTOCI reserves+ RM'000	Reserve of disposal group classified as held for sale RM'000	Employees' share plan reserve RM'000	Warrant reserve <sup>a</sup> 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
<b>GROUP</b>															
At 1 May 2018	4,930,556	306,739	(152,288)	111,775	1,524	(626,840)	167,227	224,820	87,665	1,430,419	(33,669)	6,706,725	3,482,257	10,188,982	
Loss for the period	-	-	-	-	-	-	-	-	-	(111,757)	-	(111,757)	233,291	121,534	
Other comprehensive income	-	-	(20,786)	(26,947)	-	(2,287)	(91,202)	-	13,628	(66)	-	(127,660)	(207,169)	(334,829)	
Total comprehensive income for the period	-	-	(20,786)	(26,947)	-	(2,287)	(91,202)	-	13,628	(111,823)	-	(239,417)	26,122	(213,295)	
Share of an associated company's effect arising from disposal of FVTOCI investment	-	-	773	-	-	-	-	-	-	(773)	-	-	-	-	
Share of an associated company's effect arising on changes in interest in its subsidiary company	-	-	-	-	-	-	-	-	-	-	-	1,154	-	1,154	
<b>Transactions with owners:</b>															
Issuance of ordinary shares (Note 21)	87,400	-	-	-	-	-	-	-	-	-	-	87,400	-	87,400	
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-	(584)	(584)	-	(584)	
Transfer of reserves	-	-	20,963	(83,902)	30	(747)	(12,638)	1,446	(2,599)	77,447	-	-	-	-	
Arising from part disposal/dilution of equity interest in subsidiary companies	-	-	-	-	(228)	(9,302)	-	-	-	3	-	(9,527)	933	(8,594)	
Arising from increase in equity interest in subsidiary companies	-	-	-	-	-	150,471	-	-	-	(7,903)	-	142,568	(270,289)	(127,721)	
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	350	350	
Disposal of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	(42,352)	(42,352)	
Share based payment - ESS options	-	-	-	-	1,042	-	-	-	-	-	-	1,042	-	1,042	
Share based payment - ESS shares	-	-	-	-	(291)	-	-	-	-	-	-	(291)	-	(291)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(153,195)	(153,195)	
At 30 June 2019	5,017,966	306,739	(151,338)	926	2,077	(488,705)	63,387	226,266	98,694	1,388,524	(34,253)	6,889,070	3,043,826	9,732,896	

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

### Notes:

- # This comprises the equity components of 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 fair value through other comprehensive income reserves.
- ^ This comprises the fair values of 10-year Warrants 2012/2022 (“Warrants 2012/2022”) and 10-year Warrants 2016/2026 (“Warrants 2016/2026”).

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

COMPANY	Share capital	ICULS - equity component#	FVTOCI reserves+	Warrant reserve^	Foreign currency translation reserves	Distributable Retained earnings	Treasury shares	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2019	5,017,956	306,739	-	260,057	1,182	761,152	(34,253)	6,312,833
Profit for the year	-	-	-	-	-	158,240	-	158,240
Other comprehensive income	-	-	(1,216)	-	(5,406)	-	-	(6,622)
Total comprehensive income	-	-	(1,216)	-	(5,406)	158,240	-	151,618
<b>Transactions with owners:</b>								
Effect arising from disposal of investment at FVTOCI	-	-	390	-	-	(390)	-	-
Treasury shares acquired	-	-	-	-	-	-	(58,091)	(58,091)
	-	-	390	-	-	(390)	(58,091)	(58,091)
At 30 June 2020	5,017,956	306,739	(826)	260,057	(4,224)	919,002	(92,344)	6,406,360

COMPANY	Share capital	ICULS - equity component#	Warrant reserve^	Foreign currency translation reserves	Distributable Retained earnings	Treasury shares	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2018	4,930,556	306,739	260,057	4,188	662,903	(33,669)	6,130,774	
Profit for the period	-	-	-	-	98,249	-	98,249	
Other comprehensive income	-	-	-	(3,006)	-	-	(3,006)	
Total comprehensive income	-	-	-	(3,006)	98,249	-	95,243	
<b>Transactions with owners:</b>								
Issuance of ordinary shares (Note 21)	87,400	-	-	-	-	-	87,400	
Treasury shares acquired	-	-	-	-	-	(584)	(584)	
	87,400	-	-	-	-	(584)	86,816	
At 30 June 2019	5,017,956	306,739	260,057	1,182	761,152	(34,253)	6,312,833	

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

### Notes:

- # This comprises equity components of BCorp ICULS 2012/2022 and BCorp ICULS 2016/2026.
- + This represents fair value through other comprehensive income reserves.
- ^ This comprises the fair values of Warrants 2012/2022 and 2016/2026.

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

# STATEMENTS OF CASH FLOWS

for the year ended 30 June 2020

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	7,542,714	10,361,624	91,836	57,298
Payment to suppliers, prize winners and operating expenses	(7,155,871)	(9,437,521)	(97,524)	(59,098)
Development expenditure incurred	(136,073)	(148,262)	-	-
Refund of taxes	35,441	12,795	-	-
Payment of taxes	(241,873)	(295,544)	(9,699)	(21,871)
Other receipts/(payments) (Note a)	31,406	20,301	(941)	-
Net cash flow generated from/(used in) operating activities	75,744	513,393	(16,328)	(23,671)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sales of property, plant and equipment	1,970,654	16,477	-	40
Sales of investment properties and other non-current assets	35,938	267	-	-
Sales of investments in subsidiary companies (Note b)	83,005	228,397	18,117	273,890
Sales of investments in associated companies	22,047	474	22,047	-
Sales of investments in a joint venture	-	191,900	-	-
Sales of other investments	28,336	13,993	6,983	-
Acquisition of property, plant and equipment (Note c)	(247,619)	(232,837)	(107)	(248)
Acquisition of investments in subsidiary companies (Note d)	(364,725)	(68,322)	(13,744)	(4,541)
Acquisition of investments in associated companies	(6,265)	(50,020)	-	-
Acquisition of investments in joint ventures	(7,500)	(7,500)	-	-
Acquisition of other investments	(108,512)	(49,553)	(16,243)	-
Acquisition of other non-current assets and intangible assets (Note e)	(63,111)	(53,929)	-	-
Acquisition of treasury shares by subsidiary companies	(39,924)	(28,805)	-	-
Interest received	32,237	59,282	60,598	103,255
Dividends received	17,421	23,656	276,590	19,935
Net (repayments)/advances to subsidiary companies	-	-	(39,393)	49,707
Net repayment from joint ventures	30,180	183,365	-	-
Net withdrawals with fund managers	-	86,642	-	-
Other receipts arising from investments	41,410	1,273	-	-
Net cash flow generated from investing activities	1,423,572	314,760	314,848	442,038

# STATEMENTS OF CASH FLOWS

for the year ended 30 June 2020

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of share capital to non-controlling interests of subsidiary companies	2,391	350	-	-
Treasury shares acquired	(58,091)	(584)	(58,091)	(584)
Issuance of irredeemable convertible unsecured loan stocks by subsidiary company	5,613	-	-	-
Issuance of medium term notes by subsidiary companies	358,960	678,866	-	-
Redemption of medium term notes	(460,000)	(780,000)	-	-
Drawdown of bank borrowings and other loans	1,604,975	2,086,367	262,000	120,938
Repayment of bank borrowings and other loans	(2,419,652)	(2,342,923)	(446,311)	(441,472)
Payment of hire purchase	(24,781)	(17,377)	(625)	(603)
Payment of principal portion of lease liabilities (Note g)	(167,301)	-	-	-
Interest paid	(339,216)	(437,050)	(115,108)	(142,700)
Dividends paid to non-controlling interests of subsidiary companies	(100,660)	(147,147)	-	-
(Placement with)/Withdrawal of bank deposits maturing more than 3 months	(62,438)	7,112	-	-
Withdrawal from/(Placement with) banks as security pledged for borrowings	69,241	(65,421)	(17,008)	31,517
Net cash flow used in financing activities	(1,590,959)	(1,017,807)	(375,143)	(432,904)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(91,643)	(189,654)	(76,623)	(14,537)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	16,248	10,114	99	3
<b>CASH AND CASH EQUIVALENTS</b>				
<b>AT BEGINNING OF YEAR/PERIOD</b>	1,264,056	1,443,596	88,697	103,231
<b>CASH AND CASH EQUIVALENTS</b>				
<b>AT END OF YEAR/PERIOD</b>	1,188,661	1,264,056	12,173	88,697

**STATEMENTS OF CASH FLOWS**

for the year ended 30 June 2020

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>CASH AND CASH EQUIVALENTS</b>				
The closing cash and cash equivalents comprise of the following:				
Cash and bank balances	1,009,839	881,706	21,661	8,607
Deposits with financial institutions (Note 18)	494,946	688,129	26,247	98,817
	<u>1,504,785</u>	<u>1,569,835</u>	<u>47,908</u>	<u>107,424</u>
Bank overdrafts (Note 30)	(60,206)	(57,722)	-	-
	<u>1,444,579</u>	<u>1,512,113</u>	<u>47,908</u>	<u>107,424</u>
Excluding : Remisiers' deposits held in trust	(17,666)	(11,990)	-	-
	<u>1,426,913</u>	<u>1,500,123</u>	<u>47,908</u>	<u>107,424</u>
Less : Cash and cash equivalents restricted for use				
- Deposits (Note 18)	(216,363)	(161,461)	(23,646)	(16,030)
- Cash and bank balances (Note 19)	(22,856)	(84,561)	(12,089)	(2,697)
	<u>1,187,694</u>	<u>1,254,101</u>	<u>12,173</u>	<u>88,697</u>
Including : Cash and cash equivalents classified as held for sale (Note 20)	967	9,955	-	-
	<u><u>1,188,661</u></u>	<u><u>1,264,056</u></u>	<u><u>12,173</u></u>	<u><u>88,697</u></u>

## Notes:

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

## STATEMENTS OF CASH FLOWS

for the year ended 30 June 2020

Notes (continued):

b) Analysis of the effects of subsidiary companies disposed:

	Group	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Property, plant and equipment	21	633
Net other assets disposed	376	8,257
Non-controlling interests	-	(42,352)
Less: Reclassification to associates at fair value	(99)	(2,464)
Add: Assets and liabilities previously classified as disposal groups	-	258,422
Net assets disposed	298	222,496
Excluding: Cash and cash equivalents of subsidiary companies disposed	(10,269)	(46,691)
Part of disposal proceeds received in previous financial years	-	(45,594)
Partial disposal of shares in subsidiary companies (Note #)	93,274	4,993
Net (loss)/ gain arising from disposal	(298)	93,193
Cash flow on disposal (net of cash in subsidiary companies disposed)	83,005	228,397

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

c) Analysis of the payments for acquisition of property, plant and equipment:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Payment for current year/period acquisition (Note 3)	197,070	223,882	107	248
Payment for previous period/year acquisition	50,549	8,955	-	-
	247,619	232,837	107	248



## STATEMENTS OF CASH FLOWS

for the year ended 30 June 2020

Notes (continued):

d) Analysis of the effects of subsidiary companies acquired:

	Group	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Property, plant and equipment	634,306	-
Right-of-use assets	844,667	-
Investment properties	51,028	-
Inventories - Land held for property development	61,117	-
Other assets acquired, excluding cash and cash equivalents	78,633	48
Cash and cash equivalents acquired	57,100	-
Lease liabilities	(692,762)	-
Other borrowings and loans	(323,097)	-
Other liabilities	(248,288)	-
Non-controlling interests	(101,749)	-
Net assets acquired	360,955	48
Deferred purchase consideration classified as derivative liabilities	(28,239)	-
Goodwill on consolidation	26,979	3,762
Negative goodwill on consolidation	(3,123)	-
Total cost of acquisition	356,572	3,810
Carrying amount previously accounted for as associated companies and joint venture	(92,622)	-
Gain on remeasurement, net	(86)	-
Fair value of the equity interests previously owned at the date of acquisition	(92,708)	-
Excluding: Cash and cash equivalents of subsidiary companies acquired	(57,100)	-
Acquisition of additional interest in subsidiary companies	157,961	64,512
Cash flow on acquisition (net of cash in subsidiary companies acquired)	364,725	68,322

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

# STATEMENTS OF CASH FLOWS

for the year ended 30 June 2020

Notes (continued):

f) Reconciliation of liabilities arising from financing activities:

Group	Medium term notes	Term loans and other loans	Hire purchase liabilities	Total
	RM'000	RM'000	RM'000	RM'000
At 1 July 2019	1,298,385	4,455,270	93,050	5,846,705
Effect of adoption of MFRS 16	-	-	(78)	(78)
At 1 July 2019 (Adjusted)	1,298,385	4,455,270	92,972	5,846,627
Drawdown of borrowings	358,960	1,604,975	-	1,963,935
Additional hire purchase liabilities	-	-	2,504	2,504
Repayment of borrowings	(460,000)	(2,419,652)	(24,781)	(2,904,433)
Charge out of deferred transaction costs	313	8,487	-	8,800
Acquisition of subsidiary companies	-	323,097	-	323,097
Exchange differences	-	10,825	1,664	12,489
At 30 June 2020	<u>1,197,658</u>	<u>3,983,002</u>	<u>72,359</u>	<u>5,253,019</u>
At 1 May 2018	1,399,221	4,684,090	102,298	6,185,609
Drawdown of borrowings	678,866	2,086,367	-	2,765,233
Additional hire purchase liabilities	-	-	5,994	5,994
Repayment of borrowings	(780,000)	(2,342,923)	(17,377)	(3,140,300)
Charge out of deferred transaction costs	298	10,911	-	11,209
Exchange differences	-	16,825	2,135	18,960
At 30 June 2019	<u>1,298,385</u>	<u>4,455,270</u>	<u>93,050</u>	<u>5,846,705</u>
		<b>Term loans and other loans</b>	<b>Hire purchase liabilities</b>	<b>Total</b>
		RM'000	RM'000	RM'000
At 1 July 2019		949,598	2,294	951,892
Drawdown of borrowings		262,000	-	262,000
Additional hire purchase liabilities		-	146	146
Repayment of borrowings		(446,311)	(625)	(446,936)
Charge out of deferred transaction costs		2,253	-	2,253
At 30 June 2020		<u>767,540</u>	<u>1,815</u>	<u>769,355</u>
At 1 May 2018		1,264,512	1,540	1,266,052
Drawdown of borrowings		120,938	-	120,938
Additional hire purchase liabilities		-	1,357	1,357
Repayment of borrowings		(441,472)	(603)	(442,075)
Charge out of deferred transaction costs		5,620	-	5,620
At 30 June 2019		<u>949,598</u>	<u>2,294</u>	<u>951,892</u>

**STATEMENTS OF CASH FLOWS**  
for the year ended 30 June 2020

Notes (continued):

g) The total cash outflows for leases were as follows:

	<b>Group</b>	
	<b>1.7.2019 to 30.6.2020 RM'000</b>	<b>1.5.2018 to 30.6.2019 RM'000</b>
Total cash outflow for leases:		
- payment for principal portion of lease liabilities	167,301	-
- interest paid on lease liabilities	55,005	-
- payment of expenses relating to short term leases	28,518	-
- payment of expenses relating to leases of low-value assets	2,048	-
- variable lease payments	9,754	-
	<b>262,626</b>	<b>-</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 1. ABBREVIATIONS AND CORPORATE INFORMATION

### 1.1 Abbreviations and definitions

<u>Abbreviation</u>	<u>Definition</u>
7-Eleven	: 7-Eleven Malaysia Sdn Bhd
Aces	: Aces Corporation Limited
ASPL	: Antara Spacecom Pte Ltd
Atlan	: Atlan Holdings Bhd
AWF	: AWF Limited
BAssets	: Berjaya Assets Berhad
BCity	: BerjayaCity Sdn Bhd
BCityLand	: About 750 acres of freehold land located in the area of Sungai Tinggi, Daerah Ulu Selangor
BCorp	: Berjaya Corporation Berhad
BCorp ICULS 2012/2022	: 5% Irredeemable Convertible Unsecured Loan Stocks April 2012/2022
BCorp ICULS 2016/2026	: 2% Irredeemable Convertible Unsecured Loan Stocks May 2016/2026
Beijing SkyOcean	: Beijing SkyOcean International Holdings Limited
BEP	: Berjaya EnviroParks Sdn Bhd (formerly known as KUB-Berjaya Enviro Sdn Bhd)
BFood	: Berjaya Food Berhad
BGroup	: Berjaya Group Berhad
BJR	: Berjaya Jeju Resort Limited
BLand	: Berjaya Land Berhad
BLCC	: Berjaya Leisure Capital (Cayman) Ltd
BLCL	: Berjaya Leisure (Cayman) Ltd
BLong Beach	: Berjaya Long Beach Limited Liability Company
BPI	: Berjaya Philippines Inc.
BRIL	: Berjaya Reykjavik Investment Limited
BSompo	: Berjaya Sompo Insurance Berhad
BToto	: Berjaya Sports Toto Berhad
BTSB	: Berjaya Tagar Sdn Bhd
Bursa Malaysia	: Bursa Malaysia Securities Berhad
BZP	: Beijing Zhongcai Printing Co.Ltd
CGU	: Cash-Generating Unit
CoswayUSA	: Cosway USA, Inc.
CP	: Conditions Precedent
CT	: Consideration Transferred
DBKL	: Dewan Bandaraya Kuala Lumpur
DSRTYC	: Dato' Sri Robin Tan Yeong Ching
ECL	: Expected Credit Losses
FDSS	: Fixed Delivery and Settlement System
FIC	: Foreign Investment Committee
FVLCTS	: Fair Value Less Cost To Sell

1. ABBREVIATIONS AND CORPORATE INFORMATION (CONTINUED)

1.1 Abbreviations and definitions (continued)

<u>Abbreviation</u>	<u>Definition</u>
GE11	: Geirsgata 11 ehf
GMOC	: Berjaya (China) Great Mall Co Ltd
Great Mall Project	: Berjaya (China) Great Mall Recreation Centre
HKIAC	: Hong Kong International Arbitration Centre
Icelandair Hotels	: Icelandair Hotels ehf
ICULS	: Irredeemable Convertible Unsecured Loan Stocks
Informatics	: Informatics Education Ltd
JDC	: Jeju Free International City Development Center
Jeju Project	: Property development activities in Jeju, South Korea
JSSB	: Juara Sejati Sdn Bhd
Longxi	: Boluo Longxi Water Supply Co Ltd
Longxi government	: People's Government of Longxi
LVAT	: Land Value Appreciation Tax and other related tax liabilities in relation to the disposal of the Great Mall Project
MCO	: Movement Control Order
MDHS	: Majlis Daerah Hulu Selangor
MFRSs	: Malaysian Financial Reporting Standards
MTN	: Medium Term Notes
Pengfa	: Boluo Longxi Pengfa Water Supply Co Ltd
PGMC	: Philippine Gaming Management Corporation
REDtone	: REDtone International Berhad
REDtone ICULS	: 2.75% ICULS March 2010/2020 issued by REDtone
RM	: Ringgit Malaysia
ROU	: Right-Of-Use
SEM	: 7-Eleven Malaysia Holdings Berhad
SIAMH	: Singapore Institute of Advanced Medicine Holdings Pte Ltd
SIAMH ICULS	: 5.20% ICULS May 2020/2025 issued by SIAMH
Singer	: Singer (Malaysia) Sdn Bhd
SPPI	: Solely Payments of Principal and Interest
STC	: Selangor Turf Club
STC Proposals	: Construction of a new turf club for a total consideration of RM605.0 million
STCLand	: 244.79 acres of leasehold land located in Sungei Besi, Kuala Lumpur
SupAgmt	: Supplemental agreement to the sale and purchase agreement between BTSB and STC
Tan Sri Vincent Tan	: Tan Sri Dato' Seri Vincent Tan Chee Yioun
The Group	: Berjaya Corporation Berhad and its subsidiary companies
TNB	: Tenaga Nasional Berhad
UMobile	: U Mobile Sdn Bhd
VIU	: Value In Use
Warrants 2012/2022	: 10-year Warrants 2012/2022 issued by the Company
Warrants 2016/2026	: 10-year Warrants 2016/2026 issued by the Company
Zhiwang	: Boluo Longxi Zhiwang Water Supply Co Ltd

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 1. ABBREVIATIONS AND CORPORATE INFORMATION (CONTINUED)

### 1.2 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, provision of software support and development, manufacturing and distribution of computerised wagering and voting systems;
- (ix) Telecommunication and information technology related services, solutions and products;
- (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.

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 28 October 2020.

## 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 MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in 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 Company and its subsidiary companies, which are prepared up to the end of the same financial year/period.

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

- (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 has 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) contractual arrangement with the other vote holders of the investee;
- (4) rights arising from other contractual arrangements; and
- (5) 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 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 merger deficit, as the case may be.

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

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in MFRS 3: Business Combinations, or not. If it is not a business combination, the cost of acquisition consists of the 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, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

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

## 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 MFRS 9: Financial Instruments or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

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

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

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

Investment in quoted associated companies which have different reporting date from the Group are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and supplemented by latest quarterly financial statements, made up to a period end of no more than three months difference with the Group's reporting date, announced in the respective stock exchanges.

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.2 Associated companies and joint ventures (continued)

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

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

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

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

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

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 and loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associated company or joint venture upon loss of significant influence or loss of joint control and the fair value of the retained investment and proceeds from the disposals is recognised in 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 and the cost of the item can be measured reliably. Subsequent to recognition, when property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives. All other repairs and maintenance are charged to 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.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are ready to bear fruits are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure incurred from land clearing to the stage of maturity. The mature bearer plants are depreciated over its remaining useful lives on a straight-line basis. The immature bearer plants are not depreciated until they are mature.

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:

Buildings	1.25% - 20%
Bearer plants	0.5% - 5%
Plant and equipment	5% - 33%
Computer and office equipment	10% - 67%
Renovation	2% - 33%
Furniture and fittings	5% - 33%
Motor vehicles	20% - 33%
Aircraft	Ranging from 5 to 20 years or based on flying hours
Golf course development expenditure	1% - 2%
Others *	2% - 25%

\* Others comprise 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 Investment properties

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

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

ROU asset that meets the definition of investment property 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 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 MFRS 116: Property, Plant and Equipment shall be its fair value at the date of change in use.

When an item of property, plant and equipment is transferred to investment 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.

#### 2.2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, in the case of work-in-progress and finished goods, comprises raw materials, direct labour and an attributable proportion of production overheads. Cost is determined on the first-in first-out basis, the weighted average cost method, or by specific identification. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and the estimated costs necessary to make the sale.

##### (1) Property inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes the relevant cost of land and land use rights, development and construction costs and overheads, borrowing costs and other related costs. Net realisable value is the estimated selling price less all estimated costs to completion and the estimated costs necessary to make the sale.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.5 Inventories (continued)

##### (1) Property inventories (continued)

###### (a) Land held for property development

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for property development and classified within non-current assets.

Generally no significant development work would have been undertaken on these lands other than infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

###### (b) Property development costs

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once sold, the cost of these inventories is recognised in profit or loss as and when control passes to the respective customers, either over time or at one point in time.

###### (c) Completed properties

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land, direct building costs and other related costs.

##### (2) Others

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 profit or loss.

Goods on consignment are included in inventories when substantially all of the principal benefits and inherent risks rest with the Group.

#### 2.2.6 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)

#### 2.2.6 Intangible assets (continued)

##### (2) Gaming rights

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

- a licence for Toto betting operations in Malaysia under Section 5 of the Pool Betting Act 1967 ("TBLicence") which is renewable annually; and
- trademarks, trade dress, gaming design and processes and agency network.

The TBLicence has been renewed annually since 1985.

The gaming rights - licence with indefinite useful life is not amortised but tested for impairment, annually or more frequently, when indications of impairment are identified. The useful life of gaming rights - licence is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

##### (3) Trademarks

The cost of trademarks acquired represents its fair value as at the date of acquisition. Following the 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 any accumulated 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 MFRS 123: Borrowing Costs.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

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

(6) 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 the 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 as there was a presumption of renewal at negligible costs, and were not amortised but tested for impairment, annually or more frequently when indicators of impairment were identified. The useful lives of telecommunication licences 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.

(7) 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.

(8) Other intangible assets

(i) Computer software

Computer software acquired separately are measured on initial recognition at cost. Following the initial recognition, computer software are carried at cost less 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.

(ii) Development rights 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.6 Intangible assets (continued)

(8) Other intangible assets (continued):

(ii) Development rights fees and licence fees (continued)

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.

(iii) 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.

#### 2.2.7 Impairment of non-financial assets

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

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

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the 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 FVLCTS and its 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)

#### 2.2.7 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.

#### 2.2.8 Fair value measurement

The Group measures financial instruments, such as, short-term investments, 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 41.

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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.9 Financial instruments

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

##### (1) Financial assets

###### **Initial recognition and measurement**

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

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

The classification of financial assets at initial recognition depends on:

- (a) the financial asset's contractual cash flow characteristics; and
- (b) the Group's business model for managing them.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

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

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

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

###### **Subsequent measurement**

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

##### (a) Amortised cost

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

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

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Summary of significant accounting policies (continued)****2.2.9 Financial instruments (continued)****(1) Financial assets (continued)****Subsequent measurement (continued)****(b) Fair value through other comprehensive income**Debt instruments

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

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

Equity instruments

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.9 Financial instruments (continued)

##### (1) Financial assets (continued)

##### **Subsequent measurement (continued)**

##### (c) Fair value through profit or loss

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

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

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

##### **Derecognition**

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.9 Financial instruments (continued)

##### (2) Financial liabilities

###### **Initial recognition and measurement**

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

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

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

###### **Subsequent measurement**

The Group measures the financial liabilities depending on their classification, as described below:

##### (a) Amortised cost

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

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

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

##### (b) Fair value through profit or loss

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

###### **Derecognition**

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.9 Financial instruments (continued)

##### (3) Offsetting of financial instruments

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

#### 2.2.10 Impairment of financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables.

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

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

For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.11 Contract cost assets

(1) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs are recoverable.

(2) Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment or MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- (a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the CGU to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that CGU.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.12 Contract assets and liabilities

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

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

#### 2.2.13 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 are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an 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.

#### 2.2.14 Provisions

Provisions are recognised when the Group 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.

#### 2.2.15 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, shall be presented in the statements 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)

#### 2.2.16 Leases

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

##### (1) Group as a lessee

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

##### ROU assets

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

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

Leasehold land	17 to 999 years
Buildings	1 to 99 years
Plant and equipment	1 to 20 years
Computer and office equipment	3 to 10 years
Motor vehicles	1 to 7 years
Aircraft	4 years

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

The ROU assets are also subject to impairment assessment.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.16 Leases (continued)

##### (1) Group as a lessee (continued)

###### Lease liabilities

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

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

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

###### Short-term leases and leases of low-value assets

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

###### Sale and leaseback transactions

A sale and leaseback transaction is one where an entity (seller-lessee) transfers an asset to another entity (buyer-lessor) for consideration and then leases the asset back. The transfer is tested under MFRS 15 at the date of the transaction whether a performance obligation is satisfied for the transfer to be accounted for as a sale. If the transfer qualifies as a sale, the underlying asset is derecognised and a ROU asset with a corresponding liability is recognised equal to the retained interest in the asset. Any gain or loss is recognised immediately in profit or loss for the interest in the asset transferred to the lessor. If the transaction does not qualify as sale under MFRS 15, the transfer proceeds is accounted for as a financial liability in accordance with MFRS 9.

Gains and losses arising from sale and leaseback transactions whereby the lease is an operating lease are recognised immediately in profit or loss based on the fair value of the asset transferred. Where the sale price is below the fair value, the difference is accounted for as a prepayment of lease payments. Where the sale price is above fair value, the excess over fair value is accounted for as additional financing provided by the buyer-lessor to the seller-lessee.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.16 Leases (continued)

##### (2) Group as a lessor

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

##### Operating lease

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

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

##### Finance lease

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

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

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

#### 2.2.17 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 MFRSs. Thereafter, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets and financial assets) are measured in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations that is at the lower of carrying amount and FVLCTS. Any differences are included in profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.17 Non-current assets (or disposal groups) held for sale and discontinued operation (continued)

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 plan to dispose a separate major line of business or geographical area of operations, or is a subsidiary company acquired exclusively with a view to resale.

#### 2.2.18 ICULS

ICULS are regarded as compound instruments which consist 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.

#### 2.2.19 Warrants

Warrants issued by the Company 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.

#### 2.2.20 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, reissuance or cancellation of treasury shares. Consideration paid or received is recognised directly in equity.

#### 2.2.21 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 incurred in connection with the borrowing of funds.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.22 Financial guarantee contracts

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

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

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

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

#### 2.2.23 Contingencies

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

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

#### 2.2.24 Current and non-current classification

The Group presents 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)

#### 2.2.25 Revenue recognition

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

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

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

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.25 Revenue recognition (continued)

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

(1) Lease income

Lease income is recognised on the basis as detailed in Note 2.2.16(2).

(2) Dividend income

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

(3) Interest income

Interest income is recognised on an accrual basis using 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.

(4) Other income

All other income are recognised on accrual basis.

#### 2.2.26 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 (i.e. functional currency). The financial statements are presented in 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 (i.e. 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 operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in profit or loss of the Company's 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)

#### 2.2.26 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 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 statement of profit or loss and statement of comprehensive income are translated at average exchange rates for the reporting period, which approximate 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 subsidiary companies before 1 May 2006 are deemed to be assets or liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

#### 2.2.27 Employee benefits

##### (1) Short term benefits

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

##### (2) Defined contribution plans

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

#### 2.2.27 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 foreign subsidiary companies 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 foreign subsidiary companies are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

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

Re-measurements, comprising actuarial gains and losses, the effect of limiting a net defined benefit asset to the asset ceiling (excluding net interest, if applicable) and the return on plan assets (excluding net interest), are recognised immediately in the statements 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

REGISTRATION NO.: 200101019033 (554790-X)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of significant accounting policies (continued)

#### 2.2.27 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 for their eligible employees. The obligation recognised in the statements of financial position under the scheme is calculated by independent actuaries using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses are recognised immediately in the statements 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 obligation under the scheme is 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 share options and share awards 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)

#### 2.2.28 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 taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and 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, associated companies 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)

#### 2.2.28 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) Indirect taxes

Indirect taxes include Sales Tax, Service Tax, Gaming Tax, and Goods and Services Tax (also known as Value Added Tax).

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

Indirect taxes incurred on the purchase of assets or services which cannot be recovered from the respective tax authorities are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

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

#### 2.2.29 Segmental information

For management purposes, the Group is organised into operating segments based on their products and services which are managed by the 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 income tax expense and 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 tax assets and 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 tax liabilities and items arising on investing or financing activities.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Changes in accounting policies

On 1 July 2019, the Group adopted the following new MFRS, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretation:

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

- Amendments to MFRS 9: Financial Instruments – Prepayment Features with Negative Compensation
- MFRS 16: Leases
- Amendments to MFRS 119: Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128: Long Term Interests in Associates and Joint Ventures
- Annual Improvements to MFRSs 2015-2017 Cycle – Amendments to MFRS 3: Business Combinations
- Annual Improvements to MFRSs 2015-2017 Cycle – Amendments to MFRS 11: Joint Arrangements
- Annual Improvements to MFRSs 2015-2017 Cycle – Amendments to MFRS 112: Income Taxes
- Annual Improvements to MFRSs 2015-2017 Cycle – Amendments to MFRS 123: Borrowing Costs
- IC Interpretation 23: Uncertainty over Income Tax Treatments

The Group has early adopted the Amendments to MFRS 16: COVID-19 – Related Rent Concessions on 1 July 2019, which is effective for financial periods beginning on or after 1 June 2020.

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

#### (1) MFRS 16: Leases

MFRS 16 supersedes MFRS 117: Leases, IC interpretation 4: Determining whether an Arrangement contains a Lease, IC interpretation 115: Operating Leases-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.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have an impact for leases where the Group is the lessor.

The Group has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application, if any, is recognised as an adjustment to retained earnings at 1 July 2019 (i.e. date of initial application). Accordingly, the comparative information presented for financial period ended 30 June 2019 has not been restated i.e. it is presented as previously reported under MFRS 117.

At the date of initial application, for leases that were previously classified as operating lease under MFRS 117 were measured at the present value of the remaining lease payments, discounted at the incremental borrowing rates as at that date. The weighted-average rates applied was 4.29%. ROU assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Changes in accounting policies (continued)

#### (1) MFRS 16: Leases (continued)

The Group has applied the following practical expedients upon the adoption of MFRS16:

- For a contract entered into before the date of initial application, the Group did not reassess whether it is, or contains a lease as defined in MFRS 16. Instead, the Group applied MFRS 16 only to contracts that were previously identified as leases in accordance to MFRS 117;
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics;
- Impairment losses on ROU assets as at 1 July 2019 have been measured by reference to the amount of any onerous lease provision recognised on 30 June 2019;
- Leases with a remaining term of twelve months or less from the date of initial application have been treated as short-term leases and not recognised on statements of financial position;
- Hindsight was used in determining the lease term if the contract contains options to extend or terminate the lease; and
- Initial direct costs were excluded from measuring the ROU asset at the date of initial application.

The effect of adoption of MFRS 16 as at 1 July 2019 is as follows:

<b>Group</b>	<b>Increase/ (Decrease) RM'000</b>
<b>Statement of financial position</b>	
<b>Assets</b>	
Property, plant and equipment	(269,358)
ROU assets	1,037,261
Inventories - Land held for property development	123,237
Trade and other receivables	(573)
	<u>890,567</u>
<b>Liabilities</b>	
Lease liabilities	890,645
Long term borrowings	(44)
Short term borrowings	(34)
	<u>890,567</u>

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Changes in accounting policies (continued)

#### (1) MFRS 16: Leases (continued)

The following table explains the difference between operating lease commitments disclosed by applying MFRS 117 at 30 June 2019, and lease liabilities recognised in the statements of financial position as at 1 July 2019:

	<u>Group</u> <u>RM'000</u>
Operating lease commitments as at 30 June 2019	757,505
Less : Short-term leases	(20,557)
Less : Leases of low-value assets	(1,970)
Less : Non-lease components	(16,140)
Less : Lease effected subsequent to date of initial adoption as at 1 July 2019	(66,610)
Add : Extension options reasonably certain to be exercised	588,230
Gross lease liabilities as at 1 July 2019	<u>1,240,458</u>
Discounting	<u>(349,813)</u>
Lease liabilities as at 1 July 2019	<u><u>890,645</u></u>

On the adoption of the Amendments to MFRS 16, the Group applies the practical expedients not to treat a COVID-19 related rent concession from a lessor as a lease modification if all of the following conditions are met:

- (i) The change in lease payments results in revised consideration for the lease that is substantially the same as or less than the consideration for the lease immediately preceding the change;
- (ii) The reduction in lease payments affects only payments due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.

The Group accounts for such COVID-19 related rent concession as a variable lease payment in the year in which the event or condition that triggers the reduced payment occurs and accordingly recognised in profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Standards and interpretations issued but not yet effective

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

#### Effective for financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 101: Presentation of Financial Statements – Definition of Material
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 3: Business Combination – Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Revised Conceptual Framework for Financial Reporting

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

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

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

- Amendments to MFRS 3: Business Combination – Reference to Conceptual Framework
- Amendments to MFRS 116: Property, Plant & Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Costs of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020 – Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- Annual Improvements to MFRS Standards 2018 – 2020 – Amendments to MFRS 9: Financial Instruments
- Annual Improvements to MFRS Standards 2018 – 2020 – Amendments to MFRS 16: Leases
- Annual Improvements to MFRS Standards 2018 – 2020 – Amendments to MFRS 141: Agriculture

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

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

#### Effective date yet to be determined:

- Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current (Deferred)

The new MFRSs, Amendments to MFRSs and Annual Improvements to MFRSs 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 the above new MFRS and Amendments to MFRSs.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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) Telecommunications licences with allocated spectrum

On 9 July 2019, the Malaysian Communications and Multimedia Commission ("MCMC") made a press release stating that it had initiated a public inquiry on the allocation of spectrum bands for mobile broadband service in Malaysia particularly for the 700 MHz, 2300 MHz and 2600 MHz spectrum bands. Subsequently, on 31 December 2019, MCMC released the "final report on the allocation of spectrum bands for mobile broadband service in Malaysia" ("MCMC-FinRep"). In the MCMC-FinRep, MCMC had identified the 700 MHz, 3.5 GHz and 26/28 GHz as the pioneer spectrum bands for the roll-out of 5G in Malaysia, in light of the rapid development of the global 5G ecosystem and deployment. The 700 MHz and 3.5 GHz bands were being considered for allocation to a single entity comprising a consortium to be formed by multiple licensees, instead of individual licensees and MCMC will undertake a tender process for this purpose. In the same report, MCMC decided that the existing 2300 MHz and 2600 MHz will be maintained as per existing allocation to support the deployment of the current 4G technology in parallel to the necessary preparation for migration towards 5G. As such, on 17 January 2020, Redtone Engineering and Network Services Sdn Bhd ("RENS"), a subsidiary company of REDtone, which in turn is a subsidiary company of the Group, received a letter from the MCMC informing RENS that its existing frequency bands within the 2600 MHz band will be continued by way of Apparatus Assignment until 31 December 2021. Thereafter, MCMC will undertake a review of the licence allocation as part of the overall spectrum bands allocation for mobile broadband services in Malaysia.

On 9 March 2020, due to the change in the Malaysian government, a new Communications and Multimedia Minister was appointed. On 15 May 2020, the new Communications and Multimedia Minister awarded several spectrum bands, including the 700 MHz and the 2600 MHz, by direct ministerial orders. RENS was awarded the 2600 MHz spectrum and the term of the spectrum assignment was 15 years from the effective date of the spectrum assignment. The award of the 2600 MHz spectrum was to all incumbent licensees including RENS. Under the ministerial order, the effective date of the spectrum assignment will be decided by the MCMC. The direct award of the 700 MHz spectrum to five licensees, of which RENS is not a part of, was not by a tender process and appeared to have moved away from the consortium approach as recommended in the MCMC-FinRep, which created a public outcry over the allocation process. However, the Communications and Multimedia Minister retracted his orders on 3 June 2020 of all the spectrum awards that was made on 15 May 2020 in order for the Minister to reconsider the various technical and legal issues and the need to follow a clear process. On 10 June 2020, a new chairman was appointed to head MCMC and as at the reporting date, RENS has yet to receive any feedback from MCMC.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Significant accounting estimates and judgements (continued)

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

(a) Telecommunications licences with allocated spectrum (continued)

The award and subsequent retraction of the spectrum assignment, coupled with the recent changes in Government, ministry and regulatory authorities, have cast uncertainty as at the reporting date on the availability of the 2600 MHz spectrum to RENS beyond 2021. The directors, having considered the above facts and all other pertinent information, believe that the 2600 MHz spectrum will continue to be made available to RENS beyond 2021 for a period of 15 years. This is in line with the letter received in May 2020 and the spectrum awards from MCMC in the recent years.

The carrying amounts of the telecommunications licence of 2600Mhz spectrum and the goodwill on consolidation related to the Redtone group are RM199.46 million and RM61.54 million respectively as disclosed in Note 12.

In the scenario where the extension of the spectrum licence was not obtained, a further impairment of RM161.4 million impairment would need to be recognised on the intangible assets and RM38.6 million on the goodwill for the year ended 30 June 2020.

(b) Useful lives of gaming rights and dealerships rights

The gaming rights consist of licence for the Toto betting operations in Malaysia and the dealerships rights is relating to the motor vehicle dealership operations.

The Group considers that the gaming rights and dealerships rights have indefinite useful lives because they are expected to contribute to the Group's net cash inflows indefinitely. The Group intends to continue the Toto betting and motor vehicle dealership operations and is confident that these rights can be maintained indefinitely. Historically, there has been no compelling challenge to the renewals of these rights.

(c) 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 47, 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.

(d) Recoverability of balance cash consideration for the disposal of project by GMOC ("Final Instalment")

As disclosed in Note 40(4), the Group, through its subsidiary company GMOC, has initiated arbitration proceedings at HKIAC to seek the recovery of the Final Instalment and accrued late payment interests as well as other reliefs from Beijing SkyOcean and the Guarantors who are SkyOcean Holdings Group Limited and Mr Zhou Zheng.

GMOC has on 21 May 2020 obtained a favourable arbitration award from the HKIAC and GMOC will proceed to seek recognition and enforcement of the Final Award. The Group expects the matter to be resolved and the Final Instalment will be received by 30 June 2021. The Final Instalment has been classified as a current receivable as disclosed in Note 14.2.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Significant accounting estimates and judgements (continued)

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

- (e) Determination of the lease term of contracts with renewal and termination options as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably not to be exercised.

The Group assesses, by applying significant judgement at lease commencement date, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

(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 and other intangible assets, gaming rights and dealerships rights

The Group performs an impairment test on its gaming rights, dealerships rights and goodwill and other intangible assets at least on an annual basis or when there is evidence of impairment. This requires an estimation of the VIU of the respective CGU. 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 and the recognition of impairment during the financial year are disclosed in Note 12.

The carrying amounts of goodwill and other intangible assets of the Group as at 30 June 2020 are disclosed in Note 12.

- (b) Impairment of property, plant and equipment and ROU Assets

During the current financial period, the Group recognised impairment losses in respect of certain subsidiary companies' property, plant and equipment and ROU assets. 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 and ROU assets 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 Notes 3 and 4.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Significant accounting estimates and judgements (continued)

#### (2) Key sources of estimation uncertainty (continued)

- (c) Impairment of investment in subsidiary companies, 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 carried out the impairment test based on the assessment of the FVLCTS of the investees' assets or CGU or based on the estimation of the VIU of the CGUs of the respective subsidiary companies, associated companies and joint ventures. 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 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.

- (d) LVAT

During the prior financial years, the Group completed the disposal of Great Mall Project. Consequently, the Group has estimated that the LVAT estimate to be approximately RMB72.74 million (equivalent to approximately RM44.01 million). As of the reporting date, the LVAT estimate has yet to be agreed with the relevant tax authorities. Where the final outcome of LVAT estimate is different from the amount initially recognised, such difference will impact profit or loss in the period in which such determination is made.

- (e) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to perform valuations on its investment properties as at 30 June 2020. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties.

The details of the investment properties are disclosed in Note 5 whilst the valuation techniques and key assumptions applied on the determination of the fair values are disclosed in Note 41.1.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Significant accounting estimates and judgements (continued)

#### (2) Key sources of estimation uncertainty (continued)

##### (f) Provision for ECLs of trade and other receivables and contract assets

The Group uses the simplified approach to estimate a lifetime ECL allowance for all trade receivables and contract assets. The Company develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information.

Other than trade receivables and contract assets, the Group and the Company assess the credit risk of other receivables at each reporting date on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Group and the Company determine the lifetime ECL by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

In assessing credit risks for purposes of applying the ECL model, the Group and the Company consider the need to incorporate forward-looking factors and to estimate the probability of default, which are likely to be judgmental and subject to estimation uncertainties.

The information about the ECLs on the Group's trade and other receivables and contract assets are disclosed in Notes 14 and 15 respectively.

##### (g) Incremental borrowing rates ("IBR") of lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses IBR to measure a lease liability. The IBR is the rate of interest that the Group would have to pay to borrow on a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

##### (h) Purchase price allocation exercise for the acquisition of Icelandair Hotels

As disclosed in Note 7.1.1, the Group is undertaking a purchase price allocation exercise in relation to the acquisition of Icelandair Hotels with the assistance of an external professional valuer to determine the fair value of the assets and liabilities acquired. Significant management judgement was involved in determining the fair value of the hotel assets based on the valuation that rely on the use of various assumptions including the current market conditions and the impact arising from COVID-19 pandemic.

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

### 3. PROPERTY, PLANT AND EQUIPMENT

GROUP	At beginning of financial year	Effect of MFRS 16 adoption of	Depreciation				Reclassification/ Adjustments	Exchange differences	Acquisition of subsidiaries	Disposal of subsidiary	Reclassified to disposal groups	At end of financial year
			RM'000	RM'000	charge for financial year	Write off/ Impairment loss						
2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Carrying Amount	384,441	-	109	(145,388)	-	-	5,910	-	-	-	-	255,499
Freehold land	108,563	(108,563)	-	-	-	-	-	-	-	-	-	-
Leasehold land	1,909,153	(160,710)	19,710	(585,144)	(54,762)	(8,893)	66,167	451,320	-	-	-	1,657,869
Buildings	4,001	-	470	-	(269)	-	-	-	-	-	-	4,202
Bearer plants	183,185	-	31,408	(4,583)	(24,829)	(9,121)	864	-	-	-	-	179,907
Plant and equipment	99,299	-	14,913	(144)	(30,836)	(661)	285	6,340	(21)	-	-	91,013
Computer and office equipment	217,877	-	57,966	(211)	(44,618)	(7,805)	25,475	116,793	-	(762)	-	365,232
Renovations	242,173	-	9,200	(179,662)	(32,421)	(827)	9,291	56,840	-	-	-	112,847
Furniture and fittings	44,729	(85)	9,989	(2,151)	(10,774)	(2)	(3)	33	-	(54)	-	41,029
Motor vehicles	83,239	-	-	-	(6,580)	-	-	-	-	-	-	76,659
Aircraft	116,885	-	-	-	(1,804)	-	-	-	-	-	-	115,081
Golf course development expenditure	64,126	-	84,541	-	-	(418)	(91,219)	-	-	-	-	57,753
Capital work-in-progress	23,400	-	2,741	(10)	(1,686)	(113)	(95)	2,980	-	-	-	27,228
Others	3,481,071	(269,358)	231,047	(917,293)	(208,579)	(27,840)	16,675	634,306	(21)	(816)	-	2,984,319

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	At beginning of financial period	Depreciation			Write off/ Impairment loss	Reclassi- fication/ Adjustments	Exchange differences	Deconsolidation/ Disposal		At end of financial period
		Additions	Disposals	charge for financial period				of subsidiaries	Reclassified to disposal groups	
2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Carrying Amount										
Freehold land	359,705	7,655	-	-	4,662	12,419	-	-	-	384,441
Leasehold land	109,723	915	-	(2,728)	653	-	-	-	-	108,563
Buildings	1,920,962	23,331	(565)	(71,186)	980	40,631	-	-	-	1,909,153
Bearer plants	3,923	393	-	(315)	-	-	-	-	-	4,001
Plant and equipment	191,677	41,002	(6,442)	(35,530)	(1,795)	1,624	(6)	(6)	-	183,185
Computer and office equipment	89,913	42,789	(401)	(34,449)	1,020	3,380	(447)	(447)	(1,921)	99,299
Renovations	220,466	49,236	(8,905)	(47,776)	16,925	(910)	(178)	(178)	(23)	217,877
Furniture and fittings	258,367	10,786	(217)	(43,018)	3,595	13,961	(2)	(2)	-	242,173
Motor vehicles	41,728	20,372	(3,252)	(13,659)	(1)	124	-	-	(583)	44,729
Aircraft	94,987	-	(21)	(8,173)	-	529	-	-	-	83,239
Golf course development expenditure	118,990	-	-	(2,105)	-	-	-	-	-	116,885
Capital work-in-progress	30,113	59,169	-	-	(25,073)	(83)	-	-	-	64,126
Others	24,497	1,232	(5)	(1,797)	(323)	17	-	-	-	23,400
	<u>3,465,051</u>	<u>256,880</u>	<u>(19,808)</u>	<u>(260,736)</u>	<u>643</u>	<u>71,692</u>	<u>(633)</u>	<u>(2,527)</u>	<u>-</u>	<u>3,481,071</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### GROUP

	Cost	Accumulated depreciation	Accumulated impairment losses	Net carrying amount
As at 30 June 2020	RM'000	RM'000	RM'000	RM'000
Freehold land	258,611	-	(3,112)	255,499
Buildings	2,824,538	(1,154,598)	(12,071)	1,657,869
Bearer plants	6,265	(2,063)	-	4,202
Plant and equipment	523,594	(327,346)	(16,341)	179,907
Computer and office equipment	360,879	(266,284)	(3,582)	91,013
Renovations	825,444	(424,498)	(35,714)	365,232
Furniture and fittings	589,550	(474,032)	(2,671)	112,847
Motor vehicles	146,399	(105,052)	(318)	41,029
Aircraft	251,483	(106,286)	(68,538)	76,659
Golf course development expenditure	164,925	(36,007)	(13,837)	115,081
Capital work-in-progress	61,755	-	(4,002)	57,753
Others	59,863	(29,649)	(2,986)	27,228
	<u>6,073,306</u>	<u>(2,925,815)</u>	<u>(163,172)</u>	<u>2,984,319</u>

	Cost	Accumulated depreciation	Accumulated impairment losses	Net carrying amount
As at 30 June 2019	RM'000	RM'000	RM'000	RM'000
Freehold land	387,553	-	(3,112)	384,441
Leasehold land	148,413	(39,850)	-	108,563
Buildings	2,537,239	(616,397)	(11,689)	1,909,153
Bearer plants	5,794	(1,793)	-	4,001
Plant and equipment	514,296	(307,626)	(23,485)	183,185
Computer and office equipment	340,752	(238,210)	(3,243)	99,299
Renovations	622,326	(372,512)	(31,937)	217,877
Furniture and fittings	525,718	(281,155)	(2,390)	242,173
Motor vehicles	146,500	(101,456)	(315)	44,729
Aircraft	251,483	(99,706)	(68,538)	83,239
Golf course development expenditure	164,925	(34,203)	(13,837)	116,885
Capital work-in-progress	68,128	-	(4,002)	64,126
Others	49,871	(23,611)	(2,860)	23,400
	<u>5,762,998</u>	<u>(2,116,519)</u>	<u>(165,408)</u>	<u>3,481,071</u>

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



3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

COMPANY

2020	At beginning of financial year		Depreciation charge for financial year	Exchange differences	At end of financial year
	RM'000	Additions RM'000	RM'000	RM'000	RM'000
<b>Net Carrying Amount</b>					
Plant and equipment	72,770	22,693	(13,184)	2,862	85,141
Computer and office equipment	44,910	4,675	(13,414)	1,753	37,924
Furniture and fittings	51	-	(18)	-	33
Motor vehicles	2,643	182	(809)	-	2,016
	<u>120,374</u>	<u>27,550</u>	<u>(27,425)</u>	<u>4,615</u>	<u>125,114</u>

2019	At beginning of financial period			Depreciation charge for financial period	Write off	Exchange differences	At end of financial period
	RM'000	Additions RM'000	Disposals RM'000	RM'000	RM'000	RM'000	RM'000
<b>Net Carrying Amount</b>							
Plant and equipment	66,425	16,192	-	(12,163)	-	2,316	72,770
Computer and office equipment	43,204	12,944	-	(12,728)	(3)	1,493	44,910
Furniture and fittings	56	18	-	(23)	-	-	51
Motor vehicles	2,022	1,405	(55)	(729)	-	-	2,643
	<u>111,707</u>	<u>30,559</u>	<u>(55)</u>	<u>(25,643)</u>	<u>(3)</u>	<u>3,809</u>	<u>120,374</u>

<b>As at 30 June 2020</b>	Cost	Accumulated depreciation	Net carrying amount
	RM'000	RM'000	RM'000
Plant and equipment	119,770	(34,629)	85,141
Computer and office equipment	73,830	(35,906)	37,924
Furniture and fittings	144	(111)	33
Motor vehicles	4,475	(2,459)	2,016
	<u>198,219</u>	<u>(73,105)</u>	<u>125,114</u>

<b>As at 30 June 2019</b>	Cost	Accumulated depreciation	Net carrying amount
	RM'000	RM'000	RM'000
Plant and equipment	93,404	(20,634)	72,770
Computer and office equipment	66,626	(21,716)	44,910
Furniture and fittings	144	(93)	51
Motor vehicles	4,293	(1,650)	2,643
	<u>164,467</u>	<u>(44,093)</u>	<u>120,374</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The additions in property, plant and equipment were by way of:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Finance leases	2,504	5,922	146	1,357
Cash	197,070	223,882	107	248
Deferred payment	27,472	24,916	27,297	28,954
Provision for restoration costs	4,001	2,160	-	-
	<u>231,047</u>	<u>256,880</u>	<u>27,550</u>	<u>30,559</u>

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 RM6,548,000 (2019: RM17,098,000), included in Other expenses – investing activities as disclosed in Note 33(c)(i). The impairment loss was due to a decline in the recoverable amount of clubhouse building located on a leased land, closure of certain outlets and certain property, plant and equipment for which the VIU is less than the carrying value.

Included in the Group's reclassification/adjustments column are:

	Group	
	2020 RM'000	2019 RM'000
(i) transfer of certain property from investment properties (Note 5)	11,052	1,150
(ii) transfer of certain property to investment properties (Note 5)	(2,394)	(10,895)
(iii) gross revaluation (deficit)/surplus resulting from a change in its use from property, plant and equipment to investment properties	(382)	7,167
(iv) transfer of certain property from land held for property development (Note 6(a))	143	3,316
(v) over accrual of cost for certain property, plant and equipment	(2,652)	(95)
(vi) transfer to intangible assets (Note 12)	(448)	-
(vii) transfer to ROU assets resulting from completion of capital WIP (Note 4)	(3,771)	-
(viii) transfer from ROU assets resulting from conversion of tenure from leasehold to freehold (Note 4)	15,127	-
	<u>16,675</u>	<u>643</u>

**3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Property, plant and equipment with net book value of RM648,823,000 (2019: RM795,261,000) 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Plant and equipment	720	6,819	-	-
Computer and office equipment	21	908	-	-
Office renovation	2,837	7,892	-	-
Furniture and fittings	366	1,277	-	-
Motor vehicles	8,503	10,415	1,991	2,606
Aircraft	54,542	57,154	-	-
	<u>66,989</u>	<u>84,465</u>	<u>1,991</u>	<u>2,606</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (a) ROU assets

#### GROUP

2020	Leasehold	Buildings	Plant and	Computer	Motor	Aircraft	Total
	land			and office			
Net Carrying Amount	RM'000	RM'000	RM'000	equipment	vehicles	RM'000	RM'000
At beginning of financial year	-	-	-	-	-	-	-
Effect of adoption of MFRS 16	123,023	891,705	6,218	1,230	855	14,230	1,037,261
At beginning of financial year (Adjusted)	123,023	891,705	6,218	1,230	855	14,230	1,037,261
Additions	208,935	149,796	1,307	2,104	164	-	362,306
Depreciation charge (Note 33)	(6,880)	(173,057)	(3,286)	(660)	(220)	(3,710)	(187,813)
Impairment loss (Note 33(c)(i))	-	(2,438)	-	-	-	-	(2,438)
Reclassification	(16,149)	3,576	-	-	-	-	(12,573)
Acquisition of subsidiary companies	2,161	840,751	1,614	141	-	-	844,667
Exchange differences	2,754	6,224	67	-	37	-	9,082
Reassessment	-	(781)	-	-	-	-	(781)
At end of financial year	313,844	1,715,776	5,920	2,815	836	10,520	2,049,711
<b>At 30 June 2020</b>							
Cost	363,818	1,951,066	9,232	3,475	1,174	14,230	2,342,995
Accumulated depreciation	(46,190)	(230,018)	(3,312)	(660)	(338)	(3,710)	(284,228)
Accumulated impairment losses	(3,784)	(5,272)	-	-	-	-	(9,056)
Net carrying amount	313,844	1,715,776	5,920	2,815	836	10,520	2,049,711

Included in the Group's reclassification are:

	Group 2020 RM'000
(i) transfer to investment properties (Note 5)	(1,217)
(ii) transfer from property, plant and equipment (Note 3)	3,771
(iii) transfer to property, plant and equipment (Note 3)	(15,127)
	<u>(12,573)</u>

As at the reporting date, leasehold land and buildings of the Group, with net carrying amount of RM204,330,000 were pledged to financial institutions for credit facilities granted to certain subsidiary companies.

Other than the above, the Group has ROU assets classified as land held for property development under inventories amounting to RM259,477,000 at the reporting date.

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the financial year:

	<b>Group</b>
	<b>2020</b>
	<b>RM'000</b>
At beginning of financial year	-
Effect of adoption of MFRS 16	890,645
At beginning of financial year (Adjusted)	890,645
Additions	721,563
Accretion of interest (Note 32)	55,005
Acquisition of subsidiary companies	692,762
Lease payments	(222,306)
Exchange differences	22,996
Reassessment	(781)
At end of financial year	<u>2,159,884</u>
Analysed as:	
Current	222,907
Non-current	1,936,977
	<u>2,159,884</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 5. INVESTMENT PROPERTIES

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	859,094	877,871
Additions	-	4,549
Fair value adjustments, net	89,489	(12,349)
Exchange differences	(2,372)	1,027
Net transfer (to)/from property, plant and equipment (Note 3)	(8,658)	9,745
Net transfer from ROU assets (Note 4)	1,217	-
Net transfer from inventories	22,378	-
Transferred to non-current assets held for sale (Note 20)	-	(21,749)
Acquisition of subsidiary company	51,028	-
At end of financial year/period	<u>1,012,176</u>	<u>859,094</u>

Investment properties with carrying amount totalling RM290,945,000 (2019: RM117,877,000) are held under lease terms.

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. Fair value hierarchy for investment properties is disclosed in Note 41.

The Group determined that certain properties that were previously classified as investment properties amounting to RM11,052,000 (2019: RM1,150,000), are now occupied by subsidiary companies of the Group, thus, do not qualify as investment properties according to MFRS 140: Investment Property. Certain other properties previously classified under property, plant and equipment amounting to RM2,394,000 (2019: RM10,895,000), are now not occupied by subsidiary companies of the Group, thus, qualify as investment properties according to MFRS 140: Investment Property. These properties were reclassified accordingly.

Investment properties of the Group amounting to RM821,605,000 (2019: RM789,928,000) have been pledged to various financial institutions for credit facilities granted to the Company and certain subsidiary companies.

6. INVENTORIES

	Group	
	2020	2019
	RM'000	RM'000
<b>NON-CURRENT</b>		
<u>Inventories - land held for property development</u>		
At cost:		
Land held for property development (Note a)	2,165,351	1,931,657
<b>CURRENT</b>		
<u>Inventories - property development costs</u>		
At cost:		
Property development costs (Note b)	67,447	196,621
<u>Inventories - others</u>		
At cost:		
Raw materials	64,729	68,825
Work-in-progress	10,901	8,198
Finished goods and inventories for resale	561,604	669,445
Property inventories	852,494	823,912
Gaming equipment components and parts	284	473
Stores and consumables	23,948	26,719
Ticket inventories	3,527	3,328
	<u>1,517,487</u>	<u>1,600,900</u>
At net realisable value:		
Raw materials	2,056	-
Finished goods and inventories for resale	148,770	108,071
Property inventories	29,100	19,560
Stores and consumables	17,803	19,722
	<u>197,729</u>	<u>147,353</u>
At fair value:		
Trading account securities	2,461	2,179
Total for inventories - others	<u>1,717,677</u>	<u>1,750,432</u>
Total inventories	<u>3,950,475</u>	<u>3,878,710</u>

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM2,423,171,000 (2019: RM3,259,518,000).

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 6. INVENTORIES (CONTINUED)

The following inventories have been pledged to various financial institutions for credit facilities granted to certain subsidiary companies:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Land held for property development	396,810	439,985
Property development costs	70,770	112,616
Property inventories	721,178	743,889
Vehicle stock included in finished goods and inventories for resale	351,771	376,443
	<u>1,540,529</u>	<u>1,672,933</u>



6. INVENTORIES (CONTINUED)

(a) Land held for property development

	Group	
	2020 RM'000	2019 RM'000
<b>At cost:</b>		
At beginning of financial year/period:		
- freehold land	1,478,783	1,416,333
- leasehold land	62,057	62,095
- land use rights/land lease premium	11,608	11,217
- development costs	379,209	365,510
	<u>1,931,657</u>	<u>1,855,155</u>
Effect of adoption of MFRS 16 - leasehold land	123,237	-
At beginning of financial year/period (Adjusted)	<u>2,054,894</u>	<u>1,855,155</u>
Arising from acquisition of a subsidiary company:		
- leasehold land	61,117	-
Transfer/Adjustments during the financial year/period:		
- freehold land	(4)	52,221
- development costs	(139)	(1,900)
	<u>(143)</u>	<u>50,321</u>
Additions:		
- freehold land	27,794	7,164
- leasehold land	-	-
- development costs	15,665	13,495
	<u>43,459</u>	<u>20,659</u>
Disposals:		
- freehold land	-	(97)
Exchange differences:		
- freehold land	2,970	4,676
- leasehold land	1,437	(38)
- land use rights/land lease premium	457	391
- development costs	1,596	2,104
	<u>6,460</u>	<u>7,133</u>
Write-down in value	(436)	(1,514)
Carrying value at end of financial year/period	<u>2,165,351</u>	<u>1,931,657</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 6. INVENTORIES (CONTINUED)

### (a) Land held for property development (continued)

Included in the transfer/adjustments section are the following:

- (i) transfer to property, plant and equipment (Note 3)
- (ii) transfer from property development (Note 6(b))

Group	
2020	2019
RM'000	RM'000
(143)	(3,316)
-	53,637
<u>(143)</u>	<u>50,321</u>

### (b) Property development costs

At cost:

At beginning of financial year/period:

- freehold land
- leasehold land
- land use rights
- development costs

Group	
2020	2019
RM'000	RM'000
43,806	103,266
-	3
11,235	10,857
141,580	80,944
<u>196,621</u>	<u>195,070</u>

Costs incurred during the financial year/period:

- freehold land
- development costs

1,075	1,099
91,953	71,755
<u>93,028</u>	<u>72,854</u>

Transfers/Adjustments during the financial year/period:

- to land held for property development (Note 6(a))
- to inventories - others
- to contract cost assets (Note 13)

-	(53,637)
(98,106)	(758)
(126,319)	(17,718)
<u>(224,425)</u>	<u>(72,113)</u>

Reclassification during the financial year/period

- leasehold land
- development costs

-	704
-	(704)
<u>-</u>	<u>-</u>

Exchange differences

2,223	810
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Carrying value at end of financial year/period

<u>67,447</u>	<u>196,621</u>
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## 7. SUBSIDIARY COMPANIES

	Company	
	2020 RM'000	2019 RM'000
At cost:		
Quoted shares in Malaysia	259,771	281,695
Unquoted shares	5,501,865	5,493,598
	<u>5,761,636</u>	<u>5,775,293</u>
Less: Accumulated impairment	(33,042)	(40,998)
	<u>5,728,594</u>	<u>5,734,295</u>
Market value:		
Quoted shares in Malaysia	100,586	134,000

The Group's equity interests in the subsidiary companies, their respective principal activities and country of incorporation are shown in Note 47.

Quoted shares costing RM220,856,000 (2019: RM281,292,000) have been pledged to financial institutions for credit facilities granted to the Company and certain of its subsidiary companies.

During the financial year, the Company conducted a review of the recoverable amounts of its investments in subsidiary companies and the review concluded that no further impairment was required as the recoverable amounts, determined based on VIU, were higher than the carrying value.

## 7.1 Acquisition of subsidiary companies

## 7.1.1 Current financial year

During the current financial year, the Group completed the following acquisitions which qualified as business combination:

- (1) On 22 August 2019, BLCC, a wholly-owned subsidiary of the Group, subscribed for its entitlement and the excess of rights shares cum free warrants, totalling 100,000,000 new ordinary shares and 33,333,333 free warrants in Informatics for a total cash consideration of SGD5.0 million (equivalent to approximately RM15.305 million). Consequently, the Group's equity interest in Informatics increased from 28.38% to 67.95%, thus making Informatics a subsidiary company of the Group.
- (2) On 22 August 2019, SIAMH, (an associated company of the Group then) undertook a share buyback exercise which resulted in the reduction of its shares with voting rights. Consequently, the Group's equity interest in SIAMH increased from 47.44% to 50.01% and hence, it became a subsidiary company of the Group.
- (3) On 9 October 2019, Cosway Corporation Limited, a wholly owned subsidiary of the Group acquired 1 unit of ordinary share which represent 100% equity interest in Aces in Hong Kong for a total consideration of HKD1. The principal activity of Aces is to engage in E-Commerce platform for sales and marketing of healthcare products.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 7. SUBSIDIARY COMPANIES (CONTINUED)

### 7.1 Acquisition of subsidiary companies (continued)

#### 7.1.1 Current financial year (continued)

- (4) On 12 February 2020, Berjaya Group (Cayman) Limited, a wholly owned subsidiary company of the Group, subscribed for 512,000 new ordinary shares in ASPL for a total consideration of SGD2.56 million (equivalent to approximately RM7.64 million). Consequently, the Group's equity interest in ASPL increased from 50% to 51%, thus making ASPL a subsidiary company of the Group.
- (5) Berjaya Property Ireland Limited ("BPIL"), a wholly owned subsidiary company of the Group has completed the acquisition of 75% equity interest in Icelandair Hotels, a company incorporated in Reykjavik, Iceland that owns several hotels and real estate assets in Iceland for a cash consideration of USD43.63 million (equivalent to approximately RM179.8 million), BPIL has also entered into a put and call option agreement with the seller for the remaining 25% stake in the Icelandair Hotels. This option, which is treated as deferred consideration of the acquisition, effectively gives BPIL a present ownership interest of 100% in Icelandair hotels.
- (6) BRIL, a wholly owned subsidiary company of the Group, has completed the acquisition of the entire equity interest in GE11, a company incorporated in Reykjavik, Iceland that owns a piece of leasehold land in Iceland for a cash consideration of USD1.399 million (equivalent to approximately RM5.75 million).

The cost of acquisitions comprised the following:

Group	Acquisition of				Total
	Icelandair Hotels	SIAMH	GE11	Others*	
	RM'000	RM'000	RM'000	RM'000	RM'000
Purchase consideration satisfied by cash	179,838	-	61,262	22,764	263,864
Reclassified from associated companies and joint venture	-	91,392	-	1,230	92,622
Fair value adjustments on associated companies and joint venture prior to reclassification to investment in subsidiary companies	-	(1,794)	-	1,880	86
<b>Total cost of acquisition, representing fair value of the consideration</b>	<b>179,838</b>	<b>89,598</b>	<b>61,262</b>	<b>25,874</b>	<b>356,572</b>

The acquired subsidiary companies which qualified as business combination contributed the following results to the Group in the current financial year:

Group	Acquisition of				Total
	Icelandair Hotels	SIAMH	GE11	Others*	
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,967	23,439	72	52,121	85,599
Loss for the year	(33,711)	(25,985)	(6,725)	(6,974)	(73,395)

7. SUBSIDIARY COMPANIES (CONTINUED)

7.1 Acquisition of subsidiary companies (continued)

7.1.1 Current financial year (continued)

The fair values of the identifiable assets and liabilities of the acquired subsidiary companies at the date of acquisition were as follows:

Group	Acquisition of				Total RM'000
	Icelandair Hotels RM'000	SIAMH RM'000	GE11 RM'000	Others* RM'000	
Property, plant and equipment	374,224	259,833	-	249	634,306
ROU assets	710,530	131,976	-	2,161	844,667
Investment properties	-	51,028	-	-	51,028
Inventories - Land held for property development	-	-	61,117	-	61,117
Other assets acquired, excluding cash and cash equivalents	30,585	26,465	3,280	18,303	78,633
Cash and cash equivalents acquired	21,716	10,522	-	24,862	57,100
Lease liabilities	(555,702)	(131,976)	-	(5,084)	(692,762)
Other borrowings and loans	(272,123)	(50,974)	-	-	(323,097)
Other liabilities	(100,071)	(104,717)	(3,135)	(40,365)	(248,288)
Non-controlling interests	(1,082)	(102,559)	-	1,892	(101,749)
Total net assets acquired	208,077	89,598	61,262	2,018	360,955
Deferred purchase consideration classified as derivative liabilities	(28,239)	-	-	-	(28,239)
Goodwill on consolidation	-	-	-	26,979	26,979
Negative goodwill on consolidation	-	-	-	(3,123)	(3,123)
Total cost of acquisition	179,838	89,598	61,262	25,874	356,572

The above fair value of assets and liabilities and goodwill arising on the above acquisitions are provisional as the Group is undertaking purchase price allocation exercises to determine the final fair values of identifiable assets (including intangible assets) and liabilities at acquisition. Any adjustments arising therefrom will be adjusted accordingly on a retrospective basis when the purchase price allocation exercise are completed.

The cash effects on acquisitions are as follows:-

Group	Acquisition of				Total RM'000
	Icelandair Hotels RM'000	SIAMH RM'000	GE11 RM'000	Others* RM'000	
Purchase consideration satisfied by cash Cash and cash equivalent of subsidiary companies acquired	(179,838)	-	(61,262)	(22,764)	(263,864)
Net cash inflow/ (outflow) on acquisition of subsidiaries companies at the date of acquisition	21,716	10,522	-	24,862	57,100
	(158,122)	10,522	(61,262)	2,098	(206,764)

Note:

\* Comprise of acquisitions of Informatics, Aces and ASPL.

# NOTES TO THE FINANCIAL STATEMENTS

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## 7. SUBSIDIARY COMPANIES (CONTINUED)

### 7.1 Acquisition of subsidiary companies (continued)

#### 7.1.2 Previous financial period

In the previous financial period, BOIS ("Berjaya Okinawa Investment (S) Pte Ltd") which is a wholly owned subsidiary company of the Group, acquired 100% specified equity interest comprising 113 specified equity units of Japanese Yen ("JPY") 50,000 each in Opportunity 24 TMK ("Opportunity 24 TMK") for a total cash consideration of JPY93.79 million (equivalent to approximately RM3.59 million). BOIGK ("Berjaya Okinawa Investment Godo Kaisha") has acquired 100% preferred equity interest comprising 124 preferred equity units of JPY50,000 each in Opportunity 24 TMK for a total cash consideration of JPY6.20 million (equivalent to about RM0.24 million). BOIGK is in turn, a wholly owned subsidiary company of BOIS.

The fair values of the identifiable assets and liabilities on the acquisition of Opportunity 24 TMK were as follows:

Group	RM'000
Current assets	163
Current liabilities	<u>(115)</u>
Total net assets acquired	48
Goodwill on acquisition	<u>3,762</u>
Total cost of acquisition, representing net cash outflow on date of acquisition	<u><u>3,810</u></u>

### 7.2 Acquisition of subsidiary company subsequent to financial year end

On 17 July 2020, the Group acquired 51% equity interest in Mantra Design Sdn Bhd ("MDSB"), comprising 510,000 ordinary shares for a cash consideration of RM250,000.

The provisional financial effects of the acquisition of MDSB which qualified as a business combination were as follows::

Group	RM'000
Property, plant and equipment	215
Current assets	11,189
Current liabilities	<u>(5,259)</u>
Total net assets acquired	6,145
Negative goodwill on acquisition	<u>(5,895)</u>
Total cost of acquisition, representing net cash outflow on date of acquisition	<u><u>250</u></u>

**7. SUBSIDIARY COMPANIES (CONTINUED)**

**7.3 Disposal of subsidiary companies**

**7.3.1 Current financial year**

During the current financial year, the Group completed the following disposals/deemed disposals:

- (1) On 1 July 2019, BPI disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly owned subsidiary company, PGMC for a consideration of Philippine Peso ("PHP") 117.15 million (equivalent to approximately RM9.49 million). BPI in turn, is a subsidiary company of BToto. Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of PHP100 each. BPI waived its right to subscribe for the additional shares issued by PGMC. BPI's equity interest in PGMC was thus further diluted to 39.99% from 79.99%, and PGMC ceased as a subsidiary company and became an associated company of BPI; and
- (2) The Group equity interest in Aces Property Management Sdn Bhd ("APMSB") was diluted from 100% to 25%. Consequently, the Group has reclassified its investment in APMSB as investment in associated company.

**7.3.2 Previous financial period**

In the previous financial period, the Group completed the following disposal/deemed disposal:

- (1) The Company completed the disposal of DSG Holdings Limited, the sale proceed was about RMB431.80 million (equivalent to approximately RM265.99 million);
- (2) The Group completed the disposal of its entire 70.0% equity interest in BLong Beach, for a cash consideration of about VND333.25 billion (equivalent to approximately RM65.32 million) and to waive all amounts owing by BLong Beach to Group which was about VND87.50 billion (or about RM17.15 million) as at 31 January 2017. As a result of the disposal, BLCL received net proceeds of VND278.83 billion (equivalent to approximately RM52.44 million) after deducting related taxes and incidental costs; and
- (3) The Group entered into a supplemental letter of arrangement with the shareholder of REX ("REDtone MEX Sdn Bhd"), which resulted in the loss of control in REX although the Group continues to hold 56% shareholding in REX. The Group now has significant influence over REX and accordingly classified REX as an associate.

**7.3.3 Effects of disposal**

The effects of the disposal on the financial statements 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 as material to the Group and is set out below. The equity interests held by non-controlling interests are as follows:

Name	Equity interest held by non-controlling interests	
	2020 %	2019 %
BLand	21.9	23.1
BFood	42.9	52.3
REDtone	47.6	48.4

# NOTES TO THE FINANCIAL STATEMENTS

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## 7. SUBSIDIARY COMPANIES (CONTINUED)

### 7.4 Subsidiary companies with material non-controlling interests (continued)

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 include fair value adjustments arising from business combination and other consolidation adjustment but exclude inter-company elimination.

#### GROUP

	BLand	BFood	REDtone	Total
At 30 June 2020	RM'000	RM'000	RM'000	RM'000
Non-current assets	9,153,934	1,125,948	235,168	10,515,050
Current assets	4,592,141	103,164	217,572	4,912,877
Non-current liabilities	(5,149,283)	(430,524)	(54,680)	(5,634,487)
Current liabilities	(2,448,724)	(465,280)	(84,764)	(2,998,768)
Net assets	6,148,068	333,308	313,296	6,794,672
Equity attributable to				
equity holders of the parent	3,552,952	193,312	160,563	3,906,827
Non-controlling interests	2,595,116	139,996	152,733	2,887,845
Total equity	6,148,068	333,308	313,296	6,794,672
<b>Year ended 30 June 2020</b>				
Revenue	5,160,309	632,939	177,906	5,971,154
Profit/(Loss) for the year	43,768	(20,086)	(63,864)	(40,182)
Other comprehensive income	(1,436)	22	(150)	(1,564)
Total comprehensive income for the year	42,332	(20,064)	(64,014)	(41,746)
Profit/(Loss) attributable to:				
- Owners of the parent	(42,401)	(11,797)	(34,380)	(88,578)
- Non-controlling interests	86,169	(8,289)	(29,484)	48,396
	43,768	(20,086)	(63,864)	(40,182)
Total comprehensive income attributable to:				
- Owners of the parent	(52,969)	(11,784)	(34,457)	(99,210)
- Non-controlling interests	95,301	(8,280)	(29,557)	57,464
	42,332	(20,064)	(64,014)	(41,746)
<b>Year ended 30 June 2020</b>				
Net cash generated from/(used in):				
Operating activities	12,851	154,905	57,193	224,949
Investing activities	(197,249)	(55,661)	(39,337)	(292,247)
Financing activities	55,053	(94,629)	(14,994)	(54,570)
Net change in cash and cash equivalents	(129,345)	4,615	2,862	(121,868)
Dividends paid to non-controlling interests	(88,250)	(5,487)	(3,621)	(97,358)



7. SUBSIDIARY COMPANIES (CONTINUED)

7.4 Subsidiary companies with material non-controlling interests (continued)

GROUP	BLand	BFood	REDtone	Total
At 30 June 2019	RM'000	RM'000	RM'000	RM'000
Non-current assets	8,582,201	765,931	340,823	9,688,955
Current assets	3,394,781	90,919	185,834	3,671,534
Non-current liabilities	(3,225,770)	(209,492)	(72,433)	(3,507,695)
Current liabilities	(2,573,169)	(280,814)	(69,422)	(2,923,405)
Net assets	<u>6,178,043</u>	<u>366,544</u>	<u>384,802</u>	<u>6,929,389</u>
Equity attributable to				
equity holders of the parent	3,571,077	174,170	196,863	3,942,110
Non-controlling interests	<u>2,606,966</u>	<u>192,374</u>	<u>187,939</u>	<u>2,987,279</u>
Total equity	<u>6,178,043</u>	<u>366,544</u>	<u>384,802</u>	<u>6,929,389</u>
<b>Period ended 30 June 2019</b>				
Revenue	<u>7,307,221</u>	<u>788,976</u>	<u>211,391</u>	<u>8,307,588</u>
Profit for the period	379,283	24,178	21,990	425,451
Other comprehensive income	<u>27,328</u>	<u>247</u>	<u>-</u>	<u>27,575</u>
Total comprehensive income for the period	<u>406,611</u>	<u>24,425</u>	<u>21,990</u>	<u>453,026</u>
Profit attributable to:				
- Owners of the parent	147,414	10,869	11,620	169,903
- Non-controlling interests	<u>231,869</u>	<u>13,309</u>	<u>10,370</u>	<u>255,548</u>
	<u>379,283</u>	<u>24,178</u>	<u>21,990</u>	<u>425,451</u>
Total comprehensive income attributable to:				
- Owners of the parent	379,026	10,960	11,620	401,606
- Non-controlling interests	<u>27,585</u>	<u>13,465</u>	<u>10,370</u>	<u>51,420</u>
	<u>406,611</u>	<u>24,425</u>	<u>21,990</u>	<u>453,026</u>
<b>Period ended 30 June 2019</b>				
Net cash generated from/(used in):				
Operating activities	309,755	131,883	254	441,892
Investing activities	390,964	(91,102)	5,477	305,339
Financing activities	<u>(816,223)</u>	<u>(55,646)</u>	<u>(6,247)</u>	<u>(878,116)</u>
Net change in cash and cash equivalents	<u>(115,504)</u>	<u>(14,865)</u>	<u>(516)</u>	<u>(130,885)</u>
Dividends paid to non-controlling interests	<u>(134,754)</u>	<u>(4,769)</u>	<u>-</u>	<u>(139,523)</u>

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## 8. ASSOCIATED COMPANIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At cost:				
Quoted shares - in Malaysia	455,444	473,928	234,295	257,682
Quoted shares - outside Malaysia	-	103,952	-	-
Unquoted shares	495,045	574,175	50	50
Less: Unrealised profit on transactions with associated companies	(6,550)	(6,696)	-	-
	943,939	1,145,359	234,345	257,732
Group's share of post acquisition reserves	293,048	189,756	-	-
	1,236,987	1,335,115	234,345	257,732
Less: Accumulated impairment				
- Quoted shares in Malaysia	(68,395)	(58,380)	(31,527)	(9,222)
- Quoted shares outside Malaysia	-	(49,158)	-	-
- Unquoted shares	(93,312)	(90,437)	-	-
	(161,707)	(197,975)	(31,527)	(9,222)
	1,075,280	1,137,140	202,818	248,510
Carrying value of:				
Quoted shares - in Malaysia	457,210	518,802	202,768	248,460
Quoted shares - outside Malaysia	-	1,574	-	-
Unquoted shares	618,070	616,764	50	50
	1,075,280	1,137,140	202,818	248,510
Market value:				
Quoted shares - in Malaysia	318,923	365,111	202,768	248,460
Quoted shares - outside Malaysia	-	1,568	-	-

Certain quoted shares of the Group and of the Company costing RM271,643,000 (2019: RM294,790,000) and RM193,049,000 (2019: RM209,079,000) respectively, have been pledged to financial institutions for credit facilities granted to the Company and certain subsidiary companies.

During the financial year, the Group and the Company conducted a review of the recoverable amounts of certain investment in associated companies and the review has led to the following recognition:

- (a) an impairment loss amounting to RM15,198,000 (2019: RM55,282,000) for the Group and RM23,342,000 (2019: RM9,222,000) for the Company as disclosed in Note 33(c)(i), in associated companies with recoverable amounts of RM228,896,000 (2019: RM282,155,000) for the Group and RM202,768,000 (2019: RM248,460,000) for the Company. The recoverable amounts are determined based on the higher of VIU calculations or FVLCTS. The fair values are based on observable market prices; and
- (b) a reversal of impairment loss of RM269,000 (2019: RM2,310,000) as disclosed in Note 33(d)(ii), in associated companies with recoverable amount of RM539,000 (2019: RM1,568,000).

**8. ASSOCIATED COMPANIES (CONTINUED)**

The Group's equity interest in the associated companies, their respective principal activities and country of incorporation are shown in Note 47.

During the current financial year, the value of a quoted investment in an 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 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.

The Group regards Atlan, BAssets and BSompo as its material associated companies.

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.

<b>GROUP</b>	<b>Atlan</b>	<b>BAssets</b>	<b>BSompo</b>
<b>2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Non-current assets	317,849	2,971,006	1,833,496
Current assets	585,352	304,711	691,501
Non-current liabilities	(119,710)	(987,257)	(2,377)
Current liabilities	(190,074)	(275,920)	(1,514,807)
Net assets	<u>593,417</u>	<u>2,012,540</u>	<u>1,007,813</u>
Equity attributable to:			
Owners of the associated company	464,929	2,012,474	1,007,813
Non-controlling interests of the associated company	<u>128,488</u>	<u>66</u>	<u>-</u>
Total equity	<u>593,417</u>	<u>2,012,540</u>	<u>1,007,813</u>
<b>GROUP</b>	<b>Atlan</b>	<b>BAssets</b>	<b>BSompo</b>
<b>2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Non-current assets	330,221	3,147,684	1,568,557
Current assets	635,417	366,332	812,501
Non-current liabilities	(148,368)	(994,332)	(4,375)
Current liabilities	(123,528)	(326,560)	(1,473,656)
Net assets	<u>693,742</u>	<u>2,193,124</u>	<u>903,027</u>
Equity attributable to:			
Owners of the associated company	525,176	2,183,608	903,027
Non-controlling interests of the associated company	<u>168,566</u>	<u>9,516</u>	<u>-</u>
Total equity	<u>693,742</u>	<u>2,193,124</u>	<u>903,027</u>

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## 8. ASSOCIATED COMPANIES (CONTINUED)

<b>GROUP 2020</b>	<b>Atlan RM'000</b>	<b>BAssets RM'000</b>	<b>BSompo RM'000</b>
Revenue	694,343	246,702	630,325
(Loss)/Profit for the year	(11,819)	(130,518)	81,920
Other comprehensive income	1,076	(47,336)	22,866
Total comprehensive income for the year	(10,743)	(177,854)	104,786
(Loss)/Profit for the year attributable to:			
- owners of the associated company	(9,798)	(123,762)	81,920
- non-controlling interests of the associated company	(2,021)	(6,756)	-
	(11,819)	(130,518)	81,920
Total comprehensive income attributable to:			
- owners of the associated company	(9,235)	(171,134)	104,786
- non-controlling interests of the associated company	(1,508)	(6,720)	-
	(10,743)	(177,854)	104,786
Dividends received from the associated companies during the year	12,790	-	-
<b>GROUP 2019</b>	<b>Atlan RM'000</b>	<b>BAssets RM'000</b>	<b>BSompo RM'000</b>
Revenue	973,079	379,223	1,081,245
Profit/(Loss) for the period	68,869	(88,643)	85,385
Other comprehensive income	146	(21,867)	2,570
Total comprehensive income for the period	69,015	(110,510)	87,955
Profit/(Loss) for the period attributable to:			
- owners of the associated company	46,975	(91,041)	85,385
- non-controlling interests of the associated company	21,894	2,398	-
	68,869	(88,643)	85,385
Total comprehensive income attributable to:			
- owners of the associated company	49,033	(112,154)	87,955
- non-controlling interests of the associated company	19,982	1,644	-
	69,015	(110,510)	87,955
Dividends received from the associated companies during the period	13,552	-	-

8. ASSOCIATED COMPANIES (CONTINUED)

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

<b>GROUP</b>	<b>Atlan</b>	<b>BAssets</b>	<b>BSompo</b>
<b>2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Attributable to the owners of associated companies:			
Net assets at beginning of year	525,176	2,183,608	903,027
(Loss)/Profit for the year	(9,798)	(123,762)	81,920
Other comprehensive income	563	(47,372)	22,866
Other transactions with owners	(282)	-	-
Dividends paid during the year	(50,730)	-	-
Net assets at end of year	<u>464,929</u>	<u>2,012,474</u>	<u>1,007,813</u>
Group's equity interest	24.52%	11.51%	30.00%
Interest in associated companies	114,001	231,636	302,344
Goodwill	171,462	-	158,400
Accumulated impairment	(58,982)	-	-
Exchange differences	2,415	-	-
Unrealised profit on transaction with associated company	-	-	(6,551)
Less: Intragroup adjustments	-	(3,322)	-
Carrying value of Group's interest in associated companies	<u>228,896</u>	<u>228,314</u>	<u>454,193</u>
<b>GROUP</b>	<b>Atlan</b>	<b>BAssets</b>	<b>BSompo</b>
<b>2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Attributable to the owners of associated companies:			
Net assets at beginning of period	533,095	2,295,762	815,072
Increase in paid-up capital	-	-	-
Profit/(Loss) for the period	46,975	(91,041)	85,385
Other comprehensive income	(4,164)	(21,113)	2,570
Dividends paid during the period	(50,730)	-	-
Net assets at end of period	<u>525,176</u>	<u>2,183,608</u>	<u>903,027</u>
Group's equity interest	26.69%	11.08%	30.00%
Interest in associated companies	140,164	242,011	270,908
Goodwill	186,337	-	158,400
Accumulated impairment	(48,934)	-	-
Exchange differences	1,062	-	-
Unrealised profit on transaction with associated company	-	-	(6,696)
Less: Intragroup adjustments	-	(2,213)	-
Carrying value of Group's interest in associated companies	<u>278,629</u>	<u>239,798</u>	<u>422,612</u>

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## 8. ASSOCIATED COMPANIES (CONTINUED)

Aggregate information of associated companies that are not individually material:

	Group	
	2020	2019
	RM'000	RM'000
The Group's share of loss for the financial year/period	(4,346)	(28,873)
The Group's share of other comprehensive income	16,802	(5,041)
The Group's share of total comprehensive income for the financial year/period	12,456	(33,914)
Aggregate carrying amount of the Group's interests in these associated companies	163,877	196,101

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 RM36,802,000 (2019: RM33,451,000), which exceeded the Group's interest in these associated companies. Accordingly, the Group did not recognise its share of current year's loss amounting to RM2,170,000 (2019: RM6,782,000) of these associated companies.

The Group recognises its share of Atlan's results based on its financial statements drawn up to its most recent reporting date, which is 31 May 2020. Atlan, being listed on Bursa Malaysia is not allowed to release any information other than those publicly published.

## 9. JOINT VENTURES

	Group	
	2020	2019
	RM'000	RM'000
Contributed legal capital/cost of investment	217,031	211,564
Share of post-acquisition reserves	(78,799)	(88,584)
Exchange differences	5,159	3,695
	143,391	126,675
Less : Accumulated impairment	(29,373)	(28,373)
	114,018	98,302

During the current financial year, the Group conducted a review of the recoverable amounts of certain investment in joint ventures and the review has led to the recognition of an impairment loss of RM1,000,000 (2019: RM21,523,000) as disclosed in Note 33(c)(i).

The Group's equity interest in the joint ventures, their respective principal activities and country of incorporation are shown in Note 47.

During the previous financial period, T.P.C. Development Limited, a wholly-owned subsidiary of Berjaya Leisure (Cayman) Limited which is a wholly owned subsidiary company of BLand, completed the disposal of its entire equity interest of 75% of the capital contribution in T.P.C. Nghi Tam Village Ltd., which resulted in a gain on disposal of RM195.7 million as disclosed in Note 33(d)(ii).

9. JOINT VENTURES (CONTINUED)

Summarised financial information in respect of the material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures after modification of fair value adjustments arising from business combination and not the Group's share of those amounts.

GROUP	BHotay		Chailease	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	206,349	202,686	25,013	17,306
Current assets	8,684	10,835	1,353,735	1,025,868
Non-current liabilities	(104,468)	(100,570)	(476,390)	(223,435)
Current liabilities	(33,643)	(31,656)	(718,070)	(688,517)
Net assets	76,922	81,295	184,288	131,222
The amounts of assets and liabilities above include the following:				
Cash and cash equivalents	6,403	7,046	80,146	126,916
Current financial liabilities (excluding trade and other payables and provision)	(24,868)	(16,554)	(697,780)	(677,502)
Non-current financial liabilities (excluding trade and other payables and provision)	(94,719)	(104,274)	(476,390)	(223,435)
Revenue	70,771	69,207	188,203	130,481
(Loss)/Profit for the year/period, representing total comprehensive income for the year/period	(7,407)	(3,202)	28,066	23,406
The (loss)/profit for the year/period includes the following:				
Depreciation and amortisation	18,167	12,897	3,115	1,288
Interest income	-	-	1,145	292
Income tax expense	-	-	9,356	7,642
Finance costs	6,854	5,646	-	-

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## 9. JOINT VENTURES (CONTINUED)

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

GROUP	BHotay		Chailease	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net assets as at beginning of year/period	81,295	81,665	131,222	82,816
(Loss)/Profit for the year/period, representing other comprehensive income for the year/period	(7,407)	(3,202)	28,066	23,406
Increase in share capital	-	-	25,000	25,000
Exchange differences	3,034	2,832	-	-
Net assets at end of year/period	76,922	81,295	184,288	131,222
Group's equity interest	50%	50%	30%	30%
Carrying value of Group's interest in joint ventures	38,461	40,648	55,286	39,367

Aggregate information of joint ventures that are not individually material:

	Group	
	2020 RM'000	2019 RM'000
The Group's share of profit/(loss) for the financial year/period, representing total comprehensive income	3,669	(1,286)
Aggregate carrying amount of the Group's interests in these joint ventures	20,271	18,287

The Group has discontinued recognition of its share of losses of certain joint ventures because the share of losses of these joint ventures has exceeded the Group's interest in these joint ventures, and the Group does not have any legal and constructive obligations to provide financial support to the joint ventures. As such, during the current financial year, the Group did not recognise its share of the current year net profit of these joint ventures and the Group's cumulative share of unrecognised losses of these joint ventures amounted to RM8,618,000 (2019: RM32,073,000).



10. OTHER INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At fair value:				
Quoted investments in Malaysia				
- shares	95,566	70,606	8,027	-
- warrants	3,385	6,093	-	-
- Malaysian Government Securities	3,374	3,186	-	-
- unit trust funds	1,310	2,063	-	-
Quoted investments outside Malaysia				
- shares	4,103	4,459	-	-
- warrants	2	7	-	-
Unquoted shares	51,210	45,524	-	-
Total investment in financial assets	158,950	131,938	8,027	-
Golf club corporate memberships	375	377	-	-
Total investments	159,325	132,315	8,027	-

The investment in Malaysian Government Securities is deposited with the Malaysian Government in accordance with the Pool Betting Act, 1967 in connection with the issue of the pool betting licence and yields interest at 4.50% (2019: 4.50%) per annum.

During the financial year, certain quoted shares of the Group and of the Company costing RM17,973,000 (2019: Nil) and RM8,853,000 (2019: Nil) respectively, have been pledged to financial institutions for credit facilities granted to the Company.

Further details on fair value hierarchy and classification of equity investments are disclosed in Notes 41 and 42 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

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## 11. OTHER LONG TERM RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amounts due from joint ventures (Note a)	211,807	265,476	-	-
Amount due from a subsidiary company (Note b)	-	-	-	64,654
Other long term deposits	44,142	28,204	-	-
Amount receivable from disposal of Great Mall Project (Note c)	-	507,621	-	-
Compensation receivable from Jeju Project (Note d)	-	584,467	-	-
Hire purchase receivables	16,234	23,964	-	-
Less: Unearned carrying charges	(1,533)	(2,781)	-	-
	14,701	21,183	-	-
Less: Allowance for impairment	(7,614)	-	-	-
Hire purchase receivables, net of unearned interest (Note e)	7,087	21,183	-	-
	263,036	1,406,951	-	64,654

Notes:

- Amounts owing by joint ventures are unsecured, interest-bearing with schedule of repayments ranging from 2 to 20 (2019: 2 to 20) years.
- The amount due from a subsidiary company in the previous financial period was unsecured, interest bearing with schedule of repayments of 3 years.
- The final instalment claimed by GMOC from Beijing SkyOcean in respect of the GMOC arbitration is disclosed in Note 40(4). During the financial year, GMOC had obtained a favourable arbitration claim against Beijing SkyOcean and proceeded to seek recognition and enforcement of the arbitration award in all jurisdictions. As GMOC expects to complete the legal proceedings in the next 12 months, the final instalment claimed by GMOC of RM589,440,000 has been classified as current (included in other receivables-sundry receivables as disclosed in Note 14).
- Following the resolution of JDC Lawsuit as disclosed in Note 40(3) subsequent to the financial year end, BLCL has transferred its equity interest in BJR to JDC pursuant to the Settlement Agreement. This amount has now been reclassified to disposal group held for sale as disclosed in Note 20.1(4).

11. OTHER LONG TERM RECEIVABLES (CONTINUED)

Notes (continued):

(e) Future receipts for these hire purchase receivables are as follows:

	Group			
	2020		2019	
	Minimum lease receivables RM'000	Present value of Minimum lease receivables RM'000	Minimum lease receivables RM'000	Present value of Minimum lease receivables RM'000
<u>Later than 1 year but not later than 5 years</u>				
Hire purchase receivables	16,234	14,701	23,964	21,183
Less: Unearned interest	(1,533)	-	(2,781)	-
	14,701	14,701	21,183	21,183
Less: Allowance for impairment	(7,614)	(7,614)	-	-
	7,087	7,087	21,183	21,183

Movement in allowance accounts:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	-	-
Charge for the financial year/period (Note 33)	7,614	-
At end of financial year/period	7,614	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. INTANGIBLE ASSETS

### GROUP

	Goodwill	Gaming rights	Trademarks	Lottery business cooperation contract	Concession assets	Dealership rights	Telecommunications licences with allocated spectrum	Other intangible assets	Total
2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Net Carrying Amount</b>									
At beginning of financial year	1,005,090	3,437,211	42,217	107,066	248,667	54,557	314,601	41,756	5,251,165
Additions	26,979	-	-	-	9,736	-	-	8,246	44,961
Amortisation for the financial year	-	-	(50)	(7,098)	(16,461)	-	(69,485)	(5,978)	(99,072)
Impairment losses	(118,940)	-	(1,592)	-	-	-	(45,657)	-	(166,189)
Arising from acquisition of subsidiary companies	-	-	-	-	-	-	-	956	956
Transfer from property, plant and equipment (Note 3)	-	-	-	-	448	-	-	-	448
Disposals	-	-	-	-	-	-	-	(2,797)	(2,797)
Write off	-	-	-	-	(1,523)	-	-	(5,150)	(6,673)
Deferred tax liability recognised (Note 28)	1,094	-	-	-	-	-	-	-	1,094
Transfer to assets held for sale (Note 20)	-	-	(32,300)	-	-	-	-	-	(32,300)
Exchange differences	821	-	1,182	-	(832)	155	-	271	1,597
<b>At end of financial year</b>	<b>915,044</b>	<b>3,437,211</b>	<b>9,457</b>	<b>99,968</b>	<b>240,035</b>	<b>54,712</b>	<b>199,459</b>	<b>37,304</b>	<b>4,993,190</b>
Cost	2,156,343	4,685,784	19,772	131,319	361,090	54,712	314,601	91,990	7,815,611
Accumulated amortisation	-	(57,107)	(156)	(31,351)	(86,640)	-	(69,485)	(47,260)	(291,999)
Accumulated impairment	(1,241,299)	(1,191,466)	(10,159)	-	(34,415)	-	(45,657)	(7,426)	(2,530,422)
	<b>915,044</b>	<b>3,437,211</b>	<b>9,457</b>	<b>99,968</b>	<b>240,035</b>	<b>54,712</b>	<b>199,459</b>	<b>37,304</b>	<b>4,993,190</b>

12. INTANGIBLE ASSETS (CONTINUED)

GROUP

	Goodwill	Gaming rights	Trademarks	Lottery business cooperation contract	Concession assets	Dealership rights	Telecommunications licences with allocated spectrum	Other intangible assets	Total
2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Net Carrying Amount</b>									
At beginning of financial period	1,014,834	3,854,617	40,177	115,347	244,726	56,220	314,601	54,542	5,695,064
Additions	3,762	-	180	-	27,489	-	-	7,078	38,509
Amortisation for the financial period	-	-	(40)	(8,281)	(18,301)	-	-	(6,092)	(32,714)
Impairment losses	(11,344)	(417,406)	-	-	-	-	-	(1,183)	(429,933)
Arising from disposal of subsidiary companies	-	-	-	-	-	-	-	(12,173)	(12,173)
Write off	-	-	-	-	(24)	-	-	(174)	(198)
Deferred tax liability recognised (Note 28)	(1,091)	-	-	-	-	-	-	-	(1,091)
Exchange differences	(1,071)	-	1,900	-	(5,223)	(1,663)	-	(242)	(6,299)
At end of financial period	1,005,090	3,437,211	42,217	107,066	248,667	54,557	314,601	41,756	5,251,165
Cost	2,127,371	4,685,784	84,793	131,319	352,263	54,557	314,601	83,893	7,834,581
Accumulated amortisation	-	(57,107)	(26,623)	(24,253)	(70,588)	-	-	(37,371)	(215,942)
Accumulated impairment	(1,122,281)	(1,191,466)	(15,953)	-	(33,008)	-	-	(4,766)	(2,367,474)
	1,005,090	3,437,211	42,217	107,066	248,667	54,557	314,601	41,756	5,251,165

Company

**Lottery business cooperation contract**

	2020 RM'000	2019 RM'000
At beginning of financial year/period	107,066	115,347
Amortisation for the financial year/period	(7,098)	(8,281)
At end of financial year/period	99,968	107,066
Cost	131,319	131,319
Accumulated amortisation	(31,351)	(24,253)
Net carrying amount	99,968	107,066

## 12. INTANGIBLE ASSETS (CONTINUED)

### 12.1 Service concession arrangements

The development expenditure for service concession arrangements which are not covered by a contractual guarantee from the grantor of the concessions are recognised as intangible assets in accordance with IC Interpretation 12: Service Concession Arrangements. These portions of the development expenditure represent the rights to charge users of the public service. The salient features of the concessions are described as below:

#### (1) Bukit Tagar Sanitary Landfill Project

This is a 6-year concession, automatically renewable over 5 terms of 6 years each (the last term expiring in January 2044) granted to BEP, a wholly owned subsidiary company of BGroup, on a build, operate, and transfer basis. BEP will design, build, operate and maintain the Bukit Tagar Sanitary Landfill which is located at Mukim Sg. Tinggi, Hulu Selangor District in the State of Selangor. The concession grants the rights to BEP to receive waste from DBKL and in return to collect tipping fee in accordance to the concession agreement. The tipping fee is determined on a phase-to-phase basis. Upon the termination of the concession, BEP shall transfer the project to DBKL without any further compensation.

#### (2) Landfill Gas Utilisation Project

This is a concession whereby Berjaya Energies Sdn Bhd (formerly known as KUB-Berjaya Energy Sdn Bhd), a wholly owned subsidiary company of BEP, generates electricity from biogas recovered from the Bukit Tagar Sanitary Landfill and solar source, and sells it to the national grid under the FIT ("Feed-in-Tariff") scheme. This is achieved through:

- a REPPA ("Renewable Energy Power Purchase Agreement") with TNB for the sale of 1.2 MW renewable energy under FIT for a duration of 16 years (expiring in June 2028) at the agreed rate of RM0.42/kWh;
- a REPPA with TNB for the sale of 3.2 MW renewable energy source under FIT for a duration of 16 years (expiring in December 2029) at the agreed rate of RM0.42/kWh;
- a REPPA with TNB for the sale of 6.0MW renewable energy under FIT for a duration of 16 years (expiring in December 2035) at the agreed rate of RM0.4669/kWh; and
- a REPPA with TNB for the sale of 0.125kWh solar power under FIT for a duration of 21 years (expiring in December 2034) at the agreed rate of RM1.0488/kWh.

#### (3) AWF Water Supply Project

This is a concession granted by the Longxi government exclusively to AWF to acquire, upgrade, operate and maintain the existing water supply facilities in Longxi Town, Boluo County, Huizhou City, Guangdong Province, People's Republic of China. AWF shall operate the concession through its three subsidiary companies, namely Zhiwang and Pengfa which are wholly-owned by AWF, as well as Longxi which is 50% owned by C.A. Pioneer Holding Inc. Limited (a wholly-owned subsidiary company of AWF). The subsidiary companies are granted business licence periods ranging from 10 to 30 years, subject to renewal. Zhiwang, Pengfa and Longxi supply treated potable water to the entire Longxi Town territory and charge water tariff rates approved by the Pricing Bureau of Boluo County. The tariff rates shall be reviewed by the Longxi government upon application submitted by the operators when the increase in costs of supplying water warrants the tariff review. AWF, through its subsidiary companies, is obligated to improve the water supply distribution networks, maintain the normal operation of water supply and piping networks.

12. INTANGIBLE ASSETS (CONTINUED)

12.2 Impairment test on goodwill

(1) Allocation of goodwill

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

	Group	
	2020 RM'000	2019 RM'000
Financial services	13,589	13,589
Property investment and development	207,529	207,529
Hotels and resorts	67,440	67,332
Restaurants	427,482	429,828
Marketing of consumer products and services	198,997	286,805
Multiple units without significant goodwill	7	7
	915,044	1,005,090

(2) Key assumptions used in VIU calculation and FVLCTS of CGUs

The recoverable amount of a CGU is determined based on the higher of VIU or FVLCTS if available of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a five-year period. FVLCTS are estimated based on the best information available in an active market to reflect the amount obtainable in an arm's length transaction, less costs of disposal.

The following describes each key assumption on which management based its cash flow projections for VIU calculations of CGUs to undertake impairment test on goodwill:

(a) Budgeted gross margins

The bases used to determine the values assigned to the budgeted gross margins are the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions, internal resource efficiency and supply and demand factors, where applicable. For the financial services segment, the projections are also based on the assumption that there are no major changes to the premium and commission rates of stockbroking subsidiary companies.

(b) Discount rates

The discount rates used for identified CGUs reflect the specific risks relating to the relevant business segments.

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## 12. INTANGIBLE ASSETS (CONTINUED)

### 12.2 Impairment test on goodwill (continued)

#### (2) Key assumptions used in VIU calculation and FVLCTS of CGUs (continued)

##### (c) Terminal growth rates

Terminal growth rates used for identified CGUs are based on the average anticipated growth rate of the respective economies.

The followings are the key assumptions used in the VIU calculations for the respective CGUs:

Group	Post-tax discount rate	Terminal growth rate
<b>2020</b>		
Financial services	11.50%	1.00%
Restaurants	10.50% - 11.50%	0.50% - 1.50%
Marketing of consumer products and services		
- Retail distribution business	12.00%	2.00%
- Telecommunication business	10.50%	1.50%
- Others	10.84%	1.00%
<b>2019</b>		
Financial services	11.50%	1.00%
Restaurants	12.00% - 12.50%	0.50% - 2.00%
Marketing of consumer products and services		
- Retail distribution business	13.00%	2.00%
- Telecommunication business	-	-
- Others	10.84%	1.00%

The recoverable amounts of the Hotels and resorts CGU and Property investment and development CGU are determined based on FVLCTS. The fair values are estimated based on observable market prices of recent transactions of similar assets within the same industry and similar locations, which is categorised as level 3 in the fair value hierarchy.

#### (3) Sensitivity to changes in assumptions

The recoverable amount based on VIU computation is sensitive towards possible changes in post-tax discount rate.

Should the post-tax discount rate increase by 1.00%, with all others variables held constant, the carrying amount of the goodwill allocated to restaurants segment is expected to be impaired by RM31,400,000.

The management believes that there are no reasonable possible change in any of the key assumptions (apart from as described above) which would cause the carrying values of the CGU's allocated to all the other goodwill to materially exceed their recoverable amounts.



## 12. INTANGIBLE ASSETS (CONTINUED)

### 12.2 Impairment test on goodwill (continued)

#### (4) Recognition of impairment

During the current financial year, the Group has assessed that certain CGUs were carried in excess of their VIU. The significant impairment recognised are as follows:

- (a) RM60,000,000 in respect of goodwill allocated to retail distribution business in marketing of consumer products and services segment with recoverable amount based on its VIU of RM69,268,000; and
- (b) RM46,161,000 in respect of goodwill allocated to telecommunication business in marketing of consumer products and services segment with recoverable amount based on its VIU of RM343,715,000.

Goodwill arising from the above segment were impaired as the recoverable amount of the CGU, which was determined based on discounted projected cash flows, was lower than its carrying amount.

In the previous financial period, the Group has assessed that certain CGUs were carried in excess of their VIU and recognised impairment of:

- (a) RM10,215,000 in respect of goodwill allocated to property investment and development segment. Goodwill arising from this segment was impaired as the recoverable amount of the CGU, which was determined based on FVLCTS, was lower than its carrying amount.
- (b) RM1,129,000 in respect of goodwill allocated to hotels and resort segment. Goodwill arising from this segment was impaired as the recoverable amount of the CGU, which was determined based on FVLCTS, was lower than its carrying amount.

The total impairment loss of RM118,940,000 (2019: RM11,344,000) in respect of goodwill was accounted for in profit or loss as disclosed in Note 33(c)(i).

### 12.3 Impairment test on gaming rights

#### (1) Allocation of gaming rights

Gaming rights are allocated to the Group's lottery operations in Malaysia.

#### (2) Key assumptions used in VIU calculation and FVLCTS of CGUs

The recoverable amount of a CGU is determined based on the higher of VIU or FVLCTS if available of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering a five-year period with a terminal value thereafter.

The following describes each key assumption on which management based its cash flow projections for VIU calculations of CGUs to undertake impairment test on gaming rights:

#### (a) Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margin are the average gross margin achieved in the financial year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions, internal resource efficiency and the supply and demand factors, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. INTANGIBLE ASSETS (CONTINUED)

### 12.3 Impairment test on gaming rights (continued)

#### (2) Key assumptions used in VIU calculation and FVLCTS of CGUs (continued)

##### (b) Discount rates

The discount rates used reflect the specific risks relating to the gaming and related activities segment. The post-tax discount rates, applied to post-tax cash flows, used is 9.00% (2019: 9.00%).

##### (c) Terminal growth rates

Terminal growth rates used are based on the average anticipated growth rate of the respective economies. The terminal growth rate used is 1.50% (2019: 1.50%).

#### (3) Sensitivity to changes in assumptions

For the Malaysian toto betting business segment, which goodwill has been fully impaired, the recoverable amount of its gaming rights based on VIU computation, remains sensitive towards possible negative changes in terminal and revenue growth rates due to the unforeseeable regulatory and economic changes.

Should the post-tax discount rate decrease by 0.85% with all other variables held constant, the VIU of the gaming rights of the Malaysian toto betting business segment would equal to the carrying amount of the CGU.

The management believes that there are no reasonable possible change in any of the key assumptions (apart from as described above) which would cause the carrying values of the CGU's allocated to all the other goodwill to materially exceed their recoverable amounts.

#### (4) Recognition of impairment

In the previous financial period, the Group has assessed that carrying amount of the gaming rights are carried in excess of the recoverable amount of its CGU. The Group recognised an impairment loss of RM417,406,000 which was accounted for in the fair value reserve.

## 12. INTANGIBLE ASSETS (CONTINUED)

### 12.4 Impairment testing on dealership rights

#### (1) Key assumptions used in VIU calculation

The recoverable amounts of the CGU is determined based on VIU calculations using cash flow projections based on financial budgets covering five-year period with a terminal value thereafter. The key assumptions used for VIU calculations are:

#### (a) Budgeted gross margin and growth rate

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the financial year before the budgeted year adjusted for market and economic conditions, internal resource efficiency and the supply and demand factors, where applicable.

#### (b) Discount rate

The post-tax discount rate, applied to post-tax cash flows, used for the CGU is 11.84% (2019: 11.84%).

#### (2) Sensitivity to changes in assumptions

The management believes that there are no reasonable possible change in any of the above key assumptions which would cause the carrying values of the CGU's allocated to the dealership rights to materially exceed their recoverable amounts.

### 12.5 Impairment testing on telecommunications licences with allocated spectrum

In the previous financial year, the recoverable amounts of the telecommunication licences with allocated spectrum (2300 MHz and 2600 MHz) are determined using the market comparable approach based on a valuation carried out by an independent firm of professional valuers. The fair value was categorised as level 3 in the fair value hierarchy.

On 31 December 2019, the Malaysian Communications and Multimedia Commission ("MCMC") announced that the existing allocation of the spectrum bands will be maintained until December 2021, and thereafter MCMC will undertake a review of its position.

As the renewal of the 2300 MHz spectrum after its expiry in December 2021 is uncertain, the Group changed its assumption of the useful life of the 2300 MHz from indefinite to definite useful life. With the change, the Group conducted an impairment assessment by estimating its recoverable amount and comparing it to the carrying amount. The recoverable amount is determined based on the discounted future cash flows to be generated from its continuing use until its expected expiry in December 2021. The impairment assessment has led to the recognition of impairment loss on 2300 MHz spectrum of RM45.66 million.

The useful life of 2600 MHz spectrum was determined to be 2 years upon knowledge of the 31 December 2021 expiry from MCMC on 1 January 2020, which resulted in an amortisation charge of RM69.49 million. Subsequently, due to the events described in Note 2.5(1)(a), the management has reassessed the useful life to 16.5 years from 30 June 2020. During the financial year, the Group conducted an impairment assessment by estimating its recoverable amount and comparing it to the carrying amount. The recoverable amount is determined based on the discounted future cash flows to be generated for the remaining useful life. The impairment assessment concluded that no impairment was required as the recoverable amount was higher than the carrying amount.

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## 13. CONTRACT COST ASSETS

	Group	
	2020	2019
	RM'000	RM'000
Costs to obtain contracts with customers	6,727	4,510
Costs to fulfil contracts with customers	111,827	93,441
	<u>118,554</u>	<u>97,951</u>

(a) Costs to obtain contracts with customers

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year/period	4,510	741
Additions	2,709	4,289
Amortisation for the financial year/period (Note 33)	(648)	(520)
Exchange differences	156	-
At end of financial year/period	<u>6,727</u>	<u>4,510</u>

(b) Costs to fulfil contracts with customers

Property development activities:

	Group	
	2020	2019
	RM'000	RM'000
At cost:		
At beginning of financial year/period		
- freehold land	162,710	156,724
- leasehold land	-	68
- development costs	106,543	58,681
	<u>269,253</u>	<u>215,473</u>
Costs incurred during the financial year/period:		
- freehold land	2,312	-
- development costs	41,276	49,389
	<u>43,588</u>	<u>49,389</u>
Costs recognised in profit or loss:		
- at beginning of financial year/period	(175,812)	(106,696)
- recognised during the financial year/period	(151,521)	(83,683)
- eliminated during the financial year/period due to completion of project	320,050	14,567
- at end of financial year/period	<u>(7,283)</u>	<u>(175,812)</u>
Transferred during the financial year/period:		
- from inventories - property development costs (Note 6(b))	126,319	17,718
- from inventories - others	-	1,240
	<u>126,319</u>	<u>18,958</u>
Costs eliminated during the financial year/period due to completion of project:		
- freehold land	(165,829)	-
- leasehold land	-	(739)
- development costs	(154,221)	(13,828)
	<u>(320,050)</u>	<u>(14,567)</u>
At end of financial year/period	<u>111,827</u>	<u>93,441</u>

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<u>Trade receivables</u>				
Trade receivables	555,507	551,215	20,223	23,059
Less: Allowance for impairment	(46,409)	(50,040)	-	-
	<u>509,098</u>	<u>501,175</u>	<u>20,223</u>	<u>23,059</u>
Hire purchase receivables	23,578	30,533	-	-
Unearned carrying charges	(3,097)	(5,655)	-	-
	20,481	24,878	-	-
Less: Allowance for impairment	(18,882)	(21,537)	-	-
Hire purchase receivables, net	<u>1,599</u>	<u>3,341</u>	<u>-</u>	<u>-</u>
Trade receivables, net	<u>510,697</u>	<u>504,516</u>	<u>20,223</u>	<u>23,059</u>
<u>Other receivables</u>				
Sundry receivables	910,184	221,769	706	1,173
Refundable deposits	97,562	83,394	3	3
Amounts due from:				
- subsidiary companies	-	-	1,632,021	1,268,060
- associated companies	257,746	230,867	-	-
- joint ventures	91,657	75,222	-	-
	<u>1,357,149</u>	<u>611,252</u>	<u>1,632,730</u>	<u>1,269,236</u>
Less: Allowance for impairment	(105,335)	(127,237)	-	-
	<u>1,251,814</u>	<u>484,015</u>	<u>1,632,730</u>	<u>1,269,236</u>
<u>Other current assets</u>				
Sundry receivables	76,693	74,152	12,675	11,481
Prepayments	141,434	192,952	453	187
Dividend receivable	1,250	6,189	-	-
Deposits for acquisition of assets	4,590	40,868	-	-
	<u>223,967</u>	<u>314,161</u>	<u>13,128</u>	<u>11,668</u>
	<u>1,986,478</u>	<u>1,302,692</u>	<u>1,666,081</u>	<u>1,303,963</u>

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## 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group's normal credit terms are as follows:

- |  |  |
|--|--|
| - Non-margin clients and brokers       | 2 market days in accordance with the Bursa Malaysia FDSS trading rules.            |
| - Clients margin call future contracts | 3 market days in accordance with the Bursa Malaysia Derivatives Berhad guidelines. |
| - Hire purchase receivables            | 1 month to 108 months.   |
| - Other trade receivables              | 1 day to 90 days.  |

The credit terms for other trade receivables are assessed and approved on a case-by-case basis.

### 14.1 Trade receivables

#### (1) Ageing analysis of trade receivables

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current	382,290	361,181	20,223	23,059
1 to 30 days	26,373	42,378	-	-
31 to 60 days	7,018	15,798	-	-
61 to 90 days	7,519	9,353	-	-
More than 90 days	83,701	73,350	-	-
	124,611	140,879	-	-
Impaired	69,087	74,033	-	-
	<u>575,988</u>	<u>576,093</u>	<u>20,223</u>	<u>23,059</u>

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

14.1 Trade receivables (continued)

(2) Receivables that are impaired

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

	Group	
	2020 RM'000	2019 RM'000
Trade receivables - nominal amounts	69,087	74,033
Less: Allowance for impairment	(65,291)	(71,577)
	<u>3,796</u>	<u>2,456</u>

Movement in allowance accounts:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	71,577	68,349
Charge for the financial year/period (Note 33)	10,006	7,367
Reversal of impairment loss (Note 33)	(8,265)	(9,049)
Written off	(4,358)	(645)
Exchange differences	(3,669)	5,555
At end of financial year/period	<u>65,291</u>	<u>71,577</u>

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

Impairment for trade receivables are recognised based on the simplified approach. Impairment is recognised against trade receivables over their credit period based on estimated amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. As for the property development activities, the Group has assessed that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

### 14.2 Other receivables

Movements in allowance accounts:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	127,237	235,476
Charge for the financial year/period		
- other receivables (Note 33)	2,097	17,862
- amount owing from associated companies (Note 33 (c)(i))	530	7,204
Reversal of impairment loss (Note 33)	(122)	(962)
Written off	(22,438)	(133,095)
Exchange differences	(1,969)	752
At end of financial year/period	<u>105,335</u>	<u>127,237</u>

Included in sundry receivables of the Group are:

- (1) amount of approximately RM8.7 million (2019: RM8.7 million) paid for certain theme park equipment whereby the construction of the theme park has been deferred indefinitely. Full allowance for doubtful debts has been made for this amount; and
- (2) amount of RM589,440,000 from the disposal of GMOC Project as disclosed in Note 11(c).

The amounts due from subsidiary companies are unsecured and repayable on demand. Amounts totalling RM1,630,634,000 (2019: RM1,267,609,000) bear interest, while the rest are non-interest bearing.

The amounts owing by associated companies of the Group are unsecured, repayable on demand and non-interest bearing except for a gross amount totalling RM207,635,000 (2019: RM171,901,000) which are interest bearing.

The amounts owing by joint ventures are unsecured, interest bearing and is expected to be settled within the next 12 months, except for a gross amount totalling RM20,372,000 which are non-interest bearing.

### 14.3 Other current assets

Sundry receivables of the Group comprise advance payments of RM42,074,000 (2019: RM41,733,000) made in respect of property development project of the Group's foreign venture.



15. CONTRACT ASSETS/(LIABILITIES)

	Note	Group	
		2020 RM'000	2019 RM'000
<b>Contract assets</b>			
<u>Current</u>			
Property development	a	2,774	51,172
Construction contracts	b	577	197
Wagering and voting systems contracts	d	6,631	8,599
Telecommunication services	g	52,298	77,153
		<u>62,280</u>	<u>137,121</u>
<b>Contract liabilities</b>			
<u>Non-current</u>			
Club and vacation time share memberships	c	(224,566)	(240,206)
Wagering and voting systems contracts	d	(248)	-
		<u>(224,814)</u>	<u>(240,206)</u>
<u>Current</u>			
Property development	a	(137,764)	(142,989)
Club and vacation time share memberships	c	(8,986)	(12,105)
Wagering and voting systems contracts	d	(669)	(1,197)
Sale of motor vehicles contracts	e	(177,523)	(151,098)
Hotel operations	f	(22,015)	(5,712)
Telecommunication services	g	(11,769)	(6,261)
Retail and services	h	(93,837)	(76,116)
		<u>(452,563)</u>	<u>(395,478)</u>
		<u>(677,377)</u>	<u>(635,684)</u>

(a) Contract assets/(liabilities) from property development

	Group	
	2020 RM'000	2019 RM'000
Contract assets	2,774	51,172
Contract liabilities	(137,764)	(142,989)
	<u>(134,990)</u>	<u>(91,817)</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

### (a) Contract assets/(liabilities) from property development (continued)

The movement of contract assets/(liabilities) is as follows:

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year/period	(91,817)	(84,454)
Consideration payable to customers	2,310	3,754
Revenue recognised during the financial year/period	234,264	153,307
Progress billings during the financial year/period	(279,747)	(164,424)
At end of financial year/period	<u>(134,990)</u>	<u>(91,817)</u>

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2020 is RM353,047,000 (2019: RM491,186,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2020	2019
	RM'000	RM'000
Within one year	280,014	463,852
Later than one year	73,033	27,334
	<u>353,047</u>	<u>491,186</u>

### (b) Contract assets from construction contracts

	Group	
	2020	2019
	RM'000	RM'000
Contract assets	<u>577</u>	<u>197</u>

15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Contract assets from construction contracts (continued)

The movement of contract assets is as follows:

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year/period	197	(727)
Revenue recognised during the financial year/period	2,797	1,491
Progress billings during the financial year/period	(2,417)	(567)
At end of financial year/period	577	197

Revenue from construction contracts are recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

(c) Contract liabilities from club and vacation time share memberships

	Group	
	2020	2019
	RM'000	RM'000
Contract liabilities	(233,552)	(252,311)

The movement of contract liabilities is as follows:

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year/period	(252,311)	(278,604)
Revenue recognised during the financial year/period	18,759	26,293
At end of financial year/period	(233,552)	(252,311)

Revenue from club and vacation time share membership activities are recognised over time using the input method. These revenue are recognised on a straight-line basis over the tenure of each respective membership as services are provided in the form of usage of facilities of the clubs and time share operations.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2020 is RM233,552,000 (2019: RM252,311,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2020	2019
	RM'000	RM'000
Within one year	8,986	12,105
Later than one year	224,566	240,206
	233,552	252,311

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(d) Contract assets/(liabilities) from wagering and voting systems contracts

	Group	
	2020	2019
	RM'000	RM'000
Contract assets	6,631	8,599
Contract liabilities	(917)	(1,197)
	<u>5,714</u>	<u>7,402</u>

The movement of contract assets/(liabilities) is as follows:

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year/period	7,402	1,469
Revenue recognised during the financial year/period	3,180	12,787
Progress billings during the financial year/period	(5,204)	(7,049)
Exchange differences	336	195
At end of financial year/period	<u>5,714</u>	<u>7,402</u>

Revenue from wagering and voting systems contracts are recognised over time using the input method, which represent the milestones billings, which are either structured or negotiated with contract customers to reflect the physical stage of completion of the contracts.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2020 is RM917,000 (2019: RM1,197,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2020	2019
	RM'000	RM'000
Within one year	669	1,197
Later than one year	248	-
	<u>917</u>	<u>1,197</u>

15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(e) Contract liabilities from sale of motor vehicles contracts

	Group	
	2020	2019
	RM'000	RM'000
Contract liabilities	(177,523)	(151,098)

The movement of contract liabilities is as follows:

	Group	
	2020	2019
	RM'000	RM'000
At beginning of financial year/period	(151,098)	(124,399)
Revenue recognised during the financial year/period	152,328	122,332
Deferred during the financial year/period	(177,523)	(151,095)
Exchange differences	(1,230)	2,064
At end of financial year/period	(177,523)	(151,098)

Contract liabilities represent the obligations to deliver the motor vehicles to the customers for which the Group has received the considerations (i.e. customer deposits received of which the motor vehicles production phase has commenced) from the customers.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2020 is RM177,523,000 (2019: RM151,098,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2020	2019
	RM'000	RM'000
Within one year	177,523	151,098

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

- (f) Contract liabilities from hotel operations

	Group	
	2020 RM'000	2019 RM'000
Contract liabilities	(22,015)	(5,712)

The movement of contract liabilities is as follows:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	(5,712)	(4,579)
Arising on acquisition of a subsidiary	(24,496)	-
Revenue recognised during the financial year/period	112,438	241,357
Progress billings during the financial year/period	(104,245)	(242,490)
At end of financial year/period	(22,015)	(5,712)

Contract liabilities represent the obligations to perform services relating to hotel operations for which the Group has received the considerations from the customers.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2020 is RM22,015,000 (2019: RM5,712,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2020 RM'000	2019 RM'000
Within one year	22,015	5,712

15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(g) Contract assets/(liabilities) from telecommunication services

	Group	
	2020 RM'000	2019 RM'000
Contract assets	52,298	77,153
Contract liabilities	(11,769)	(6,261)
	<u>40,529</u>	<u>70,892</u>

The movement of contract assets/(liabilities) is as follows:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	70,892	11,150
Revenue recognised during the financial year/period	6,261	9,695
Progress billings during the financial year/period	(77,153)	(20,845)
Deferred during the financial year/period	(11,769)	(6,261)
Unbilled revenue to customer	52,298	77,153
At end of financial year/period	<u>40,529</u>	<u>70,892</u>

Contract assets primarily relate to the Group's right to consideration for service transferred for which receipt of its consideration is conditional on the completion and final acceptance by the customers. Contract assets are transferred to receivables when the right becomes unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received the consideration in advance or has billed the customer. Contract liabilities are recognised as revenue as the Group performs the services under the contract.

The transaction price allocated to the unsatisfied performance obligations as at 30 June 2020 is RM157,100,000 (2019: RM234,146,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2020 RM'000	2019 RM'000
Within one year	69,911	98,640
Later than one year	87,189	135,506
	<u>157,100</u>	<u>234,146</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 15. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(h) Contract liabilities from retail and services

	Group	
	2020 RM'000	2019 RM'000
Contract liabilities	(93,837)	(76,116)

The movement of contract liabilities is as follows:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	(76,116)	(68,281)
Arising from acquisition of a subsidiary company	(9,960)	-
Deferred during the financial year/period	(398,162)	(389,610)
Revenue recognised during the financial year/period	390,401	381,775
At end of financial year/period	(93,837)	(76,116)

For retail business segment, the contract liabilities/deferred income will only be recognised when the cash balances are used for purchases or when redemption occurs or upon expiry of the redemption period, and hence the Group applies the practical expedient not to disclose the information pertaining to the timing of revenue recognition from the remaining performance obligations.

For services segment, the contract liabilities primarily relate to the Group's obligation to perform services relating to franchisor and licensor for computer and commercial training centres and examination facilitators operations for which the Group has received the considerations from the customers. The Group applies the practical expedient for exemption on disclosure of information on remaining performance obligation of services segment that have original expected duration of one year or less.



16. SHORT TERM INVESTMENTS

	Group	
	2020 RM'000	2019 RM'000
Unit trust funds in Malaysia, at fair value	78,439	33,040

17. DERIVATIVE ASSETS/(LIABILITIES)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-hedging derivative assets</b>				
<b>Current</b>				
Call options (Note i)	2,302	-	1,959	-
<b>Non-hedging derivative liabilities</b>				
<b>Non-current</b>				
Options relating to deferred consideration of business combination (Note ii)	28,239	-	-	-
<b>Current</b>				
Put options (Note i)	6,992	-	6,229	-
	<u>35,231</u>	<u>-</u>	<u>6,229</u>	<u>-</u>

Movement in derivative assets:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Initial recognition	4,749	-	4,070	-
Net fair value changes on call options	(2,447)	-	(2,111)	-
At end of financial year/period	<u>2,302</u>	<u>-</u>	<u>1,959</u>	<u>-</u>

Movement in derivative liabilities:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Initial recognition	34,396	-	5,478	-
Net fair value changes on put options	835	-	751	-
At end of financial year/period	<u>35,231</u>	<u>-</u>	<u>6,229</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 17. DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Notes:

- (i) During the financial year, the Group and the Company have entered into various call and put options agreements on certain quoted shares with third parties. The call options granted the Group and the Company, the rights to buy certain quoted shares at agreed prices within the option periods. The call options were accounted for as derivative assets. The put options, which were granted by the Group and the Company, gave the rights to third parties to sell certain quoted shares at agreed prices within the option periods. The put options were accounted as derivative liabilities.
- (ii) Included in the derivative liabilities is the call and put option agreement with Icelandair Group hf. for the remaining 25% stake in the Icelandair Hotels. The exercise price for the call and put option is based on predetermined terms stated in the agreement and is exercisable after the third anniversary of the completion of the acquisition of Icelandair Hotels.

## 18. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits with:				
Licensed banks	492,052	682,279	26,247	98,817
Other financial institutions	2,894	5,850	-	-
	<u>494,946</u>	<u>688,129</u>	<u>26,247</u>	<u>98,817</u>

Included in deposits of the Group are:

- (1) remisiers' deposits held in trust of RM16,604,000 (2019: RM11,740,000); and
- (2) amounts held in sinking funds and trust accounts of RM16,389,000 (2019: RM16,288,000) for the operations of recreational clubs and time share operations.

The amounts which are restricted in usage and do not form part of cash and cash equivalents are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Monies held in debt service reserve accounts	77,259	81,031	23,646	2,663
Monies pledged with financial institutions	69,994	73,758	-	13,367
Deposits maturing more than 3 months as at reporting date	69,110	6,672	-	-
	<u>216,363</u>	<u>161,461</u>	<u>23,646</u>	<u>16,030</u>

**18. DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)**

The range of interest rates per annum of deposits as at reporting date was as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Licensed banks	1.75 - 3.25	1.23 - 3.30	1.75 - 3.10	2.75 - 3.30
Other financial institutions	0.78	0.90	-	-

The range of maturities of deposits as at reporting date was as follows:

	Group		Company	
	2020 Days	2019 Days	2020 Days	2019 Days
Licensed banks	1 - 311	1 - 309	9 - 153	9 - 309
Other financial institutions	365	365	-	-

**19. CASH AND BANK BALANCES**

Included in cash and bank balances are:

- (1) amounts totalling RM124,436,000 (2019: RM67,133,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966;
- (2) remisiers' deposits of RM1,062,000 (2019: RM250,000) held in trust; and
- (3) monies held for the operations of recreational clubs and time share operations amounting to RM627,000 (2019: RM356,000).

The amounts which are restricted in usage and do not form part of cash and cash equivalents are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Monies held in debt service reserve accounts	17,643	77,164	12,089	2,697
Monies pledged with financial institutions	5,213	7,397	-	-
	<u>22,856</u>	<u>84,561</u>	<u>12,089</u>	<u>2,697</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. ASSETS OF DISPOSAL GROUPS/NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

### 20.1 Current financial year

Included in disposal group/non-current assets classified as held for sale on the statements of financial position of the Group and of the Company as at 30 June 2020 are the following:

- (1) the carrying amount of an associated company, BZP of RM31,023,000. Berjaya Group (Cayman) Ltd ("BGCL") intended to dispose of its entire 20% equity interest in BZP to another existing shareholder of BZP;
- (2) the carrying amount of an associated company, Berjaya Vietnam Financial Center Limited ("BVFC") of RM145,373,000. BLCL had received a refundable deposit of USD15.0 million (equivalent to about RM58.734 million). On 4 June 2018, BLand announced that BLCL had entered into an agreement to dispose of its entire 32.5% of the capital contribution in BVFC to Vinhomes Joint Stock Company ("Vinhomes") and Can Gio Tourist City Corporation for a total cash consideration of VND884.93 billion (about RM154.86 million) ("PropBVFCDisposal"). The cash consideration will be paid in three tranches in accordance to the fulfilment of certain conditions in the agreement;
- (3) an unquoted investment of 0.8% equity interest in Berjaya Vietnam International University Town One Member Limited Liability Company ("BVIUT"). In conjunction with the PropBVFCDisposal as disclosed in Note 20.1(2), Vinhomes and its affiliates ("VinhomesAff") are being considered as potential purchasers of BVIUT. VinhomesAff had in December 2017 injected fresh capital of VND11,904 billion (about RM2.08 billion) pursuant to the Vietnamese authorities' requirement to increase the charter capital of BVIUT and thereby diluting BLCL's stake in BVIUT from 100% to 0.8%. It is the intention of BLCL to dispose of its 0.8% stake in BVIUT in the near future ("PropBVIUTDisposal"). This investment was fully impaired in the prior financial year;
- (4) the carrying amount of the assets and liabilities of BJR. Following the resolution of JDC Lawsuit subsequent to the financial year end, BLCL transferred its entire equity interest in BJR to JDC pursuant to the Settlement Agreement and the estimated gain on disposal is approximately RM62.0 million. Details of the JDC Lawsuit are disclosed in Note 40(3); and
- (5) the carrying amount of intangible assets of RM32,300,000. The Group intended to dispose of a trademark and its development rights.

As of reporting date, the proposed disposal of items (1) and (5) are in the process of negotiation. The proposed disposals of items (2) and (3) are pending completion as certain conditions imposed by the authorities, were beyond the control and anticipation of the Group and the prospective buyers. Both parties remained committed to the disposal plans and are taking the necessary actions to address these conditions. The Group is of the view that this matter will be satisfactorily resolved in its favour.

**20. ASSETS OF DISPOSAL GROUPS/NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)**

## 20.2 Previous financial period

Included in disposal group/non-current assets classified as held for sale on the statements of financial position of the Group as at 30 June 2019 are the following:

- (1) the carrying amount of an associated company, BZP, of RM31,023,000 as disclosed in Note 20.1(1);
- (2) the carrying amount of an associated company, BVFC of RM145,373,000 as disclosed in Note 20.1(2);
- (3) an unquoted investment in 0.8% equity interest in BVIUT as disclosed in Note 20.1(3);
- (4) the carrying amount of the assets and liabilities of a subsidiary company of BToto, PGMC. Subsequent to the previous financial period end, BToto completed the disposal of 20% of its equity interest in PGMC and after that, BToto's equity interest in PGMC was diluted to 39.99%, resulting in the deemed disposal of PGMC. Details of this are disclosed in Note 45(1); and
- (5) the carrying amount of an investment property of RM21,749,000. A foreign subsidiary of BToto entered into an agreement to dispose of the investment property during the previous financial period and the disposal was completed during the current financial year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. ASSETS OF DISPOSAL GROUPS/NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

20.3 Details of assets and liabilities classified as disposal groups and assets held for sale:

	Group	
	2020	2019
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment (Note 3)	816	2,527
Deferred tax assets (Note 28)	-	1,120
Intangible assets (Note 12)	32,300	-
Inventories	-	1,956
Trade and other receivables	593,904	11,773
Cash and bank balances	967	9,955
Assets of disposal groups classified as held for sale	<u>627,987</u>	<u>27,331</u>
<b>Non-current assets classified as held for sale</b>		
- Associated companies	176,395	176,395
- Investment properties (Note 5)	-	21,749
- Amounts due from BVFC and BVIUT	36,997	35,632
	<u>213,392</u>	<u>233,776</u>
Assets of disposal groups/Non-current assets classified as held for sale	<u>841,379</u>	<u>261,107</u>
<b>Liabilities</b>		
Payables	103,533	3,900
Other liabilities and provisions	-	8,193
Liabilities directly associated with disposal groups classified as held for sale	<u>103,533</u>	<u>12,093</u>
Cash and bank balances, representing cash and cash equivalents of the disposal groups classified as held for sale	<u>967</u>	<u>9,955</u>

21. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
<b>Issued and fully paid:</b>				
At beginning of financial year/period	5,214,924	4,923,591	5,017,956	4,930,556
Issued during the financial year/period	-	291,333	-	87,400
At end of financial year/period	<u>5,214,924</u>	<u>5,214,924</u>	<u>5,017,956</u>	<u>5,017,956</u>

	Group and Company	
	Number of shares	
	2020 '000	2019 '000
<b>Issued ordinary shares with voting rights</b>		
Total number of issued ordinary shares	5,214,924	5,214,924
Less: Total ordinary shares held as treasury shares (Note 24)	(340,600)	(50,000)
	<u>4,874,324</u>	<u>5,164,924</u>

The holders of ordinary shares (other than treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares (other than treasury shares) rank equally with regard to the Company's residual assets.

In the previous financial period, the Company increased its issued and fully paid-up ordinary share from RM4,930,556,943 to RM5,017,956,943 by way of issuance of 291,333,333 new ordinary shares at issue price of RM0.30 per share.

22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

Equity component

	Group and Company	
	2020 RM'000	2019 RM'000
BCorp ICULS 2012/2022 (Note a)	253,508	253,508
BCorp ICULS 2016/2026 (Note b)	53,231	53,231
	<u>306,739</u>	<u>306,739</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

### Equity component (continued)

Notes:

(a) BCorp ICULS 2012/2022

The BCorp ICULS 2012/2022 at nominal value of RM1.00 each were constituted by a Trust Deed dated 9 April 2012 made between the Company and the Trustee for the holders of the BCorp ICULS 2012/2022. The main features of BCorp ICULS 2012/2022 are as follows:

- The BCorp ICULS 2012/2022 shall be convertible into ordinary shares of the Company during the period from 26 April 2012 to the maturity date on 25 April 2022 by surrendering one RM1.00 nominal value of BCorp ICULS 2012/2022 for one new ordinary share of the Company;
- Upon conversion of the BCorp ICULS 2012/2022 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the BCorp ICULS 2012/2022 are converted or any interim dividend declared prior to the date of conversion of the BCorp ICULS 2012/2022; and
- The interest on the BCorp ICULS 2012/2022 is payable semi-annually in arrears.

In the financial year ended 30 April 2012, 700,109,520 BCorp ICULS 2012/2022 were issued pursuant to a renounceable rights issue on the basis of one BCorp ICULS 2012/2022 with free detachable warrants for every six existing ordinary shares held at an issue price of RM1.00 on 26 April 2012. The BCorp ICULS 2012/2022 were listed on Bursa Malaysia on 26 April 2012.

During the current financial year, no (2019: Nil) BCorp ICULS 2012/2022 was converted into ordinary shares of the Company.

The outstanding BCorp ICULS 2012/2022 as at 30 June 2020 was 644,998,000 (2019: 644,998,000) units at the Group and Company levels.

### BCorp ICULS 2012/2022 – Equity Component Movement

	Group and Company	
	2020 RM'000	2019 RM'000
At beginning/end of financial year/period	253,508	253,508



**22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)****Equity component (continued)**

Notes (continued):

**(b) BCorp ICULS 2016/2026**

The BCorp ICULS 2016/2026 at nominal value of RM1.00 each were constituted by a Trust Deed dated 30 May 2016 made between the Company and the Trustee for the holders of the BCorp ICULS 2016/2026. The main features of BCorp ICULS 2016/2026 are as follows:

- The BCorp ICULS 2016/2026 shall be convertible into ordinary shares of the Company during the period from 31 May 2016 to the maturity date on 29 May 2026 by surrendering one RM1.00 nominal value of BCorp ICULS 2016/2026 for one new ordinary share of the Company;
- Upon conversion of the BCorp ICULS 2016/2026 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of conversion except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the BCorp ICULS 2016/2026 are converted or any interim dividend declared prior to the date of conversion of the BCorp ICULS 2016/2026; and
- The interest on the BCorp ICULS 2016/2026 is payable semi-annually in arrears.

In the financial year ended 30 April 2017, 353,248,340 BCorp ICULS 2016/2026 together with 706,496,680 free detachable warrants were issued at its nominal value to partially settle on behalf of JSSB for its acquisition of 12.00% equity interest in BLand for a purchase consideration of RM419.11 million. The balance of the purchase consideration was settled with a cash payment of RM65.86 million. The BCorp ICULS 2016/2026 were listed on Bursa Malaysia on 2 June 2016.

During the current financial year, no (2019: Nil) BCorp ICULS 2016/2026 were converted into ordinary shares of the Company.

The outstanding BCorp ICULS 2016/2026 as at 30 June 2020 was 102,837,080 (2019: 102,837,080) units at the Group and Company levels.

**BCorp ICULS 2016/2026 – Equity Component Movement**

	<b>Group and Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning/end of financial year/period	<u>53,231</u>	<u>53,231</u>

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## 22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

### Liability component

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-current portion</b>				
BCorp ICULS 2012/2022 (Note a)	30,309	57,715	30,309	57,715
BCorp ICULS 2016/2026 (Note b)	8,131	9,544	8,131	9,544
SIAMH ICULS (Note d)	720	-	-	-
	<u>39,160</u>	<u>67,259</u>	<u>38,440</u>	<u>67,259</u>
<b>Current portion</b>				
BCorp ICULS 2012/2022 (Note a)	32,250	32,250	32,250	32,250
BCorp ICULS 2016/2026 (Note b)	2,059	2,057	2,059	2,057
REDtone ICULS (Note c)	-	25	-	-
SIAMH ICULS (Note d)	204	-	-	-
	<u>34,513</u>	<u>34,332</u>	<u>34,309</u>	<u>34,307</u>
	<u>73,673</u>	<u>101,591</u>	<u>72,749</u>	<u>101,566</u>

Notes:

(a) BCorp ICULS 2012/2022

### BCorp ICULS 2012/2022 – Liability Component Movement

	Group and Company	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	89,965	114,339
Accrual of interest	4,844	7,876
Payment of interest	(32,250)	(32,250)
At end of financial year/period	<u>62,559</u>	<u>89,965</u>

22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

Liability component (continued)

Notes (continued):

(b) BCorp ICULS 2016/2026

BCorp ICULS 2016/2026 – Liability Component Movement

	Group and Company	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	11,601	13,820
Accrual of interest	648	858
Payment of interest	(2,059)	(3,077)
At end of financial year/period	10,190	11,601

(c) REDtone ICULS

The REDtone ICULS at nominal value of RM0.10 each were constituted by a Trust Deed dated 20 January 2010 made between REDtone and the Trustee for the holders of the REDtone ICULS. The main features of the REDtone ICULS are as follows:

- The REDtone ICULS shall be convertible into ordinary shares of the subsidiary company during the period from 4 March 2010 to the maturity date on 4 March 2020, at the rate of ten (10) RM0.10 nominal amount of REDtone ICULS for four (4) ordinary shares in the subsidiary company;
- Upon conversion of the REDtone ICULS into new ordinary shares, such shares shall rank pari passu in all respects with the existing ordinary shares of the subsidiary company in issue at the date of allotment of the new ordinary shares except the newly converted ordinary shares shall not be entitled to any rights, allotments of dividends, and/or other distribution if the dividend entitlement date is on or before the relevant conversation date; and
- The REDtone ICULS carry interest at the rate of 2.75% per annum on the nominal value of the REDtone ICULS commencing March 2010 and is payable annually in arrears on March each year.

On 4 March 2020, all the outstanding REDtone ICULS were mandatorily converted into new ordinary shares of REDtone upon the maturity of the REDtone ICULS.

REDtone ICULS – Liability Component Movement

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	25	34
Accrual of interest	104	194
Payment of interest	(129)	(203)
At end of financial year/period	-	25

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## 22. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONTINUED)

### Liability component (continued)

Notes (continued):

#### (d) SIAMH ICULS

The main features of SIAMH ICULS are as follows:

- The SIAMH ICULS shall be convertible into ordinary shares of the subsidiary company on the maturity date of 30 May 2025 by surrendering four (4) SGD0.30 nominal value of SIAMH ICULS for one (1) new ordinary share of the subsidiary company;
- Upon conversion of the SIAMH ICULS into new ordinary shares, such shares shall rank pari passu in all respects with the existing ordinary shares of the subsidiary company in issue at the date of allotment of the new ordinary shares except the newly converted ordinary shares shall not be entitled to any rights, allotments of dividends, and/or other distribution if the dividend entitlement date is on or before the relevant conversation date; and
- The SIAMH ICULS carry interest at the rate of 5.20% per annum on the nominal value of the SIAMH ICULS commencing May 2020 and is payable monthly in arrears on the 7th of each month.

On 30 May 2020, SIAMH issued 13,096,960 units of SIAMH ICULS pursuant to a renounceable rights issue on the basis of 4 SIAMH ICULS for every 1 ordinary share held at the nominal value of SGD0.30 each. The total principal amount issued was SGD15,990,000. The outstanding SIAMH ICULS as at 30 June 2020 was 5,511,377 units of SIAMH ICULS at the Group level.

### SIAMH ICULS – Liability Component Movement

	Group	
	2020 RM'000	2019 RM'000
Issued during the financial year/period	918	-
Accrual of interest	6	-
At end of financial year/period	<u>924</u>	<u>-</u>

23. RESERVES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Capital reserves (Note a)	222,664	226,266	-	-
Fair value reserves (Note b)	67,514	63,387	-	-
FVTOCI reserves (Note c)	(165,979)	(151,338)	(826)	-
Reserve of disposal group classified as held for sale	51,404	926	-	-
Foreign currency translation reserves (Note d)	13,228	98,694	(4,224)	1,182
Consolidation reserve (Note e)	(483,512)	(488,705)	-	-
Employees' share plan reserve (Note f)	2,215	2,077	-	-
Warrants reserve (Note g)	258,797	258,797	260,057	260,057
	(33,669)	10,104	255,007	261,239
Retained earnings (Note h)	1,344,039	1,388,524	919,002	761,152
	<u>1,310,370</u>	<u>1,398,628</u>	<u>1,174,009</u>	<u>1,022,391</u>

Notes:

- (a) The capital reserves represent the amount capitalised for bonus issue by subsidiary companies and share of capital reserves of associated companies.
- (b) The fair value reserves arose mainly from the increase in equity interests of the Group in BToto, whereby BToto became a subsidiary company in the financial year ended 30 April 2008, which resulted in the identification and recognition of gaming rights which was included in intangible assets on the consolidated statement of financial position (Note 12). The reserves also include other fair value adjustments relating to transfers of property, plant and equipment to investment properties in accordance to MFRS 116: Property, Plant and Equipment.
- (c) The FVTOCI reserve represents the cumulative fair value changes, net of tax, if applicable, of FVTOCI financial assets until they are disposed of.
- (d) This reserve represents the foreign currency translation differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.
- (e) The consolidation reserve comprises the consolidation effects of changes in the Group's equity interest in subsidiary companies. If the change in the Group's equity interest results in a loss of control of a subsidiary company, all the consolidation reserve relating to this subsidiary company will be transferred to retained earnings.
- (f) The employees' share plan reserve represents the equity-settled share options/grants to employees of a subsidiary company. The share option reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options/grants and are reduced by the expiry, forfeiture or exercise of the share options.

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## 23. RESERVES (CONTINUED)

Notes (continued):

(g) The warrants reserve comprised the following warrants:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Warrants expiring on 22 April 2022 (Note g(i))	145,758	145,758	147,018	147,018
Warrants expiring on 29 May 2026 (Note g(ii))	113,039	113,039	113,039	113,039
	<u>258,797</u>	<u>258,797</u>	<u>260,057</u>	<u>260,057</u>

(i) Warrants expiring on 22 April 2022

On 23 April 2012, the Company issued 700,109,520 Warrants 2012/2022 pursuant to the rights issue of BCorp ICULS 2012/2022. The Warrants 2012/2022 are constituted by a deed poll dated 6 March 2012. The Warrants 2012/2022 were listed on Bursa Malaysia on 26 April 2012. During the current financial period, no Warrants 2012/2022 were exercised. The outstanding Warrants 2012/2022 as at 30 June 2020 was 694,085,842 (2019: 694,085,842) units at Group level and 700,085,842 (2019: 700,085,842) units at Company level.

The main features of the Warrants 2012/2022 were as follows:

- Each Warrant 2012/2022 entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM1.00 per ordinary share;
- The exercise price and the number of Warrants 2012/2022 are subject to adjustment in the event of alteration to the share capital, bonus issue, capital distribution and rights issue by the Company in accordance with the conditions provided in the deed poll;
- The Warrants 2012/2022 shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants 2012/2022 and ending on the date preceding the tenth anniversary of the date of issue of the Warrants 2012/2022;
- Upon exercise of the Warrants 2012/2022 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants 2012/2022 are exercised or any interim dividend declared prior to the date of exercise of the Warrants 2012/2022; and
- At the expiry of the exercise period on 22 April 2022, any Warrant 2012/2022 which has not been exercised will lapse and cease to be valid for any purposes.

The value allocated to one unit of Warrant 2012/2022 was based on the proportion of the fair value of one unit of Warrant 2012/2022, being the fair value of Warrant 2012/2022 on the first day of its listing, over the combined fair values of the equity and liability components of the BCorp ICULS 2012/2022 and the Warrant 2012/2022 to the issue price of the BCorp ICULS 2012/2022 of RM1.00 each.

23. RESERVES (CONTINUED)

Notes (continued):

(g) The warrants reserve comprised the following warrants (continued):

(i) Warrants expiring on 22 April 2022 (continued)

Warrants 2012/2022 Movement

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At beginning/end of financial year/period	145,758	145,758	147,018	147,018

(ii) Warrants expiring on 29 May 2026

On 31 May 2016, the Company issued 706,496,680 Warrants 2016/2026 pursuant to the issue of BCorp ICULS 2016/2026 (two units of Warrants 2016/2026 for one unit of BCorp ICULS 2016/2026 issued). The Warrants 2016/2026 are constituted by a deed poll dated 30 May 2016. The Warrants 2016/2026 were listed on Bursa Malaysia on 2 June 2016. During the current financial period, no Warrants 2016/2026 were exercised. The outstanding Warrants 2016/2026 as at 30 June 2020 was 706,496,680 (2019: 706,496,680) units at Group and Company levels.

The main features of the Warrants 2016/2026 were as follows:

- Each Warrant 2016/2026 entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM1.00 per ordinary share;
- The exercise price and the number of Warrants 2016/2026 are subject to adjustment in the event of alteration to the share capital, bonus issue, capital distribution and rights issue by the Company in accordance with the conditions provided in the deed poll;
- The Warrants 2016/2026 shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants 2016/2026 and ending on the date preceding the tenth anniversary of the date of issue of the Warrants 2016/2026;
- Upon exercise of the Warrants 2016/2026 into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividend or other distributions declared in respect of a financial period prior to the financial period in which the Warrants 2016/2026 are exercised or any interim dividend declared prior to the date of exercise of the Warrants 2016/2026; and
- At the expiry of the exercise period on 29 May 2026, any Warrant 2016/2026 which has not been exercised will lapse and cease to be valid for any purposes.

The value allocated to one unit of Warrant 2016/2026 was based on the proportion of the fair value of one unit of Warrant 2016/2026, being the fair value of Warrant 2016/2026 on the first day of its listing, over the combined fair values of the equity and liability components of one unit of BCorp ICULS 2016/2026 and two units of Warrant 2016/2026 to the issue price of the BCorp ICULS 2016/2026 of RM1.00 each.

# NOTES TO THE FINANCIAL STATEMENTS

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## 23. RESERVES (CONTINUED)

Notes (continued):

(g) The warrants reserve comprised the following warrants (continued):

(ii) Warrants expiring on 29 May 2026 (continued)

### Warrants 2016/2026 Movement

	Group and Company	
	2020	2019
	RM'000	RM'000
At beginning/end of financial year/period	113,039	113,039

(h) Subject to Section 131 of the Companies Act 2016, the entire retained earnings of the Company is available for distribution as single-tier dividends.

On 28 August 2020, the directors of the Company declared and approved a first interim share dividend via distribution of treasury shares on the basis of 4 treasury shares for every 100 existing ordinary shares held (equivalent to a dividend of approximately 1.08 sen per share) for the financial year ended 30 June 2020. The dividend was credited into the entitled depositors' securities accounts maintained with Bursa Malaysia Depository Sdn Bhd on 15 October 2020.

The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 30 June 2021.

## 24. TREASURY SHARES

	Group and Company			
	Ordinary shares			
	2020	2019	2020	2019
	No. of shares	No. of shares	RM'000	RM'000
	'000	'000		
At beginning of financial year/period	50,000	48,008	34,253	33,669
Shares bought back	290,600	1,992	58,091	584
At end of financial year/period	340,600	50,000	92,344	34,253

Pursuant to an Extraordinary General Meeting held on 23 July 2008, the Company obtained a shareholders' mandate to undertake the purchase of up to 10% of the issued and paid-up share capital of the Company at the time of purchase.

The renewal of the Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the Annual General Meeting held on 12 December 2019.

During the current financial year, the Company bought back 290,600,000 (2019: 1,992,000) shares from the open market for RM58,091,000 (2019: RM584,000) or at an average price of RM0.20 (2019: RM0.29) per share. The shares bought back are held as treasury shares and none of the shares were cancelled during the financial year.



24. TREASURY SHARES (CONTINUED)

The details of the shares bought back during the financial year are as follows:

Month	Price per share (RM)			Number of shares '000	Total consideration RM'000
	Lowest	Highest	Average		
<b>2020</b>					
March 2020	0.18	0.23	0.20	131,500	26,461
April 2020	0.19	0.22	0.20	88,500	17,780
May 2020	0.19	0.20	0.20	49,600	9,853
June 2020	0.18	0.20	0.19	21,000	3,997
			<u>0.20</u>	<u>290,600</u>	<u>58,091</u>

25. LONG TERM BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Secured:</b>				
Term loans (Note a)	1,718,793	2,064,949	347,094	189,597
Portion repayable within 12 months included under short term borrowings (Note 30)	<u>(321,323)</u>	<u>(306,968)</u>	<u>(80,828)</u>	<u>(55,040)</u>
	<u>1,397,470</u>	<u>1,757,981</u>	<u>266,266</u>	<u>134,557</u>
Medium term notes (Note b)	1,197,658	1,298,385	-	-
Portion repayable within 12 months included under short term borrowings (Note 30)	<u>(199,893)</u>	<u>(459,687)</u>	-	-
	<u>997,765</u>	<u>838,698</u>	-	-
Other bank borrowings	546,008	802,286	106,824	374,708
Block discounting payables (Note c)	24,471	29,893	-	-
Unexpired interest	<u>(1,978)</u>	<u>(2,678)</u>	-	-
	<u>22,493</u>	<u>27,215</u>	-	-
Portion repayable within 12 months included under short term borrowings (Note 30)	<u>(8,739)</u>	<u>(9,714)</u>	-	-
	<u>13,754</u>	<u>17,501</u>	-	-
Hire purchase payables (Note d)	72,359	93,050	1,815	2,294
Portion repayable within 12 months included under short term borrowings (Note 30)	<u>(13,781)</u>	<u>(18,079)</u>	<u>(613)</u>	<u>(611)</u>
	<u>58,578</u>	<u>74,971</u>	<u>1,202</u>	<u>1,683</u>
	<u>3,013,575</u>	<u>3,491,437</u>	<u>374,292</u>	<u>510,948</u>

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## 25. LONG TERM BORROWINGS (CONTINUED)

The terms of the long term borrowings outstanding are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Long term borrowings</b>				
Amounts repayable:				
Later than one year				
but not later than two years	1,170,456	774,540	163,059	217,285
Later than two years				
but not later than five years	1,189,042	1,206,654	193,476	293,663
Later than five years	654,077	1,510,243	17,757	-
	<u>3,013,575</u>	<u>3,491,437</u>	<u>374,292</u>	<u>510,948</u>

Notes:

- (a) The secured borrowings of the Group and of the Company are secured on quoted and unquoted shares held by the Group, deposits of the Group and/or fixed and floating charges over the assets of certain subsidiary companies as disclosed in Notes 3, 4, 5, 6, 7, 8, 10, 18 and 19.

The range of effective interest rates per annum at the reporting date for borrowings was as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Term loans and other bank borrowings	<u>1.88 - 9.23</u>	<u>2.80 - 7.85</u>	<u>4.26 - 5.80</u>	<u>5.41 - 5.90</u>

- (b) The facility amounts of the MTN programmes are as follows:

	Group	
	2020 RM'000	2019 RM'000
MTN-A	800,000	800,000
MTN-B	<u>650,000</u>	<u>650,000</u>

MTN-A is secured by a third party first equitable charge over the entire issued and paid-up capital of a subsidiary company which is the issuer and a corporate guarantee granted by BToto. MTN-B is guaranteed by Danajamin Nasional Berhad up to RM500,000,000 and secured by a bank guarantee from OCBC Bank (Malaysia) Berhad up to RM150,000,000.

25. LONG TERM BORROWINGS (CONTINUED)

Notes (continued):

(b) The facility amounts of the MTN programmes are as follows (continued):

The maturities of the MTN as at the reporting date are as follows:

	Maturity	Group	
		2020 RM'000	2019 RM'000
<b>Current</b>			
<b>Secured with fixed rate</b>			
3.89% p.a. fixed rate MTN-B	December 2020	149,930	-
3.47% p.a. fixed rate MTN-B	December 2020	24,988	-
4.75% p.a. fixed rate MTN-A	June 2021	24,975	-
4.95% p.a. fixed rate MTN-B	December 2019	-	199,844
4.85% p.a. fixed rate MTN-B	December 2019	-	74,941
4.55% p.a. fixed rate MTN-B	December 2019	-	124,902
4.65% p.a. fixed rate MTN-A	June 2020	-	60,000
Portion repayable within 12 months included under short term borrowings (Note 30)		199,893	459,687
<b>Non-Current</b>			
<b>Secured with fixed rate</b>			
4.90% p.a. fixed rate MTN-A	September 2021	30,000	-
5.35% p.a. fixed rate MTN-B	December 2021	99,962	-
3.97% p.a. fixed rate MTN-B	December 2021	124,952	-
4.95% p.a. fixed rate MTN-A	June 2022	79,846	-
4.82% p.a. fixed rate MTN-A	June 2022	40,000	-
4.95% p.a. fixed rate MTN-A	June 2022	114,779	-
4.90% p.a. fixed rate MTN-A	June 2022	64,874	-
4.75% p.a. fixed rate MTN-A	June 2021	-	25,000
Portion repayable more than one year but not later than two years		554,413	25,000
5.14% p.a. fixed rate MTN-A	January 2024	25,000	-
5.05% p.a. fixed rate MTN-A	June 2024	39,855	-
4.90% p.a. fixed rate MTN-A	September 2021	-	30,000
5.35% p.a. fixed rate MTN-B	December 2021	-	99,832
4.90% p.a. fixed rate MTN-A	June 2022	-	65,000
4.95% p.a. fixed rate MTN-A	June 2022	-	80,000
4.82% p.a. fixed rate MTN-A	June 2022	-	40,000
4.95% p.a. fixed rate MTN-A	June 2022	-	114,678
5.14% p.a. fixed rate MTN-A	January 2024	-	25,000
5.05% p.a. fixed rate MTN-A	June 2024	-	40,000
Portion repayable more than two years but not later than five years		64,855	494,510
5.25% p.a. fixed rate MTN-A	June 2026	139,287	139,188
5.45% p.a. fixed rate MTN-A	June 2028	54,649	55,000
5.55% p.a. fixed rate MTN-A	June 2029	124,561	125,000
4.98% p.a. fixed rate MTN-A	June 2030	60,000	-
Portion repayable more than five years		378,497	319,188
Total non-current MTN		997,765	838,698
Total MTN		1,197,658	1,298,385

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## 25. LONG TERM BORROWINGS (CONTINUED)

Notes (continued):

- (c) The block discounting payables of a subsidiary company are secured by corporate guarantee granted by the Company and assignment of the rights under leasing and hire purchase agreements.

Maturity of long term block discounting payables is as follows:

	Group	
	2020 RM'000	2019 RM'000
Later than one year but not later than two years	6,986	7,625
Later than two years but not later than five years	6,768	9,876
	<u>13,754</u>	<u>17,501</u>

The weighted average effective interest rates of block discounting payables are as follows:

	Group	
	2020 %	2019 %
Block discounting payables	<u>5.56</u>	<u>5.62</u>

- (d) The present value of hire purchase payables are summarised as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Within one year after reporting date	13,781	18,079	613	611
Later than one year but not later than two years	12,273	16,117	535	588
Later than two years but not later than five years	46,298	58,843	667	1,095
Later than five years	7	11	-	-
	<u>72,359</u>	<u>93,050</u>	<u>1,815</u>	<u>2,294</u>

The range of interest rates per annum at the reporting date for hire purchase payables was as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Hire purchase payables	<u>2.35 - 8.80</u>	<u>2.35 - 8.80</u>	<u>3.50 - 5.90</u>	<u>3.50 - 5.90</u>

26. OTHER LONG TERM LIABILITIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Unsecured:</b>				
Other long term payable (Note a)	1,322	1,318	-	-
Payable for acquisition of an associated company (Note b)	-	4,143	-	-
Retention sum	-	2,457	-	-
Rental deposits	899	1,170	-	-
Project contribution (Note c)	75,698	84,303	75,698	84,303
	<u>77,919</u>	<u>93,391</u>	<u>75,698</u>	<u>84,303</u>
Club members' deposits (Note d)	19,491	20,711	-	-
Other deferred income (Note e)	99	107	-	-
	<u>97,509</u>	<u>114,209</u>	<u>75,698</u>	<u>84,303</u>

- (a) The other long term payable represents a loan granted by a related party to a foreign subsidiary company.
- (b) The payable for the acquisition of an associated company in the previous financial period was in respect of subscription to be settled on deferred payment terms, of additional shares in SIAMH, which became a subsidiary company of the Group during the current financial year.
- (c) Project contribution is an obligation pursuant to a lottery business cooperation contract to make contributions over ten annual instalments, whereby the first instalment was made in February 2016 and each subsequent instalment to be made at the end of each calendar year in December.
- (d) Club members' deposits represent amounts paid by members to certain subsidiary companies for membership licences issued to use and enjoy the facilities of the subsidiary companies' recreational clubs. The monies are refundable to the members upon expiry of prescribed terms from the dates of issuance of the licences.
- (e) Other deferred income represents government grant received from the Ministry of Plantation Industries and Commodities Malaysia to promote replanting of oil palm.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. PROVISIONS

GROUP	Sales warranty	Retirement benefits	Restoration costs	Total
	RM'000	RM'000	RM'000	RM'000
<b>2020</b>				
At beginning of financial year	1,360	6,541	21,212	29,113
Additional provision	900	1,109	3,749	5,758
Utilisation of provision	(197)	(299)	-	(496)
Unused amount reversed	(519)	-	(1,765)	(2,284)
Exchange differences	40	29	10	79
Employers' contribution	-	(1,153)	-	(1,153)
Recognised in other comprehensive income	-	4,657	-	4,657
Acquisition of subsidiary company	-	-	252	252
Reversal of provision	-	(2,409)	-	(2,409)
At end of financial year	<u>1,584</u>	<u>8,475</u>	<u>23,458</u>	<u>33,517</u>
<b>At 30 June 2020</b>				
Current	1,396	172	5,898	7,466
Non-current	188	8,303	17,560	26,051
	<u>1,584</u>	<u>8,475</u>	<u>23,458</u>	<u>33,517</u>
<b>GROUP</b>	<b>Sales warranty</b>	<b>Retirement benefits</b>	<b>Restoration costs</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2019</b>				
At beginning of financial period	2,287	6,757	22,151	31,195
Additional provision	581	3,230	2,160	5,971
Utilisation of provision	(180)	(566)	(2,207)	(2,953)
Unused amount reversed	(1,346)	-	(100)	(1,446)
Exchange differences	18	235	(792)	(539)
Employers' contribution	-	(1,385)	-	(1,385)
Recognised in other comprehensive income	-	673	-	673
Transfer to disposal groups	-	(2,403)	-	(2,403)
At end of financial period	<u>1,360</u>	<u>6,541</u>	<u>21,212</u>	<u>29,113</u>
<b>At 30 June 2019</b>				
Current	1,210	374	4,404	5,988
Non-current	150	6,167	16,808	23,125
	<u>1,360</u>	<u>6,541</u>	<u>21,212</u>	<u>29,113</u>

Notes:

(a) Sales warranty

Certain subsidiary companies of the Group give 3 months to 3 years warranties on certain products and undertake to repair or replace items that fail to perform satisfactorily. A provision for warranties is recognized for all products under warranty at the reporting date based on past experience on the level of repairs and returns.

27. PROVISIONS (CONTINUED)

Notes (continued):

(b) Retirement benefits

GROUP	Partially	Unfunded	Total
	funded		
2020	RM'000	RM'000	RM'000
At beginning of financial year	(2,254)	8,795	6,541
Additional provision	438	671	1,109
Utilisation of provision	-	(299)	(299)
Reversal of provision	-	(2,409)	(2,409)
Employer contributions	(1,153)	-	(1,153)
Recognised in other comprehensive income	5,223	(566)	4,657
Exchange differences	13	16	29
At end of financial year	<u>2,267</u>	<u>6,208</u>	<u>8,475</u>
<b>At 30 June 2020</b>			
Current liabilities	-	172	172
Non-current liabilities	2,267	6,036	8,303
	<u>2,267</u>	<u>6,208</u>	<u>8,475</u>
GROUP	Partially	Unfunded	Total
2019	funded		
2019	RM'000	RM'000	RM'000
At beginning of financial period	(1,732)	8,489	6,757
Additional provision	2,044	1,186	3,230
Utilisation of provision	-	(566)	(566)
Transfer to disposal groups	(2,403)	-	(2,403)
Employer contributions	(1,385)	-	(1,385)
Recognised in other comprehensive income	1,002	(329)	673
Exchange differences	220	15	235
At end of financial period	<u>(2,254)</u>	<u>8,795</u>	<u>6,541</u>
<b>At 30 June 2019</b>			
Current liabilities	-	374	374
Non-current liabilities	413	8,421	8,834
	413	8,795	9,208
Non-current assets	(2,667)	-	(2,667)
	<u>(2,254)</u>	<u>8,795</u>	<u>6,541</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 27. PROVISIONS (CONTINUED)

Notes (continued):

(b) Retirement benefits (continued)

The amounts recognised in the profit or loss are as follows:

GROUP	Partially funded	Unfunded	Total
	RM'000	RM'000	RM'000
<b>2020</b>			
Current service cost (net of gain on settlement) being the retirement benefits recognised in directors' remuneration and staff costs	485	555	1,040
Net interest (income)/cost (Note 32)	(47)	116	69
	<u>438</u>	<u>671</u>	<u>1,109</u>
<b>2019</b>			
Current service cost (net of gain on settlement) being the retirement benefits recognised in directors' remuneration and staff costs			
- Current service costs	748	640	1,388
- Past service costs	1,277	-	1,277
	<u>2,025</u>	<u>640</u>	<u>2,665</u>
Net interest cost (Note 32)	19	546	565
	<u>2,044</u>	<u>1,186</u>	<u>3,230</u>

The amounts recognised in other comprehensive income are as follows:

	Group	
	2020 RM'000	2019 RM'000
Remeasurement arising from:		
Actuarial changes in financial assumptions	8,178	5,240
Actuarial changes in demographic assumptions	(3,382)	(572)
Return on plan assets	3,148	(4,067)
Experience adjustments arising from defined benefit obligations	(3,287)	72
	<u>4,657</u>	<u>673</u>

### Partially funded defined benefit plan

A foreign subsidiary company maintains a tax qualified, partially funded, non-contributory retirement plan that is being administered by a trustee covering all regular full-time employees. Actuarial valuations are made regularly to update the retirement benefit costs and the amount of contributions.



27. PROVISIONS (CONTINUED)

Notes (continued):

(b) Retirement benefits (continued)

Partially funded defined benefit plan (continued)

The amounts of partially funded defined benefit obligation recognised in the statement of financial position are determined as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Present value of the obligation	75,177	72,563
Fair value of plan assets	(72,910)	(74,817)
Deficit/(Surplus) in plan assets	<u>2,267</u>	<u>(2,254)</u>

The movements in present value of the partially funded defined benefit obligation recognised are as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial year/period	72,563	73,321
Current service cost	485	748
Interest cost	1,681	2,353
Benefit paid by the plan	(1,840)	(4,167)
Past service cost	-	1,277
Transfer to disposal group	-	(4,067)
Recognised in other comprehensive income	2,075	5,069
Exchange differences	213	(1,971)
At end of financial year/period	<u>75,177</u>	<u>72,563</u>

The movements in fair value of plan assets are presented below:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial year/period	74,817	75,053
Interest income	1,728	2,334
Return on plan assets	(3,148)	4,067
Benefit paid by the plan	(1,840)	(4,167)
Employers' contribution	1,153	1,385
Transfer to disposal group	-	(1,664)
Exchange differences	200	(2,191)
At end of financial year/period	<u>72,910</u>	<u>74,817</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 27. PROVISIONS (CONTINUED)

Notes (continued):

(b) Retirement benefits (continued)

### Partially funded defined benefit plan (continued)

The plan assets consist of the following:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed income assets	72,632	74,599
Cash in bank	278	218
	<u>72,910</u>	<u>74,817</u>

Presented below is the historical information related to the present value of the retirement benefit obligation, fair value of plan assets and deficit in the plan.

<b>GROUP</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Present value of the obligation	75,177	72,563	73,321	80,711	70,183
Fair value of the plan assets	<u>(72,910)</u>	<u>(74,817)</u>	<u>(75,053)</u>	<u>(77,480)</u>	<u>(66,798)</u>
Deficit/(Surplus) in the plan	<u>2,267</u>	<u>(2,254)</u>	<u>(1,732)</u>	<u>3,231</u>	<u>3,385</u>

The following principal assumptions were used to determine the retirement benefit obligation:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Discount rate	<u>1.60 - 4.10</u>	<u>2.30 - 6.09</u>

### Sensitivity analysis for retirement benefit obligation of partially funded benefit plan

The management is of the view that any reasonably possible changes to the principal actuarial assumptions will not have significant impact to the Group.

### Unfunded defined benefit plans

Certain local subsidiary companies operate unfunded defined retirement benefit schemes and provision is made at contracted rates for benefits that would become payable on retirement of eligible employees. Under the various schemes, eligible employees are entitled to lump sum retirement benefits of a certain percentage of either the average monthly salary of each full year of services or the final salary for each year of service on attainment of the retirement age (which varies from 55 years to 60 years depending on the scheme).

Certain foreign subsidiary companies operate unfunded defined retirement benefit schemes and the estimated liabilities of the benefits are based on actuarial valuation by independent actuaries. The amounts recognised in the statement of financial position are determined based on the present value of unfunded defined benefit obligations.

27. PROVISIONS (CONTINUED)

Notes (continued):

(b) Retirement benefits (continued)

Unfunded defined benefit plans (continued)

The amounts of unfunded defined benefit obligation recognised in the statement of financial position are determined as follows:

	Group	
	2020 RM'000	2019 RM'000
Present value of the obligation	6,208	8,795

The following principal assumptions were used to determine the retirement benefit obligations:

	Group	
	2020 %	2019 %
Range of discount rates used for the various plans	4.20 - 5.62	4.90 - 6.00
Range of expected rates of salary increases used for the various plans	5.00	5.00 - 6.00

Sensitivity analysis for retirement benefit obligation of unfunded benefit plans

The management is of the view that changes in the discount rate at the reporting date would affect the defined benefit obligation in the following manner:

	Increase/(Decrease) Group		Impact on defined benefit obligations Group	
	2020 %	2019 %	2020 RM'000	2019 RM'000
Discount rate	1	1	(545)	(1,135)
Discount rate	(1)	(1)	854	1,386
Future salary	1	1	836	1,131
Future salary	(1)	(1)	(671)	(1,140)

Current service cost and net interest costs

The current service and net interest costs are charged to profit or loss and presented as part of the employee benefit expenses and finance costs respectively.

Amounts recognised in other comprehensive income

The amounts recognised in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 27. PROVISIONS (CONTINUED)

Notes (continued):

(c) Dismantlement, removal or restoration of property, plant and equipment

- Provision for dismantlement, removal or restoration is the estimated cost of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of such assets, which are capitalised and included in the cost of property, plant and equipment.

## 28. DEFERRED TAX

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At beginning of the financial year/period	1,143,332	1,243,078	11,530	14,598
Recognised in profit or loss (Note 35)	31,580	9,832	(3,322)	(3,068)
Arising on acquisition of a subsidiary company	28,683	-	-	-
Arising on disposal of subsidiary companies	-	(912)	-	-
Exchange differences	(4,242)	(408)	-	-
Transfer to disposal groups (Note 20)	-	1,120	-	-
Recognised in intangible assets (Note 12)	1,094	(1,091)	-	-
Recognised in other comprehensive income (Note 35)	(756)	(108,287)	-	-
At end of the financial year/period	<u>1,199,691</u>	<u>1,143,332</u>	<u>8,208</u>	<u>11,530</u>

Presented after appropriate offsetting as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deferred tax assets	(114,381)	(107,572)	-	-
Deferred tax liabilities	1,314,072	1,250,904	8,208	11,530
	<u>1,199,691</u>	<u>1,143,332</u>	<u>8,208</u>	<u>11,530</u>

28. DEFERRED TAX (CONTINUED)

The components and movements of deferred tax assets and liabilities during the financial year/period are as follows:

GROUP

	Provision	Unused	Payables	Contract	Others+	Total
	for liabilities	tax losses and capital allowances		liabilities		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Deferred Tax Assets</b>						
<b>2020</b>						
At beginning of the financial year	8,051	57,318	37,628	63,269	18,778	185,044
Recognised in profit or loss	1,129	(12,386)	4,869	(1,988)	8,691	315
Arising on acquisition of a subsidiary company	-	-	4,153	-	-	4,153
Exchange differences	-	212	269	-	529	1,010
Recognised in other comprehensive income	-	-	-	-	778	778
At end of the financial year	<u>9,180</u>	<u>45,144</u>	<u>46,919</u>	<u>61,281</u>	<u>28,776</u>	<u>191,300</u>
Set-off against deferred tax liabilities						(76,919)
						<u>114,381</u>
<b>2019</b>						
At beginning of the financial period	6,742	61,214	42,496	65,711	17,396	193,559
Recognised in profit or loss	1,357	(3,672)	(5,363)	(2,442)	1,754	(8,366)
Arising on disposal of subsidiary companies	(58)	(638)	-	-	-	(696)
Exchange differences	10	411	495	-	(1,168)	(252)
Transfer to disposal groups	-	3	-	-	(1,123)	(1,120)
Recognised in other comprehensive income	-	-	-	-	1,919	1,919
At end of the financial period	<u>8,051</u>	<u>57,318</u>	<u>37,628</u>	<u>63,269</u>	<u>18,778</u>	<u>185,044</u>
Set-off against deferred tax liabilities						(77,472)
						<u>107,572</u>

Note:

+ Includes deferred tax adjustments arising from other temporary differences.

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. DEFERRED TAX (CONTINUED)

### GROUP

	Property, plant and equipment	Dealership/ gaming rights	Properties*	Payables	Undistributed profits of a subsidiary company	Others+	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Deferred Tax Liabilities</b>							
<b>2020</b>							
At beginning of the financial year	109,722	826,272	289,475	3,189	6,954	92,764	1,328,376
Recognised in profit or loss	4,434	-	27,780	(427)	28,630	(28,522)	31,895
Arising on acquisition of a subsidiary company	32,836	-	-	-	-	-	32,836
Exchange differences	(1,756)	-	(3,452)	183	-	1,793	(3,232)
Recognised in intangible assets (Note 12)	-	1,094	-	-	-	-	1,094
Recognised in other comprehensive income	7	-	-	-	-	15	22
At end of the financial year	<u>145,243</u>	<u>827,366</u>	<u>313,803</u>	<u>2,945</u>	<u>35,584</u>	<u>66,050</u>	<u>1,390,991</u>
Set-off against deferred tax assets							<u>(76,919)</u>
							<u>1,314,072</u>
<b>2019</b>							
At beginning of the financial period	164,144	936,044	229,501	1,165	5,508	100,275	1,436,637
Recognised in profit or loss	(52,928)	(8,504)	66,925	1,576	1,446	(7,049)	1,466
Arising on disposal of subsidiary companies	(1,608)	-	-	-	-	-	(1,608)
Exchange differences	140	-	(786)	448	-	(462)	(660)
Recognised in intangible assets (Note 12)	-	(1,091)	-	-	-	-	(1,091)
Recognised in other comprehensive income	(26)	(100,177)	(6,165)	-	-	-	(106,368)
At end of the financial period	<u>109,722</u>	<u>826,272</u>	<u>289,475</u>	<u>3,189</u>	<u>6,954</u>	<u>92,764</u>	<u>1,328,376</u>
Set-off against deferred tax assets							<u>(77,472)</u>
							<u>1,250,904</u>

### Notes:

- \* Includes deferred tax adjustments on temporary differences arising from land held for property development, property development costs, investment properties, property inventories and contract cost assets.
- + Includes deferred tax adjustments on temporary differences arising from indefinite useful life intangible assets and deferred tax adjustments on BCorp ICULS and other temporary differences.

28. DEFERRED TAX (CONTINUED)

COMPANY

Deferred Tax Asset

2020

At beginning/end of financial year

Set-off against deferred tax liabilities

2019

At beginning/end of financial period

Set-off against deferred tax liabilities

Unabsorbed capital allowances	Total
RM'000	RM'000

30	30
	(30)
	-

30	30
	(30)
	-

COMPANY

Deferred Tax Liabilities

2020

At beginning of the financial year

Recognised in profit or loss

At end of the financial year

Set-off against deferred tax asset

2019

At beginning of the financial period

Recognised in profit or loss

At end of the financial period

Set-off against deferred tax asset

Accelerated capital allowances	ICULS	Total
RM'000	RM'000	RM'000

30	11,530	11,560
-	(3,322)	(3,322)
30	8,208	8,238
		(30)
		8,208

30	14,598	14,628
-	(3,068)	(3,068)
30	11,530	11,560
		(30)
		11,530

## NOTES TO THE FINANCIAL STATEMENTS

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### 28. DEFERRED TAX (CONTINUED)

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unused tax losses	2,025,982	1,802,513	-	-
Unabsorbed capital allowances	474,419	448,477	93	89
Unabsorbed investment tax allowances	122,541	134,581	-	-
Others	164,480	187,864	-	-
	<u>2,787,422</u>	<u>2,573,435</u>	<u>93</u>	<u>89</u>

Deferred tax assets have not been recognised in respect of the items above as it is not probable that future taxable profits will be available against which the items above can be utilised.

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

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

The foreign unutilised losses and unabsorbed capital allowance applicable to foreign incorporated subsidiary companies are pre-determined by and subject to the tax legislation of the respective countries.



29. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables	518,453	564,250	-	45
<u>Other payables</u>				
Accruals	542,575	541,310	3,528	3,750
Agency deposits	37,997	37,373	-	-
Sundry payables	572,709	459,587	21,417	20,717
Payable for acquisition of associated company	-	3,086	-	-
Refundable deposits	171,488	165,880	-	-
Amounts due to subsidiary companies	-	-	517,083	199,576
Amounts due to associated companies	66,939	5,605	47	24
	<u>1,391,708</u>	<u>1,212,841</u>	<u>542,075</u>	<u>224,067</u>
<u>Other current liabilities</u>				
Deposits	158	26,993	-	-
Loyalty point liability	13,214	16,319	-	-
Deferred lease income and others	2,564	7,394	-	-
Other duties payable	103,237	114,072	-	-
Dividend payables	168	33,197	-	-
Pool betting duty payables	5,569	25,604	-	-
	<u>124,910</u>	<u>223,579</u>	<u>-</u>	<u>-</u>
	<u>2,035,071</u>	<u>2,000,670</u>	<u>542,075</u>	<u>224,112</u>

Included in accruals of the Group are accrued contribution to the National Sports Council and accrual for gaming tax payable to the Ministry of Finance.

Agency deposits represent deposits obtained from agents for operating toto betting outlets. These deposits are refundable upon termination of operation contracts.

Included in the loyalty point liability represented the amount payable by a loyalty programme management subsidiary company to the participating merchants for the redemption of points by loyalty programme members.

Included in the deferred lease income represented advance lease rental received from lessees.

# NOTES TO THE FINANCIAL STATEMENTS

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## 29. TRADE AND OTHER PAYABLES (CONTINUED)

Included in sundry payables are as follows:

- (1) An amount of RM136,939,000 (2019: RM161,929,000) which relates to balance purchase price of several parcels of freehold land acquired by a subsidiary company.
- (2) An amount of RM21,417,000 (2019: RM20,717,000) being the current portion of project contribution (refer Note 26(c)).
- (3) Advances from certain directors of subsidiary companies amounting to RM2,103,000 (2019: RM2,306,000).
- (4) A refundable deposit of USD15 million (equivalent to about RM58.73 million) received for the disposal of an investment was in relation to the proposed disposal of a foreign subsidiary company's as disclosed in Note 20.1(2).
- (5) The payable for the acquisition of an associated company in the previous financial period is in respect of subscription to be settled on deferred payment terms, of additional shares in SIAMH, which became a subsidiary company of the Group during the current financial year.

The amounts due to subsidiary companies for the Company are unsecured, repayable on demand and non-interest bearing, except for a gross amount totalling RM280,228,000 (2019: RM Nil) which are interest bearing. The amounts due to associated companies for the Group are trade in nature, non-interest bearing and have normal credit terms that range from 30 to 180 days (2019: 30 to 180 days).

The normal trade credit terms granted by trade creditors of the Group are as follows:

- |                                  |  |
|----------------------------------|--|
| - Non-margin clients and brokers | 2 market days (2019: 2 market days) in accordance with the FDSS trading rules. |
| - Other trade payables           | 1 to 184 days (2019: 1 to 183 days).   |

30. SHORT TERM BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Secured:</b>				
Long term loans				
- portion repayable within 12 months (Note 25)	321,323	306,968	80,828	55,040
Medium term notes				
- portion repayable within 12 months (Note 25)	199,893	459,687	-	-
Short term loans	28,392	81,854	-	-
Bank overdrafts	60,206	57,722	-	-
Margin facilities	300,716	204,881	86,460	87,834
Trade financing facilities	17,626	13,084	-	-
Revolving credits	954,891	898,510	227,162	297,459
Vehicle stocking loans	359,932	286,401	-	-
Portion repayable within 12 months				
- Block discounting payables (Note 25)	8,739	9,714	-	-
- Hire purchase payables (Note 25)	13,781	18,079	613	611
	<u>2,265,499</u>	<u>2,336,900</u>	<u>395,063</u>	<u>440,944</u>
<b>Unsecured:</b>				
Trade financing facilities	32,151	74,090	-	-
Revolving credits	2,000	2,000	-	-
	<u>34,151</u>	<u>76,090</u>	<u>-</u>	<u>-</u>
	<u>2,299,650</u>	<u>2,412,990</u>	<u>395,063</u>	<u>440,944</u>

The secured short term loans, bank overdrafts, margin facilities, trade financing facilities, revolving credits and other bank borrowings of the Group and of the Company are secured either by way of fixed charges on certain landed properties, certain quoted investments, or fixed and floating charges over certain other assets of the Group and deposits of the Group, as disclosed in Notes 3, 4, 5, 6, 7, 8, 10, 18 and 19.

The vehicle stocking loans obtained by foreign subsidiary companies are secured by fixed and floating charges on certain vehicle inventories held.

The range of interest rates per annum at the reporting date for borrowings was as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Short term loans	1.73 - 8.50	3.11 - 7.85	-	-
Bank overdrafts	3.54 - 9.82	3.92 - 9.15	-	-
Margin facilities	6.25 - 8.11	7.20 - 8.00	6.25 - 8.11	7.20 - 7.86
Trade financing facilities	1.00 - 8.81	4.28 - 8.60	-	-
Revolving credits	1.40 - 9.00	1.88 - 9.00	4.26 - 6.75	5.26 - 6.60
Vehicle stocking loans	2.74 - 6.95	2.80 - 4.75	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 31. REVENUE

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Revenue from contracts with customers	6,879,597	9,616,686	80,356	57,996
Revenue from other sources:				
- Margin interest income	8,080	9,904	-	-
- Interest income from hire purchase, lease and loan financing	1,431	3,635	-	-
- Leased income from investment properties, ROU assets and lottery equipment	100,672	163,050	-	-
- Gross dividends	-	-	276,590	18,332
	<u>6,989,780</u>	<u>9,793,275</u>	<u>356,946</u>	<u>76,328</u>
<u>Disaggregation of the revenue from contracts with customers:</u>				
<b>Major goods and services</b>				
Gross brokerage and other financial services income	45,933	29,561	-	-
Sales of goods and services on cash and credit terms:				
- Motor vehicles, charges for aftersales services, repairs and maintenance services rendered	2,100,406	2,882,200	-	-
- Telecommunications services	177,906	211,391	-	-
- Retails, food and beverages and others	1,309,580	1,682,457	-	-
Sale of property inventories	185,321	342,261	-	-
Income from hotels, resort, theme park and casino operations	396,964	638,375	-	-
Income from chartered flights	1,341	604	-	-
Membership fees and subscriptions	67,970	83,123	-	-
Lottery operations	2,594,176	3,746,714	78,060	55,081
Management fee income	-	-	2,296	2,915
	<u>6,879,597</u>	<u>9,616,686</u>	<u>80,356</u>	<u>57,996</u>

31. REVENUE (CONTINUED)

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>Geographical market</b>				
Malaysia	4,394,771	5,927,885	2,296	2,915
Outside Malaysia	2,484,826	3,688,801	78,060	55,081
	<u>6,879,597</u>	<u>9,616,686</u>	<u>80,356</u>	<u>57,996</u>
<b>Timing of revenue recognition</b>				
At a point in time	6,556,118	9,051,403	78,060	55,081
Over time	323,479	565,283	2,296	2,915
	<u>6,879,597</u>	<u>9,616,686</u>	<u>80,356</u>	<u>57,996</u>

32. FINANCE COSTS

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Interest expense on:				
- Bank loans and overdrafts	227,552	291,460	79,211	102,890
- BCorp ICULS	5,492	8,734	5,492	8,734
- REDtone ICULS	104	194	-	-
- SIAMH ICULS	6	-	-	-
- MTN	61,527	75,091	-	-
- Hire purchase	6,112	8,783	185	185
- Manufacturers' vehicle stocking loans	11,728	12,821	-	-
- Defined benefit plans (Note 27(b))	69	565	-	-
- Lease liabilities (Note 4(b))	55,005	-	-	-
- Subsidiary company	-	-	11,215	-
Unwinding of discount and charge out of deferred transaction costs	16,957	19,475	9,801	12,346
Others (inclusive of loan related expenses)	5,769	6,434	1,243	3,441
	<u>390,321</u>	<u>423,557</u>	<u>107,147</u>	<u>127,596</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. PROFIT BEFORE TAX

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>Profit before tax</b>				
<b>is arrived at after charging:</b>				
Directors' remuneration (Note 34)				
- emoluments (excluding benefits-in-kind)	63,736	62,771	1,122	1,368
- fees	3,995	4,240	360	232
Auditors' remuneration				
- statutory audit fee	7,415	7,153	275	170
- underprovision of statutory audit fees in prior years	415	257	67	34
- fees for non audit services	1,637	1,302	387	385
Non-audit service fees to member firms of the auditors of the Company	419	415	5	5
Depreciation of				
- property, plant and equipment	208,579	260,736	27,425	25,643
- ROU assets	187,813	-	-	-
Amortisation of				
- contract cost assets	648	520	-	-
- intangible assets	99,072	32,714	7,098	8,281
Minimum operating lease payment				
- plant and machinery	-	6,391	-	-
- premises	-	256,216	-	-
Direct operating expenses of investment properties *	16,354	16,166	-	-
Royalty expenses	27,630	40,610	-	-
Staff costs (Note a)	871,084	987,452	11,482	13,100
Allowance for impairment on receivables				
- trade receivables	10,006	7,367	-	-
- other receivables	2,097	17,862	-	-
- other long term receivables	7,614	-	-	-
Bad debts written off	1,504	7,667	-	-
Inventories written off/down	11,753	7,499	-	-
Expenses relating to leases				
- short-term leases	28,518	-	-	-
- leases of low-value assets	2,048	-	-	-
- variable lease payments	9,754	-	-	-
Loss on foreign exchange				
- realised	8,868	13,677	284	1,472
- unrealised	24,845	22,157	2,834	6,769
Research and development expenditure	527	119	-	-
Provision for sales warranty	900	581	-	-
Contribution to National Sports Council	28,692	50,366	-	-
Other expenses (Note c)	348,663	226,816	33,313	12,276

33. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>and crediting:</b>				
Amortisation of government grants	8	8	-	-
Reversal of impairment loss on receivables				
- trade receivables	8,265	9,049	-	-
- other receivables	122	962	-	-
Gain on foreign exchange				
- realised	25,851	15,313	21	558
- unrealised	44,892	75,407	4,672	-
Other income (Note d)	1,094,650	606,223	69,398	288,321

Notes:

\* It is not practicable to segregate the direct operating expenses of investment properties in respect of revenue and non-revenue generating properties due to periodic changes in the occupancy rates during the financial year/period.

(a) Staff costs consist of the following:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Wages, salaries and allowances	709,822	789,923	8,724	9,930
Social security costs and employees insurance	27,226	33,331	259	277
Bonuses	27,621	37,766	1,179	1,156
Pension costs				
- defined contribution plans	57,403	61,745	1,143	1,368
- defined benefit plans (Note 27(b))	991	2,361	-	-
Provision for short term compensated absences	127	(527)	-	-
Share-based payments (Note b)	552	999	-	-
Other staff related expenses	47,342	61,854	177	369
Total staff costs	871,084	987,452	11,482	13,100

Staff costs exclude remuneration of executive directors.

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. PROFIT BEFORE TAX (CONTINUED)

(b) Share-based payments consist of the following:

	Group	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Share-based payments for		
- employees of the Group	552	999
- director of the Company	128	255
- other directors of the Group	245	408
	925	1,662

(c) Other expenses

Included in other expenses are the following:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>(i) Other expenses - investing activities</b>				
Loss on disposal of				
property, plant and equipment	603	4,234	-	15
Loss on disposal of subsidiary company	298	2,521	-	-
Loss on partial disposal				
of subsidiary company	-	-	1,328	3,039
Loss on disposal/deemed				
disposal of associated company	3,031	-	303	-
Fair value loss				
for investment properties	21,669	20,177	-	-
Fair value loss of fair value				
through profit or loss equity				
instruments quoted in Malaysia	3,279	230	-	-
Impairment in value of				
- property, plant and equipment	6,548	17,098	-	-
- ROU assets	2,438	-	-	-
Impairment of intangible assets				
- goodwill	118,940	11,344	-	-
- others	47,249	1,183	-	-
Impairment on amount owing from				
associated companies	530	7,204	-	-
Impairment in value of investments in				
- associated companies	15,198	55,282	23,342	9,222
- a joint venture	1,000	21,523	-	-



33. PROFIT BEFORE TAX (CONTINUED)

(c) Other expenses (continued)

Included in other expenses are the following (continued):

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>(i) Other expenses - investing activities (continued)</b>				
Impairment in value of assets held for sale	-	5,376	-	-
Impairment loss in value of golf club corporate memberships	54	811	-	-
Land held for development written down	436	1,514	-	-
Loss on remeasurement of retained equity interest in former associated companies	1,794	-	-	-
Loss on dilution in an associated company	-	131	-	-
Property, plant and equipment written off	21,292	12,393	-	3
Intangible assets written off	6,673	198	-	-
Loss on initial recognition of derivative liabilities	6,157	-	5,478	-
Fair value loss on derivative assets	2,447	-	2,111	-
Fair value loss on derivative liabilities	835	-	751	-

(d) Other income

Included in other income are the following:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>(i) Other income - operating activities</b>				
Income from rental of land and buildings	16,325	23,876	-	-
Gain on disposal of marketable securities	-	2,434	-	-
Finance income - loans and receivables and other liabilities at amortised costs	79,195	53,954	-	-
Government grant	17,674	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. PROFIT BEFORE TAX (CONTINUED)

(d) Other income (continued)

Included in other income are the following (continued):

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>(ii) Other income - investing activities</b>				
Interest income				
from loans and receivables				
- interest income				
from subsidiary companies	-	-	58,173	99,203
- other interest income	48,347	64,749	2,462	3,824
Gross dividends from other investments				
- quoted in Malaysia	1,825	3,653	-	-
- quoted outside Malaysia	-	261	-	-
- unquoted in Malaysia	1,250	1,750	-	-
- unquoted associated company classified as non-current assets held for sale	2,609	822	-	-
Gain on disposal of:				
- property, plant and equipment	2,005	2,649	-	-
- investment properties	8,578	-	-	-
- land held for property development	-	244	-	-
- subsidiary companies	-	95,714	-	185,294
- a joint venture	-	195,743	-	-
Gain on remeasurement of retained equity interest in a former subsidiary company	2,000	-	-	-
Gain on remeasurement of retained equity interest in a former associated company	1,880	-	-	-
Reversal of impairment in value of investments in associated companies	269	2,310	-	-
Gain on initial recognition of derivative assets	4,749	-	4,070	-
Gain arising from sale and leaseback transaction	669,788	-	-	-
Fair value gain of fair value through profit or loss equity instruments quoted in Malaysia	348	6,274	-	-
Fair value gain for investment properties	111,158	7,828	-	-
Foreign exchange reserves of foreign subsidiaries transferred from equity upon disposal	-	23,440	-	-
Negative goodwill	3,123	-	-	-
Fire insurance claim awarded	26,000	-	-	-
Gain on dilution in an associated company	167	-	-	-

34. DIRECTORS' REMUNERATION

The aggregate directors' remuneration paid or payable to all directors of the Group and of the Company categorised into appropriate components for the financial year/period are as follows:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>Directors of the Company</b>				
Executive				
Salaries and other emoluments	25,304	31,886	752	953
Bonus	10,167	1,099	99	93
Retirement benefits				
- defined contribution plans	5,008	4,709	130	159
Benefits-in-kind	571	647	86	83
	<u>41,050</u>	<u>38,341</u>	<u>1,067</u>	<u>1,288</u>
Non-executive				
Fees	604	379	360	232
Bonus	33	39	-	6
Retirement benefits				
- defined contribution plans	43	57	5	11
Other emoluments	595	644	136	146
Benefits-in-kind	35	43	23	24
	<u>1,310</u>	<u>1,162</u>	<u>524</u>	<u>419</u>
	<u>42,360</u>	<u>39,503</u>	<u>1,591</u>	<u>1,707</u>
<b>Other directors of the Group</b>				
Fees	3,391	3,861	-	-
Salaries and other emoluments	21,056	22,824	-	-
Retirement benefits				
- defined contribution plans	1,280	985	-	-
- defined benefit plans (Note 27(b))	49	304	-	-
Bonus	201	224	-	-
Benefits-in-kind	313	416	-	-
	<u>26,290</u>	<u>28,614</u>	<u>-</u>	<u>-</u>
	<u>68,650</u>	<u>68,117</u>	<u>1,591</u>	<u>1,707</u>
Total directors' remuneration				

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. TAXATION

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>Statements of profit or loss</b>				
Income tax:				
- Malaysian income tax	153,480	226,063	3,900	5,365
- Foreign tax	14,034	45,347	-	-
- Withholding tax	21,121	17,540	5,427	16,081
Under/(Over)provision in prior years				
- Malaysian income tax	16,650	3,065	117	(34)
- Foreign tax	(518)	154	-	-
	<u>204,767</u>	<u>292,169</u>	<u>9,444</u>	<u>21,412</u>
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	23,459	(15,696)	(3,322)	(3,068)
Effects of real property gains tax	3,404	1,859	-	-
Effects of changes in real property gains tax rates	-	19,271	-	-
Under provision in prior years	4,717	4,398	-	-
	<u>31,580</u>	<u>9,832</u>	<u>(3,322)</u>	<u>(3,068)</u>
	<u>236,347</u>	<u>302,001</u>	<u>6,122</u>	<u>18,344</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year/period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
<b>Statements of comprehensive income</b>				
Deferred tax relating to other comprehensive income (Note 28):				
- Impairment of gaming rights	-	(100,177)	-	-
- Revaluation of land and building	7	(6,191)	-	-
- FVTOCI investment	223	(1,785)	-	-
- Defined benefit pension scheme	(986)	(134)	-	-
	<u>(756)</u>	<u>(108,287)</u>	<u>-</u>	<u>-</u>

35. TAXATION (CONTINUED)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Profit before tax	145,221	423,535	164,362	116,593
Applicable tax rate (%)	24	24	24	24
Taxation at applicable tax rate	34,853	101,648	39,447	27,982
Effect of changes in real property gain tax rate	-	19,271	-	-
Effect of different tax rates in other countries	4,381	(5,941)	(466)	(509)
Effect of share of results of associated companies and joint ventures	(2,872)	(798)	-	-
Effect of income subject to real property gain tax	3,404	1,859	-	-
Effect of income not subject to tax	(192,989)	(119,708)	(73,003)	(51,699)
Expenses not deductible under tax legislation	272,442	237,889	37,921	29,570
Effect of withholding tax	21,121	17,540	5,427	16,081
Utilisation of previously unrecognised deferred tax assets	(4,995)	(2,234)	-	-
Deferred tax assets not recognised during the financial year/period	55,183	49,785	1	21
Recognition as deferred tax assets on previously unrecognised deferred tax assets	(338)	(3,305)	-	-
Effects of BCorp ICULS interests	(3,322)	(3,068)	(3,322)	(3,068)
Deferred tax liabilities recognised on changes in undistributed profits of subsidiary company	28,630	1,446	-	-
Under/(Over) provision of income tax in prior years	16,132	3,219	117	(34)
Under provision of deferred tax in prior years	4,717	4,398	-	-
Taxation for the year/period	236,347	302,001	6,122	18,344

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. LOSS PER SHARE

### (1) Basic

Basic loss per share is calculated by dividing loss for the financial year/period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares with voting rights in issue during the financial year/period, including mandatorily convertible instruments.

	Group	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Loss attributable to equity holders	(117,272)	(111,757)
Adjustment for deemed conversion of BCorp ICULS (Note 32)	5,492	8,734
	<u>(111,780)</u>	<u>(103,023)</u>
Weighted average number of ordinary shares with voting rights in issue (inclusive of mandatorily convertible instruments) ('000)	5,849,875	5,702,549
Basic loss per share (sen)	<u>(1.91)</u>	<u>(1.81)</u>

### (2) Diluted

For the purpose of calculating diluted loss per share, the loss for the financial year/period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares with voting rights in issue during the financial year/period, including mandatorily convertible instruments, have been adjusted for the dilutive effects of the dilutive instruments of the Group.

	Group	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Adjusted loss attributable to equity holders	(111,780)	(103,023)
Dilution effect on exercise of BFood ESS options	-	(37)
Dilution effect on conversion of REDtone ICULS	-	(4)
Loss attributable to equity holders after assumed conversion/exercise	<u>(111,780)</u>	<u>(103,064)</u>
Weighted average number of ordinary shares with voting rights in issue (inclusive of mandatorily convertible instruments) ('000)	5,849,875	5,702,549
Diluted loss per share (sen)	<u>(1.91)</u>	<u>(1.81)</u>

**37. SEGMENTAL INFORMATION**

The Group is organised on a worldwide basis and presents its segmental information based on business segments:

- (1) financial services;
- (2) marketing of consumer products and services;
- (3) property investment and development;
- (4) hotels and resorts;
- (5) gaming and related activities;
- (6) restaurants; and
- (7) others.

Other business segments include clubs, recreation, and plantation segments which are not of a sufficient size to be reported separately.

All inter-segment transactions were carried out in the normal course of business and established under negotiated terms.

The geographical segmental information is prepared based on the locations of assets. The segment revenue by geographical location of where the sales are transacted does not differ materially from the segment revenue by geographical location of assets.

Unallocated assets/liabilities include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segments. These include mainly corporate assets, tax recoverable/liabilities, borrowings, hire purchase and lease obligations.

Other non-cash expenses include mainly unrealised loss on foreign exchange, property, plant and equipment written-off, intangible assets written-off, inventories written-off, and allowance for bad and doubtful debts.

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. SEGMENTAL INFORMATION (CONTINUED)

### By business segments

Revenue	External	Inter-segment	Total
	RM'000	RM'000	RM'000
<b>1.7.2019 to 30.6.2020</b>			
Financial services	55,444	3,377	58,821
Marketing of consumer products and services	2,883,580	26,202	2,909,782
Property investment and development	311,078	36,843	347,921
Hotels and resorts	406,017	3,529	409,546
Gaming and related activities	2,594,176	123,512	2,717,688
Restaurants	654,713	10,142	664,855
Others	84,772	15,925	100,697
Inter-segment elimination	-	(219,530)	(219,530)
<b>Total Revenue</b>	<b>6,989,780</b>	<b>-</b>	<b>6,989,780</b>

### 1.5.2018 to 30.6.2019

Financial services	43,100	2,836	45,936
Marketing of consumer products and services	3,925,489	56,636	3,982,125
Property investment and development	395,036	28,484	423,520
Hotels and resorts	638,375	2,804	641,179
Gaming and related activities	3,860,448	97,541	3,957,989
Restaurants	834,741	153	834,894
Others	96,086	33,561	129,647
Inter-segment elimination	-	(222,015)	(222,015)
<b>Total Revenue</b>	<b>9,793,275</b>	<b>-</b>	<b>9,793,275</b>

### Results

	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Financial services	13,555	15,955
Marketing of consumer products and services	(123,440)	71,115
Property investment and development	(111,417)	51,358
Hotels and resorts	(81,078)	81,603
Gaming and related activities	307,059	478,486
Restaurants	30,647	32,602
Others	(21,384)	(24,808)
	13,942	706,311
Unallocated corporate expenses	(113,993)	(106,766)
	(100,051)	599,545
Other income - investing activities	884,096	405,442
Other expenses - investing activities	(260,471)	(161,219)
	523,574	843,768
Finance costs	(390,321)	(423,557)
Share of results of associates	3,583	(811)
Share of results of joint ventures	8,385	4,135
Profit before tax	145,221	423,535
Taxation	(236,347)	(302,001)
(Loss)/Profit for the financial year/period	(91,126)	121,534



## 37. SEGMENTAL INFORMATION (CONTINUED)

<b>Assets and liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>2020</b>		
Financial services	391,075	96,407
Marketing of consumer products and services	3,283,532	1,550,821
Property investment and development	7,045,073	2,784,284
Hotels and resorts	2,796,447	1,112,549
Gaming and related activities	4,185,483	693,579
Restaurants	610,793	611,987
Others	1,048,532	884,875
Inter-segment elimination	(886,199)	(848,900)
	<u>18,474,736</u>	<u>6,885,602</u>
Unallocated items	2,920,894	4,998,536
<b>Total Assets and Liabilities</b>	<u><u>21,395,630</u></u>	<u><u>11,884,138</u></u>
<b>2019</b>		
Financial services	368,653	51,927
Marketing of consumer products and services	2,925,027	1,032,428
Property investment and development	7,632,931	2,218,255
Hotels and resorts	1,684,567	309,078
Gaming and related activities	4,238,604	764,263
Restaurants	239,233	323,026
Others	905,158	826,309
Inter-segment elimination	(822,396)	(811,658)
	<u>17,171,777</u>	<u>4,713,628</u>
Unallocated items	2,648,862	5,374,115
<b>Total Assets and Liabilities</b>	<u><u>19,820,639</u></u>	<u><u>10,087,743</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. SEGMENTAL INFORMATION (CONTINUED)

Other information	Capital expenditure RM'000	Depreciation and amortisation RM'000	Impairment loss RM'000	Other non-cash expenses RM'000
<b>1.7.2019 to 30.6.2020</b>				
Financial services	1,327	2,584	-	4,145
Marketing of consumer products and services	151,175	189,065	111,741	4,098
Property investment and development	233,731	32,528	12	8,153
Hotels and resorts	37,111	56,262	-	15,142
Gaming and related activities	20,977	45,054	-	3,428
Restaurants	113,584	127,356	3,677	4,481
Others	10,045	29,672	13,596	3,635
	567,950	482,521	129,026	43,082
Unallocated items	43,385	13,591	62,931	7,123
Total	611,335	496,112	191,957	50,205

### 1.5.2018 to 30.6.2019

Financial services	2,891	1,339	-	1,018
Marketing of consumer products and services	66,659	56,343	87	18,386
Property investment and development	26,030	47,187	990	2,738
Hotels and resorts	32,702	22,980	-	2,867
Gaming and related activities	38,199	71,333	21,840	616
Restaurants	108,991	59,326	9,099	1,895
Others	9,816	22,086	5,012	9,513
	285,288	280,594	37,028	37,033
Unallocated items	6,339	13,376	82,793	25,519
Total	291,627	293,970	119,821	62,552

By geographical segments	Revenue	Capital expenditure	Assets
	RM'000	RM'000	RM'000
<b>2020</b>			
Malaysia	4,442,768	344,735	13,423,863
Outside Malaysia	2,547,012	266,600	7,971,767
<b>Total</b>	6,989,780	611,335	21,395,630
<b>2019</b>			
Malaysia	5,933,363	240,932	13,457,456
Outside Malaysia	3,859,912	50,695	6,363,183
<b>Total</b>	9,793,275	291,627	19,820,639

38. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	Note	Group		Company	
		1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Management fees receivable from					
- subsidiary companies		-	-	(2,079)	(2,425)
- associated company		-	-	(38)	(140)
Rental of premises and related services receivable from					
- Singer	b	(485)	(566)	-	-
- Sun Media Corporation Sdn Bhd ("SMCSB")	a	(399)	(544)	-	-
- 7-Eleven	b	(2,473)	(2,330)	-	-
- UMobile	c	(1,753)	(1,893)	-	-
- Berjaya Assets Food (BAF) Sdn Bhd	e	(657)	(835)	-	-
Rental of premises payable to					
- Berjaya Times Square Sdn Bhd	e	4,578	6,169	-	-
- BSompo	a	562	656	-	-
Parking charges payable to					
- BTS Car Park Sdn Bhd	e	1,136	1,407	-	-
Transportation service provided to					
- 7-Eleven	b	(9,300)	(11,681)	-	-
Research, development, implementation and maintenance services as well as purchase of hardware, software, network equipment from Qinetics Solutions Sdn Bhd, Qinetics MSP Sdn Bhd and Qinetics Services Sdn Bhd	b	4,741	5,990	1,316	1,430
Advertising and publishing services charged by SMCSB	a	1,469	2,458	-	52
Sales of product to 7-Eleven	b	(3,330)	(4,689)	-	-
Supply of computerised lottery systems and related services to Natural Avenue Sdn Bhd	e	(1,846)	(764)	-	-
Provision of wireless broadband services to BSompo	a	(1,045)	(1,761)	-	-
Purchase of a property unit from Deru Klasik Sdn Bhd	d	-	12,435	-	-
Provision of security guard services to					
- Subsidiaries of BAssets	e	(40)	(108)	-	-
- UMobile	c	-	(241)	-	-
- Singer	b	(210)	(100)	-	-
Upkeep of motor vehicles and purchase of motor vehicles					
- Auto Tulin Sdn Bhd	d	1,694	1,648	233	835
Vehicle assembly related services provided by Berjaya Assembly Sdn Bhd	e	1,414	1,580	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 38. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

- (a) Associated companies of the Group.
- (b) Companies where Tan Sri Vincent Tan, a major shareholder and the chairman of the Company, is deemed to have an interest.
- (c) A company in which the directors of the Company, namely DSRTYC and Nerine Tan Sheik Ping ("NT") have interests. Tan Sri Vincent Tan is also a substantial shareholder of UMobile.
- (d) A company in which a person connected with Tan Sri Vincent Tan has interest.
- (e) Subsidiary company of BAssets. Tan Sri Vincent Tan is a substantial shareholder of BAssets while DSRTYC and NT are also shareholders of BAssets. Tan Sri Vincent Tan is the father of DSRTYC and NT.

In the previous reporting period, certain professional fee amounting to RM4,790,000 was incurred by a foreign subsidiary company for management and consultancy services contracted with a corporate entity, of which the Chief Executive Officer of the foreign subsidiary company has interest.

The compensation of the key management personnel of the Group and of the Company are as follows:

	Group		Company	
	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000	1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
Short-term benefits	44,322	42,739	1,456	1,537
Post-employment benefits	6,068	6,005	135	170
	<u>50,390</u>	<u>48,744</u>	<u>1,591</u>	<u>1,707</u>

39. COMMITMENTS

(a) Other commitments

	Group	
	2020 RM'000	2019 RM'000
Capital expenditure		
- approved and contracted for	362,414	325,660
Group's share of a joint venture's commitment		
- land use rights fee	30,126	19,270
Share subscription in		
- associated company	104,946	-
- joint venture	8,000	8,000
- several foreign investees	-	67,476
	505,486	420,406

(b) Non-cancellable operating lease commitments - Group as lessees

The Group entered into operating leases which represent rental payable for the use of land and buildings, vehicles, plant and equipment. Leases are negotiated for a period of between 1 and 70 years and rentals fixed for between 1 and 70 years. In addition to the above, the annual contingent rental amount is chargeable on a percentage of respective store's turnover or profits, where appropriate, as stated in the relevant lease agreements.

A foreign subsidiary company had entered into land lease contracts for lease terms of 100 years. These leases are non-cancellable upon the foreign subsidiary obtaining property development approval from the foreign authorities.

The future aggregate minimum lease payments under operating leases contracted for as at 30 June 2019 but not recognised as liabilities, are as follows:

	Group
	2019
	RM'000
<u>As reported previously under MFRS 117</u>	
Non-cancellable operating lease commitments as lessees	
- Within 1 year after reporting date	145,727
- Later than 1 year but not more than 5 years	206,239
- Later than 5 years	405,539
	757,505

Upon adoption of MFRS 16, the present value of future minimum lease payments for operating leases have been accounted for as part of the lease liabilities as disclosed in Note 4(b).

# NOTES TO THE FINANCIAL STATEMENTS

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## 39. COMMITMENTS (CONTINUED)

### (c) Non-cancellable operating lease commitments - Group as lessors

	Group	
	2020 RM'000	2019 RM'000
Non-cancellable operating lease commitments as lessors		
- Within 1 year after reporting date	26,257	26,351
- Later than 1 year but not more than 5 years	19,405	22,206
- Later than 5 years	-	28
	<u>45,662</u>	<u>48,585</u>

The Group entered into commercial property leases on its investment properties portfolio consisting of commercial and office space.

## 40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS

The Company provided corporate guarantees to certain financial institutions for credit facilities granted to its subsidiary companies. The Company has assessed and regarded that the credit enhancements provided by these guarantees are minimal. As such, the Company did not ascribe any values to these corporate guarantees.

Details of contingent liabilities and material litigations are as follows:

### (1) The Armen case

On 17 April 2014, Armen Temuran and another party ("Armen&anor") filed a lawsuit against CoswayUSA and several other parties ("CoswayUSA&ors") for alleged breach of contract and unfair business practice. The court ruled that all except the fifth, sixth, eighth and twelfth of the twelve causes of action are dismissed. However, Armen&anor had filed a second amended complaint ("SAC") in May 2015 with the claims amounting to USD5.54 million (about RM21.66 million). CoswayUSA&ors had filed another demurrer with respect to the SAC and the court has sustained the defendant's demurrer on 31 July 2015. Armen&anor filed a third amended complaint. CoswayUSA has filed a demurrer, a motion to strike off a portion of the third amended complaint, and a request for judicial notice. On 10 December 2015, the court granted CoswayUSA's request for judicial notice and the motion to strike off. Also, the court sustained all except four of the demurrer (or objections) filed by the CoswayUSA against Armen&anor's third amended complaint. At a hearing on 23 June 2016, the court ruled for the four remaining claims, filed by Armen&Anor, to proceed to mandatory settlement meeting on 1 July 2016. At the mandatory settlement meeting on 1 July 2016, no agreement was made on any out of court settlement. The case proceeded to trial on 1 August 2016 but the trial was postponed to 26 September 2016. The trial was further postponed to 31 October 2016 at the request of Armen&anor. The trial proceeded for three days but there was a procedural error and a new trial was re-scheduled to 27 February 2017. The trial commenced on 27 February 2017 as re-scheduled and it ended on 22 March 2017 with the verdict that 2 of the claims have been withdrawn while for the remaining 2 claims, Armen&anor were unsuccessful with their claims. On 18 May 2017, the Court issued written judgment in favour of CoswayUSA and others in their counter claim against Armen&anor and were awarded USD15,200 plus USD3,990 in pre-judgment interest. The Court further entered judgment in favour of CoswayUSA against Aditya AHT Inc, owned by Armen&anor and one of the parties that CoswayUSA counter claimed against, in the sum of USD56,327 (about RM220,000). On 26 May 2017, Armen&anor filed a motion to set aside the jury verdict. The case was heard on 6 July 2017 and the Court dismissed Armen&anor's motion to set aside the jury verdict. Armen&anor filed a Notice of Appeal on 8 August 2017 in the Court of Appeal, Fourth Appellate District Court, Division 3, California. Armen&anor filed for appeal. The appeal trial was held on 15 July 2019. On 2 October 2019, the court had issued its final judgment and decided that CoswayUSA are to recover their costs on appeal. However, the management are of the view that the legal fee to recover the awarded judgment will outweigh the awarded judgment, therefore, the management had decided not to proceed further.

**40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)****(2) The STC Proposals Proceedings**

On 19 July 2004, BTSB, a wholly owned subsidiary company of BLand, proposed the acquisition of STCLand from STC for a consideration of RM640.0 million and BCityLand, located in the area of Sungai Tinggi, Daerah Ulu Selangor, Selangor from BCity, a subsidiary company of the Group, and also proposed the appointment of BCity as a turnkey contractor for the STC Proposals. On 28 June 2010, BLand announced the status of the CP of the STC Proposals as follows:

- 1) Approval from the FIC for the STC Proposals was obtained on 12 October 2004;
- 2) Approval from the FIC for the acquisition of the BCityLand was obtained on 21 October 2004;
- 3) Approvals from the shareholders of BTSB, BLand, BCity and BGroup for the STC Proposals were obtained on 4 November 2004;
- 4) Approvals from the State Authority Consent for the transfer of STCLand in favour of BTSB were obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item (6) of the CP is fulfilled;
- 5) The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfilment of item (6) of the CP;
- 6(a) The approval for the master layout plan for the BCityLand was obtained on 11 February 2008. However, due to the change in the Selangor government, the plan is to be re-tabled and BTSB is awaiting the decision from the Selangor government;
- 6(b) The approval from the MDHS for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6(a) of the CP is fulfilled; and
- 6(c) The approval from the State Exco of Selangor for the conversion and sub-division of BCityLand is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6(a) and 6(b) are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, BLand announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the CP in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, BLand announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, BLand announced that BTSB and STC had entered into a SupAgmt to mutually vary certain terms of the sale and purchase agreement dated 19 July 2004, as follows:

- i) if there is any CP remaining outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of the STCLand. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by BTSB for such extension; and
- ii) upon signing the SupAgmt, BTSB shall pay STC an advance part payment of RM7.0 million, which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration will be paid within 33 months from the date of the last CP is fulfilled or such other date as mutually extended.

## NOTES TO THE FINANCIAL STATEMENTS

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### 40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

#### (2) The STC Proposals Proceedings (continued)

Pursuant to the aforesaid SupAgmt, the period is extended to 18 January 2020 to fulfil the CP below:

- 1) renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and
- 2) the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:
  - (i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;
  - (ii) approval from the MDHS for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and
  - (iii) approval from the State Exco of Selangor for the conversion and sub-division of BCityLand after approvals under items 2(i) and (ii) above are obtained.

On 10 November 2017, BLand announced that further to the legal proceedings instituted by BLand, BTSB and BCity ("the Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, (6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

The judgment rendered on 9 November 2017 was as follows:

- 1) The Applicants' applications against the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents were dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively;
- 2) The Applicants are allowed to proceed with the development;
- 3) The Applicants are required to submit the relevant documents to the relevant technical departments for comments;
- 4) The technical departments are directed to respond within 3 months from the receipt of these documents, and failing which it is deemed that they have no objection to these documents;
- 5) Pursuant to an order in the nature of mandamus, the 1st and 5th Respondents are directed to re-table the Applicants' proposal papers to relocate and construct the STC before the National Physical Planning Council within 3 months after the receipt of the proposal papers from the Applicants;
- 6) The Applicants are directed to submit the said proposal papers within 1 month upon receipt of the fair order, failing which the Applicants shall forfeit the benefit of the order of mandamus pursuant to paragraph (5) above; and
- 7) The 1st and 5th Respondents are ordered to pay the Applicants compensation for any loss suffered by the Applicants. The amount of such compensation will be assessed in subsequent proceedings.



**40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)****(2) The STC Proposals Proceedings (continued)**

On 14 December 2017, BLand announced that the Selangor State Government and several other respondents ("the Appellants") have filed a Notice of Appeal to the Court of Appeal to appeal against the above decision of the Shah Alam High Court ("Main Appeal"). The hearing at the Court of Appeal has been fixed on 8 October 2018. The 1st and 5th Respondents have also applied to stay the ongoing proceedings in the Shah Alam High Court and the execution of the Shah Alam High Court judgment in the judicial review proceedings ("Stay of Proceedings Application"). The Applicants have applied to the Shah Alam High Court for an extension of time to submit the proposal papers to the 1st and 5th Respondents ("Extension of Time Application"). In addition, the Applicants have also filed an application for assessment of compensation pursuant to the aforesaid Shah Alam High Court judgment ("Assessment Proceedings").

The Court of Appeal has granted a stay of execution of the Shah Alam High Court judgment and the Assessment Proceedings pending the disposal of the Main Appeal at the Court of Appeal. The hearing of the Main Appeal at the Court of Appeal, which was previously fixed on 24 October 2019 has been vacated by the Court of Appeal. The Court of Appeal will instead hear a motion by the Appellants to adduce further evidence in this matter. The Court of Appeal has fixed 22 November 2019 as case management date to fix the hearing date of the Main Appeal. The Court of Appeal fixed the hearing date of the Main Appeal on 27 March 2020.

The hearing of the Appellants' motion to adduce further evidence in the matter was dismissed by the Court of Appeal on 24 October 2019. The Appellants subsequently filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal in dismissing the Appellants' motion to adduce further evidence (the "FC Leave Motion"). The Federal Court has fixed the hearing of the FC Leave Motion on 13 April 2020.

The Appellants have also filed a stay application to stay the hearing of the Main Appeal pending disposal of the FC Leave Motion. This stay application is fixed for hearing on the same day as the hearing of the Main Appeal, that is on 27 March 2020. In the event that the stay is refused by the Court of Appeal, the hearing of the Main Appeal will proceed.

Due to the MCO coming into effect on 18 March 2020, the hearings of the FC Leave Motion and the application for stay as well as the main appeal were postponed to 6 July 2020 and 2 July 2020 respectively. A case management date for the main appeal was also fixed for 9 July 2020 by the Court of Appeal.

Subsequently, the Appellants have withdrawn both FC Leave Motion and the stay application at the Court of Appeal. The hearing of the main appeal by the Court of Appeal has now been fixed on 14 December 2020.

The STC Proposals proceedings are still ongoing.

**(3) The JDC Lawsuit**

On 6 November 2015, BLand announced that its 72.6% subsidiary, BJR had instituted legal proceedings at the Seoul Central District Court in the Republic of Korea against JDC for breach of certain terms and conditions set out in the Land SPA entered into between BJR and JDC in relation to the proposed mixed development of an international themed village known as the "Jeju Airst City" in Jeju Island, Republic of Korea (Jeju Project) and to claim for losses and damages incurred as a result thereof ("JDC Lawsuit"). JDC holds a 19% stake in BJR.

Pursuant to the Land SPA, JDC is obligated to transfer the land to BJR, free from all liens, security interests and encumbrances. However, on 20 March 2015 the Korean Supreme Court ruled that the expropriation by JDC of certain parcels of land which were then subsequently sold to BJR pursuant to the Land SPA was invalid. Hence, the Group deemed that JDC had breached the terms of the Land SPA as it had failed to transfer good and unencumbered title to the said lands to BJR. Under the circumstances, the ongoing development works on the Jeju Project were suspended pending the resolutions of the lawsuits. A consequence of the Korean Supreme Court decision is that certain other former owners of the said lands had filed lawsuits against JDC and BJR, seeking the cancellation of registration of land titles ("Landowners Lawsuits").

## NOTES TO THE FINANCIAL STATEMENTS

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### 40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

#### (3) The JDC Lawsuit (continued)

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

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. BJR has grounds to terminate the Land SPA following court decisions rendered in certain of the Landowner Lawsuits to cancel the registration of land titles.

At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct land price appraisal of Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. The land price appraisal report of the Jeju Project has been completed by the court appointed land appraisal company and the land price appraisal report has been submitted directly to the Court.

On 13 September 2017, Jeju District Court rendered a judgment against JDC and Seogwipo City in the Administrative Lawsuit. The judgment rendered all of the development approvals issued in connection with the Jeju Project null and void. JDC and Seogwipo City have filed an appeal against the Administrative Lawsuit judgment. On 1 February 2019, the Korean Supreme Court dismissed the appeal of JDC and Seogwipo City.

In view of the nullification of all the development approvals issued in connection with the Jeju Project, BJR made an application to the court in the JDC Lawsuit for a supplementary land price appraisal report to be prepared with respect to the Jeju Project site subject to a revised assumption that no development approval had been issued on the Jeju Project site. In February 2018, the presiding judge in the JDC Lawsuit was re-assigned to another court and another judge was appointed as the new presiding judge in the JDC Lawsuit.

In July 2018, BJR made an application to the court in the JDC Lawsuit to conduct a second supplementary land price appraisal report as BJR was dissatisfied with the first supplementary land appraisal report which was based on disputable land reference. The court in the JDC Lawsuit granted BJR's application to conduct the second supplementary appraisal, to be undertaken by a different appraiser. The second supplementary land price appraisal report has been completed and a preparatory hearing was held on 20 June 2019. The presiding judge closed the preparatory proceedings for pleading and stated that the formal hearing will commence on 25 July 2019.

At the formal hearing held on 25 July 2019, the presiding judge requested BJR to submit evidentiary evidence with respect to the total claims by BJR and fixed 19 September 2019 as the next hearing date. On 19 September 2019, the presiding judge fixed 31 October 2019 as the final hearing before the Court decides on the JDC Lawsuit. The final hearing was subsequently re-set to 25 November 2019. The Court has fixed 9 January 2020 for the delivery of the judgement. On 9 January 2020, the delivery of the Court's judgement was postponed to 6 February 2020. On 6 February 2020, the Court further postponed the delivery of its judgement to 23 June 2020.

On 30 June 2020, the Company announced that the Seoul Central District Court has on 23 June 2020, rendered a mediation decision at the request of the parties to the JDC Lawsuit based upon the principal terms of their settlement negotiations ("Mediation Decision"). Pursuant to the Mediation Decision, the Company and its subsidiaries namely BLCL and BJR, together with Swan Street Partners LLC ("SSP"), an investor in BJR, have on 30 June 2020 entered into a Settlement Agreement with JDC to fully, comprehensively and finally settle and resolve any and all potential disputes arising out of and/or in connection with the Jeju Project and the JDC Lawsuit ("Settlement").

#### 40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

##### (3) The JDC Lawsuit (continued)

Pursuant to the Settlement, all parties agree to resolve all disputes arising from the Jeju Project via payment by JDC of:

- (a) KRW125.00 billion (or about RM443.88 million) to BLCL and SSP as compensation for damages incurred as joint venture partners of JDC in BJR ("JVA Damages"); and
- (b) a compensation sum to BJR due to damages incurred by BJR with regard to the Land SPA and the Jeju Project, where BJR shall utilise such sum to repay its relevant liabilities, payables and expenses which includes the debt owing to POSCO Engineering & Construction Co., Ltd. ("POSCO", the main contractor for the Jeju Project) and part of the inter-company loan amount owing by BJR to BLCL ("Land SPA Damages").

The estimated total settlement sum to be received by BLCL from the JVA Damages and Land SPA Damages, net of relevant taxes and expenses, is estimated to be about KRW102.00 billion (or about RM362.19 million). ("Settlement Sum")

The payments of the JVA Damages and Land SPA Damages by JDC are subject to, among others, the following conditions:

- (a) The Mediation Decision for the JDC Lawsuit shall have been lawfully and validly finalised and concluded;
- (b) a report to the Bank of Korea under the Foreign Exchange Transaction Regulations necessary for the execution and performance of the Settlement Agreement shall have been lawfully accepted;
- (c) BJR shall, with the sum of the full amount of cash and cashable assets it owns and the Land SPA Damages, repay its relevant liabilities, payables and expenses (including the debt to POSCO and part of the inter-company loan amount owing to BLCL); and
- (d) BLCL and SSP shall transfer all of their shares in BJR to JDC at no cost.

On 28 August 2020, the Company announced that the resolution of the JDC Lawsuit involving the Settlement has been completed with the receipt of the Settlement Sum by BLCL and accordingly, BJeju ceased as a subsidiary of the Group on even date.

##### (4) GMOC Project Arbitration Proceedings

In the financial year ended 30 April 2017, BLand had announced that GMOC, a 51.00% owned subsidiary company of the BLand group, had completed the disposal of the Great Mall Project located in Sanhe City, Hebei Province, the People's Republic of China for a revised total cash consideration of RMB2.04 billion (or about RM1.23 billion) to Beijing SkyOcean. GMOC had received RMB1,065 million (or about RM641.28 million) and the balance of cash consideration of RMB974.07 million (or about RM586.53 million) ("Final Instalment") was to be received by November 2017.

On 8 December 2017, BLand announced that Beijing SkyOcean had not remitted the Final Instalment of RMB974.07 million (about RM602.40 million) by the appointed time. Accordingly, GMOC had on 7 December 2017 issued a notice of demand to Beijing SkyOcean and the guarantors to pay the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceedings in Hong Kong against Beijing SkyOcean and the guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, BLand announced that GMOC submitted a Notice of Arbitration to the HKIAC against Beijing SkyOcean and the guarantors namely, SkyOcean Holdings Group Limited and Mr Zhou Zheng, to recover the Final Instalment and accrued late payment interests and other reliefs.

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### 40. FINANCIAL GUARANTEES, CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

#### (4) GMOC Project Arbitration Proceedings (continued)

The arbitral tribunal was constituted and the procedural timetable was determined by the tribunal for pre-trial preparations, including closing of pleadings, discovery of documents and exchange of witness statements, etc. The arbitration hearing which was originally scheduled to take place in the week of 14 October 2019 was subsequently held and concluded during the week of 16 December 2019.

On 27 May 2020, BLand announced that GMOC has on 21 May 2020 obtained a favourable arbitration award from the HKIAC ("Final Award"), details of which are as follows:-

- (i) Beijing SkyOcean shall pay to GMOC the outstanding balance amount of RMB974.07 million;
- (ii) Beijing SkyOcean shall pay liquidated damages on the outstanding balance amount calculated at the People's Bank of China's lending rate of 4.75% per annum from the payment due date of 28 November 2017 until the date full payment is made;
- (iii) The Guarantors shall be jointly and severally liable for the amounts payable by Beijing SkyOcean under the Final Award; and
- (iv) The Respondents shall jointly pay legal costs of about RMB15.9 million (or about RM9.72 million) and arbitration costs of about HKD3.96 million (or about RM2.23 million) within 30 days after issuance of the Final Award, failing which late payment interest at 8% per annum shall be charged from the due date until the date of actual payment.

GMOC has proceeded to seek recognition and enforcement of the Final Award in all relevant jurisdictions, upon the expiry of the 30 days' voluntary settlement period stated in the Final Award on 20 June 2020.

The above mentioned recognition and enforcement proceedings is still ongoing.

**41. FAIR VALUE MEASUREMENT**

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

41.1 Group's non-financial assets that are measured at fair value

The table below analyses the Group's non-financial assets measured at fair value at the reporting date, according to the level in the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000

**2020**

Investment properties				
- Commercial properties	-	-	901,357	901,357
- Other properties	-	-	110,819	110,819
	-	-	1,012,176	1,012,176

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000

**2019**

Investment properties				
- Commercial properties	-	117,866	635,321	753,187
- Other properties	-	43,697	62,210	105,907
	-	161,563	697,531	859,094

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## 41. FAIR VALUE MEASUREMENT (CONTINUED)

### 41.1 Group's non-financial assets that are measured at fair value (continued)

#### Description of valuation techniques used and key inputs to valuation on non-financial assets

##### (1) Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

In the previous period, certain investment properties valued using the comparison method are categorised as Level 2 in the fair value hierarchy.

Investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy. The significant unobservable inputs for this category of investment properties, which are the adjustment factors, range between 38% and -56% (2019: 71% and -114%) of the respective properties' fair value.

Fair value reconciliation of non-financial assets measured at Level 3:

	Group	
	2020 RM'000	2019 RM'000
At beginning of financial year/period	697,531	704,492
Reclassification from Level 2	161,563	-
Additions during the financial year/period	-	2,245
Acquisition of subsidiary company	51,028	-
Net transfer (to)/ from property, plant and equipment	(8,658)	9,745
Net transfer from ROU assets	1,217	-
Net transfer from inventories	22,378	-
Fair value adjustments during the financial year/period	89,489	(18,203)
Exchange differences	(2,372)	(748)
At end of financial year/period	<u>1,012,176</u>	<u>697,531</u>

During the current financial year, an amount of RM161,563,000 was transferred from Level 2 in the fair value hierarchy to Level 3, as the Group has assessed the adjustment factors for this categories of investment properties became significant in the light of softer real estate market mainly due to the effect of COVID-19 pandemic.

41. FAIR VALUE MEASUREMENT (CONTINUED)

41.1 Group's non-financial assets that are measured at fair value (continued)

(2) Sensitivity analysis

The increase in the price per square feet of comparable properties in the surrounding vicinity will result in an increase of fair value of these properties.

41.2 Fair value disclosures of non-financial assets

The table below analyses the Group's fair value disclosures of the non-financial assets not measured at fair value, for which fair value is disclosed:

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<b>2020</b>				
Associated companies	318,923	-	-	318,923
<b>2019</b>				
Associated companies	366,679	-	-	366,679
<b>Company</b>				
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<b>2020</b>				
Subsidiary companies	100,586	-	-	100,586
Associated companies	202,768	-	-	202,768
<b>2019</b>				
Subsidiary companies	134,000	-	-	134,000
Associated companies	248,460	-	-	248,460

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## 41. FAIR VALUE MEASUREMENT (CONTINUED)

### 41.3 Financial Instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, according to the level in the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<b>2020</b>				
<b>Financial assets</b>				
Other investments	107,740	-	51,210	158,950
Short-term investments	-	78,439	-	78,439
Inventories - Trading account securities	2,461	-	-	2,461
Derivative assets	-	2,302	-	2,302
<b>Financial liability</b>				
Derivative liabilities	-	6,992	28,239	35,231
<b>2019</b>				
<b>Financial assets</b>				
Other investments	86,414	-	45,524	131,938
Short-term investments	-	33,040	-	33,040
Inventories - Trading account securities	2,179	-	-	2,179
<b>Company</b>				
Company	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
<b>2020</b>				
<b>Financial assets</b>				
Other investments	8,027	-	-	8,027
Derivative assets	-	1,959	-	1,959
<b>Financial liability</b>				
Derivative liabilities	-	6,229	-	6,229



41. FAIR VALUE MEASUREMENT (CONTINUED)

41.3 Financial Instruments that are measured at fair value (continued)

The Level 3 investments consist certain equity securities inside and outside Malaysia of which their market values are not quoted in an active market. The fair values of unquoted equity securities inside Malaysia are determined to be the Group's and the Company's share of the net assets of the respective investees. Whilst the fair values of unquoted equity securities outside Malaysia are determined through discounted cash flow valuation technique ("DCF"). The Group used assumption that are mainly based on market conditions and historical performance of the entity such as discount rate and expected growth rate in the DCF.

The following table reconciles the Group's Level 3 fair value measurement of the other investments:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial year/period	45,524	91,553
Disposal during the financial year/period	(452)	(38,063)
Fair value adjustments during the financial year/period	6,138	(9,007)
Exchange differences	-	1,041
At end of financial year/period	<u>51,210</u>	<u>45,524</u>

The Level 3 derivative liability is determined by the terms in the call and put option agreement, which requires making assumptions on the future performance of an investee, such as discount rate and the expected growth rate in the DCF of the investee.

The following table reconciles the Group's Level 3 fair value measurement of the derivative liabilities:

	<b>Group</b>
	<b>2020</b>
	<b>RM'000</b>
At beginning of financial year	-
Initial recognition during the financial year	28,257
Fair value adjustments during the financial year	(18)
At end of financial year	<u>28,239</u>

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## 42. FINANCIAL INSTRUMENTS

### 42.1 Classification of financial instruments

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The accounting policies in Note 2.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Financial assets</b>				
<u>Fair value through other comprehensive income</u>				
Other investments	144,392	123,650	8,027	-
<u>Fair value through profit or loss</u>				
Other investments	14,558	8,288	-	-
Inventories - Trading account securities	2,461	2,179	-	-
Short-term investments	78,439	33,040	-	-
Derivative assets	2,302	-	1,959	-
	97,760	43,507	1,959	-
<u>At amortised cost</u>				
Other long term receivables	263,036	1,406,951	-	64,654
Trade and other receivables	1,762,511	988,531	1,652,953	1,292,295
Deposits with financial institutions	494,946	688,129	26,247	98,817
Cash and bank balances	1,009,839	881,706	21,661	8,607
	3,530,332	3,965,317	1,700,861	1,464,373
Total financial assets	3,772,484	4,132,474	1,710,847	1,464,373

42. FINANCIAL INSTRUMENTS (CONTINUED)

42.1 Classification of financial instruments (continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Financial liabilities</b>				
<u>Fair value through profit or loss</u>				
Derivative liabilities	35,231	-	6,229	-
<u>At amortised cost</u>				
Liability component of irredeemable convertible unsecured loan stocks	73,673	101,591	72,749	101,566
Long term borrowings	3,013,575	3,491,437	374,292	510,948
Other long term liabilities	77,919	93,391	75,698	84,303
Trade and other payables	1,910,161	1,777,091	542,075	224,112
Short term borrowings	2,299,650	2,412,990	395,063	440,944
Lease liabilities	2,159,884	-	-	-
	<u>9,534,862</u>	<u>7,876,500</u>	<u>1,459,877</u>	<u>1,361,873</u>
Total financial liabilities	<u>9,570,093</u>	<u>7,876,500</u>	<u>1,466,106</u>	<u>1,361,873</u>

42.2 Fair value

(1) Financial instruments that are measured at fair value

Information of financial instruments of the Group that are measured at fair value is disclosed in Note 41.

(2) Financial instruments that are not measured at fair value and whose carrying amounts are reasonable approximations of fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	<u>Note</u>
Other long term receivables	11
Trade and other receivables (current)	14
Trade and other payables (current)	29
Short term borrowings (current)	30
Lease liabilities	4
Other long term liabilities	26
Long term borrowings (non-current) at floating rate	25

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values due to either insignificant impact of discounting from their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

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## 42. FINANCIAL INSTRUMENTS (CONTINUED)

### 42.2 Fair value (continued)

- (3) Financial instruments that are not measured at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Group			
	2020 Carrying amount RM'000	2020 Fair value RM'000	2019 Carrying amount RM'000	2019 Fair value RM'000
<u>Financial liabilities</u>				
BCorp ICULS 2012/2022	62,559	30,624	89,965	58,495
BCorp ICULS 2016/2026	10,190	9,165	11,601	9,134
REDtone ICULS	-	-	25	7
SIAMH ICULS	924	924	-	-
Fixed rate loan	24,476	19,597	26,700	20,782
MTN	1,197,658	1,328,151	1,298,385	1,442,063

	Company			
	2020 Carrying amount RM'000	2020 Fair value RM'000	2019 Carrying amount RM'000	2019 Fair value RM'000
<u>Financial liabilities</u>				
BCorp ICULS 2012/2022	62,559	30,624	89,965	58,495
BCorp ICULS 2016/2026	10,190	9,165	11,601	9,134

#### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management policies of the Group seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market risk (including interest rate risk, foreign currency risk and equity price risk), liquidity risk and credit risks. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

##### 43.1 Market risk

###### (1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The interest bearing assets are made up of deposits with licensed financial institutions and interest bearing receivables.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and by maintaining a prudent mix of short and long term deposits and actively reviewing its portfolio of deposits. The Group also ensures that the rates contracted for its interest bearing receivables are reflective of the prevailing market rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by maintaining a mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculation purposes.

All of the Group's and Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2019: less than 6 months) from the reporting date.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

###### (i) Fair value sensitivity analysis for fixed rate instruments

The Group does not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the income statement.

###### (ii) Sensitivity analysis for floating rate instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit or loss before tax of the Group and of the Company to be higher/lower by RM8,705,000 (2019: RM9,854,000) and by RM1,461,000 (2019: RM958,000), respectively. This analysis assumes that all other variables remain constant.

###### (2) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group operates internationally and is exposed to various currencies, mainly United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Thai Baht ("THB"), Japanese Yen ("JPY"), Seychelles Rupees ("SCR"), Vietnam Dong ("VND") and Icelandic Krona ("ISK"). The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### 43.1 Market risk (continued)

#### (2) Currency risk (continued)

The significant unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional Currency of Group Companies	USD	EUR	SGD	THB	JPY	VND	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

As at 30 June 2020

#### Trade and Other Receivables

MYR	215,860	-	220	91,341	3,691	63,172	374,284
SCR	366	3,697	-	-	-	-	4,063
SGD	-	-	-	-	15,835	-	15,835
ISK	-	499	-	-	-	-	499
	<u>216,226</u>	<u>4,196</u>	<u>220</u>	<u>91,341</u>	<u>19,526</u>	<u>63,172</u>	<u>394,681</u>

#### Cash and Bank Balances

MYR	22,156	-	30,471	-	-	-	52,627
SCR	1,291	8,469	-	-	-	-	9,760
VND	-	-	-	-	-	-	-
SGD	8	-	-	-	398,412	-	398,420
ISK	423	379	-	-	-	-	802
	<u>23,878</u>	<u>8,848</u>	<u>30,471</u>	<u>-</u>	<u>398,412</u>	<u>-</u>	<u>461,609</u>

#### Trade and Other Payables

MYR	24,285	-	4,245	-	-	63,173	91,703
SCR	81	6	-	-	-	-	87
SGD	3	-	-	-	124,900	-	124,903
ISK	-	237	-	-	-	-	237
	<u>24,369</u>	<u>243</u>	<u>4,245</u>	<u>-</u>	<u>124,900</u>	<u>63,173</u>	<u>216,930</u>

#### Borrowings

MYR	86,399	-	10,661	-	-	-	97,060
SCR	-	16,427	-	-	-	-	16,427
SGD	-	-	-	-	93,929	-	93,929
ISK	-	242,975	-	-	-	-	242,975
	<u>86,399</u>	<u>259,402</u>	<u>10,661</u>	<u>-</u>	<u>93,929</u>	<u>-</u>	<u>450,391</u>

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

43.1 Market risk (continued)

(2) Currency risk (continued)

Functional Currency of Group	USD	EUR	SGD	THB	JPY	VND	Total
Companies	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

As at 30 June 2019

Trade and Other Receivables

MYR	245,959	-	38,401	84,585	3,534	60,783	433,262
SCR	323	2,288	-	-	-	-	2,611
SGD	-	-	-	-	38,309	-	38,309
	<u>246,282</u>	<u>2,288</u>	<u>38,401</u>	<u>84,585</u>	<u>41,843</u>	<u>60,783</u>	<u>474,182</u>

Cash and Bank Balances

MYR	12,096	-	786	-	-	-	12,882
SCR	7,157	9,328	-	-	-	-	16,485
CNY	141	-	-	-	-	-	141
BND	286	-	-	-	-	-	286
SGD	-	-	-	-	267,627	-	267,627
	<u>19,680</u>	<u>9,328</u>	<u>786</u>	<u>-</u>	<u>267,627</u>	<u>-</u>	<u>297,421</u>

Trade and Other Payables

MYR	22,185	-	7,661	-	577	60,783	91,206
SCR	137	26	-	-	-	-	163
BND	113	-	-	-	-	-	113
SGD	-	-	-	-	42,581	-	42,581
	<u>22,435</u>	<u>26</u>	<u>7,661</u>	<u>-</u>	<u>43,158</u>	<u>60,783</u>	<u>134,063</u>

Borrowings

MYR	82,379	-	15,165	-	-	-	97,544
SCR	-	21,975	-	-	-	-	21,975
SGD	-	-	-	-	958,026	-	958,026
	<u>82,379</u>	<u>21,975</u>	<u>15,165</u>	<u>-</u>	<u>958,026</u>	<u>-</u>	<u>1,077,545</u>

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### 43.1 Market risk (continued)

#### (2) Currency risk (continued)

##### (i) Sensitivity analysis for currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in those foreign currencies and MYR exchange rates, which might have material impact to the Group's (loss)/profit net of tax, against the respective major functional currencies of the Group entities, with all other variables remain constant.

		GROUP	
		1.7.2019 to 30.6.2020 RM'000	1.5.2018 to 30.6.2019 RM'000
		Loss net of tax	Profit net of tax
MYR/USD	- strengthened 1% (2019: 1%)	1,273	(1,535)
	- weakened 4% (2019: 5%)	(5,093)	7,675
MYR/THB	- strengthened 4% (2019: 10%)	3,654	(8,458)
	- weakened 4% (2019: 10%)	(3,654)	8,458
SGD/JPY	- strengthened 4% (2019: 4%)	(7,817)	27,787
	- weakened 2% (2019: 4%)	3,908	(27,787)
SCR/EUR	- strengthened 32% (2019: 2%)	(1,365)	208
	- weakened 32% (2019: 5%)	1,365	(519)

The impact of sensitivity analysis of the other foreign currencies is not material to the Group.



**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

## 43.1 Market risk (continued)

## (3) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. The quoted instruments in Malaysia are listed on Bursa Malaysia and other foreign stock exchanges. These instruments are classified as fair value through profit or loss or fair value through other comprehensive income financial assets. To manage its market price risk arising from investments in quoted instruments, the Group diversifies its portfolio and diversification of the portfolio is done in accordance with the limits set by the Group.

## (i) Sensitivity analysis for quoted instruments price risk

At the reporting date, if the prices of the quoted investments had been 1% higher/lower, with all other variables held constant, the Group's (loss)/profit net of tax would have been RM211,000 (2019: RM122,000) higher/lower, arising as a result of higher/lower fair value gains on fair value through profit or loss equity instruments, and the Group's other reserve in equity would have been RM867,000 (2019: RM1,005,000) higher/lower, arising as a result of an higher/lower fair value gains on equity instruments classified at fair value through other comprehensive income.

## 43.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

Credit risk is controlled by the application of credit approval limits, monitoring procedures and assessment of collateral values. A credit approval authority limit structure is in place for all lending activities of the Group. Credit risks are minimised and monitored by limiting the Group's association to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via management reporting procedures.

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### 43.2 Credit risk (continued)

#### (1) Exposure to credit risk

The carrying amounts of the financial assets recorded on the statements of financial position at the reporting date represent the Group's and the Company's maximum exposure to credit risk in relation to financial assets. The Group has a significant concentration risk that may arise for exposure to a single debtor or a group of debtors of RM589,440,000 (2019: RM507,621,000) being the Final Instalment of the disposal of the Great Mall Project and the amounts owing by joint ventures and associated companies as disclosed in Notes 11 and 14. The Company has a significant concentration of credit risk that may arise from exposures to the amounts owing by subsidiary companies.

At the reporting date, the Company's maximum exposure to credit risk from guarantees is represented by a nominal amount of RM170,285,000 (2019: RM342,894,000) relating to corporate guarantee provided by the Company to banks on subsidiary companies' borrowings.

#### (2) Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segments of its trade receivables on an ongoing basis.

Further information on trade receivables are disclosed in Note 14.

The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2020		2019	
	RM'000	%	RM'000	%
<b>By business segments</b>				
Financial services	207,853	40.14	218,999	41.66
Marketing of consumer products and services	162,112	31.31	144,136	27.42
Property investment and development	78,318	15.13	41,605	7.91
Hotels and resorts	22,840	4.41	32,922	6.26
Gaming and related activities	31,078	6.00	72,305	13.75
Restaurants	6,248	1.21	9,562	1.82
Others	9,335	1.80	6,170	1.18
	<u>517,784</u>	<u>100.00</u>	<u>525,699</u>	<u>100.00</u>

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

43.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to the shortage of funds.

The Group actively manages its operating cash flows and the availability of fund so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of undiscounted financial instruments by remaining contractual maturities

Group	On demand	One	More than	Total
	or within one year	to five years	five years	
2020	RM'000	RM'000	RM'000	RM'000
<b>Financial liabilities</b>				
ICULS	36,842	35,687	1,876	74,405
Lease liabilities	255,499	990,999	1,465,015	2,711,513
Trade and other payables	1,910,161	-	-	1,910,161
Hire purchase payables	18,050	66,565	7	84,622
Loans and borrowings	2,365,587	2,546,123	609,173	5,520,883
Other long term liabilities	-	87,899	21,418	109,317
	<u>4,586,139</u>	<u>3,727,273</u>	<u>2,097,489</u>	<u>10,410,901</u>
<b>2019</b>				
<b>Financial liabilities</b>				
ICULS	34,401	66,247	4,339	104,987
Trade and other payables	1,777,091	-	-	1,777,091
Hire purchase payables	22,886	84,946	14	107,846
Loans and borrowings	2,666,026	2,287,242	1,242,589	6,195,857
Other long term liabilities	-	93,308	41,435	134,743
	<u>4,500,404</u>	<u>2,531,743</u>	<u>1,288,377</u>	<u>8,320,524</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### 43.3 Liquidity risk (continued)

Company	On demand or within one year	One to five years	More than five years	Total
2020	RM'000	RM'000	RM'000	RM'000
<b>Financial liabilities</b>				
ICULS	36,578	34,651	1,876	73,105
Trade and other payables	542,075	-	-	542,075
Hire purchase payables	749	1,335	-	2,084
Loans and borrowings	419,582	390,590	18,518	828,690
Other long term liabilities	-	85,670	21,418	107,088
Financial guarantees	69,560	-	-	69,560
	<u>1,068,544</u>	<u>512,246</u>	<u>41,812</u>	<u>1,622,602</u>
<b>2019</b>				
<b>Financial liabilities</b>				
ICULS	34,401	66,247	4,339	104,987
Trade and other payables	224,112	-	-	224,112
Hire purchase payables	789	1,925	-	2,714
Loans and borrowings	440,333	539,095	-	979,428
Other long term liabilities	-	82,870	41,435	124,305
Financial guarantees	108,193	-	-	108,193
	<u>807,828</u>	<u>690,137</u>	<u>45,774</u>	<u>1,543,739</u>

**44. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. This function is carried out on a centralised entity wide basis by the Group's Treasury Division. The Treasury Division will handle and manage the Group's funds and financial resources and all its loans and borrowings on a "pool basis". No changes were made in the objectives, policies or processes during the financial year.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group includes within total debt, borrowings and liability component of ICULS. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

	Note	Group	
		2020 RM'000	2019 RM'000
Liability component of ICULS	22	73,673	101,591
Long term borrowings	25	3,013,575	3,491,437
Short term borrowings	30	2,299,650	2,412,990
Total debt		<u>5,386,898</u>	<u>6,006,018</u>
Total equity		<u>9,511,492</u>	<u>9,732,896</u>
Gearing ratio (%)		<u>56.6</u>	<u>61.7</u>

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

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## 45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (1) On 8 July 2019, BToto announced that BPI, its 88.26% owned subsidiary company which is listed on the Philippine Stock Exchange ("PSE"), had on 1 July 2019, disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary company, PGMG for a consideration of PHP117.15 million (or about RM9.49 million). Subsequently on 3 July 2019, PGMG issued additional 5,000,000 ordinary shares with par value of PHP100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMG. Upon completion of PGMG's Share Subscription, BPI's equity interest was further diluted to 39.99% from 79.99% and PGMG ceased as a subsidiary company and became an associated company of BPI.
- (2) On 7 August 2019, BToto announced that BPI had released an announcement to PSE on the disposal of 2.70 million ordinary shares in BFood for a total cash consideration of about RM4.21 million to Convenience Shopping (Sabah) Sdn Bhd on 5 August 2019. Following this disposal, BPI holds a total of 2.70 million ordinary shares, representing 0.75% equity interest, in BFood.
- (3) On 22 August 2019, BLCC, a wholly owned subsidiary company of the Group, subscribed for its entitlement and the excess of rights shares cum free warrants, totalling 100,000,000 new ordinary shares and 33,333,333 free warrants in Informatics for a total cash consideration of SGD5.0 million (equivalent to approximately RM15.305 million). Consequently, the Group's equity interest in Informatics increased from 28.38% to 67.95%, thus making Informatics a subsidiary company of the Group.
- (4) On 22 August 2019, SIAMH, (an associated company of the Group then) undertook a share buyback exercise which resulted in a reduction of its shares with voting rights. Consequently, the Group's equity interest in SIAMH increased from 47.44% to 50.01% and hence, it became a subsidiary company of the Group.
- (5) On 3 September 2019, BLand announced that it had on 30 August 2019, received a Certificate of Award from the Yangon Region Government, Myanmar ("YRG") for the proposed development of a public housing and mixed development project on a land measuring approximately 183 acres located along Myanandar Road and Shweli Road, Dagon Seikkan Township, Yangon Region, Myanmar ("Proposed Yangon Development"). The Proposed Yangon Development comprises 14 parcels of mixed development including inter alia affordable housing, mid to high end condominiums, shop houses, retail spaces, the farmer's market, community hall, schools and infrastructure to be built over 3 phases. Based on the preliminary plan of the Proposed Yangon Development, the estimated gross development value is about USD624.00 million (about RM2.63 billion).

Further announcement of the details of the Proposed Yangon Development will be made once the definitive agreements are entered into with the relevant parties.

**45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)**

- (6) On 3 September 2019, the Company announced that it had, together with its wholly owned subsidiary company, Country Farms Sdn Bhd, during the period from 9 November 2018 to 29 August 2019 acquired 12.14 million ordinary shares, representing 1.06% equity interest, in SEM for total cash consideration of about RM17.58 million. Following these acquisitions, the Group holds about 42.73 million SEM shares, representing about 3.72% equity interest in SEM.
- (7) On 14 October 2019, BLand announced the completion of The Proposed Acquisition and Proposed Settlement. On 18 February 2019, BLand announced the incorporation of BRIL in the Republic of Ireland for a cash subscription of €1.00 (about RM4.69) comprising 1 ordinary share of €1.00 each. BRIL has entered into an agreement with Fiskitangi ehf ("FEHF") and Utgerðarfelag Reykjavíkur HF ("URHF") to undertake the BRIL to acquire 100% of the shares of GE11 for a cash consideration of USD1,399,000 (equivalent to approximately RM5.75 million) from FEHF ("Proposed Acquisition") and BRIL to repay the outstanding loan of USD12,591,000 (equivalent to approximately RM51.79 million) obtained by GE11 from URHF to purchase a piece of leasehold land in Iceland ("Proposed Settlement").

GE11 is a company incorporated in Reykjavik, Iceland and owns the leasehold real estate at Geirsgata 11, Reykjavik, Iceland. The lease of the Land expires on 31 December 2037, with remaining unexpired term of about 18 years subject to extension. The Land measures in area about 4,805 square meters (approximately 51,721 square feet or 1.19 acres).

- (8) On 7 February 2020, BLand announced that its 80%-owned subsidiary namely BDS Smart City Co. Ltd ("BDS") entered into a concession agreement ("CA") with the YRG to formalize a collaboration in undertaking a housing and mixed development project on 12 parcels of land in Myanmar. Pursuant to the CA, BDS will own the exclusive rights over the Land for a period of 50 years from the date on which the CP of the CA are fulfilled (or waived) and further extendable for 2 consecutive terms of 10 years each ("Concession Period"). The Land is expected to be developed over 9 years and automatically extended for additional 1 year thereafter.
- (9) On 12 February 2020, Berjaya Group (Cayman) Limited, a wholly owned subsidiary of the Group, subscribed for 512,000 new ordinary shares in ASPL for a total consideration of SGD2.56 million (equivalent to approximately RM7.64 million). Consequently, the Group's equity interest in ASPL increased from 50% to 51%, thus making ASPL a subsidiary company of the Group.
- (10) On 10 March 2020, Kyoto Higasimaya Hospitality Assets Tokutei Mokuteki Kaisha, a wholly owned subsidiary company of the Group, completed the disposal of the trust beneficial interest on the hotel component of the Four Seasons Hotel & Hotel Residence Kyoto, Japan ("Four Seasons Kyoto Hotel") to Godo Kaisha Tigre ("Tigre"), a Japanese company, for a cash consideration of JPY49.0 billion (about RM1.87 billion) ("KyotoDisposal"). As part of the terms of the KyotoDisposal, Berjaya Kyoto Development Kabushiki Kaisha ("BKD"), another wholly owned subsidiary of the Group has contracted to leaseback the Hotel from Tigre for 17 years ("17YrLeaseAgreement") to maintain the present arrangements and operations of the Four Seasons Kyoto Hotel. Following the completion of the KyotoDisposal, BKD entered into the 17YrLeaseAgreement.

# NOTES TO THE FINANCIAL STATEMENTS

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## 45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (11) On 31 March 2020, BLand announced that it had, during the period from 17 May 2019 to 30 March 2020 acquired 9.30 million ordinary shares, representing 0.81% equity interest, in SEM for a total cash consideration of about RM13.38 million. Following these acquisitions, BLand holds a total of 31.47 million ordinary shares, representing 2.74% equity interest, in SEM.

On 5 May 2020, BLand announced that it had, during the period from 31 March 2020 to 4 May 2020 acquired 9.43 million ordinary shares, representing 0.82% equity interest, in SEM for a total cash consideration of about RM12.78 million. Following these acquisitions, BLand holds a total of 40.90 million ordinary shares, representing 3.56% equity interest, in SEM.

On 28 May 2020, BLand announced that it had, during the period from 5 May 2020 to 27 May 2020 acquired 7.60 million ordinary shares, representing 0.66% equity interest, in SEM for a total cash consideration of about RM9.97 million. Following these acquisitions, BLand holds a total of 48.50 million ordinary shares, representing 4.22% equity interest, in SEM.

- (12) On 3 April 2020, BLand completed the acquisition of 75% stake in Icelandair Hotels for a final consideration of USD43.63 million (or about RM180.63 million). BLand announced on 15 July 2019 that its wholly-owned Irish incorporated subsidiary company, Berjaya Property Ireland Limited ("BPIL") had on 13 July 2019 in Reykjavik, Iceland entered into a Share Purchase Agreement ("SPA") with Icelandair Group hf. ("Seller") for the proposed acquisition of 75% stake in Icelandair Hotels, which was expected to acquire 100% of Hljomalindarreitir ehf and certain hotels and real estate assets in Iceland ("New Icelandair Hotels Group"), for a total cash consideration of approximately USD53.63 million (or about RM222.03 million) then. Besides the SPA, BPIL also entered into a Shareholders Agreement and a Put and Call Option Agreement with the Seller. The remaining 25% stake in the New Icelandair Hotels Group is subject to the Put and Call Option Agreement, whereby upon the exercise of the put or call option, BPIL will eventually own 100% stake in the New Icelandair Hotels Group. On 3 April 2020, BLand announced that the Seller has granted a discount of USD10 million due to the temporary adverse economic effects of the COVID-19 outbreak and the discount was netted off against the outstanding balance, which was paid on 3 April 2020.

- (13) On 2 June 2020, the Company announced that it has signed a Memorandum of Understanding ("MOU") with Berjaya Retail Sdn Bhd ("BRetail") and Tan Sri Vincent Tan, the major shareholder of the Company and BRetail, to acquire 100% stake in Singer from BRetail for a purchase consideration of RM536 million.

The acquisition will involve the issuance of new shares in the Company at an issue price of RM0.33 each. The Company will issue about 1,175.76 million shares for the net payment of RM388 million that is the purchase consideration of RM536 million after setting off the debt owing to Singer Group of RM148 million.

On 13 August 2020, the Company announced that it had entered into a Termination Agreement with BRetail and Tan Sri Vincent Tan to mutually terminate the MOU due to business challenges and uncertainty in the recovery of the economy following the Covid-19 pandemic.

- (14) On 5 June 2020, the Company announced that the bidder team which was formed by the Company with Marubeni Corporation ("Marubeni") and Daiwa House Industry Co. Ltd ("Daiwa"), has been awarded as the prospective developer for the proposed development of a global luxury hotel and hotel condominium, aquarium and retail outlets on a piece of land measuring approximately 22,188.34 square metres located at Yokohama, Japan ("YokohamaProject").

The Company as the controlling stakeholder, will enter into a joint venture with Marubeni and Daiwa to develop the YokohamaProject. Construction of the YokohamaProject is expected to commence in October 2022 and complete in March 2026.



**45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)**

- (15) The COVID-19 pandemic has had a negative impact on the Group's performance for the financial year ended 30 June 2020 due to the lockdown measures implemented by countries where the Group has business operations.

Many countries have implemented various lockdown measures as preventive response to control and curtail the spread of the COVID-19 pandemic. The Malaysian Government has imposed the MCO with effect from 18 March 2020, and then a Conditional MCO from 4 May 2020 till 9 June 2020 and followed by Recovery MCO from 10 June till 31 August 2020, which was subsequently extended to 31 December 2020.

The Group's gaming business operated by Sports Toto Malaysia Sdn Bhd was only allowed to resume business on 17 June 2020, after being ordered to close during the MCO, which began from 18 March 2020. This has resulted in the cancellation of forty (40) draws during the financial year. The Group's business operations in the Philippines were being suspended or limited accordingly and is gradually resuming business operations as allowed by the local and national governments concerned where they are located.

In the United Kingdom ("UK"), H.R. Owen Plc ("HR Owen"), which operates the motor distribution business, had shut down its operations from 23 March to 31 May 2020, in compliance with the UK's lockdown order and only resumed operation on 1 June 2020.

The restaurant and café business segment in Malaysia was allowed to operate during the MCO and Conditional MCO periods, but, due to the movement restrictions and restriction from operating at its full capacity, the sales was reduced significantly.

The global tourism industry are severely affected by the continued international border closures in many countries. This has adversely impacted the financial performance of the Group's hotels, resorts, clubs and recreation business segments. In addition, these business segments also had cancellation of meetings, incentives, conventions and events ("MICE") bookings due to the implementation of social distancing and other health guidelines. In order to mitigate the operating losses, austerity measures were taken after reviewing the operations of the hotels, resorts, clubs and recreation business segments. Berjaya Tioman Resort ceased operations effectively on 15 June 2020 to undergo a much needed major re-development exercise, more so after a fire incident in September 2019.

The earlier phases of MCO has also hampered the progress of construction of the Group's ongoing projects. The Group has since caught up with the expected construction progress rate. The Group's shopping mall and complexes had granted rental relief during the earlier phase of MCO to eligible tenants.

Subsequent to the financial year end, the Group has resumed its business operations. However, as the COVID-19 pandemic continues to evolve, it is challenging to ascertain the full extent and duration of its impact. Nevertheless, management will continue to monitor the development of the COVID-19 pandemic and its impact to the Group's operations and financial performance.

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### 46. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

- (1) On 24 July 2020, REDtone announced that it had, during the period from 21 July 2020 to 24 July 2020 acquired of 1.90 million ordinary shares, representing 0.17% equity interest, in SEM for a total cash consideration of about RM2.62 million. Following these acquisitions, REDtone's holds about 2.60 million SEM shares, representing about 0.23% equity interest in SEM.

On 3 Aug 2020, REDtone announced that it had, during the period from 27 July 2020 to 3 August 2020 acquired of 2.20 million ordinary shares, representing 0.19% equity interest, in SEM for a total cash consideration of about RM2.96 million. Following these acquisitions, REDtone's holds about 4.80 million SEM shares, representing about 0.42% equity interest in SEM.

- (2) On 1 August 2020, BGRB Venture Sdn Bhd ("BVSB"), a subsidiary of the Group, has established an Islamic medium term notes programme under the Sukuk Wakalah structure with a limit of RM1.0 billion and a tenure of 10 years ("Sukuk Wakalah MTNs"). The Sukuk Wakalah MTNs are secured with a corporate guarantee from Berjaya Golf Resort Berhad.

As at reporting date, 3 tranches of the Sukuk Wakalah MTNs amounting to RM21.13 million with maturity dates of 13 August 2021, 30 August 2021 and 4 October 2021, have been issued.

- (3) On 26 August 2020, the Company announced that it had signed a Cooperation Framework Agreement ("Framework Agreement") with China Sports Lottery HKJC INFOTECH (Beijing) Co., Ltd. ("CSLJC") to cooperate on lottery management, business development and technical and market solutions to further expand the areas of cooperation and explore opportunities to jointly develop the third party lottery market under a responsible gaming framework.

The Framework Agreement will be for initial five year term commencing from 26 August 2020, subject to renewal.

- (4) On 2 September 2020, BLand announced that it had, during the period from 7 August 2020 to 2 September 2020 acquired 13.74 million ordinary shares, representing 1.20% equity interest, in SEM for a total cash consideration of about RM19.05 million. Following these acquisitions, BLand's holds a total of 52.40 million ordinary shares, representing 4.58% equity interest, in SEM.

- (5) On 11 September 2020, the Company announced that it had, together with its unlisted subsidiary companies, during the period from 19 September 2019 to 10 September 2020 acquired 14.66 million ordinary shares, representing 1.28% equity interest, in SEM for total cash consideration of about RM20.11 million. Following these acquisitions, the Group holds about 79.05 million SEM shares, representing about 6.92% equity interest in SEM.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>SUBSIDIARIES:</b>				
<b>Subsidiaries of the Company</b>				
AWF Limited*	Hong Kong	100.0	100.0	Investment holding.
Berjaya Group Berhad	Malaysia	100.0	100.0	Investment holding.
Berjaya Hills Resort Berhad	Malaysia	100.0	100.0	Hotel operator, golf and recreation club operator, investment in property and property development.
Berjaya Investments (Labuan) Limited	Malaysia	100.0	100.0	Provision of financing services.
Berjaya Kyoto Development (S) Pte Ltd*	Singapore	100.0	<sup>1</sup> 100.0	Investment holding.
Berjaya Lottery Vietnam Limited	Malaysia	100.0	<sup>2</sup> 100.0	Investment holding.
Berjaya Myanmar Limited	Malaysia	100.0	100.0	Investment holding.
<b>Subsidiaries of AWF Limited</b>				
Boluo Longxi Pengfa Water Supply Co Ltd*	People's Republic of China	100.0	100.0	Production and supply of potable water and provision of water supply infrastructure.
Boluo Longxi Zhiwang Water Supply Co Ltd*	People's Republic of China	100.0	100.0	Production and supply of potable water and provision of water supply infrastructure.
C.A. Pioneer Holding Inc. Limited*	Hong Kong	100.0	100.0	Investment holding.
<b>Subsidiary of C.A. Pioneer Holding Inc Limited</b>				
Boluo Longxi Water Supply Co Ltd*	People's Republic of China	50.0	50.0	Production and supply of potable water and provision of water supply infrastructure.

<sup>1</sup> The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Corporation Berhad	50.00 %
(ii)	Berjaya Land Berhad	50.00 %

<sup>2</sup> The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Corporation Berhad	80.00 %
(ii)	Berjaya Sports Toto Berhad	20.00 %

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group Berhad</b>				
Beam Team Sdn Bhd*	Malaysia	100.0	100.0	To provide digital media marketing programs across omni-channels and multi-platforms.
Berjaya 2nd Homes (MM2H) Sdn Bhd*	Malaysia	100.0	100.0	To act as agents to assist any person for the purpose of staying, investing and trading in Malaysia.
Berjaya Bakes Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Books Sdn Bhd*	Malaysia	100.0	100.0	Operation of book stores under the name of "Borders Books".
Berjaya Capital Berhad	Malaysia	100.0	<sup>3</sup> 100.0	Investment holding and provision of management services.
Berjaya Channel Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya China Motor Sdn Bhd*	Malaysia	70.0	70.0	Production and selling of motor vehicles.
Berjaya College Sdn Bhd*	Malaysia	70.0	70.0	Provide educational, training activities and consultancy services.
Berjaya Corporation (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Corporation (S) Pte Ltd *	Singapore	100.0	100.0	Real estate agencies and valuation services.
Berjaya Education Sdn Bhd*	Malaysia	99.3	99.3	Provision of professional training services.
Berjaya Engineering Construction Sdn Bhd	Malaysia	-	<sup>4</sup> 100.0	Provision of civil engineering contracting works.
Berjaya Enviro (S) Pte Ltd*	Singapore	70.0	70.0	Investment holding.
Berjaya Enviro (Sabah) Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Enviro Holdings Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.

<sup>3</sup> The total equity interests held by the Berjaya Group Berhad group is 100.00% and it is held by the following companies:

(i)	Berjaya Group Berhad	41.94 %
(ii)	Bizurai Bijak (M) Sdn Bhd	30.00 %
(iii)	Juara Sejati Sdn Bhd	28.06 %

<sup>4</sup> During the financial year, Berjaya Engineering Construction Sdn Bhd was disposed to Berjaya Land Berhad and remain as a subsidiary company of the Group.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group Berhad (continued)</b>				
Berjaya EnviroParks Sdn Bhd (formerly known as KUB-Berjaya Enviro Sdn Bhd)	Malaysia	100.0	60.0	Sanitary landfill operation.
Berjaya eSports Sdn Bhd (formerly known as Novacomm Integrated Sdn Bhd)*	Malaysia	70.0	100.0	Promotion and operation of esports.
Berjaya Fintech Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Berjaya Food Berhad	Malaysia	57.1	5 47.7	Investment holding.
Berjaya Group Capital (Cayman) Limited	Cayman Islands	-	100.0	Struck-off.
Berjaya Group (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Higher Education Sdn Bhd*	Malaysia	71.7	71.7	Investment holding and operating a private university college.
Berjaya HR Cafe Korea Limited*	Republic of Korea	100.0	100.0	Development and operation of the "Hard Rock Café" chain of restaurants in the Republic of Korea.
Berjaya International Schools Sdn Bhd*	Malaysia	70.0	70.0	Temporary ceased operations.

<sup>5</sup> The total equity interests held by the Berjaya Group Berhad group is 57.11% and it is held by the following companies:

(i)	Berjaya Group Berhad	43.88 %
(ii)	Bukit Kiara Resort Berhad	0.15 %
(iii)	Berjaya Philippines Inc	0.90 %
(iv)	Country Farms Sdn Bhd	0.30 %
(v)	Nural Enterprise Sdn Bhd	1.43 %
(vi)	Juara Sejati Sdn Bhd	3.97 %
(vii)	REDtone International Berhad	1.94 %
(viii)	Staffield Country Resort Berhad	0.23 %
(ix)	Berjaya Land Berhad	4.31 %

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group Berhad (continued)</b>				
Berjaya Land Berhad	Malaysia	72.2	<sup>6</sup> 71.8	Investment holding.
Berjaya Pangkor Sdn Bhd*	Malaysia	100.0	100.0	Infrastructure and land development, hotel and resort.
Berjaya Papa John's Pizza Sdn Bhd*	Malaysia	100.0	100.0	Temporary ceased operations.
Berjaya Paper Trading Sdn Bhd*	Malaysia	51.0	51.0	Trading of papers.
Berjaya Pharmacy Sdn Bhd	Malaysia	80.0	80.0	Owner and operator of pharmacy stores and engage in importation, trading, distribution, marketing and retail sales of products sold in pharmacies and health and beauty retailers.
Berjaya Pizza (Philippines) Inc*	Philippines	70.0	<sup>7</sup> 70.0	Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.
Berjaya Premier Restaurants Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Berjaya Registration Services Sdn Bhd*	Malaysia	100.0	100.0	Provision of securities and printing services.

<sup>6</sup> The total equity interests held by the Berjaya Group Berhad group is 72.24% and it is held by the following companies:

(i)	Berjaya Group Berhad	1.31 %
(ii)	Juara Sejati Sdn Bhd	28.95 %
(iii)	Teras Mewah Sdn Bhd	23.89 %
(iv)	Bizurai Bijak (M) Sdn Bhd	13.30 %
(v)	Inter-Pacific Securities Sdn Bhd	2.03 %
(vi)	Inter-Pacific Capital Sdn Bhd	1.65 %
(vii)	Rantau Embun Sdn Bhd	0.81 %
(viii)	Prime Credit Leasing Berhad	0.30 %

The total equity interests held by the Group is 78.10% and the additional equity interest is held by the following company:

(i)	Berjaya Corporation Berhad	4.55 %
(ii)	Berjaya Hills Resort Berhad	1.31 %

<sup>7</sup> The total equity interests held by the Berjaya Group Berhad group is 70.00% and it is held by the following companies:

(i)	Berjaya Corporation (Cayman) Limited	21.62 %
(ii)	Berjaya Philippines Inc	48.38 %

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group Berhad (continued)</b>				
Berjaya Roasters Pte Ltd#	Singapore	100.0	100.0	Dormant.
Berjaya Soutex Sdn Bhd*	Malaysia	100.0	100.0	Manufacturing of yarn and investment holding. The company has ceased its operations.
Berjaya Utama Sdn Bhd (formerly known as Berjaya Property Sdn Bhd)*	Malaysia	100.0	100.0	Property investment and development.
Berjaya Wood Furniture (Malaysia) Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Bizurai Bijak (M) Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
BLoyalty Sdn Bhd*	Malaysia	-	<sup>8</sup> 100.0	Managing and operation of Berjaya Loyalty card programme.
BLoyalty Marketing Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
BLoyalty Pte Ltd*	Singapore	60.0	60.0	To act as loyalty solutions provider to engage, manage and operate customer loyalty programmes on behalf of third parties.
Boxit Holdings Sdn Bhd*	Malaysia	67.0	67.0	Provide logistics consultancy and management services, distribution, material handling to customers and businesses. The company temporarily ceased operations.
Bukit Pinang Leisure Sdn Bhd*	Malaysia	100.0	100.0	Investment holding and property development.
Changan Berjaya Auto Sdn Bhd*	Malaysia	70.8	70.8	Production and selling of motor vehicles and provide after sales service.
Cosway Corporation Berhad	Malaysia	100.0	<sup>9</sup> 100.0	Investment holding.
Country Farms Sdn Bhd*	Malaysia	100.0	100.0	Dealers in organic food.

<sup>8</sup> During the financial year, BLoyalty Sdn Bhd was disposed to BLoyalty Pte Ltd and remain as a subsidiary company of the Group.

<sup>9</sup> The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Garima Holdings Sdn Bhd	47.83 %
(ii)	Juara Sejati Sdn Bhd	17.04 %
(iii)	Bizurai Bijak (M) Sdn Bhd	3.75 %
(iv)	Global Empires Sdn Bhd	31.38 %

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group Berhad (continued)</b>				
Espeetex Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
E.V.A. Management Sdn Bhd*	Malaysia	100.0	100.0	Provision of management services and agent for marketing agricultural commodities.
Garima Holdings Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Global Empires Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Graphic Press Group Sdn Bhd*	Malaysia	69.8	69.8	Printing including security printing.
Inai Jaya Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Inter-Pacific Development Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Inter-Pacific Trading Sdn Bhd*	Malaysia	100.0	100.0	General trading.
Juara Sejati Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Kalimas Sendirian Berhad*	Malaysia	100.0	100.0	Dormant.
MG Berjaya Sdn Bhd*	Malaysia	51.0	51.0	Manufacture, assembly and sale of Morris Garages brand vehicles and other related supporting services.
Mothers En Vogue Sdn Bhd*	Malaysia	51.0	51.0	Investment holding and retail sale of wearing apparel for adults, maternity and breastfeeding/nursing apparel. The company has ceased its retail operations.
Natural Intelligence Solutions Pte Ltd*	Singapore	100.0	<sup>10</sup> 100.0	Provision of information technology management and consultancy services.
Natural Intelligence Solutions Technology Sdn Bhd (formerly known as Natural Intelligence Solutions Sdn Bhd)*	Malaysia	100.0	100.0	To provide business consultancy services.
Prime Assets (Cayman) Limited*	Cayman Islands	-	100.0	Struck-off.

<sup>10</sup> The total equity interests held by the Group is 100.00% and it is held by the following companies:

(i)	Berjaya Group Berhad	85.86 %
(ii)	Berjaya Philippines Inc	14.14 %



# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group Berhad (continued)</b>				
Rangkaian Sejahtera Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
REDtone International Berhad	Malaysia	52.4	<sup>11</sup> 51.6	Investment holding and provision of management services.
RU Cafe Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Shinca Electronics Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Singapore Institute of Advanced Medicine Holdings Pte Ltd*	Singapore	50.01	<sup>12</sup> -	Provision of medical laboratory services, clinic and other general medical services, sale of pharmaceuticals, surgical and consumables.
Successline (M) Sdn Bhd*	Malaysia	100.0	100.0	Investment holding and renting of motor vehicles.
Sweet Spot Digital (Malaysia) Sdn Bhd*	Malaysia	60.2	60.2	Provision of mobile digital media for targeting marketing, advertisement and mobile commerce transaction.
Teras Mewah Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
United Approach Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
VRS (Malaysia) Sdn Bhd*	Malaysia	99.0	99.0	Property investment.
Wangsa Tegap Sdn Bhd	Malaysia	100.0	100.0	Property investment and property development.

<sup>11</sup> The total equity interests held by the Berjaya Group Berhad group is 52.38% and it is held by the following companies:

(i)	Juara Sejati Sdn Bhd	44.83 %
(ii)	Prime Credit Leasing Berhad	0.70 %
(iii)	Berjaya Philippines Inc	6.85 %

<sup>12</sup> The total equity interests held by the Berjaya Group Berhad group is 50.01 % and it is held by the following companies:

(i)	Berjaya Leisure (Cayman) Limited	23.73 %
(ii)	Espeetex Sdn Bhd	26.28 %

During the financial year, the Group's interest in Singapore Institute of Advanced Medicine Holdings Pte Ltd increased from 47.44% to 50.01% and hence, it became a subsidiary company of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Capital Berhad</b>				
Cahaya Nominees (Tempatan) Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Inter-Pacific Asset Management Sdn Bhd	Malaysia	100.0	<sup>13</sup> -	Investment advisory, asset and fund manager.
Inter-Pacific Capital Sdn Bhd	Malaysia	91.5	91.5	Investment holding and provision of management services.
Prime Credit Leasing Berhad	Malaysia	100.0	100.0	Hire purchase, lease and loan financing.
Rantau Embun Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
The Tropical Veneer Company Berhad	Malaysia	100.0	100.0	Dormant.
<b>Subsidiaries of Inter-Pacific Capital Sdn Bhd</b>				
Ambilan Imej Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Inter-Pacific Management Sdn Bhd	Malaysia	100.0	100.0	Money lending.
Inter-Pacific Research Sdn Bhd	Malaysia	100.0	100.0	Providing investment research services.
Inter-Pacific Securities Sdn Bhd	Malaysia	100.0	100.0	Stock and share broking.
UT Equities Sdn Bhd	Malaysia	100.0	100.0	Dormant.
<b>Subsidiaries of Inter-Pacific Securities Sdn Bhd</b>				
Inter-Pacific Asset Management Sdn Bhd	Malaysia	-	<sup>13</sup> 100.0	Fund manager, investment adviser and manager of unit trust funds.
Inter-Pacific Equity Nominees (Asing) Sdn Bhd	Malaysia	100.0	100.0	Nominee services for foreign clients.
Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd	Malaysia	100.0	100.0	Nominee services for Malaysian clients.

<sup>13</sup> During the financial year, Inter-Pacific Asset Management Sdn Bhd was acquired from Inter-Pacific Securities Sdn Bhd.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Corporation (Cayman) Limited</b>				
Berjaya Trading (UK) Ltd*	United Kingdom	100.0	100.0	Dormant, under striking off process.
JL Morison (Malaya) Sdn Bhd*	Malaysia	100.0	100.0	Importation, exportation and distribution of consumer goods.
<b>Subsidiaries of Berjaya Enviro Holdings Sdn Bhd</b>				
Berjaya Alam Murni Sdn Bhd*	Malaysia	100.0	-	Collection, transportation, storage, treatment, recovery, disposal and management of scheduled (hazardous and toxic) and medical waste, etc.
Berjaya Eco Services Sdn Bhd*	Malaysia	60.0	-	To provide sales and marketing, handling and packaging of scheduled waste and other eco related services to stakeholders involved in scheduled waste management.
BPJ-Berjaya Sdn Bhd*	Malaysia	51.0	51.0	To manage and operate sanitary landfill and other construction activities.
Save The Sea Sdn Bhd*	Malaysia	100.0	100.0	Provision of environmental engineering and river cleaning services.
<b>Subsidiary of Berjaya EnviroParks Sdn Bhd (formerly known as KUB-Berjaya Enviro Sdn Bhd)</b>				
Berjaya Energies Sdn Bhd (formerly known as KUB-Berjaya Energy Sdn Bhd)	Malaysia	100.0	100.0	Generation and sale of electricity.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Food Berhad</b>				
Berjaya Food (International) Sdn Bhd	Malaysia	100.0	100.0	Investment holding and providing interior design and other consulting services.
Berjaya Food Trading Sdn Bhd	Malaysia	100.0	100.0	Sale and distribution of food and beverage in Malaysia.
Berjaya Roasters (M) Sdn Bhd	Malaysia	100.0	100.0	Development and operation of the "Kenny Rogers Roasters" chain of restaurants in Malaysia.
Berjaya Starbucks Coffee Company Sdn Bhd	Malaysia	100.0	100.0	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Malaysia.
<b>Subsidiaries of Berjaya Food (International) Sdn Bhd</b>				
Berjaya Food Supreme Sdn Bhd#	Brunei	80.0	80.0	Development and operation of the "Starbucks Coffee" chain of cafes and retail outlets in Brunei.
Berjaya Roasters (Cambodia) Ltd*	Cambodia	70.0	70.0	Dormant.
Jollibean Foods Pte Ltd*	Singapore	65.0	95.0	Operation of retail outlets and food caterer in Singapore as well as to grant franchise to operate outlets both locally and internationally.
<b>Subsidiary of Jollibean Foods Pte Ltd</b>				
Berjaya Jollibean (M) Sdn Bhd	Malaysia	100.0	100.0	Operation of food and beverage retail outlets in Malaysia.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Group (Cayman) Limited</b>				
Antara Spacecom Pte Ltd*	Singapore	51.0	<sup>14</sup>	- Investment holding and provision of satellite communication, broadcasting and mobility services.
Berjaya Engineering & Construction (HK) Limited#	Hong Kong	100.0	<sup>15</sup>	100.0 Investment holding.
Berjaya Forest Products (Luxembourg) S.á r.l	Luxembourg	100.0		100.0 Investment holding.
Berjaya Group Equity (Cayman) Limited	Cayman Islands	100.0		100.0 Investment holding.
Berjaya Manufacturing (HK) Limited#	Hong Kong	100.0		100.0 Dormant, under striking off process.
Berjaya Roasters (UK) Limited*	United Kingdom	100.0		100.0 Dormant, under striking off process.
Berjaya Sanhe Real Estate Development Co Ltd*	People's Republic of China	100.0	<sup>16</sup>	100.0 Property development and management.
Roadhouse Grill Asia Pacific (HK) Limited#	Hong Kong	100.0		100.0 Owner, operator and franchisor of the "Roadhouse Grill Restaurant" chain for Asia Pacific region and certain other countries in Asia.
Roasters Asia Pacific (HK) Limited#	Hong Kong	100.0		100.0 Owner, operator and franchisor of the "Kenny Rogers Roasters Restaurant" chain for Asia Pacific region.
SIG Holdings (Cayman) Limited	Cayman Islands	100.0		100.0 Investment holding.
South Pacific Textiles Industries (Singapore) Pte Ltd *	Singapore	100.0		100.0 Sale agent and dealer in textile goods.

<sup>14</sup> During the financial year, the Group's interest in Antara Spacecom Pte Ltd increased from 50% to 51%, and hence, it became a subsidiary company of the Group.

<sup>15</sup> The total equity interests held by the Berjaya Group (Cayman) Limited group is 100.0% and it is held by the following companies:

(i)	Berjaya Group (Cayman) Limited	75.00 %
(ii)	SIG Holdings (Cayman) Limited	25.00 %

<sup>16</sup> The total equity interests held by the Berjaya Group (Cayman) Limited group is 100.0% and it is held by the following companies:

(i)	Berjaya Group (Cayman) Limited	77.95 %
(ii)	Berjaya Engineering & Construction (HK) Limited	22.05 %

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Antara Spacecom Pte Ltd</b>				
True Healthcare Pte. Ltd.*	Singapore	100.0		- Provision of Healthcare Platform and wholesale of medical devices.
<b>Subsidiaries of True Healthcare Pte. Ltd.</b>				
True Healthcare India Pvt. Ltd.*	India	100.0		- Provision of Healthcare Platform and wholesale of medical devices.
True Healthcare (Thailand) Co., Ltd.*	Thailand	100.0		- Provision of Healthcare Platform, wholesale of medical devices and provide consultancy services for satellite industry to affiliated enterprises in foreign countries.
<b>Subsidiary of Berjaya Group Equity (Cayman) Limited</b>				
Berjaya Group (Aust) Pty Ltd*	Australia	100.0	100.0	Investment holding.
<b>Subsidiaries of Roadhouse Grill Asia Pacific (HK) Limited</b>				
Roadhouse Grill Asia Pacific (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Roadhouse Grill Asia Pacific (M) Sdn Bhd*	Malaysia	100.0	100.0	Grant franchise to operate restaurant under the "Roadhouse Grill" name and related trademark.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Roasters Asia Pacific (HK) Limited</b>				
Kenny Rogers Roasters Catering (Shenzhen) Company Ltd*	People's Republic of China	100.0	100.0	Ceased operation.
Roasters Asia Pacific (Cayman) Limited	Cayman Islands	100.0	100.0	Franchisor of the "Kenny Rogers Roasters Restaurant" chains.
Roasters Asia Pacific (M) Sdn Bhd*	Malaysia	100.0	100.0	Provision of marketing services and to grant franchises to operate restaurants under the "Kenny Rogers Roasters" name and related trademarks in Malaysia.
<b>Subsidiary of Roasters Asia Pacific (Cayman) Limited</b>				
KRR International Corp*	United States of America	100.0	100.0	Owner of the "Kenny Rogers Roasters" brand and investment holding.
<b>Subsidiaries of KRR International Corp</b>				
NF Roasters of Commack Inc.*	United States of America	100.0	100.0	Dormant.
NF Roasters of Rockville Center Inc.*	United States of America	100.0	100.0	Dormant.
<b>Subsidiary of Berjaya Higher Education Sdn Bhd</b>				
Berjaya Global Professional Development Sdn Bhd*	Malaysia	100.0	100.0	To establish, manage, administer and carry on a non-profit academy via sourcing for sponsorship.
<b>Subsidiary of Berjaya HR Cafe Korea Limited</b>				
Just KPop Limited*	Republic of Korea	98.0	98.0	Food and beverage businesses and restaurants.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Land Berhad</b>				
Aces Property Management Sdn Bhd*	Malaysia	-	<sup>17</sup> 100.0	Property development.
Alam Baiduri Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
AM Prestige Sdn Bhd*	Malaysia	100.0	100.0	Ceased operations.
Amat Muhibah Sdn Bhd	Malaysia	52.6	52.6	Dormant.
Amat Teguh Sdn Bhd*	Malaysia	100.0	100.0	Property development.
Angsana Gemilang Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Awan Suria Sdn Bhd*	Malaysia	100.0	100.0	Provision of landscaping service, selling and renting of ornament plants.
B.L. Capital Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
B.T. Properties Sdn Bhd*	Malaysia	100.0	100.0	Property development and investment holding.
Bahan Cendana Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Berjaya Air Capital (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Enamelware Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Engineering Construction Sdn Bhd	Malaysia	100.0	<sup>4</sup> -	Provision of civil engineering contracting works.
Berjaya Fukuoka Development (S) Pte Ltd*	Singapore	100.0	100.0	Investment holding.
Berjaya Guard Services Sdn Bhd	Malaysia	100.0	100.0	Provision of security services.
Berjaya Holiday Cruise Sdn Bhd*	Malaysia	86.4	86.4	Investment holding.
Berjaya Hotels & Resorts (Seychelles) Limited*	Republic of Seychelles	100.0	100.0	Management and operation of hotel resorts in Seychelles.
Berjaya Hotels & Resorts Vietnam Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya Jet Charter Sdn Bhd	Malaysia	100.0	100.0	Jet charter.
Berjaya Kawat Industries Sdn Bhd	Malaysia	100.0	100.0	Property investment and rental of properties.
Berjaya Land Development Sdn Bhd	Malaysia	100.0	100.0	Property development and investment holding.
Berjaya Land (Labuan) Limited	Malaysia	100.0	100.0	Investment holding.

<sup>17</sup> During the financial year, Aces Property Management Sdn Bhd was diluted from 100% to 25% and was reclassified as an associated company of Berjaya Land Berhad.



47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Land Berhad (continued)</b>				
Berjaya Leasing (Labuan) Limited	Malaysia	100.0	100.0	Provision of aircraft leasing services and undertaking of offshore financial related business.
Berjaya Leisure (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Leisure Capital (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Megamall Management Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
Berjaya Myanmar Holdings Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya North Asia Holdings Pte Ltd*	Singapore	100.0	100.0	Investment holding.
Berjaya Okinawa Investment (S) Pte Ltd*	Singapore	100.0	100.0	Investment holding.
Berjaya Project Management Sdn Bhd	Malaysia	100.0	100.0	Project management.
Berjaya Property Ireland Limited*	Ireland	100.0	100.0	Investment holding.
Berjaya Property Management Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Berjaya Racing Management Sdn Bhd*	Malaysia	80.0	<sup>18</sup> 80.0	Dormant.
Berjaya Reykjavik Investment Limited*	Ireland	100.0	100.0	Investment holding.

<sup>18</sup> The total equity interests held by the Berjaya Land Berhad group is 80.0% and it is held by the following companies:

(i)	Berjaya Land Berhad	60.00 %
(ii)	Berjaya Sports Toto Berhad	20.00 %

The total equity interests held by the Group is 100.0% and the additional equity interest is held by the following company:

(i)	Berjaya Group Berhad	20.00 %
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30 June 2020

## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Land Berhad (continued)</b>				
Berjaya Sports Toto Berhad	Malaysia	40.4	<sup>19</sup> 40.8	Investment holding.
Berjaya Tagar Sdn Bhd	Malaysia	100.0	100.0	Property development and investment holding.
Berjaya Theme Park Management Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Vacation Club Berhad	Malaysia	100.0	100.0	Time sharing vacation operator, property investment and investment holding.
BTS Leaseback Management Sdn Bhd	Malaysia	100.0	100.0	Coordination of pool-profit sharing of owner-owned suites.
Budi Impian Sdn Bhd*	Malaysia	100.0	100.0	Hotel operator, conducting the hotel operations business.
Cempaka Properties Sdn Bhd	Malaysia	100.0	100.0	Property development and investment.
Cerah Bakti Sdn Bhd	Malaysia	70.0	70.0	Property development.
Cerah Tropika Sdn Bhd	Malaysia	70.0	70.0	Investment holding.
Cergas Jati Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
Flexiwang Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Gateway Benefit Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Gemilang Cergas Sdn Bhd*	Malaysia	100.0	100.0	Property investment.
Immediate Capital Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Junjung Delima Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Klasik Mewah Sdn Bhd	Malaysia	100.0	100.0	Property investment.

<sup>19</sup> The total equity interests held by the Berjaya Land Berhad group is 40.35% and it is held by the following companies:

(i)	Gateway Benefit Sdn Bhd	21.77 %
(ii)	Berjaya Land Berhad	16.29 %
(iii)	B.L. Capital Sdn Bhd	1.95 %
(iv)	Immediate Capital Sdn Bhd	0.34 %

The total equity interests held by the Group is 47.76% and the additional equity interest is held by the following companies:

(i)	Berjaya Corporation Berhad	2.17 %
(ii)	Bizurai Bijak (M) Sdn Bhd	3.00 %
(iii)	Berjaya Group Berhad	1.41 %
(iv)	Inter-Pacific Securities Sdn Bhd	0.64 %
(v)	Inter-Pacific Asset Management Sdn Bhd	0.19 %

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Land Berhad (continued)</b>				
Kota Raya Development Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
Leisure World Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.
Marvel Fresh Sdn Bhd	Malaysia	100.0	100.0	Trading.
Nada Embun Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Noble Circle (M) Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
Nural Enterprise Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
One Network Hotel Management Sdn Bhd	Malaysia	100.0	100.0	Hotel and charter flight operator.
Pakar Angsana Sdn Bhd	Malaysia	80.0	80.0	Property development.
Pembinaan Stepro Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Portal Access Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Punca Damai Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Regnis Industries (Malaysia) Sdn Bhd	Malaysia	87.1	<sup>20</sup> 87.1	Investment and rental of property.
Securiservices Sdn Bhd	Malaysia	100.0	100.0	Property development.
Semakin Sinar Sdn Bhd*	Malaysia	51.0	51.0	Dormant.
Semangat Cergas Sdn Bhd	Malaysia	100.0	100.0	Property development.
Stephens Properties Plantations Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Taaras Spa Sdn Bhd*	Malaysia	100.0	100.0	Spa management.
Tioman Island Resort Berhad	Malaysia	86.3	86.3	Property development and operator of resort hotel.
Tiram Jaya Sdn Bhd*	Malaysia	100.0	100.0	Property development.
Wangsa Sejati Sdn Bhd*	Malaysia	52.6	52.6	Dormant.
Wisma Stephens Management Co Sdn Bhd*	Malaysia	100.0	100.0	Investment holding.

<sup>20</sup> The total equity interests held by the Berjaya Land Berhad group is 87.12% and it is held by the following companies:

(i)	Berjaya Land Berhad	57.12 %
(ii)	B.L. Capital Sdn Bhd	30.00 %

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Fukuoka Development (S) Pte Ltd</b>				
Berjaya Hakkoda Resort Development Gado Kaisha*	Japan	100.0	100.0	Hotel and resort operation.
Seikou Okinawa Construction Co. Ltd*	Japan	100.0	100.0	Construction, interior design, electrical work, sales of building material and machinery, development and consultation of hotel business, food and beverage, tourism, retail and publicity.
<b>Subsidiaries of Berjaya Land Development Sdn Bhd</b>				
Indra Ehsan Sdn Bhd	Malaysia	100.0	100.0	Property development.
Kim Rim Enterprise Sdn Bhd*	Malaysia	100.0	100.0	Temporarily ceased operations.
Sri Panglima Sdn Bhd	Malaysia	100.0	100.0	Property development.
<b>Subsidiaries of Berjaya Leisure (Cayman) Limited</b>				
Berjaya (China) Great Mall Co. Ltd*	People's Republic of China	51.0	51.0	Property development and investment, temporarily ceased operations.
Berjaya Asset (Cayman) Limited	Cayman Islands	-	100.0	Struck-off.
Berjaya FC (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya International Casino Management (Seychelles) Limited*	Republic of Seychelles	60.0	<sup>21</sup> 60.0	Casino operations.
Berjaya IUT (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Jeju Resort Limited*	Republic of Korea	72.6	72.6	Property development and investment.
Berjaya Mount Royal Beach Hotel Limited#	Sri Lanka	92.6	92.6	Owner and operator of hotel.

<sup>21</sup> The total equity interests held by the Berjaya Land Berhad group is 100.0% and it is held by the following companies:

(i)	Berjaya Leisure (Cayman) Limited	60.00 %
(ii)	Berjaya International Casino Management (HK) Limited	40.00 %

## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Leisure (Cayman) Limited (continued)</b>				
Berjaya Properties (HK) Limited#	Hong Kong	60.0	60.0	Dormant, under striking off process.
Berjaya-D2D Company Limited#	Socialist Republic of Vietnam	100.0	100.0	Property development and investment.
BHR (Cayman) Limited	Cayman Islands	100.0	100.0	Property investment and investment holding.
Mahameru Consultancy d.o.o. Visoko*	Bosnia and Herzegovina	100.0	100.0	Property investment.
Natural Gain Investments Limited#	Hong Kong	100.0	100.0	Dormant.
T.P.C. Development Limited#	Hong Kong	100.0	100.0	Investment holding.
<b>Subsidiary of Berjaya Leisure Capital (Cayman) Limited</b>				
Informatics Education Limited#	Singapore	67.4	<sup>22</sup>	- Investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators.
<b>Subsidiaries of Informatics Education Limited</b>				
Informatics Academy Pte Ltd#	Singapore	100.0		- Computer and business education and training, business management consultancy and child development.
Informatics Computer Education Sdn Bhd*	Malaysia	100.0		- Dormant.
Informatics Education (HK) Ltd*	Hong Kong	100.0		- Computer education and training.

<sup>22</sup> The total equity interests held by the Berjaya Group Berhad group is 67.95% and it is held by the following companies:

(i)	Berjaya Leisure Capital (Cayman) Limited	67.42 %
(ii)	Rantau Embun Sdn Bhd	0.53 %

During the financial year, Berjaya Leisure Capital (Cayman) Limited increased its equity interest in Informatics Education Limited from 27.09% to 67.42%, thus making it a subsidiary company.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Informatics Education Limited (continued)</b>				
Informatics Education Malaysia Sdn Bhd*	Malaysia	100.0		- Dormant, under striking off process.
Informatics Education UK Ltd*	United Kingdom	100.0		- Investment holding.
Informatics Global Campus Pte Ltd#	Singapore	100.0		- Dormant.
Informatics International Pte Ltd#	Singapore	100.0		- Dormant.
Singapore Informatics Computer Institute (Pvt) Ltd*	Sri Lanka	100.0		- Dormant.
<b>Subsidiaries of Informatics Education UK Ltd</b>				
NCC Education Limited#	United Kingdom	100.0		- Educational and business management consultancy.
NCC Education (Beijing) Consulting Co., Ltd*	People's Republic of China	100.0		- Consultancy.
NCC Education (M) Sdn Bhd*	Malaysia	100.0		- Marketing and consultancy.
<b>Subsidiaries of Berjaya Myanmar Holdings Sdn Bhd</b>				
BDS Smart City Co. Ltd.*	Myanmar	80.0		- Property development and other related activities.
Berjaya HT Eco Company Limited*	Myanmar	90.0	90.0	Provision of consultation and technical services for property development projects.
<b>Subsidiary of Berjaya North Asia Holdings Pte Ltd</b>				
Berjaya Okinawa Development Co. Ltd*	Japan	100.0	100.0	Resort hotel and residence development.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Okinawa Investment (S) Pte Ltd</b>				
Berjaya Okinawa Hospitality Asset TMK*	Japan	100.0	100.0	Property investment and development.
Berjaya Okinawa Investment Godo Kaisha*	Japan	100.0	100.0	Investment holding.
Opportunity 24 TMK*	Japan	100.0	100.0	Acquisition, management and disposition of asset.
<b>Subsidiary of Opportunity 24 TMK</b>				
LAC ML2 GK*	Japan	100.0	100.0	Sale and purchase, leasing and management of real estate.
<b>Subsidiary of Berjaya Property Ireland Limited</b>				
Icelandair Hotels ehf*	Iceland	75.0	-	Lease and hotel operator.
<b>Subsidiaries of Icelandair Hotels ehf</b>				
ALDA Hotel Reykjavik ehf*	Iceland	100.0	-	Lease and hotel owner
Asgarour hf*	Iceland	80.0	-	Hotels and real estate assets.
Hljomalindarreitur ehf*	Iceland	100.0	-	Hotels and real estate assets.
<b>Subsidiary of Berjaya Property Management Sdn Bhd</b>				
Taman TAR Development Sdn Bhd	Malaysia	100.0	100.0	Property development.
<b>Subsidiary of Taman TAR Development Sdn Bhd</b>				
Aces Parking Sdn Bhd*	Malaysia	100.0	100.0	Provision for operation of parking facilities for motor vehicles.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Berjaya Reykjavik Investment Limited</b>				
Geirsgata 11 ehf*	Iceland	100.0	-	Leasehold real estate.
<b>Subsidiaries of Berjaya Sports Toto Berhad</b>				
Berjaya-ILTS Limited#	Hong Kong	100.0	100.0	Dormant, under striking off process.
FEAB Equities Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
FEAB Land Sdn Bhd	Malaysia	100.0	100.0	Property development and property investment.
FEAB Properties Sdn Bhd	Malaysia	100.0	100.0	Property investment and investment holding.
Magna Mahsuri Sdn Bhd	Malaysia	100.0	100.0	Property investment and investment holding.
Sports Toto Fitness Sdn Bhd	Malaysia	100.0	100.0	Operation of health and fitness centre.
Sports Toto Malaysia Sdn Bhd	Malaysia	100.0	100.0	Toto betting operations.
STM Resort Sdn Bhd	Malaysia	100.0	100.0	Property investment.
<b>Subsidiary of FEAB Land Sdn Bhd</b>				
FEAB Realty Sdn Bhd	Malaysia	100.0	100.0	Dormant, under striking off process.
<b>Subsidiaries of Magna Mahsuri Sdn Bhd</b>				
Berjaya Sports Toto (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Sports Toto Apparel Sdn Bhd	Malaysia	100.0	100.0	Dormant.
Sports Toto Computer Sdn Bhd	Malaysia	100.0	100.0	Computer consultancy services.
Sports Toto Products Sdn Bhd	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Berjaya Sports Toto (Cayman) Limited</b>				
Berjaya Lottery Management (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.



## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Lottery Management (HK) Limited</b>				
Berjaya Philippines Inc*	Philippines	74.2	<sup>23</sup> 74.2	Investment holding.
International Lottery & Totalizator Systems, Inc*	United States of America	100.0	100.0	Development, manufacturing, distribution of computerised wagering systems and provision of software licences and support.
<b>Subsidiaries of Berjaya Philippines Inc.</b>				
eDoc Holdings Limited*	United Kingdom	100.0	100.0	Investment holding.
Floridablanca Enviro Corporation*	Philippines	100.0	100.0	Service business of protecting and cleaning the environment.
H.R. Owen PLC*	United Kingdom	100.0	100.0	Investment holding.
Perdana Hotel Philippines Inc*	Philippines	100.0	100.0	Operation of a hotel in the Philippines.
Philippine Gaming Management Corporation*	Philippines	-	<sup>24</sup> 100.0	Leasing of online lottery equipment and provision of software support.
<b>Subsidiaries of H.R. Owen PLC</b>				
Bodytechnics Limited*	United Kingdom	100.0	100.0	Maintenance and repair of motor vehicles.
Bradshaw Webb (Chelsea) Limited*	United Kingdom	100.0	100.0	Investment holding.
Broughtons of Cheltenham Limited*	United Kingdom	100.0	100.0	Motor retailing and provision of aftersales services.
Hatfield 6939 Limited*	United Kingdom	100.0	100.0	Property investment.
H.R. Owen Dealerships Limited*	United Kingdom	100.0	100.0	Motor retailing and provision of aftersales services.

<sup>23</sup> The total equity interests held by the Berjaya Sports Toto (Cayman) Limited group in Berjaya Philippines Inc. is 88.26% and it is held by the following companies:

(i)	Berjaya Lottery Management (HK) Limited	74.20 %
(ii)	Berjaya Sports Toto (Cayman) Limited	14.06 %

<sup>24</sup> During the financial year, the equity interest in Philippine Gaming Management Corporation was reduced from 100% to 39.99%, and it was reclassified as an associated company of Berjaya Philippines Inc.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of H.R. Owen PLC (continued)</b>				
H R Owen Insurance Services Limited*	United Kingdom	60.0	60.0	Provision of insurance agents and brokers services.
H.R. Owen Investments Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Leasing Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Motor Dealerships Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Motor Properties Limited*	United Kingdom	100.0	100.0	Dormant.
H.R. Owen Vehicle Leasing Company Limited*	United Kingdom	100.0	100.0	Dormant.
Heathrow Limited*	United Kingdom	100.0	100.0	Dormant.
Holland Park Limited*	United Kingdom	100.0	100.0	Provision of aftersales services.
Jack Barclay Limited*	United Kingdom	100.0	100.0	Motor retailing and provision of aftersales services.
London Lotus Centre Limited*	United Kingdom	100.0	100.0	Dormant.
Malaya Dealerships Limited*	United Kingdom	100.0	100.0	Dormant.
Netprofit.com Limited*	United Kingdom	100.0	<sup>25</sup> 100.0	Dormant.
Pangbourne 6939 Limited*	United Kingdom	100.0	100.0	Property investment.
Shepperton 6939 Limited*	United Kingdom	100.0	100.0	Dormant.
Upbrook Mews Limited*	United Kingdom	100.0	100.0	Property investment.
<b>Subsidiaries of International Lottery &amp; Totalizator Systems, Inc.</b>				
ILTS Vietnam Company Limited*	Socialist Republic of Vietnam	100.0	100.0	Provision of lottery technical support services.
Unisyn Voting Solutions, Inc.*	United States of America	100.0	100.0	Development, manufacturing, distribution of voting systems and provision of software licences and support.

<sup>25</sup> The total equity interests held by the H.R. Owen PLC group is 100.0% and it is held by the following companies:

(i)	H.R. Owen PLC	50.00 %
(ii)	Bradshaw Webb (Chelsea) Limited	50.00 %

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Vacation Club Berhad</b>				
ANSA Hotels & Resorts Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Berjaya Air Sdn Bhd	Malaysia	100.0	100.0	Charter flight operator.
Berjaya Beau Vallon Bay (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Golf Resort Berhad	Malaysia	100.0	100.0	Property development and investment and operator of golf and recreation club.
Berjaya Greenland Invest A/S*	Greenland	100.0	-	Investments and operations of real estate activities.
Berjaya Hospitality Services Sdn Bhd	Malaysia	100.0	100.0	Hotel operator.
Berjaya Hotels & Resorts A/S*	Greenland	100.0	-	Hotel business and related activities.
Berjaya Hotels & Resorts (HK) Limited#	Hong Kong	60.0	<sup>26</sup> 60.0	Investment holding.
Berjaya Hotels & Resorts (M) Sdn Bhd	Malaysia	100.0	100.0	Resort management.
Berjaya International Casino Management (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.
Berjaya Langkawi Beach Resort Sdn Bhd	Malaysia	100.0	100.0	Hotel and resort operation.
Berjaya Praslin Beach (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Vacation Club (Cayman) Limited	Cayman Islands	100.0	100.0	Investment holding.
Berjaya Vacation Club (HK) Limited#	Hong Kong	100.0	100.0	Dormant, under striking off process.
Berjaya Vacation Club (Philippines) Inc.*	Philippines	100.0	100.0	Dormant.
Berjaya Vacation Club (S) Pte Ltd*	Singapore	100.0	100.0	Vacation time sharing.
BTS Hotel Sdn Bhd	Malaysia	100.0	100.0	Owner of hotel.
Bukit Kiara Resort Berhad	Malaysia	100.0	100.0	Developer and operator of equestrian and recreational club.

<sup>26</sup> The total equity interests held by the Group is 100.0% and it is held by the following companies:

(i)	Berjaya Vacation Club Berhad	60.00 %
(ii)	Berjaya Group (Cayman) Limited	40.00 %

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Vacation Club Berhad (continued)</b>				
Georgetown City Hotel Sdn Bhd	Malaysia	100.0	100.0	Hotel operator.
Hotel Integrations Sdn Bhd*	Malaysia	70.0	70.0	Provision of hotel consultancy and related services.
Indah Corporation Berhad	Malaysia	100.0	100.0	Developer and operator of golf resort and property development.
KDE Recreation Berhad	Malaysia	100.0	100.0	Developer and operator of golf and recreational club.
Redang Development Sdn Bhd*	Malaysia	100.0	100.0	Airport development, property development, hotel and resort operation.
Redang Village Resort Sdn Bhd*	Malaysia	51.0	51.0	Dormant.
Sinar Merdu Sdn Bhd	Malaysia	100.0	100.0	Investment and rental of property.
Staffield Country Resort Berhad	Malaysia	80.0	80.0	Developer and operator of golf resort.
The Taaras Beach & Spa Resort (Redang) Sdn Bhd	Malaysia	99.8	99.8	Hotel and resort operation.
The Taaras Luxury Group Sdn Bhd	Malaysia	100.0	100.0	Management of hotel operations.
Tioman Pearl Sdn Bhd*	Malaysia	70.0	70.0	Development of hotel and resort.
Tioman Travel & Tours Sdn Bhd	Malaysia	100.0	100.0	Property investment.
<b>Subsidiary of Berjaya Air Sdn Bhd</b>				
Berjaya Air Cargo Sdn Bhd	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Berjaya Beau Vallon Bay (Cayman) Limited</b>				
Berjaya Beau Vallon Bay Beach Resort Limited*	Republic of Seychelles	100.0	100.0	Operation of hotel resort in Seychelles.
<b>Subsidiary of Berjaya Golf Resort Berhad</b>				
BGRB Venture Sdn Bhd	Malaysia	100.0	-	Investment holding.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Berjaya Praslin Beach (Cayman) Limited</b>				
Berjaya Praslin Limited*	Republic of Seychelles	100.0	100.0	Operation of hotel resort in Seychelles.
<b>Subsidiary of Berjaya Vacation Club (Cayman) Limited</b>				
Berjaya Vacation Club (UK) Limited*	United Kingdom	100.0	100.0	Hoteliers and hotel management.
<b>Subsidiaries of Georgetown City Hotel Sdn Bhd</b>				
Berjaya Georgetown Sharksfin Restaurant Sdn Bhd	Malaysia	100.0	100.0	Dormant.
BG Karaoke Sdn Bhd	Malaysia	69.0	69.0	Dormant.
<b>Subsidiary of KDE Recreation Berhad</b>				
Infinity Worth Creation Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Redang Development Sdn Bhd</b>				
Redang Infra Sdn Bhd*	Malaysia	100.0	100.0	Infrastructure development.
<b>Subsidiary of The Taaras Beach &amp; Spa Resort (Redang) Sdn Bhd</b>				
Redang Island Golf and Country Club Berhad*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Sinar Merdu Sdn Bhd</b>				
ANSA Hotel KL Sdn Bhd*	Malaysia	100.0	100.0	Property investment and hoteliers.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Cerah Tropika Sdn Bhd</b>				
Penstate Corp. Sdn Bhd	Malaysia	100.0	100.0	Property development.
<b>Subsidiary of Kota Raya Development Sdn Bhd</b>				
Kota Raya Complex Management Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
<b>Subsidiary of Noble Circle (M) Sdn Bhd</b>				
Noble Circle Management Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
<b>Subsidiary of Nural Enterprise Sdn Bhd</b>				
Aras Klasik Sdn Bhd*	Malaysia	100.0	100.0	Property management, temporary ceased operations.
<b>Subsidiaries of Tioman Island Resort Berhad</b>				
Berjaya Hotels & Resorts (Singapore) Pte Ltd*	Singapore	100.0	100.0	Hotel booking, marketing agent and investment holding.
Ever Perpetual Growth Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Ever Revenue Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
Tioman Golf Management Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Berjaya Hotels &amp; Resorts (Singapore) Pte Ltd</b>				
BHR Okinawa Management Godo Kaisha*	Japan	100.0	100.0	Hotel management.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Wisma Stephens Management Co Sdn Bhd</b>				
Wujud Jaya Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiaries of Berjaya Pharmacy Sdn Bhd</b>				
Berjaya Pharmacy Distribution Sdn Bhd*	Malaysia	100.0	100.0	Owner and operator of community pharmacy stores and engage in trading, distribution, marketing and retail sales of pharmaceutical and non-pharmaceutical products (commonly available in pharmacies and health and beauty retailers) and the provision of pharmacy services.
Berjaya Pharmacy Retail Sdn Bhd*	Malaysia	100.0	100.0	Operator of community pharmacy stores.
<b>Subsidiaries of Berjaya Premier Restaurants Sdn Bhd</b>				
Berjaya Burger Sdn Bhd*	Malaysia	90.0	90.0	Ceased operation.
Berjaya Krispy Kreme Doughnuts Sdn Bhd*	Malaysia	70.0	70.0	Development and operation of the "Krispy Kreme Doughnuts" chain of retail outlets.
<b>Subsidiaries of BLoyalty Pte Ltd</b>				
B Infinite Asia Pte Ltd*	Singapore	100.0	100.0	Provision of digital loyalty services.
BLoyalty Sdn Bhd*	Malaysia	100.0	8	- Managing and operation of Berjaya Loyalty card programme.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Bukit Pinang Leisure Sdn Bhd</b>				
Bukit Pinang Rel Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Changan Berjaya Auto Sdn Bhd</b>				
Berjaya Brilliance Auto Sdn Bhd*	Malaysia	85.0	85.0	Marketing, importing and distribution of motor vehicles.
<b>Subsidiaries of Cosway Corporation Berhad</b>				
Cosway Corporation Limited#	Hong Kong	95.6	<sup>27</sup> 90.9	Property investment and investment holding.
First Ever Marketing Sdn Bhd	Malaysia	100.0	100.0	Distribution and selling of household electrical appliances and entertainment products. The company has ceased its operation.
Tegas Kinta Sdn Bhd	Malaysia	100.0	100.0	Property investment.
The Catalog Shop Sdn Bhd	Malaysia	100.0	100.0	Collection and administration of hire purchase and equal payment receivables.
<b>Subsidiaries of Cosway Corporation Limited</b>				
Aces Corporation Limited#	Hong Kong	100.0	-	E-commerce platform for sales and marketing of healthcare products.
Berjaya Holdings (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.

<sup>27</sup> The total equity interests held by the Berjaya Group Berhad group is 99.22% and it is held by the following companies:

(i)	Cosway Corporation Berhad	95.64 %
(ii)	Berjaya Group (Cayman) Limited	2.71 %
(iii)	Prime Credit Leasing Berhad	0.67 %
(iv)	Inter-Pacific Securities Sdn Bhd	0.20 %

The total equity interests held by the Group is 100.00% and the additional equity interest is held by the following company:

(i)	Berjaya Hills Resort Berhad	0.78 %
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47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Cosway Corporation Limited (continued)</b>				
Berjaya U-Luck Investments Limited#	Hong Kong	-	51.0	Struck-off.
Cosway (M) Sdn Bhd	Malaysia	100.0	100.0	Direct selling of household, personal care, healthcare and other consumer products.
Mallia Limited#	Hong Kong	100.0	100.0	Dormant.
Panluck Limited#	Hong Kong	-	100.0	Struck-off.
Wing Hung Kee Commodities Limited#	Hong Kong	-	100.0	Struck-off.
<b>Subsidiary of Berjaya Holdings (HK) Limited</b>				
Vmart (Tianjin) Trading Co Limited#	People's Republic of China	100.0	100.0	Retailing and wholesaling of consumer, household and skin care products.
<b>Subsidiaries of Cosway (M) Sdn Bhd</b>				
Cosway (Cayman) Limited*	Cayman Islands	100.0	100.0	Investment holding.
Cosway (China) Co. Ltd*	People's Republic of China	100.0	100.0	Research, development and manufacturing of cleaning products and cosmetics; selling self-produced products; provide technical consultancy and technical service relating to self-produced products; engaging in the wholesale, import and export of the same.
Cosway (S) Pte Ltd*	Singapore	100.0	100.0	Dormant.
Cosway (HK) Limited#	Hong Kong	100.0	100.0	Direct selling of consumer, household and skin care products.
Cosway New Zealand Limited*	New Zealand	100.0	100.0	Direct selling of consumer, household and skin care products.
Cosway USA, Inc.*	United States of America	100.0	100.0	Direct selling of consumer, household and skin care products.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Cosway (M) Sdn Bhd (continued)</b>				
eCosway Colombia Ltda.*	Colombia	99.0	99.0	Marketing, distribution and import of consumer products.
eCosway Japan K. K.*	Japan	100.0	100.0	Direct selling of household, personal care, healthcare and other consumer products.
eCosway Mexico, S.A. de C.V.*	Mexico	99.0	99.0	Marketing, distribution and import of consumer products.
eCosway Pty Ltd*	Australia	100.0	100.0	Direct selling of consumer, household and skin care products.
eCosway Rus LLC*	Russia	99.9	99.9	Marketing, distribution and import of consumer products.
eCosway Trading Mexico, S.A. de C.V.*	Mexico	99.0	99.0	Import, export and commercial trading.
eCosway.com Sdn Bhd	Malaysia	60.0	<sup>28</sup> 60.0	Internet based direct selling of consumer products.
eCosway.com (HK) Limited#	Hong Kong	100.0	-	Engaged in E-commerce activities.
Golden Works (M) Sdn Bhd	Malaysia	100.0	100.0	Property investment.
Juara Budi Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
Kimia Suchi Sdn Bhd	Malaysia	100.0	100.0	Investment holding, contract manufacture and trading of industrial and household cleaning products.
PT Berjaya Cosway Indonesia*	Indonesia	95.0	95.0	Direct selling of consumer, household and skin care products.
Rank Distributors Sdn Bhd	Malaysia	100.0	100.0	Trading of healthcare and cosmetic products.
Tact Full Limited#	Hong Kong	100.0	100.0	Provision of payment services.

<sup>28</sup> The total equity interests held by the Cosway Corporation Limited group is 100.0% and it is held by the following companies:

(i)	Cosway (M) Sdn Bhd	60.00 %
(ii)	Cosway Corporation Limited	40.00 %

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Cosway (Cayman) Limited</b>				
Cosway Argentina S.R.L.*	Argentina	-	90.0	Deregistered.
Cosway Colombia Ltda.*	Colombia	-	90.0	Deregistered.
Cosway Do Brasil Ltda. *	Brazil	99.0	99.0	Property Investment.
Cosway Mexico, S.A. de C.V.*	Mexico	-	98.0	Deregistered.
Cosway Peru S.R. Ltda.*	Peru	-	96.0	Deregistered.
Cosway (UK) Limited*	United Kingdom	100.0	100.0	Direct selling of consumer, household and skin care products.
eCosway Inc.*	United States of America	100.0	100.0	Dormant.
One Qualityways Phils Inc *	Philippines	95.0	95.0	Dormant.
<b>Subsidiaries of Cosway (HK) Limited</b>				
Cosway (Macau) Limited*	Macau	99.0	99.0	Direct selling of consumer, household and skin care products.
Vmart Corp (HK) Limited#	Hong Kong	100.0	100.0	Investment holding.
<b>Subsidiary of Vmart Corp (HK) Limited</b>				
eCosway Korea, Inc	Republic of Korea	100.0	100.0	Direct selling of consumer, household and skin care products.
<b>Subsidiary of Juara Budi Sdn Bhd</b>				
Stephens Properties Sdn Bhd	Malaysia	100.0	100.0	Investment holding and property investment.
<b>Subsidiary of Stephens Properties Sdn Bhd</b>				
Stephens Properties Management Corporation Sdn Bhd	Malaysia	100.0	100.0	Dormant.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Kimia Suchi Sdn Bhd</b>				
Kimia Suchi Marketing Sdn Bhd	Malaysia	100.0	100.0	Trading of industrial cleaning products.
<b>Subsidiary of Rank Distributors Sdn Bhd</b>				
Vital Degree Sdn Bhd	Malaysia	100.0	100.0	Trading of healthcare and cosmetic products.
<b>Subsidiary of Country Farms Sdn Bhd</b>				
CountryFarm Organics Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Inter-Pacific Development Sdn Bhd</b>				
Inter-Pacific Construction Sdn Bhd*	Malaysia	100.0	100.0	Dormant.
<b>Subsidiary of Mothers en Vogue Sdn Bhd</b>				
Mothers en Vogue Pte Ltd*	Singapore	100.0	100.0	Retail sale of wearing apparel for adults, maternity and breastfeeding/nursing fashion.
<b>Subsidiaries of REDtone International Berhad</b>				
Ansar Mobile Sdn Bhd	Malaysia	100.0	100.0	Provision of telecommunications services including fixed and mobile services and telecommunications related services.
REDtone Data Centre Sdn Bhd	Malaysia	70.0	70.0	Provides system integration, software solutions and trading in computer hardware.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of REDtone International Berhad (continued)</b>				
REDtone Engineering & Network Services Sdn Bhd	Malaysia	100.0	100.0	Research and development, manufacturing and marketing of telecommunication and multimedia solutions.
REDtone IOT Sdn Bhd	Malaysia	100.0	100.0	Provider of business solutions in information technology and to build interconnection of uniquely identifiable embedded computing devices within existing internet infrastructure and investment holding.
REDtone Technology Sdn Bhd	Malaysia	100.0	100.0	Provider of total solutions in business communication and telecommunication services and investment holding.
REDtone Telecommunications Sdn Bhd	Malaysia	100.0	100.0	Research, development, manufacturing and marketing of computer-telephony integration, provision of communication services and investment holding.
<b>Subsidiaries of REDtone Technology Sdn Bhd</b>				
Meridianotch Sdn Bhd	Malaysia	100.0	100.0	Investment holding.
REDtone Mytel Sdn Bhd	Malaysia	60.0	60.0	Provision of telecommunication services.
REDtone Technology Pte Ltd*	Singapore	100.0	100.0	Provision of telecommunication related products and services.
SEA Telco Engineering Services Sdn Bhd	Malaysia	80.0	80.0	Provision of information technology services.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiary of Rangkaian Sejahtera Sdn Bhd</b>				
BerjayaCity Sdn Bhd	Malaysia	100.0	100.0	Property investment, development, cultivation and sale of palm oil and palm kernel.
<b>Subsidiaries of Singapore Institute of Advanced Medicine Holdings Pte Ltd</b>				
Advance Medicine Imaging Pte. Ltd.*	Singapore	100.0	-	Provision of clinic and imaging services.
Advanced Medicine Oncology Pte. Ltd.*	Singapore	100.0	-	Provision of clinic and oncology services.
Advanced Medicine Radiopharmaceutical Pte. Ltd.*	Singapore	100.0	-	Manufacture of medical research and clinical diagnostic instruments and supplies.
Asia HealthPartners Pte. Ltd.*	Singapore	100.0	-	Provision of clinic and other general medical services, sale of pharmaceuticals, surgical and consumables.
Berjaya Investment Holdings Pte. Ltd.*	Singapore	100.0	-	Investment holding,
Proton Therapy Pte. Ltd.*	Singapore	100.0	-	Provision of clinic and other general medical services.
<b>Subsidiaries of Successline (M) Sdn Bhd</b>				
Securexpress Services Sdn Bhd*	Malaysia	100.0	100.0	Provide logistics, warehousing and transportation services.
Successline Haulers Sdn Bhd*	Malaysia	90.0	90.0	Provide courier and transport services to the general public.

## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Subsidiaries of Berjaya Hills Resort Berhad</b>				
Avetani Sdn Bhd	Malaysia	100.0	100.0	Property development and investment.
BTR Property Management Sdn Bhd	Malaysia	100.0	100.0	Rental pool programme operator.
BTR Leisure Sdn Bhd	Malaysia	100.0	100.0	Recreational activities operator.
Bukit Tinggi Tours Sdn Bhd	Malaysia	100.0	100.0	To carry on the business as travel and tour agents.
<b>Subsidiaries of Berjaya Kyoto Development (S) Pte Ltd</b>				
Berjaya Kyoto Development Kabushiki Kaisha*	Japan	100.0	100.0	Hotel and residence development.
Berjaya Kyoto Holdings Godo Kaisha*	Japan	100.0	100.0	Investment holding.
Kyoto Higashiyama Hospitality Assets TMK*	Japan	100.0	100.0	Property investment.
<b>Subsidiary of Berjaya Kyoto Development Kabushiki Kaisha</b>				
Berjaya Japan TMK*	Japan	100.0	100.0	Dormant.
<b>Subsidiary of Berjaya Lottery Vietnam Limited</b>				
Berjaya Gia Thinh Investment Technology Joint Stock Company*	Socialist Republic of Vietnam	51.0	51.0	Management consultancy.
<b>Subsidiary of Berjaya Myanmar Limited</b>				
Berjaya Myanmar Investment Limited*	Myanmar	95.0	95.0	Investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>ASSOCIATED COMPANIES:</b>				
<b>Associates of Berjaya Corporation Berhad</b>				
Atlan Holdings Bhd	Malaysia	21.7	<sup>29</sup> 23.9	Investment holding and the provision of management, financial, technical and other ancillary services.
Tioman Hill Resort Sdn Bhd	Malaysia	50.0	50.0	Investment holding.
<b>Associates of Berjaya Group Berhad</b>				
Adcas Lifescience Sdn Bhd	Malaysia	50.0	50.0	Provision of personalised healthcare.
Berjaya Media Berhad	Malaysia	12.4	<sup>30</sup> 12.4	Investment holding.
Berjaya Racing Management Sdn Bhd	Malaysia	20.0	20.0	Dormant.
Cekap Urus Sdn Bhd	Malaysia	49.0	-	To undertake the maintenance of government vehicle fleet.

<sup>29</sup> The total equity interests held by the Group is 24.52% and it is held by the following companies:

(i)	Berjaya Corporation Berhad	21.72 %
(ii)	Berjaya Philippines Inc	2.01 %
(iii)	Inter-Pacific Capital Sdn Bhd	0.79 %

<sup>30</sup> The total equity interests held by the Berjaya Group Berhad group is 12.36% and it is held by the following companies:

(i)	Regnis Industries (Malaysia) Sdn Bhd	2.33 %
(ii)	FEAB Properties Sdn Bhd	2.01 %
(iii)	Prime Credit Leasing Berhad	8.02 %

The total equity interests held by the Group is 13.27% and the additional equity interest is held by the following company:

(i)	Berjaya Hills Resort Berhad	0.91 %
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The Group has significant influence, as defined in MFRS 128: Investments in Associates, over Berjaya Media Berhad ("BMedia") and therefore treated BMedia as an associated company of the Group.



47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associates of Berjaya Group Berhad (continued)</b>				
Le Proton LIMA Sdn Bhd	Malaysia	40.0	40.0	Organise trade fairs to promote Malaysian products through exhibitions.
Razer Health Pte Ltd	Singapore	45.0	-	To build and operate a production line for the production of surgical face masks.
Tunas Cempaka Sdn Bhd	Malaysia	49.0	49.0	Dormant.
<b>Associate of Berjaya Capital Berhad</b>				
Berjaya Sompoo Insurance Berhad	Malaysia	30.0	30.0	General insurance.
<b>Associate of Inter-Pacific Securities Sdn Bhd</b>				
SaigonBank Berjaya Securities Joint Stock Company	Socialist Republic of Vietnam	49.0	49.0	Stock and share broking.
<b>Associates of Berjaya Group (Cayman) Limited</b>				
Beijing Zhongcai Printing Co.Ltd	People's Republic of China	20.0	20.0	Printing of lottery tickets and undertaking of printing-related works.
Berjaya Hotels & Resorts (HK) Limited	Hong Kong	40.0	40.0	Investment holding.
Berjaya Properties (HK) Limited	Hong Kong	40.0	40.0	Dormant, under striking off process.
<b>Associate of Berjaya Engineering &amp; Construction (HK) Limited</b>				
Berjaya Sanhe Real Estate Development Co Ltd	People's Republic of China	22.0	22.0	Property development and management.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associate of Roasters Asia Pacific (HK) Limited</b>				
Roasters Korea Co. Ltd	Republic of Korea	25.0	25.0	Dormant.
<b>Associate of SIG Holdings (Cayman) Limited</b>				
Berjaya Engineering & Construction (HK) Limited	Hong Kong	25.0	25.0	Investment holding.
<b>Associates of Berjaya Corporation (Cayman) Limited</b>				
Berjaya Pizza (Philippines) Inc	Philippines	21.6	21.6	Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.
M & A Investments Pte Ltd	Singapore	31.4	31.4	Investment holding.
Ssangyong Berjaya Motor Philippines Inc	Philippines	27.1	27.1	Selling and distribution of Ssangyong brand vehicles within the territory of the Philippines.
<b>Associate of BLoyalty Pte Ltd</b>				
BLoyalty Sdn Bhd	Malaysia	-	40.0	Managing and operation of Berjaya Loyalty card programme.
<b>Associates of Cosway Corporation Limited</b>				
eCosway.com Sdn Bhd	Malaysia	40.0	40.0	Internet-based direct selling of consumer products.
Greenland Timber Industries (Private) Limited	Singapore	20.0	20.0	Investment holding.

## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associate of Berjaya Fintech Sdn Bhd</b>				
Razer Fintech Holdings Pte. Ltd. (formerly known as Razer Pay Holdings Pte. Ltd.)	Singapore	49.0	49.0	Investment holding.
<b>Associate of Juara Sejati Sdn Bhd</b>				
REDtone International Berhad	Malaysia	44.3	46.1	Investment holding and the provision of management services.
<b>Associate of Successline (M) Sdn Bhd</b>				
Successline Express Sdn Bhd	Malaysia	49.0	49.0	Provision of custom clearing services. The company temporarily ceased operations.
<b>Associates of Cosway (Cayman) Limited</b>				
Cosway Overseas Company Limited	Thailand	49.0	49.0	Investment holding.
Cosway (Thailand) Company Limited	Thailand	49.0	49.0	Direct selling and trading in consumer products.
<b>Associate of Rank Distributors Sdn Bhd</b>				
Coswin (M) Sdn Bhd	Malaysia	40.0	40.0	Trading of consumer products.

# NOTES TO THE FINANCIAL STATEMENTS

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associates of Berjaya Land Berhad</b>				
Aces Property Management Sdn Bhd	Malaysia	25.0	<sup>17</sup>	- Property development.
Berjaya Assets Berhad	Malaysia	9.5	<sup>31</sup>	9.1 Investment holding.
Berjaya Kyoto Development (S) Pte Ltd	Singapore	50.0	50.0	Investment holding.
Berjaya Naza Sdn Bhd	Malaysia	50.0	50.0	Property development.
Centreplus Sdn Bhd	Malaysia	30.0	30.0	Dormant.
Focus Equity Sdn Bhd	Malaysia	32.5	32.5	Dormant, under liquidation.
Resort Cruises (S) Pte Ltd	Singapore	49.0	49.0	Dormant.
<b>Associates of Icelandair Hotels ehf</b>				
Gufa ehf	Iceland	31.5		- Real estates and spa operations.
Tjarnir hf	Iceland	22.0		- Real estates.
<b>Associates of Berjaya Leisure (Cayman) Limited</b>				
AM Automotive (S) Pte Ltd	Singapore	49.9	49.9	Ceased to be a dealer for "Aston Martin" vehicles.
Asian Atlantic Holdings Limited	British Virgin Islands	24.5	24.5	Investment holding.

<sup>31</sup> The total equity interests held by the Berjaya Land Berhad group is 9.49% and it is held by the following companies:

(i)	Portal Access Sdn Bhd	3.49 %
(ii)	Berjaya Land Berhad	2.99 %
(iii)	BTS Hotel Sdn Bhd	0.41 %
(iv)	Nada Embun Sdn Bhd	0.04 %
(v)	Immediate Capital Sdn Bhd	0.41 %
(vi)	Magna Mahsuri Sdn Bhd	0.86 %
(vii)	Berjaya Philippines Inc	1.15 %
(viii)	KDE Recreation Bhd	0.14 %

The total equity interests held by the Group is 11.51% and the additional equity interest is held by the following companies:

(i)	Ambilan Imej Sdn Bhd	1.06 %
(ii)	Berjaya Capital Berhad	0.70 %
(iii)	Inter-Pacific Capital Sdn Bhd	0.27 %

The Berjaya Land Berhad group has significant influence, as defined in MFRS 128: Investments in Associates, over Berjaya Assets Berhad ("BAssets") and therefore treated BAssets as an associated company of the Berjaya Land Berhad group.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associates of Berjaya Leisure (Cayman) Limited (continued)</b>				
Berjaya Land (Thailand) Company Ltd	Thailand	40.0	40.0	Property development and investment.
Berjaya Property (Thailand) Company Ltd	Thailand	40.0	40.0	Dormant.
Berjaya Vietnam Financial Center Limited#	Socialist Republic of Vietnam	32.5	32.5	Property development and investment.
Inter-Capital Holdings Pte Ltd	Singapore	50.0	50.0	Investment holding.
Singapore Institute of Advanced Medicine Holdings Pte Ltd	Singapore	23.7	22.5	Provision of medical laboratory services, clinic and other general medical services, sale of pharmaceuticals, surgical and consumables.
<b>Associate of Berjaya Okinawa Development Co Ltd</b>				
Nubaru Tochi Kanri Godo Kaisya	Japan	33.0	33.0	Investment holding.
<b>Associate of Berjaya Leisure Capital (Cayman) Limited</b>				
Informatics Education Limited	Singapore	-	22 27.1	Investment holding, franchisor and licensor for computer and commercial training centres and examination facilitators.
<b>Associate of B.L. Capital Sdn Bhd</b>				
Regnis Industries (Malaysia) Sdn Bhd	Malaysia	30.0	30.0	Property investment and rental of property.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associate of Berjaya International Casino Management (HK) Limited</b>				
Berjaya International Casino Management (Seychelles) Limited	Republic of Seychelles	40.0	40.0	Management of casino and investment holding.
<b>Associate of Tioman Island Resort Berhad</b>				
Tioman Ferry Services Sdn Bhd	Malaysia	20.0	20.0	Dormant.
<b>Associates of Berjaya Sports Toto Berhad</b>				
Berjaya Lottery Vietnam Limited	Malaysia	20.0	20.0	Investment holding.
Berjaya Racing Management Sdn Bhd	Malaysia	20.0	20.0	Dormant.
<b>Associates of Berjaya Philippines Inc.</b>				
Berjaya Auto Asia Inc.	Philippines	30.0	-	Distribution of China brand vehicles through appointed dealers in the Philippines.
Bermaz Auto Philippines Inc	Philippines	28.3	28.3	Selling and distribution of Mazda brand cars within the territory of the Philippines.
Berjaya Pizza (Philippines) Inc	Philippines	48.4	48.4	Development and operation of the "Papa John's Pizza" chain of restaurants in the Philippines.
Chailease Berjaya Finance Corporation	Philippines	25.0	25.0	Providing hire purchase and loan financing services.
Cosway Philippines Inc	Philippines	40.0	40.0	Dormant.
Neptune Properties Inc	Philippines	41.5	41.5	Engage in real estate business.
Perdana Land Philippines Inc	Philippines	40.0	40.0	Acquire, develop and lease real estate.

47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Associates of Berjaya Philippines Inc. (continued)</b>				
Philippine Gaming Management Corporation	Philippines	39.9	<sup>24</sup>	- Leasing of online lottery equipment and provision of software support.
Ssangyong Berjaya Motor Philippines Inc	Philippines	21.7	21.7	Selling and distribution of Ssangyong brand vehicles within the territory of the Philippines.
<b>Associate of EDOC Holdings Limited</b>				
VideoDoc Ltd	United Kingdom	20.2	20.2	Under liquidation.
<b>Associate of FEAB Properties Sdn Bhd</b>				
Cashsystems Asia Technology Sdn Bhd	Malaysia	30.0	30.0	Dormant, under liquidation.
<b>Associates of REDtone International Berhad</b>				
REDtone MEX Sdn Bhd	Malaysia	56.0	56.0	Building of tele-consultation/ tele-radiology exchange and distributing, designing and development of information system, mobile solutions and healthcare solution.
REDtone Network Sdn Bhd	Malaysia	49.0	49.0	Research and development and marketing of communication applications.
Sea Telco Engineering (Sarawak) Sdn Bhd	Malaysia	49.0	49.0	Telecommunications and related services.
<b>Associate of Berjaya Engineering Construction Sdn Bhd</b>				
Aces Architects Sdn Bhd	Malaysia	30.0		- Provision of architectural service.

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## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>JOINT VENTURES:</b>				
<b>Held by Berjaya Capital Berhad</b>				
Chailease Berjaya Credit Sdn Bhd	Malaysia	30.0	30.0	Hire purchase and loan financing in relation to vehicles and consumer goods.
<b>Held by Berjaya Hotels &amp; Resorts Vietnam Sdn Bhd</b>				
Berjaya Hotay Joint Venture Company Limited	Socialist Republic of Vietnam	50.0	50.0	Developer and operator of an international standard five star hotel and provision of related services.
<b>Held by Berjaya Group (Cayman) Limited</b>				
Antara Spacecom Pte Ltd	Singapore	-	<sup>14</sup> 50.0	Investment holding and provision of satellite communication, broadcasting and mobility services.
<b>Held by Berjaya Property Management Sdn Bhd</b>				
Pasdec Cempaka Sdn Bhd	Malaysia	31.0	31.0	Property development and investment.
<b>Held by Berjaya Vacation Club Berhad</b>				
Asia Jet Partners Malaysia Sdn Bhd	Malaysia	51.0	51.0	Aircraft charter service and related aircraft business.
<b>Held by B.L. Capital Sdn Bhd</b>				
Pasdec Cempaka Sdn Bhd	Malaysia	20.0	20.0	Property development and investment.



## 47. LIST OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES (CONTINUED)

Name	Country of incorporation	Equity interest held		Principal activities
		2020 %	2019 %	
<b>Held by Cosway (China) Co. Ltd</b>				
Cosway (Guangzhou) Cosmetic Manufacture Co Ltd	People's Republic of China	70.0	70.0	Manufacture and trading in consumer, household and skin care products.
<b>Held by FEAB Equities Sdn Bhd</b>				
FEAB Cylabs Sdn Bhd	Malaysia	50.0	50.0	Dormant.
<b>Held by Berjaya Energies Sdn Bhd (formerly known as KUB-Berjaya Energy Sdn Bhd)</b>				
Amita Berjaya Sdn Bhd (formerly known as Amita KUB-Berjaya Kitar Sdn Bhd)	Malaysia	60.0	60.0	Providing industrial waste recycling services.
<b>Held by Berjaya Leisure (Cayman) Limited</b>				
Berjaya-Handico12 Co Ltd	Socialist Republic of Vietnam	80.0	80.0	Property investment and development.

## Notes:

- \* Subsidiaries audited by other firms of chartered accountants.
- # Subsidiaries audited by other member firms of Ernst & Young Global.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

## 48. COMPARATIVES

The previous financial period consist of 14 months as the Company changed its financial year end from 30 April 2019 to 30 June 2019. The current financial statements of the Group and of the Company are prepared for a period of twelve (12) months from 1 July 2019 to 30 June 2020. As a result, the comparative information stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes to the financial statements, which were prepared for a period of fourteen (14) months, are not comparable.

# INDEPENDENT AUDITORS' REPORT

report to the members of Berjaya Corporation Berhad  
(Incorporated in Malaysia) Registration No. 200101019033 (554790-X)

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of Berjaya Corporation Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 98 to 336.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

## INDEPENDENT AUDITORS' REPORT

report to the members of Berjaya Corporation Berhad  
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### ***Emphasis of Matter***

#### ***Uncertainty related to the License Period of 2.6GHz Spectrum Intangible Asset***

Without qualifying our opinion, we draw attention to Note 2.5(1)(a) to the financial statements which describes the uncertainty related to the license period of the licence for a 2.6GHz spectrum held by a subsidiary of the Group, REDtone International Berhad, which is currently up to 31 December 2021. In the event that the extension of the spectrum licence is not obtained, a further RM161.4 million and RM38.6 million impairment loss would be recognised on the intangible assets and the goodwill respectively for the year ended 30 June 2020. Our opinion is not modified in respect of this matter.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### **Key audit matters in respect of audit of the financial statements of the Group**

##### **1. Review of impairment assessment of goodwill and intangible assets**

(Refer to summary of significant accounting policies in Note 2.2.6, significant accounting estimates and judgements in Note 2.5(1)(a) and Note 2.5(2)(a), and the disclosure of intangible assets in Note 12 to the financial statements)

The Group performs impairment tests on its goodwill and intangible assets with indefinite useful life at least annually, and on its intangible assets with definite useful life when there is an indication that the asset may be impaired. For purposes of impairment testing, goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs. The Group estimates the recoverable amounts of the CGUs based on either the estimated value-in-use ("VIU") or the fair value less cost to sell ("FVLCTS") of the respective CGU, whichever is higher.

***Key audit matters (cont'd.)***

**Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

**1. Review of impairment assessment of goodwill and intangible assets (cont'd.)**

Estimating the VIUs of the CGUs involves estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs and discounting them at an appropriate rate. The cash flow forecasts to derive the VIU contain a number of significant judgements and estimates including estimates on revenue growth rates, gross margins, payout ratio, terminal growth rates and the discount rates to be applied.

In estimating the FVLCTS of the CGU, the Group relies on valuations performed by independent professional valuers. These valuations are based on relevant assumptions which includes, amongst others, comparable historical transactions and adjustments to factor in comparable location, size, condition, accessibility, design and market knowledge.

Arising from the impairment assessment, the Group has recognised an impairment loss of RM60 million in respect of the goodwill of Cosway (M) Sdn Bhd and RM46.2 million in respect of the goodwill of REDtone International Berhad.

We have focused our audit effort on the testing of impairment of goodwill and intangible assets as the amounts which they represent are significant to the financial statements, the assumptions applied in arriving at the VIU and FVLCTS are subjective and changes in these assumptions may lead to significant changes in the recoverable amounts of the CGUs. The following table summarises the carrying amount of goodwill and intangible assets of the CGUs within these business segments which we have applied our focus on.

# INDEPENDENT AUDITORS' REPORT

report to the members of Berjaya Corporation Berhad  
(Incorporated in Malaysia) Registration No. 200101019033 (554790-X)

## ***Key audit matters (cont'd.)***

### **Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

#### **1. Review of impairment assessment of goodwill and intangible assets (cont'd.)**

Business segments	Carrying amount (RM'000)		% of non-current assets	% of total assets	Measurement of recoverable amount
	As at 30 June 2020	Amount in focus			
<b>Goodwill</b>					
• Restaurants	427,482	422,005	2.9%	2.0%	VIU
• Property investments and development	207,529	194,621	1.4%	1.0%	FVLCTS
• Consumer products and services	180,670	106,362	1.2%	0.8%	VIU
<b>Intangible assets</b>					
• Gaming rights	3,437,211	3,437,211	23.0%	16.1%	VIU
• Telecommunications licences with allocated spectrum	199,459	199,459	1.3%	0.9%	VIU

In addressing this area of focus, we involved the component auditor in performing the procedures below:

#### **Recoverable amounts based on VIU**

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated, with the involvement of our internal valuation experts, the appropriateness of the methodology and approach applied, and considered whether they are commonly used in the industry;
- evaluated the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy;
- evaluated whether key assumptions which comprise the revenue growth rates, gross margins, payout ratio, terminal growth rates and the discount rates are reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of economic growth in the respective country in which the CGU operates;

***Key audit matters (cont'd.)***

**Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

**1. Review of impairment assessment of goodwill and intangible assets (cont'd.)**

In addressing this area of focus, we involved the component auditor in performing the procedures below: (cont'd.)

**Recoverable amounts based on VIU (cont'd.)**

- assessed, with the involvement of our internal valuation experts, whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates or equivalent data for peer companies; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes in the key assumptions to the recoverable amount.

**Recoverable amounts based on FVLCTS**

- assessed the objectivity, independence, reputation and expertise of the independent valuers;
- obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the intangible asset and land and assessed whether such methodology is consistent with those used in the industry; and
- evaluated the appropriateness of the data used by the independent valuers as inputs into their valuations. We interviewed the independent valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions and sensitivities are included in Note 12 to the financial statements.

**2. Recoverability of debts due from the purchaser of the Berjaya (China) Great Mall Co. Ltd. development project**

(Refer to significant accounting estimates and judgements in Note 2.5(1)(d), the disclosure of receivables in Notes 11 and 14, and arbitration proceedings in Note 40(4) to the financial statements)

## INDEPENDENT AUDITORS' REPORT

report to the members of Berjaya Corporation Berhad  
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### ***Key audit matters (cont'd.)***

#### **Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

#### **2. Recoverability of debts due from the purchaser of the Berjaya (China) Great Mall Co. Ltd. development project (cont'd.)**

As disclosed in Note 40(4) to the financial statements, the Group has previously initiated arbitration proceedings against Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean") to recover a debt receivable from Beijing SkyOcean arising from the disposal of a property located in Beijing, China (the "Great Mall Property") (collectively, the "Arbitration Proceedings"). The Group disposed the Great Mall Property in October 2016 to Beijing SkyOcean for a total consideration of RMB2.039 billion (equivalent to RM1.228 billion) and has collected RMB1.065 billion (equivalent to RM0.641 billion) from Beijing SkyOcean. The holding company of Beijing SkyOcean and one of its shareholders have provided guarantees for the outstanding debt.

The Group has on 21 May 2020 obtained a favourable arbitration award and will proceed to seek recognition and enforcement of the final award, which includes the outstanding amount of RMB974.07 million (equivalent to RM589.44 million), liquidated damages on the outstanding balance and arbitration costs. As a result, the debt receivable has been written back to the nominal amount of RMB974.07 million and classified as a current asset. The directors, in consultation with their legal counsel, expect recovery of the amount within the next 12 months.

We consider this to be an area of focus for our audit as the process to seek the court's recognition and enforcement of the arbitration award is still ongoing and the eventual amount recoverable from Beijing SkyOcean is subject to the finalisation of this process. In addition, the amount involved is significant and judgment and estimates are involved in the estimation of the timing of expected recoverability of the debt.

In addressing this area of focus, we involved the component team in Beijing, People's Republic of China in performing the procedures included below:

- reviewed the arbitration report to verify the outcome of the Arbitration Proceedings;
- interviewed the directors and management to understand the basis of their conclusion in respect of the eventual outcome of the process of seeking the court's recognition and enforcement of the final arbitration award and their assessment of the quantum and timing of the recoverability of this debt;
- assessed the legal counsels' objectivity and independence; and reviewed their credentials, qualifications, experience and reputation; and



***Key audit matters (cont'd.)***

**Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

**2. Recoverability of debts due from the purchaser of the Berjaya (China) Great Mall Co. Ltd. development project (cont'd.)**

In addressing this area of focus, we involved the component team in Beijing, People's Republic of China in performing the procedures included below: (cont'd.)

- evaluated the rationale and basis for the legal counsels' opinion by reviewing the legal confirmations and interviewing them to gain an understanding of the status of the process of seeking the court's recognition and enforcement of the final arbitration award, and the basis of their opinion on the outcome of this process.

We have also reviewed and assessed the completeness and accuracy of the Group's disclosures pertaining to the said Arbitration Proceedings as disclosed in Note 2.5(1)(d) and Note 40(4) to the financial statements.

**3. Revenue and cost of sales from toto betting operations**

(Refer to summary of significant accounting policies in Note 2.2.25, and the disclosure of revenue in Note 31 to the financial statements)

The Group is involved in the toto betting operations where revenue is derived from a large volume of individually insignificant transactions. The Group relies heavily on its information technology system ("IT System") to account for such revenue. During the financial year, the Group recognised revenue of approximately RM2.46 billion from toto betting operations, which accounted for 36% of the Group's revenue. The related cost of sales from toto betting operations was RM2 billion, which accounted for 38% of the Group's cost of sales for the financial year.

The amounts recognised for revenue and cost of sales from toto betting operations is a key audit matter because the amounts recognised are significant to the financial statements of the Group and they involve large volume of transactions which are processed by the Group's IT System.

In addressing this area of focus, we involved the component auditor in performing the procedures below:

- obtained an understanding of the relevant internal controls over the process of recording of revenue and cost of sales;

## INDEPENDENT AUDITORS' REPORT

report to the members of Berjaya Corporation Berhad  
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### ***Key audit matters (cont'd.)***

#### **Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

#### **3. Revenue and cost of sales from toto betting operations (cont'd.)**

In addressing this area of focus, we involved the component auditor in performing the procedures below: (cont'd.)

- evaluated the operating effectiveness of automated controls over revenue and cost of sales processes by involving our internal experts in testing the operating effectiveness of automated controls over the revenue and cost of sales processes. We also tested the accuracy of interface between the sales terminal system and the betting operating system, and related calculation of prize payment in the financial information system;
- evaluated the effectiveness of the non-automated controls in place to ensure the accuracy of revenue and cost of sales recognised, including the timely posting of revenue and cost of sales to the general ledger in the financial information system;
- evaluated transactions recorded close to the year end, including draw sales after year end, to establish whether those transactions were recorded in the correct accounting period;
- performed reconciliation of cash receipts to revenue recorded in the financial statements.

We have also reviewed and assessed the adequacy of the Group's disclosure relating to revenue and cost of sales.

#### **4. Assessment of fair value for investment properties**

(Refer to summary of significant accounting policies in Note 2.2.4, significant accounting estimates and judgements in Note 2.5(2)(e), the disclosure of investment properties in Note 5, and fair value measurement in Note 41.1 to the financial statements)

As at 30 June 2020, the carrying amount of investment properties amounted to RM1.01 billion representing 6.8% and 4.7% of the Group's total non-current assets and total assets respectively.

***Key audit matters (cont'd.)***

**Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

**4. Assessment of fair value for investment properties (cont'd.)**

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are subjective.

In addressing this area of focus, we involved the component auditor in performing the procedures below:

- assessed the objectivity, independence, reputation and expertise of the independent valuers;
- obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; and
- evaluated the appropriateness of the data used by the independent valuers as input into their valuations. We interviewed the independent valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process.

We also reviewed and assessed the Group's disclosures relating to investment properties.

**5. Other changes in group composition (New subsidiary: Icelandair Hotels ehf)**

(Refer to the disclosure of acquisition of subsidiary companies in Note 7.1, and significant events during the year in Note 45(12) to the financial statements.

The Group acquired several subsidiaries during the year. We focused on the acquisition of Icelandair Hotels ehf ("IH") for the reasons explained below:

## INDEPENDENT AUDITORS' REPORT

report to the members of Berjaya Corporation Berhad  
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### ***Key audit matters (cont'd.)***

#### **Key audit matters in respect of audit of the financial statements of the Group (cont'd.)**

##### **5. Other changes in group composition (New subsidiary: Icelandair Hotels ehf) (cont'd.)**

The Group has yet to finalise the Purchase Price Allocation ("PPA") exercise in respect of its acquisition of 75% equity interest in IH, which is expected to be completed during the financial year ending 30 June 2021. Based on the provisional PPA, the Group recorded, amongst others, property, plant and equipment and right-of-use assets for the hotels ("Hotel Assets") of RM1.08 billion, and derivative liability of RM28.2 million.

The fair values of the Hotel Assets and derivative liabilities are based on assumptions that are judgmental. Accordingly, we consider this to be a key audit matter.

In addressing this area of focus, we involved the component auditor in performing the procedures below:

- obtained an understanding of the methodology adopted by management in estimating the fair values of the Hotel Assets and the derivative liabilities, and assessed whether such methodologies are consistent with those used in the industry;
- evaluated the appropriateness of the data used by the independent valuers as input into their valuation of the Hotel Assets. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process; and
- reviewed the provisional amounts derived by the management and evaluated the assumptions adopted in arriving at such provisional amounts.

#### **Key audit matters in respect of audit of the financial statements of the Company**

##### **1. Impairment assessment of investment in subsidiary companies**

(Refer to summary of significant accounting policies in Note 2.2.1, significant accounting estimates and judgements in Note 2.5(2)(c), the disclosure of investment in subsidiary companies in Note 7 to the financial statements)

As at 30 June 2020, the carrying amount of the investment in subsidiary companies of the Company amounted to RM5.73 billion, representing 92.9% and 72.7% of the Company's total non-current assets and total assets respectively.

***Key audit matters (cont'd.)***

**Key audit matters in respect of audit of the financial statements of the Company (cont'd.)**

**1. Impairment assessment of investment in subsidiary companies (cont'd.)**

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU") whichever is higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU, and discounting them at the appropriate rate. The cash flow forecasts, included a number of significant judgements and estimates such as the revenue growth rate, payout ratio, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- evaluated the appropriateness of the methodology and approach applied;
- checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy and also the basis of determining fair value less cost to sell;
- evaluated whether key assumptions which comprised the revenue growth rate, payout ratio for the gaming operations, discount rate and terminal growth rate, as well as the fair value less cost to sell, were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth;
- assessed whether the rate used in discounting the future cash flows to its present value was appropriate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates in specific market in which the respective subsidiary company operates or equivalent data for peer companies;

## **INDEPENDENT AUDITORS' REPORT**

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### ***Key audit matters (cont'd.)***

#### **Key audit matters in respect of audit of the financial statements of the Company (cont'd.)**

##### **1. Impairment assessment of investment in subsidiary companies (cont'd.)**

Our procedures to address this area of focus included, amongst others, the following: (cont'd.)

- where fair value less cost to sell is applied, evaluated whether the assumptions applied in determining the fair value less cost to sell of the respective investments and their underlying assets were reasonable, and where valuations were performed, discussed with the independent valuers to obtain an understanding of the related data used as input to the valuation models; and
- analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions to the recoverable amount.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test was most sensitive.

### ***Information other than the financial statements and auditors' report thereon***

The directors of the Company are responsible for the other information. The other information comprises the director's report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the directors for the financial statements***

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **INDEPENDENT AUDITORS' REPORT**

report to the members of Berjaya Corporation Berhad  
(Incorporated in Malaysia) Registration No. 200101019033 (554790-X)

### ***Auditors' responsibilities for the audit of the financial statements (cont'd.)***

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



***Auditors' responsibilities for the audit of the financial statements (cont'd.)***

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 47 to the financial statements.

**Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Yap Seng Chong  
No. 02190/12/2021 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
28 October 2020

# MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value (RM'000)
KM 48, Persimpangan Bertingkat, Lebuhraya Karak, 28750 Bukit Tinggi, Bentong, Pahang Darul Makmur	Leasehold and freehold	13,571.95 acres	Land held for development	N/A	1990 - 1997	899,723
PT41, The Ritz-Carlton Residences, Laman Sentral Berjaya, No. 105, Jalan Ampang, 50450 Kuala Lumpur	Freehold	362,012 sq ft	212 units of residences	3	16/01/2017	668,255
Lot 28 (GRN 20366), Lot 403 (GRN 20428), Lot 728 ( GRN 18054), Seksyen 2, Bandar Georgetown Daerah, Timor Laut, Pulau Pinang	Freehold	55.37 acres	Land for mixed development	N/A	31/03/2014	463,345
363 parcels of land at Onna-son Okinawa Island, Japan	Freehold	119,227 sq m	Land held for development	N/A	Since 15/07/2009	287,803
Lot 352 Sek 20, Bandar Kuantan District of Kuantan, Kuantan, Pahang Darul Makmur	Freehold	5.46 acres	Shopping mall for rental	22	05/02/1991	244,110
KM 48, Persimpangan Bertingkat, Lebuhraya Karak, 28750 Bukit Tinggi, Bentong, Pahang Darul Makmur	Leasehold	43.69 acres	Chateau, Colmar Tropicale, Convention center No. 1, Japanese tea house, Japanese Tatami Suites & Spa, Staff Quarters, Ryo Zan Tei Restaurant & Botanical Garden, Central laundry	7-24	N/A	216,900

## MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value (RM'000)
14th, 15th floor and Service Suites at Tower B, Berjaya Times Square, No. 1, Jln Imbi, Kuala Lumpur	Freehold	345,773 sq ft	327 units of service suites	17	06/01/1998	183,943
Premises at Ground Floor, Berjaya Times Square, 14th & 16th Floors, Towers A & B, No. 1 Jalan Imbi, Kuala Lumpur	Freehold	30,957 sq ft	Hotel lobby, function rooms and storage area	17	10/02/2010	
B44-04, Tower B, Berjaya Times Square, No.1 Jalan Imbi, Kuala Lumpur	Freehold	3,821 sq ft	Penthouse	17	08/05/2012	
Service Suites at Tower A & B, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur	Freehold	136,497 sq ft	181 units of service suite	17	13/03/2007	
Service Suites at Tower A, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur	Freehold	21,765 sq ft	32 units of service suite	17	01/07/2008	
B-35-013, Tower B, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur	Freehold	624 sq ft	1 unit service suite	17	01/07/2008	

## MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value (RM'000)
445-2, 445-3, Myohoin Maekawa-Cho, Higashiojiodori Shibutani-sagaru, Higashiyama-ku, Kyoto (Four Seasons Residence)	Freehold	3,941.06 sq m	57 condos with 34 units unsold	2.5	28/06/2016	180,913
Mukim of Sungei Tinggi (7 lots) and Mukim of Batang Berjuntai (8 lots) District of Ulu Selangor, Kuala Selangor, Selangor Darul Ehsan	Freehold	2,329.75 acres	Land for development	N/A	04/08/1995	157,528
HS(D) 52466, PT No. 4625, HS(D) 52467, PT No. 4626, HS(D) 52468, PT No. 4627, HS(D) 52471, PT No. 4630, HS(D) 52472, PT No. 4631, HS(D) 52473, PT No. 4632, HS(D) 52474, PT No. 4633, HS(D) 52475, PT No. 4634, Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan	Freehold	871.10 acres	Land for mixed development	N/A	31/03/2017	156,211
Plot 65, 267, 562, Thong Nhat Ward, Bien Hoa City, Dong Nai Province, Vietnam	Plot 65: Parcel B - Long term use Plot 267: Parcel A - Leasehold expiring on 22/04/2058 Plot 562: Hotel - Leasehold expiring on 29/08/2058	22,885.30 sq m	Land for mixed development	N/A	01/09/2009	140,297
Canopy Reykjavik City Centre Smidjustigur 4 (Reg No: 200-4476) Hverfisgata 26 (Reg No: 200-4428) Hverfisgata 28 (Reg No: 200-433) Hverfisgata 30 (Reg No: 200-6423) Hverfisgata 32 (Reg No: 200-4438) Hverfisgata 34 (Reg No: 200-4446)	Freehold	6,909 sq m	Hotel	4-115	30/04/2020	133,990

## MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value (RM'000)
HS(D) 4/94, PT278, HS(D) 1017, PT140, HS(D) 1018, PT141, HS(D) 1734, PT592, Mukim Padang Matsirat, Daerah Langkawi, Pulau Langkawi, Kedah Darul Aman	PT278 - Leasehold expiring on 30/04/2069 PT140, 141 - Leasehold expiring on 30/03/2070 PT592 - Leasehold expiring on 05/08/2110	120.83 acres	Beach resort (424 guest rooms/chalets)	27	PT278: 27/05/1994 PT140, 141: 30/03/2010 PT592: 21/10/2019	133,461
Lot 558, Lot 239, Lot 240-242, Lot 50000, Lot 50001, Lot 50002, Lot 705, PT 925-929 Teluk Dalam & Teluk Siang, Pulau Redang, Terengganu Darul Iman	Lot 558 - Freehold Lot 705, 50000 to 50002 - Leasehold 60 years expiring in year 2070 Lot 239, 240-242, PT 925-929 - Leasehold 60 years expiring in year 2051	613.68 acres	Beach resort (189 guest rooms and a villa)	>24	Lot 558 - in year 1990 Lot 705, 50000 to 50002 - in year 2010 Lot 239, 240-242, PT 925-929 - 16/10/1993	115,131
Geran No. 29726, Lot No. 1261, Seksyen 67, Daerah Kuala Lumpur (Plaza Berjaya, 12 Jalan Imbi Kuala Lumpur)	Freehold	158,154 sq ft	Land with office, residential block and shopping complex for rental	34	27/11/1989	102,045
10 parcels of land at Uruma-shi Okinawa Island, Japan	Freehold	57,479 sq m	Land with a building (123 guest rooms)	26	30/03/2017	98,232
Lot 5001 - 5005, Lot 5007 - 5020, PN 14706 to 14710, 14712 to 14714, 14721 to 14731 Daerah Rompin, Bandar Tioman, Pulau Tioman, Pahang Darul Makmur	Leasehold 99 years expiring on 02/05/2107	201.39 acres	Land for hotel & resort operations	33	30/12/1985	91,138

## MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value (RM'000)
GM931 Lot 57, GM841 Lot 58, Geran 26066 Lot 1, Geran 26067 Lot 2, GM 1772 Lot 49, Seksyen 94B, Mukim Kuala Lumpur	Freehold	387,920 sq ft	Vacant development land	N/A	03/05/2012	87,806
Lot PT No. 4805 & 4806 HS (D) No 81319 & 81320, Mukim Petaling, Kuala Lumpur	Freehold	7,129,260 sq ft	Club house and golf course	>28	05/09/1991	81,602
KM48, Persimpangan Bertingkat Lebuhraya Karak, 28750 Bukit Tinggi, Bentong, Pahang Darul Makmur	Leasehold	185.55 acres	Convention Centre No. 2, Golf Course, Club House, Sports Complex	13-24	1998	79,489
Lot 001165 Geran 5868, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	Freehold	293,303 sq ft	Shopping podium with shop lots/offices/apartments for rental	36	08/11/1997	78,944
12-01, Berjaya Times Square, No. 1 Jalan Imbi, Kuala Lumpur	Freehold	106,890 sq ft	Commercial office premises	17	11/09/1996	68,469
11th Floor, Berjaya Times Square, No. 1, Jalan Imbi, Kuala Lumpur	Freehold	104,844 sq ft	1 floor of office space of an integrated commercial development for rental	17	06/01/1998	65,556
Icelandair Hotel Myvatn Reykjahlid plot 2 (Reg No: 216-3143) Reykjahlid/gamilibaer (Reg No: 216-3499) Reykjahlid-Austurhlid (Reg No: 216-3458) Reykjahlid/starfsmenn (Reg No: 2163161-2) Reykjahlid/hotel (Reg No: 216-3462) Reykjahlid/uthlid (Reg No: 216-3466) Reykjahlid/uthlid (Reg No: 216-3467)	Freehold	4,571 sq ft	Hotel	43	30/04/2020	60,824

## MATERIAL PROPERTIES OF THE GROUP

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value (RM'000)
ANSA Kuala Lumpur No. 101, Jalan Bukit Bintang, Kuala Lumpur	Leasehold 60 years expiring on 30/04/2062	22,853 sq ft	Hotel (167 guest rooms)	>41	05/05/2008	52,727
13th Floor, Berjaya Times Square, No. 1, Jalan Imbi, Kuala Lumpur	Freehold	106,315.13 sq ft	1 floor of office space of an integrated commercial development for rental	17	06/01/1998	52,655
Icelandair Hotel Akureyri Pingvallastraeti 23, Akureyri Reg No 215-1892	Freehold	3,566 sq m	Hotel	51	30/04/2020	52,265
HS(D) 11814, Lot 11527, Lot 1 to 8, Lot 49 to 55, Taman Tun Abdul Razak Ampang, Selangor Darul Ehsan	Freehold	351,903 sq ft	Land held for development	N/A	22/12/1990	50,119

### Material Contracts

Other than as disclosed in Notes 11, 13, 14, 15, 29, 31, 33, 34, 38, 39, 45 and 46 to the financial statements for the financial year ended 30 June 2020, there were no other material contracts entered into by Berjaya Corporation Berhad and its subsidiary companies, involving Directors and major shareholders.

### Additional Information

The amount of non-audit fees incurred for services rendered to the Group for the financial year ended 30 June 2020 amounted to RM2,056,000.

# GROUP ADDRESSES

## FINANCIAL SERVICES

**Inter-Pacific Securities Sdn Bhd**  
**Inter-Pacific Asset Management Sdn Bhd**  
West Wing, Level 13  
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Fax : 603-2144 1686  
Website : www.interpac.com.my  
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Level 2 & 3  
No. 56, Cantonment Road  
10250 Penang  
Tel : 604-226 8288  
Fax : 604-227 6288

*Johor Bahru Office:*  
95, Jalan Tun Abdul Razak  
80000 Johor Bahru, Johor  
Tel : 607-223 1211  
Fax : 607-224 6266

*Danau Desa Office:*  
Ground Floor, 7-0-8, Jalan 3/109F  
Danau Business Center  
Danau Desa  
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Fax : 603-7984 7798

*Bandar Baru Seri Petaling Office:*  
No. 33-1 (First Floor) Jalan Radin Bagus  
Bandar Baru Seri Petaling  
57000 Kuala Lumpur  
Tel : 603-9056 2922  
Fax : 603-9056 2923

**SaigonBank Berjaya Securities**  
**Joint Stock Company**  
Floor 9, Savico Invest Office Building  
No 66-68, Nam Ky Khoi Nghia Street  
District 1, Ho Chi Minh City  
Vietnam  
Tel : 84-28-3914 3399  
Fax : 84-28-3914 3388  
Website : www.sbbs.com.vn

**Prime Credit Leasing Berhad**  
Level 13, West Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 03-2148 1009

## HOTELS & RESORTS DEVELOPMENT & MANAGEMENT

**Berjaya Hotels & Resorts**  
*Corporate Office:*  
Level 15 West, Berjaya Times Square Hotel,  
Kuala Lumpur  
1 Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2142 9611  
Fax : 603-2144 2527  
Email : bhr@berjayahotel.com  
Website : www.berjayahotel.com

## MALAYSIAN HOTELS & RESORTS

**Berjaya Tioman Resort**  
P.O. Box 4, 86807 Mersing  
Johor Darul Takzim  
Tel : 609-419 1000  
Fax : 609-419 1718  
Email : tioman.rsvn@berjayahotel.com

**Berjaya Langkawi Resort**  
Karong Berkunci 200  
Burau Bay  
07000 Langkawi  
Kedah Darul Aman  
Tel : 604-959 1888  
Fax : 604-959 1886  
Email : langkawi.rsvn@berjayahotel.com

**The Taaras Beach & Spa Resort, Redang**  
P.O. Box 126, Main Post Office  
20928 Kuala Terengganu  
Terengganu Darul Iman  
Tel : 609-630 8888  
Fax : 609-630 8880  
Email : reservation@thetaaras.com

**Redang Island Resort**  
Teluk Siang, Redang Island  
21090 Kuala Terengganu  
Terengganu Darul Iman  
Tel : 609-630 8787  
Fax : 609-630 8788  
Email : reservation@redangislandresort.com  
Website : www.redangislandresort.com

**Berjaya Penang Hotel**  
1-Stop Midlands Park  
Jalan Burmah  
10350 Pulau Pinang  
Tel : 604-227 7111  
Fax : 604-226 7111  
Email : pg.reservation@berjayahotel.com

**Berjaya Times Square Hotel, Kuala Lumpur**  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2117 8000  
Fax : 603-2143 3352  
Email : bth.rsvn@berjayahotel.com

**ANSA Hotel Kuala Lumpur**  
101, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Tel : 603-2146 5000  
Fax : 603-2146 5001  
Email : reservation@ansahotels.com

**Colmar Tropicale Berjaya Hills, Pahang**  
KM48, Persimpangan Bertingkat Lebuhraya Karak  
28750 Bukit Tinggi  
Bentong  
Pahang Darul Makmur  
Tel : 609-221 3666  
Fax : 609-221 3828  
Email : sales@colmartropicale.com.my

**The Chateau Spa & Organic Wellness Resort**  
**Berjaya Hills, Pahang**  
KM48, Persimpangan Bertingkat Lebuhraya Karak  
28750 Bukit Tinggi  
Bentong  
Pahang Darul Makmur  
Tel : 609-221 3888  
Fax : 609-221 3886  
Email : sales@thechateau.com.my

## OVERSEAS HOTELS & RESORTS

**Berjaya Beau Vallon Bay Resort & Casino**  
**- Seychelles**  
P.O. Box 550, Victoria  
Mahe, Seychelles  
Tel : 248-4287 287  
Fax : 248-4247 943  
Email : mahe.inquiry@berjayahotel.com

**Berjaya Praslin Resort**  
**- Seychelles**  
Anse Volbert, Praslin, Seychelles  
Tel : 248-4286 286  
Fax : 248-4232 244  
Email : praslin.rsvn@berjayahotel.com

**Berjaya Eden Park London Hotel**  
**- United Kingdom**  
35-39, Inverness Terrace  
Bayswater, London W2 3JS  
United Kingdom  
Tel : 44-20-7221 2220  
Fax : 44-20-7221 2286  
Email : info.london@berjayahotel.com

**The Castleton Hotel, London**  
**- United Kingdom**  
164-166 Sussex Gardens  
London W2 1UD  
United Kingdom  
Tel : 44-20-7706 4666  
Fax : 44-20-7706 2288  
Email : info@castletonhotel.com

**Berjaya Hotel Colombo**  
**- Sri Lanka**  
36, College Avenue, Mount Lavinia  
Sri Lanka  
Tel : 94-11-273 9610  
Fax : 94-11-273 3030  
Email : colombo.rsvn@berjayahotel.com

**Sheraton Hanoi Hotel**  
**- Vietnam**  
K5 Nghi Tam  
11, Xuan Dieu Road  
Tay Ho District  
Hanoi, Socialist Republic of Vietnam  
Tel : 84-24-3719 9000  
Fax : 84-24-3719 9001  
Email : reservations.hanoi@sheraton.com

**Berjaya Makati Hotel**  
**- Philippines**  
7835, Makati Ave  
cor. Eduque Street  
Makati City, Manila  
Philippines 1209  
Tel : 632-7750 7500  
Fax : 632-7750 6783  
Website : www.berjayahotel.com/makati

**Four Seasons Hotel and Hotel Residences Kyoto,**  
**Japan**  
445-3, Myohoin Maekawa-cho  
Higashiyama-ku  
Kyoto 605-0932, Japan  
Tel : 81-75 541 8288  
Website : www.fourseasons.com/kyoto

**Hakkoda Resort Hotel**  
**- Japan**  
1-58 Kansuizawa Arakawa Aomori-shi  
Aomori-ken 030-0111, Japan  
Tel : 81-17-738-2233  
Fax : 81-17-738-2531  
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Website : www.hakkouda-resort.jp



## GROUP ADDRESSES

### **ANSA Okinawa Resort – Japan**

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Email : aor.rsvn@ansahotels.com

### **Icelandair Hotels, Iceland**

#### **Canopy by Hilton Reykjavik City Centre**

Smidjustigur 4  
101 Reykjavik, Iceland  
Tel : 354-528-7000  
Website : [www.icelandairhotels.com/en/hotels/reykjavik/canopy-reykjavik](http://www.icelandairhotels.com/en/hotels/reykjavik/canopy-reykjavik)

#### **Icelandair Hotel Herad**

Midvangur 1-7  
700 Egilsstadir, Iceland  
Tel : 354-471-1500  
Email : herad@icehotels.is  
Website : [www.icelandairhotels.com/en/hotels/east/icelandair-hotel-herad](http://www.icelandairhotels.com/en/hotels/east/icelandair-hotel-herad)

#### **Icelandair Hotel Akureyri**

Pingvallarstraeti 23  
600 Akureyri, Iceland  
Tel : 354-518-1000  
Email : akureyri@icehotels.is  
Website : [www.icelandairhotels.com/en/hotels/north/icelandair-hotelakureyri](http://www.icelandairhotels.com/en/hotels/north/icelandair-hotelakureyri)

#### **Icelandair Hotel Myvatn**

660 Reykjahlid - Myvatn  
Iceland  
Tel : 354-594-2000  
Email : myvatn@icehotels.is  
Website : [www.icelandairhotels.com/en/hotels/north/icelandair-hotelmyvatn](http://www.icelandairhotels.com/en/hotels/north/icelandair-hotelmyvatn)

#### **Hilton Reykjavik Nordica**

Sudurlandsbraut 2  
108 Reykjavik, Iceland  
Tel : 354-444-5000  
Website : [www.icelandairhotels.com/en/hotels/reykjavik/hilton-reykjavik-nordica](http://www.icelandairhotels.com/en/hotels/reykjavik/hilton-reykjavik-nordica)

#### **Icelandair Hotel Reykjavik Natura**

Nautholsvegur 52  
102 Reykjavik, Iceland  
Tel : 354-444-4500  
Email : natura@icehotels.is  
Website : [www.icelandairhotels.com/en/hotels/reykjavik/reykjavik-natura](http://www.icelandairhotels.com/en/hotels/reykjavik/reykjavik-natura)

#### **Icelandair Hotel Reykjavik Marina**

Myrargata 2  
101 Reykjavik, Iceland  
Tel : 354-560-8000  
Email : marina@icehotels.is  
Website : [www.icelandairhotels.com/en/hotels/reykjavik/reykjavik-marina](http://www.icelandairhotels.com/en/hotels/reykjavik/reykjavik-marina)

#### **Reykjavik Konsulat Hotel, Curio**

**Collection by Hilton**  
Hafnarstraeti 17-19  
101 Reykjavik, Iceland  
Tel : 354-514-6800  
Website : [www.hilton.com/en/hotels/rekcuqq-reykjavik-konsulat-hotel/](http://www.hilton.com/en/hotels/rekcuqq-reykjavik-konsulat-hotel/)

#### **Alda Hotel Reykjavik**

Laugavegur 66-68  
101 Reykjavik, Iceland  
Tel : 354-553-9366  
Email : reception@aldahotel.is  
Website : [www.icelandairhotels.com/en/hotels/reykjavik/hotel-alda-reykjavik](http://www.icelandairhotels.com/en/hotels/reykjavik/hotel-alda-reykjavik)

#### **Iceland Parliament Hotel, Curio Collection by Hilton**

Aoalstraeti 1 & 11, Thorvaldsenstraeti 2-6,  
Vallarstraeti 2-4, Reykjavik, Iceland

### **CLUBS & RECREATION**

#### **Kelab Darul Ehsan, Selangor**

Taman Tun Abdul Razak  
Jalan Kerja Air Lama  
68000 Ampang Jaya  
Selangor Darul Ehsan  
Tel : 603-4257 2333  
Email : kde@berjayaclubs.com

#### **Bukit Kiara Equestrian & Country Resort, Kuala Lumpur**

Jalan Bukit Kiara  
Off Jalan Damansara  
60000 Kuala Lumpur  
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Email : kiara@berjayaclubs.com

#### **Bukit Jalil Golf & Country Resort, Kuala Lumpur**

Jalan Jalil Perkasa 3, Bukit Jalil  
57000 Kuala Lumpur  
Tel : 603-8994 1600  
Email : jalil@berjayaclubs.com

#### **Berjaya Hills Golf & Country Club**

KM48, Persimpangan Bertingkat Lebuhraya Karak  
28750 Bukit Tinggi  
Bentong  
Pahang Darul Makmur  
Tel : 609-288 8180  
Email : golf@bhgcc.com.my

#### **Bukit Banang Golf & Country Club, Johor**

1, Persiaran Gemilang  
Bandar Banang Jaya  
83000 Batu Pahat  
Johor Darul Takzim  
Tel : 607-428 6001  
Email : banang@berjayaclubs.com

#### **Staffield Country Resort, Negeri Sembilan**

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71700 Mantin  
Negeri Sembilan Darul Khusus  
Tel : 6018-233 3836  
Email : staffield@berjayaclubs.com

#### **Tioman Island Golf Club, Pahang**

P.O. Box 4  
86807 Mersing  
Johor Darul Takzim  
Tel : 609-419 1000 (Ext. 1631)  
Email : tioman.golf@berjayahotel.com

### **VACATION TIMESHARE & TRAVEL**

#### **Berjaya Vacation Club Berhad – Kuala Lumpur**

Lot 5-04, 5th Floor  
Fahrenheit 88  
179, Jalan Bukit Bintang  
55100 Kuala Lumpur  
Tel : 603-2116 9999  
Fax : 603-2141 9288/2148 6879  
Email : bvc@berjaya.com.my

#### **Berjaya Air Sdn Bhd**

*Head Office:*  
Lot AM1, Skypark Terminal  
Sultan Abdul Aziz Shah Airport  
47200 Subang  
Selangor Darul Ehsan  
Tel : 603-7847 1338  
Fax : 603-7842 2038

#### **Asia Jet Partners Malaysia Sdn Bhd**

Lot M6 & M7, Skypark Terminal  
Sultan Abdul Aziz Shah Airport  
47200 Subang  
Selangor Darul Ehsan  
Tel : 603-7845 1888  
Email : admin@asiajet.com.my

### **PROPERTY INVESTMENT & DEVELOPMENT**

#### *Main Office:*

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Berjaya Times Square  
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55100 Kuala Lumpur  
Tel : 603-2149 1999/2142 8028  
Fax : 603-2143 2028/2145 2126  
Email : property@berjaya.com.my

#### *Property Management:*

Lot 1.35B, 1st Floor Podium Block  
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No. 12, Jalan Imbi  
55100 Kuala Lumpur  
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Fax : 603-2110 3272  
Email : propmgmt@berjaya.com.my

#### *Vietnam Office:*

#### **Berjaya – D2D Co. Limited**

6th Floor, Bao Viet Tower  
233 Dong Khoi Street  
Ben Nghe Ward, District 1  
Ho Chi Minh City  
Socialist Republic of Vietnam  
Tel : 84-28-3521 0038 (General)  
Tel : 84-28-3521 0001 (Marketing)  
Fax : 84-28-3521 0039

#### **Berjaya Handico12 Co., Ltd**

The Pavilion  
Hanoi Garden City  
Khu DTM Thach Ban, Phuong Thach Ban,  
Long Bien District, Hanoi,  
Socialist Republic of Vietnam  
Tel : 84-24-3652 6666  
Fax : 84-24-3652 6668

#### *China Office:*

#### **Berjaya Sanhe Real Estate Development Co. Ltd.**

#### **Berjaya (China) Great Wall Co. Ltd.**

38 Xing Gong West Street  
Yanjiao Development Zone  
065201 Sanhe City  
People's Republic of China  
Tel : 86-10-6159 7200/86-316-333 8022

#### *Property Addresses:*

#### **Indah UPC Shops**

3 1/2 Mile, Jalan Klang Lama  
58000 Kuala Lumpur

#### **Klang Lama New Business Centre**

**Gemilang Indah Apartments**  
Jalan 2/110A  
Batu 3 1/2, Jalan Klang Lama  
58200 Kuala Lumpur

#### **Pines Condominiums**

No. 116, Jalan Sultan Abdul Samad  
Brickfields  
50470 Kuala Lumpur

#### **Ixora Apartments**

Jalan Rusa  
Off Jalan Tun Razak  
50400 Kuala Lumpur

## GROUP ADDRESSES

### **Robson Condominiums**

Jalan 2/87D, Robson Heights  
Persiaran Syed Putra 2  
50470 Kuala Lumpur

### **1 Petaling Residences & Commerz @ Sg. Besi**

Jalan 1C/149, Off Jalan Sungai Besi  
57100 Kuala Lumpur

### **Petaling Indah Condominiums**

Jalan 1C/149, Off Jalan Sungai Besi  
57100 Kuala Lumpur

### **Sri Pelangi Condominiums**

**Sri Pelangi Shops & Apartments**  
Jalan Genting Kelang, Setapak  
53300 Kuala Lumpur

### **Taman Cemerlang**

**Cemerlang Heights**  
**Cemerlang Court**  
**Cemerlang Apartment**  
**Cemerlang Shop/Office/Apartment**  
Jalan TC 1/5, Taman Cemerlang Gombak  
53100 Kuala Lumpur

### **Berjaya Park**

Seksyen 32, 40460 Shah Alam  
Selangor Darul Ehsan

### **Vasana 25**

**Seputeh Heights**  
Jalan Bukit Seputeh 3  
Taman Seputeh Heights  
58000 Kuala Lumpur

### **Subang Heights**

Jalan SHT/SHB, Taman Subang Heights  
47500 Subang Jaya  
Selangor Darul Ehsan

### **The Peak @ Taman TAR**

Off Jalan Sultan  
Taman Tun Abdul Razak  
68000 Ampang  
Selangor Darul Ehsan

### **Greenfields Apartments**

**Green Avenue Condominiums**  
No. 8, Jalan 1/155B, Bukit Jalil  
57000 Kuala Lumpur

### **Residensi Lanai**

**Arena Green Apartments**  
Jalan 1/55A, Bukit Jalil  
57000 Kuala Lumpur

### **Savanna Bukit Jalil Condominiums**

Jalan 1/155A, Bukit Jalil  
57000 Kuala Lumpur

### **Savanna 2 Bukit Jalil**

**Covillea Bukit Jalil**  
Jalan Jalil Perkasa 7  
Bukit Jalil, 57000 Kuala Lumpur

### **Jalil Link @ Bukit Jalil**

Jalan 1/155B, Bukit Jalil  
57000 Kuala Lumpur

### **The Link 2 @ Bukit Jalil**

Jalan Jalil Perkasa 1, Bukit Jalil  
57000 Kuala Lumpur

### **KM1 East & West Condominiums @ Bukit Jalil**

Jalan Jalil Perkasa, Bukit Jalil  
57000 Kuala Lumpur

### **Kinrara Ria Apartments**

Jalan TK 4/11, Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

### **Kinrara Putri Apartments**

Jalan TK 4/12  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

### **Kinrara Low Cost Shops & Apartments**

Jalan TK 4/13  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

### **Kinrara Mas Shops & Apartments**

Jalan TK 4/14  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

### **Kinrara Mas Low Cost Shops**

Jalan TK 4/13  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

### **Kinrara Shops, Offices & Apartments**

Jalan TK 4/5  
Taman Kinrara Seksyen IV  
47100 Puchong  
Selangor Darul Ehsan

### **Kuantan Perdana Shop Office**

Jalan Tun Ismail  
25000 Kuantan  
Pahang Darul Makmur

### **Ritz-Carlton Residences**

**Menara Bangkok Bank@Berjaya Central Park**  
Jalan Sultan Ismail/Jalan Ampang  
50250 Kuala Lumpur

### **Berjaya Hills**

KM48  
Persimpangan Bertingkat Lebuhraya Karak  
28750 Bukit Tinggi, Bentong  
Pahang Darul Makmur  
Malaysia  
Tel : 609-288 8888  
Fax : 609-288 3018

### **Batu Pahat Office:**

**Berjaya Land Development Sdn Bhd**  
74 & 75, Jalan Gemilang  
Taman Banang Jaya  
83000 Batu Pahat  
Johor Darul Takzim  
Tel : 607-428 8678

### **Penang Office:**

88 Jalan Masjid Negeri  
11600 Pulau Pinang  
Tel : 604-658 2828

### **Singapore Office:**

**Berjaya Corporation (S) Pte. Ltd.**  
680 Upper Thomson Road  
#01-13 Singapore 787103  
Tel : 602-6227 3688  
Fax : 602-6225 4966

### **Complexes:**

**Berjaya Megamall, Pahang**  
Lot 3-18, 3rd Floor  
Sri Dagangan Kuantan  
Business Centre, Jalan Tun Ismail  
25000 Kuantan  
Pahang Darul Makmur  
Tel : 609-508 8188

### **Plaza Berjaya, Kuala Lumpur**

Lot 2.05, 2nd Floor  
Podium Block Plaza Berjaya  
No. 12, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2141 2818

### **Kota Raya Complex, Kuala Lumpur**

Lot 3.16A, Level 3  
Kota Raya Complex  
Jalan Tun Tan Cheng Lock  
50000 Kuala Lumpur  
Tel : 603-2072 2562

### **Wisma Cosway**

Jalan Raja Chulan  
50200 Kuala Lumpur

### **CONSUMER MARKETING, DIRECT SELLING & RETAIL**

#### **Cosway (M) Sdn Bhd**

*Head Office:*  
18-01-01B Menara Cosway  
Plaza Berjaya  
No. 12, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-21161188/6688  
Email : customercare@cosway.com.my  
Website : www.cosway.com.my

#### **Country Farms Sdn Bhd**

Unit-C2 Natco Industrial Park  
Lot 9 Lorong Keluli 1B  
Kawasan Perindustrian Bukit Raja Selatan  
Seksyen 7, 40000 Shah Alam  
Selangor Darul Ehsan  
Tel : 603-3342 4401/3342 4402  
Fax : 603-3342 4404  
Email : info@countryfarmorganics.com

#### **Berjaya Books Sdn Bhd**

G16, G16A-C, Ground Floor  
The Curve  
No. 6, Jalan PJU 7/3  
Mutiara Damansara  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603-7725 8412  
Email : info@borders.com.my

### **MOTOR TRADING AND DISTRIBUTION**

#### **Berjaya China Motor Sdn Bhd**

Lot 3, Jalan 225, Section 51A  
46100 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603-7954 1188  
Fax : 603-7955 1189

#### **H.R. Owen Plc.**

Melton Court  
25-27 Old Brompton Road  
London SW7 3TD United Kingdom  
Tel : 44-20-7245 1122  
Website : www.hrowen.co.uk

### **GAMING & LOTTERY MANAGEMENT**

#### **Sports Toto Malaysia Sdn Bhd**

Lot 13-01, Level 13 (East Wing)  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2148 9888  
Fax : 603-2141 9581  
Email : webmaster@sportstoto.com.my  
Website : www.sportstoto.com.my

## GROUP ADDRESSES

### **Berjaya Philippines Inc.**

9th Floor, Rufino Pacific Tower  
6784 Ayala Avenue corner V.A. Rufino Street  
Makati City  
Metro Manila, Philippines  
Tel : 632-8811 0668  
Fax : 632-8811 2293  
Website : www.berjaya.com.ph

### **International Lottery & Totalizator Systems, Inc., USA**

2310 Cousteau Court  
Vista (San Diego)  
California 92081-8346  
United States of America  
Tel : 1-760-598 1655  
Fax : 1-760-598 0219  
Email : mktg@ilts.com  
Website : www.ilts.com

### **Berjaya Gia Thinh investment Technology**

**Joint Stock Company**  
Level 17, Lim II Building  
62A Cach Mang Thang Tam  
Ward 6, District 3  
Ho Chi Minh City  
Socialist Republic of Vietnam  
Email : info@bgt.com.vn

### **FOOD & BEVERAGE**

#### **Berjaya Starbucks Coffee Company Sdn Bhd**

Lot 10-04, Level 10, West Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2052 5888  
Fax : 603-2052 5889

#### **Berjaya Food Trading Sdn Bhd**

Lot 9-11, Level 9, East Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2052 5888  
Fax : 603-2052 5889

#### **Berjaya Food Supreme Sdn Bhd**

95, Jalan Pemancha  
Bandar Seri Begawan BS8811  
Brunei Darussalam  
Tel : 603-2052 5888  
Fax : 603-2052 5889

#### **Berjaya Roasters (M) Sdn Bhd**

Lot 09-16, Level 9, East Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2119 9888  
Fax : 603-2142 7688  
Email : broasters@krr.com.my

#### **Roasters Asia Pacific (M) Sdn Bhd**

Lot 07-33, Level 7, West Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2145 3259  
Fax : 603-2143 4085

#### **Berjaya Krispy Kreme Doughnuts Sdn Bhd**

Lot 07-33, Level 7, West Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2141 2699  
Fax : 603-2143 4085

### **Ser Vegano Sdn Bhd**

A-G-03A, Glomac, Galeria Hartamas  
Jalan 26A/70A, Desa Sri Hartamas  
50480 Kuala Lumpur  
Tel : +6012-391 8430/+6011-1150 3606  
Website : www.Salaki.com

### **Berjaya Jollibean (M) Sdn Bhd**

Lot 07-33, Level 7, West Wing  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
Tel : 603-2141 2699  
Fax : 603-2143 4085

### **Jollibean Foods Pte Ltd, Singapore**

No. 63, Ubi Avenue 1  
# 07-06, Boustead House  
Singapore 408937  
Tel : +65 6746 3877  
Fax : +65 6746 8802

### **Just KPop Limited**

5th Floor, Lotte World Mall,  
Olympic-ro 300, Songpa-gu, Seoul  
South Korea  
Tel : 82-1644 9996

### **ENVIRONMENTAL SERVICES**

#### **Berjaya EnviroParks Sdn Bhd**

(fka KUB-Berjaya Enviro Sdn Bhd)

#### **Berjaya Energies Sdn Bhd**

(fka KUB-Berjaya Energy Sdn Bhd)

#### **Amita Berjaya Sdn Bhd**

(fka Amita KUB-Berjaya Kitar Sdn Bhd)

09-03 & 09-05, Level 9, East Wing

Berjaya Times Square

No. 1, Jalan Imbi

55100 Kuala Lumpur

Tel : 603-2688 6333

Fax : 603-2688 6332

#### **Boluo Longxi Water Supply Co., Ltd.**

**Boluo Longxi Zhiwang Water Supply Co., Ltd.**

**Boluo Longxi Pengfa Water Supply Co., Ltd.**

Level 3A, Hong Hui Building

No. 11, GangHu Road

516121 Longxi Town, Boluo County

Huizhou, Guangdong Province

People's Republic of China

Tel : +86-752-667 8337

### **WHOLESALE DISTRIBUTION**

#### **Kimia Suchi Sdn Bhd**

21, Jalan TUDM, Subang New Village  
40000 Shah Alam  
Selangor Darul Ehsan  
Tel : 603-7847 6268  
Email : nrathor@ksuchi.com.my

### **EDUCATION**

#### **Informatics Education Ltd**

100 Victoria Street  
#13-01/02 National Library Building  
Singapore 188064  
Tel : 65-6580 4555  
Fax : 65-6565 1371  
Website : www.informaticseducation.com

#### **Berjaya Higher Education Sdn Bhd**

**Berjaya University College**

Level 11 West Wing

Berjaya Times Square

No. 1, Jalan Imbi

55100 Kuala Lumpur

Tel : 603-2687 7000

Fax : 603-2687 7001

Email : info@berjaya.edu.my

### **Berjaya College Sdn Bhd**

**Berjaya TVET College**

Lot 10 - 12A, Level 10, East Wing

Berjaya Times Square

No 1, Jalan Imbi,

55100 Kuala Lumpur

Tel : 603-2148 8068

Fax : 603 2141 3251

Email : bc.info@berjaya.edu.my

### **TELECOMMUNICATIONS**

#### **REDtone International Berhad**

Suites 22-30, 5th floor

Ol Business Park

47100 Puchong

Selangor Darul Ehsan

Tel : 603-8084 8888

Website : www.redtone.com

### **OTHERS**

#### **Graphic Press Group Sdn Bhd**

3, Jalan PJS 3/2 (Jalan Medan 3)

Taman Medan, PJS3

46000 Petaling Jaya

Selangor Darul Ehsan

Tel : 603-7783 9988

Fax : 603-7785 3633

#### **Berjaya Registration Services Sdn Bhd**

Lot 10-04A & 10-04B, Level 10, West Wing

Berjaya Times Square

No. 1, Jalan Imbi

55100 Kuala Lumpur

Tel : 603-2145 0533

Fax : 603-2145 9702

#### **Natural Intelligence Solutions Technology Sdn Bhd**

(fka Natural Intelligence Solutions Sdn Bhd)

Malaysia (HQ):

Unit 16D, Level 16, Office Block Plaza Berjaya

12 Jalan Imbi

55100 Kuala Lumpur

Malaysia

Singapore:

133 Cecil Street

#17-01B Keck Seng Tower

Singapore 069535

Philippines:

A Clean & Well-Lighted Place

F. Ortigas Jr. Road

Ortigas Center, Pasig City

Philippines 1605

#### **BLoyalty Sdn Bhd**

16th Floor, Office Block

Plaza Berjaya

Jalan Imbi

55100 Kuala Lumpur

Email : enquiry@binfinite.com.my

#### **Sweet Spot Digital (Malaysia) Sdn Bhd**

18th Floor, Office Block

Plaza Berjaya

No. 12 Jalan Imbi

55100 Kuala Lumpur

Tel : 603-2142 7288

# RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad ("BCorp") Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial year (RM'000)
<b>Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries:</b>		
BAssets	Provision of share registration services by Berjaya Registration Services Sdn Bhd ("BRegistration")	84
BAssets and its subsidiary companies	Supply of stationery products and printing services by Inter-Pacific Trading Sdn Bhd ("IPTSB")	8
	Provision of education and staff training services by Berjaya Education Sdn Bhd	1
	Provision of human resources management services by E.V.A. Management Sdn Bhd ("EVA Management")	6
	Loyalty reward fees receivable by BLoyalty Sdn Bhd ("BLoyalty") for managing the loyalty card programme	1
	Sales of consumer products by JL Morison (Malaya) Sdn Bhd ("JL Morison")	76
	Leasing & hire purchase provided by Prime Credit Leasing Berhad ("PCL")	1,398
BTS Car Park Sdn Bhd	Parking charges payable monthly by the BCorp Group for leasing of parking bays	458
Berjaya Times Square Sdn Bhd	Rental payable by Berjaya EnviroParks Sdn Bhd (formerly known as KUB-Berjaya Enviro Sdn Bhd) for renting of office premises at Lots 09-01, 09-02 & 09-03, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	231
	Rental payable by Roasters Asia Pacific (M) Sdn Bhd for renting of office premises at Lot 07-24, 7th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	134
	Rental payable by Cosway (M) Sdn Bhd ("CMSB") for renting of shoplots at Lots LG-12 & LG-20, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	413
	Rental payable by CMSB for renting of office premises at Lots 08-52 & 08-53, 8th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	64
	Rental payable by Berjaya Krispy Kreme Doughnuts Sdn Bhd for renting of kiosk at Lot LG19-C, Lower Ground Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	125
	Rental payable by Berjaya College Sdn Bhd for renting of office premises at Lots 10-11, 10-12 & 10-12A, 10th Floor, and Lot 11-02A, 11th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	526
	Rental payable by BRegistration for renting of office premises at Lot 10-02A, 10th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	245

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad (“BCorp”) Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial year (RM'000)
	Rental payable by Berjaya Higher Education Sdn Bhd (“Berjaya Higher Education”) for renting of premises at Lot 14-01, 14th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	994
	Rental payable by Berjaya Higher Education for renting of shoplots at Lots 09-23, 09-24 & 09-25, 9th Floor, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	187
	Rental payable by Inter-Pacific Securities Sdn Bhd for renting of premises at rooftop, Berjaya Times Square, Jalan Imbi, Kuala Lumpur	6
Berjaya Waterfront Sdn Bhd	Rental payable by CMSB for renting of shoplot at Lot 2.40, Level 2, Berjaya Waterfront Complex, Jalan Ibrahim Sultan, Stulang Laut, Johor Bahru	31
Berjaya Assembly Sdn Bhd	Receipt of vehicles assembly related services by Berjaya China Motor Sdn Bhd	1,414
<b>Total</b>		<b>6,402</b>
<b>Berjaya Media Berhad (“BMedia”) and its unlisted subsidiaries:</b>		
BMedia	Provision of share registration services and printing to mailing by BRegistration	66
	Management fees receivable by BCorp for services rendered that include, inter-alia, the provision of finance, secretarial, internal audit and general administrative services	36
	Provision of human resources management services by EVA Management	20
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by the BCorp Group	404
<b>Total</b>		<b>526</b>

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad (“BCorp”) Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial year (RM’000)
<b>7-Eleven Holdings Berhad and its unlisted subsidiary companies:</b>		
7-Eleven Malaysia Sdn Bhd	Loyalty reward fees receivable by BLoyalty for managing the loyalty card programme	7
	Provision of transportation services by Securexpress Services Sdn Bhd	9,300
	Provision of share registration services and other related services by BRegistration	66
	Provision of human resources management services by EVA Management	7
	Rental Income receivable from Wangsa Tegap Sdn Bhd	126
	Sales of consumer products by JL Morison	2,300
<b>Total</b>		<b>11,806</b>
<b>Other related parties:-</b>		
MOL.com Sdn Bhd and its subsidiary companies (a)	Provision of human resources management services by EVA Management	2
Qinetics Solutions Sdn Bhd and its subsidiary company (a)	Purchase of hardware and networking equipment and receipt of information technology consultancy, maintenance, management and other services by the BCorp Group	1,333
	Receipt of network hosting services by EVA Management	120
Roda Indah Sdn Bhd (a)	Provision of human resources management services by EVA Management	6
U Mobile Sdn Bhd (“UMobile”) (b)	Rental income receivable by BHills for renting of broadcasting sites at KM48, Persimpangan Bertingkat, Lebuhraya Karak, Bukit Tinggi, Bentong, Pahang	118
	Provision of printing and mailing services by BRegistration	2,458
	Loyalty reward fees receivable by BLoyalty for managing the loyalty card programme	1
	Rental income receivable by Stephens Properties Sdn Bhd for renting of premises at rooftop, Wisma Cosway, Jalan Raja Chulan, Kuala Lumpur	31

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Berjaya Corporation Berhad ("BCorp") Group with the following Related Parties	Nature of transactions undertaken by BCorp and/or its unlisted subsidiary companies	Amount transacted during the financial year (RM'000)
Berjaya Retail Sdn Bhd (a)	Provision of share registration services and printing to mailing by BRegistration	2
	Provision of human resources management services by EVA Management	5
Singer (Malaysia) Sdn Bhd (a)	Supply of stationery products by IPTSB	494
Auto Tulin Sdn Bhd (a)	Purchase of motor vehicles, component parts and other related products and services by the BCorp Group	246
	Provision of human resources management services by EVA Management	4
<b>Total</b>		<b>4,820</b>
<b>Grand Total</b>		<b>23,554</b>

**Notes:**

- a. Company where Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT"), a major shareholder of the Company deemed to have an interest.
- b. A company in which Dato' Sri Robin Tan Yeong Ching ("DSRTYC") has interests. TSVT is also a substantial shareholder of UMobile. TSVT is the father of DSRTYC.

# STATEMENT OF DIRECTORS' SHAREHOLDINGS

as at 1 October 2020

## The Company

	Number of Ordinary Shares			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,189,800,000	24.41	1,385,353,754*	28.42
	-	-	8,604,910 <sup>#</sup>	0.17
Dato' Sri Robin Tan Yeong Ching	2,289,532	0.05	682,107,122*	13.99
	-	-	5,150 <sup>#</sup>	0.00
Chan Kien Sing	49,118	0.00	-	-
Vivienne Cheng Chi Fan	12,360	0.00	-	-
Dato' Sri Azlan Meah Bin Hj Ahmed Meah	5,703	0.00	-	-
Datuk Robert Yong Kuen Loke	1,051,545	0.02	-	-

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	176,028,565	27.29	119,076,700*	18.46
	-	-	82,016,849 <sup>#</sup>	12.72
Dato' Sri Robin Tan Yeong Ching	2,620,500	0.41	66,574,000*	10.32
	-	-	1,000 <sup>#</sup>	0.00
Chan Kien Sing	10,000	0.00	-	-
Vivienne Cheng Chi Fan	2,000	0.00	-	-
Nerine Tan Sheik Ping	132,000	0.02	-	-
Datuk Robert Yong Kuen Loke	2,516,508	0.39	-	-

	Number of Warrants 2012/2022			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	211,082,731	30.15	156,303,500*	22.33
	-	-	1,500,000 <sup>#</sup>	0.21
Dato' Sri Robin Tan Yeong Ching	2,620,500	0.37	87,029,000*	12.43
	-	-	1,000 <sup>#</sup>	0.00
Chan Kien Sing	10,000	0.00	-	-
Vivienne Cheng Chi Fan	2,000	0.00	-	-
Datuk Robert Yong Kuen Loke	170,108	0.02	-	-

	Number of 2% Irredeemable Convertible Unsecured Loan Stocks 2016/2026 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	102,627,780	99.80	-	-

	Number of Warrants 2016/2026			
	Direct Interest	%	Deemed Interest	%
Tan Sri Dato' Seri Vincent Tan Chee Yioun	353,135,340	49.98	-	-



## STATEMENT OF DIRECTORS' SHAREHOLDINGS

as at 1 October 2020

### Subsidiaries Companies

<b>Berjaya Land Berhad</b>	<b>Direct Interest</b>	<b>Number of Ordinary Shares</b>		<b>%</b>
		<b>%</b>	<b>Deemed Interest</b>	
Tan Sri Dato' Seri Vincent Tan Chee Yioun	95,532,000	1.94	4,163,722,872*	84.62
Dato' Sri Robin Tan Yeong Ching	600,000	0.01	-	-
Nerine Tan Sheik Ping	2,000,000	0.04	-	-
Dato' Zurainah Binti Musa	680,000	0.01	-	-
Datuk Robert Yong Kuen Loke	360,808	0.01	-	-

<b>Berjaya Sports Toto Berhad</b>	<b>Direct Interest</b>	<b>Number of Ordinary Shares</b>		<b>%</b>
		<b>%</b>	<b>Deemed Interest</b>	
Tan Sri Dato' Seri Vincent Tan Chee Yioun	10,305,641	0.77	644,758,182*	48.27
Dato' Sri Robin Tan Yeong Ching	1,007,142	0.07	-	-
Chan Kien Sing	3,610	0.00	-	-
Datuk Robert Yong Kuen Loke	123,667	0.01	-	-
Penelope Gan Paik Ling	10,000	0.00	-	-

<b>Berjaya Food Berhad</b>	<b>Direct Interest</b>	<b>Number of Ordinary Shares</b>		<b>%</b>
		<b>%</b>	<b>Deemed Interest</b>	
Tan Sri Dato' Seri Vincent Tan Chee Yioun	18,150,000	5.13	236,548,020*	66.87
Dato' Sri Robin Tan Yeong Ching	2,714,000	0.77	-	-

	<b>Direct Interest</b>	<b>Number of Ordinary Shares under Employees' Share Scheme ("ESS")</b>		<b>%</b>
		<b>%</b>	<b>Deemed Interest</b>	
<b>ESS Options</b>				
Dato' Sri Robin Tan Yeong Ching	1,224,000	0.35	-	-
<b>ESS Shares</b>				
Dato' Sri Robin Tan Yeong Ching	162,000	0.05	-	-

<b>REDtone International Berhad</b>	<b>Direct Interest</b>	<b>Number of Ordinary Shares</b>		<b>%</b>
		<b>%</b>	<b>Deemed Interest</b>	
Tan Sri Dato' Seri Vincent Tan Chee Yioun	7,000,000	0.91	404,914,692*	52.39

**Notes:**

\* Indirect interests pursuant to Section 8 of the Companies Act 2016.

# Indirect interests pursuant to Section 59(1)(c) of the Companies Act 2016.

By virtue of his interests in the shares of Berjaya Corporation Berhad ("the Company"), Tan Sri Dato' Seri Vincent Tan Chee Yioun is also deemed interested in the shares of all the subsidiary companies of the Company to the extent the Company has an interest.

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

# STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
less than 100	9,446	13.59	292,636	0.01
100 - 1,000	23,820	34.27	9,725,879	0.20
1,001 - 10,000	22,386	32.21	76,613,964	1.57
10,001 - 100,000	11,430	16.44	350,542,617	7.19
100,001 - 243,716,225	2,423	3.49	3,739,318,568	76.71
243,716,226 and above	2	0.00	697,830,863	14.32
<b>Total</b>	<b>69,507</b>	<b>100.00</b>	<b>4,874,324,527</b>	<b>100.00</b>

Note: Each share entitles the holder to one vote.

\* Denotes 5% of the total number of issued shares with voting rights.

## THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Ordinary Shares	%
1 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUN (EDG&CBD)	392,894,391	8.06
2 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	304,936,472	6.26
3 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUN (8087489)	178,218,403	3.66
4 <b>Maybank Securities Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Malayan Banking Berhad (MBB2 Swap-M)	164,800,000	3.38
5 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUN	151,844,752	3.12
6 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	128,235,000	2.63
7 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	92,683,118	1.90
8 <b>Berjaya Times Square Sdn Bhd</b>	86,811,200	1.78
9 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Berjaya Bright Sdn Bhd (41408491163A)	70,040,000	1.44
10 <b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Berjaya Bright Sdn Bhd (AS0052)	64,000,000	1.31
11 <b>MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUN (MGN-VTC0001M)	60,209,560	1.24
12 <b>RHB Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	59,943,250	1.23

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

Name of Shareholders	No. of Ordinary Shares	%
13 <b>Amsec Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account - Ambank (M) Berhad For Premier Merchandise Sdn Bhd	53,418,845	1.10
14 <b>RHB Capital Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	50,554,100	1.04
15 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB Bank For Dynamic Milestone Sdn Bhd (PBCL-0G0786)	50,387,100	1.03
16 <b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Pantai Cemerlang Sdn Bhd	50,000,000	1.03
17 <b>Pembinaan Yeng Tong Sdn Bhd</b>	50,000,000	1.03
18 <b>HSBC Nominees (Asing) Sdn Bhd</b> JPMCB NA For Vanguard Total International Stock Index Fund	48,757,655	1.00
19 <b>HSBC Nominees (Asing) Sdn Bhd</b> JPMCB NA For Vanguard Emerging Markets Stock Index Fund	44,605,189	0.92
20 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Berjaya Bright Sdn Bhd (3002208)	43,606,000	0.89
21 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	42,150,000	0.86
22 <b>RHB Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Regional Equities Sdn Bhd	40,000,000	0.82
23 <b>BBL Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Gemtech (M) Sdn Bhd	39,850,000	0.82
24 <b>ABB Nominee (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (OD Facility)	39,819,800	0.82
25 <b>Red Carpet Investments Limited</b>	37,500,000	0.77
26 <b>Malaysia Nominees (Tempatan) Sendirian Berhad</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00856-003)	37,056,052	0.76
27 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (Singer CBM)	36,200,000	0.74
28 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Superior Structure Sdn Bhd	36,153,000	0.74
29 <b>Malaysia Nominees (Tempatan) Sendirian Berhad</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (01-00820-000)	36,050,000	0.74
30 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB Bank For Tan Sri Dato' Seri Vincent Tan Chee Yioun (PBCL-0G0361)	35,000,000	0.72
	<b>2,525,723,887</b>	<b>51.84</b>

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

### ANALYSIS OF 5% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2012/2022 ("5% ICULS")

Size of 5% ICULS Holdings	No. of 5% ICULS holders	%	No. of 5% ICULS	%
less than 100	171	4.40	8,025	0.00
100 - 1,000	1,192	30.67	764,378	0.12
1,001 - 10,000	1,440	37.06	6,384,618	0.99
10,001 - 100,000	748	19.25	26,397,674	4.09
100,001 - 32,249,909	331	8.52	415,006,083	64.34
32,249,910 and above	4	0.10	196,437,415	30.46
<b>Total</b>	<b>3,886</b>	<b>100.00</b>	<b>644,998,193</b>	<b>100.00</b>

\* Denotes 5% of the 5% ICULS outstanding.

### THIRTY LARGEST 5% ICULS HOLDERS

Name of 5% ICULS Holders	No. of 5% ICULS	%
1 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (EDG&CBD)	63,930,866	9.91
2 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB For Rayvin Tan Yeong Sheik (PB)	60,619,249	9.40
3 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	36,603,300	5.67
4 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	35,284,000	5.47
5 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Superior Structure Sdn Bhd	19,351,000	3.00
6 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB Bank For Rayvin Tan Yeong Sheik (PBCL-0G0022)	19,349,000	3.00
7 <b>MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	18,297,000	2.84
8 <b>Amsec Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MX3999)	18,000,000	2.79
9 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	15,500,000	2.40
10 <b>Wong Yoke Lian</b>	14,111,000	2.19
11 <b>Teo Kwee Hock</b>	13,620,200	2.11
12 <b>Ho Chu Chai</b>	10,851,000	1.68

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

Name of 5% ICULS Holders	No. of 5% ICULS	%
13 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	10,000,000	1.55
14 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Berjaya Bright Sdn Bhd (41408491163A)	10,000,000	1.55
15 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	9,100,000	1.41
16 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Berjaya Bright Sdn Bhd (3002208)	8,830,000	1.37
17 <b>Amsec Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account - Ambank (M) Berhad For Hotel Resort Enterprise Sdn Bhd (CIB057)	8,455,000	1.31
18 <b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Fabulous Channel Sdn Bhd (AF0010)	8,330,000	1.29
19 <b>UOB Kay Hian Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Teo Siew Lai	8,266,600	1.28
20 <b>Ho Chu Chai</b>	7,335,800	1.14
21 <b>UOB Kay Hian Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Teo Kwee Hock	7,139,100	1.11
22 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For B & B Enterprise Sdn Bhd	5,904,000	0.92
23 <b>Amsec Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account - Ambank (M) Berhad For Hotel Resort Enterprise Sdn Bhd	5,623,000	0.87
24 <b>ABB Nominee (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (OD Facility)	5,444,000	0.84
25 <b>UOB Kay Hian Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Lim Ching Neoh	5,215,500	0.81
26 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB For Teo Ah Seng (PB)	4,953,900	0.77
27 <b>Tan Lee Hwa</b>	4,690,000	0.73
28 <b>Palmo Enterprises Sdn Berhad</b>	4,000,000	0.62
29 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (49877 PDZM)	4,000,000	0.62
30 <b>Lim Khuan Eng</b>	3,750,000	0.58
	<b>446,553,515</b>	<b>69.23</b>

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

### ANALYSIS OF WARRANT HOLDERS (“WARRANT 2012/2022”)

Size of Warrant 2012/2022 Holdings	No. of Warrant 2012/2022 holders	%	No. of Warrant 2012/2022	%
less than 100	204	5.30	9,530	0.00
100 - 1,000	1,271	33.01	782,472	0.11
1,001 - 10,000	1,270	32.99	5,294,027	0.76
10,001 - 100,000	687	17.84	28,329,277	4.05
100,001 - 35,004,291	415	10.78	423,571,805	60.50
35,004,292 and above	3	0.08	242,098,731	34.58
<b>Total</b>	<b>3,850</b>	<b>100.00</b>	<b>700,085,842</b>	<b>100.00</b>

\* Denotes 5% of the warrant 2012/2022 outstanding.

### THIRTY LARGEST WARRANT 2012/2022 HOLDERS

Name of Warrant 2012/2022 Holders	No. of Warrant 2012/2022	%
1 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Youn	95,560,166	13.65
2 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Youn (49877 PDZM)	76,538,565	10.93
3 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd	70,000,000	10.00
4 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Youn	27,606,000	3.94
5 <b>HLIB Nominees (Tempatan) Sdn Bhd</b> Hong Leong Bank Bhd For Lau Sie Kuong	27,000,000	3.86
6 <b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Arsam Bin Damis (AA0023)	19,500,000	2.79
7 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Superior Structure Sdn Bhd (CBM4-TSVTCY)	19,351,000	2.76
8 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Premier Merchandise Sdn Bhd (Third Party)	17,047,000	2.43
9 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Hotel Resort Enterprise Sdn Bhd (TVTCY)	15,000,000	2.14
10 <b>CGS-CIMB Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Lau Sie Kuong (Kuching)	15,000,000	2.14
11 <b>Lee Mee Kuen</b>	8,719,300	1.25
12 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Berjaya Bright Sdn Bhd (3002208)	7,966,700	1.14

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

Name of Warrant 2012/2022 Holders	No. of Warrant 2012/2022	%
13 <b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Pantai Cemerlang Sdn Bhd	6,400,000	0.91
14 <b>Yin Yit Fun</b>	6,050,000	0.86
15 <b>Chin Chin Seong</b>	6,030,000	0.86
16 <b>RHB Capital Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Lim Chee Seong (CEB)	6,000,000	0.86
17 <b>Inter-Pacific Equity Nominees (Asing) Sdn Bhd</b> Berjaya Philippines Inc	6,000,000	0.86
18 <b>ABB Nominee (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (OD Facility)	5,444,000	0.78
19 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For B & B Enterprise Sdn Bhd	5,380,000	0.77
20 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	5,100,000	0.73
21 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Rakuten Trade Sdn Bhd For Muhammad Ali Bin Yahya	4,425,100	0.63
22 <b>CGS-CIMB Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Mak Ngia Ngia @ Mak Yoke Lum (MM0749)	4,072,600	0.58
23 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Jonathan Ting Ge	3,813,200	0.54
24 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Cha Ah Phoo @ Cheah Ah Phoo	3,744,971	0.53
25 <b>HQZ Credit Sdn Bhd</b>	3,682,000	0.53
26 <b>Chow Thin Khe</b>	3,677,000	0.53
27 <b>Tan Tiam Yee</b>	3,499,766	0.50
28 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Ng Lai Heng	3,488,800	0.50
29 <b>Berjaya Times Square Sdn Bhd</b>	3,313,000	0.47
30 <b>Gemtech (M) Sdn Bhd</b>	3,066,700	0.44
	<b>482,475,868</b>	<b>68.91</b>

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

### ANALYSIS OF 2% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2016/2026 ("2% ICULS")

Size of 2% ICULS Holdings	No. of 2% ICULS holders	%	No. of 2% ICULS	%
less than 100	-	0.00	-	0.00
100 - 1,000	73	84.88	71,800	0.07
1,001 - 10,000	4	4.65	14,300	0.01
10,001 - 100,000	3	3.49	123,200	0.12
100,001 - 5,141,853	2	2.33	7,000,000	6.81
5,141,854 and above	4	4.65	95,627,780	92.99
<b>Total</b>	<b>86</b>	<b>100.00</b>	<b>102,837,080</b>	<b>100.00</b>

\* Denotes 5% of the 2% ICULS outstanding.

### THIRTY LARGEST 2% ICULS HOLDERS

Name of 2% ICULS Holders	No. of 2% ICULS	%
1 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUNG	56,685,000	55.12
2 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUNG	16,732,780	16.27
3 <b>MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUNG (MGN-VTC0001M)	12,390,000	12.05
4 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUNG	9,820,000	9.55
5 <b>CIMB Group Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee YOUNG (49877 PDZM)	4,000,000	3.89
6 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB Bank For Tan Sri Dato' Seri Vincent Tan Chee YOUNG (PBCL-0G0361)	3,000,000	2.92
7 <b>Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Arsam Bin Damis (AA0023)	87,000	0.08
8 <b>Lee Eng Min</b>	25,000	0.02
9 <b>Chew Kuang Hui</b>	11,200	0.01
10 <b>Ling Hei Sic</b>	5,000	-
11 <b>Lew Kin Meng</b>	4,400	-
12 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Chan Ah Ngau	2,800	-



## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

Name of 2% ICULS Holders	No. of 2% ICULS	%
13 Ng Yong Jian	2,100	-
14 Loy Soo Fong	1,000	-
15 Lim Kwi Neo	1,000	-
16 Lim Ah Choo	1,000	-
17 Marshitah Binti Abdul Rahim	1,000	-
18 Mohamad Nasir Bin Mohd Yusoff	1,000	-
19 Chai Lay Hong	1,000	-
20 Lee May Yee	1,000	-
21 Lim Kheng Kuan	1,000	-
22 Ong Choo Eng	1,000	-
23 Goh Sie Chin	1,000	-
24 Ernest Lau Lub Ding	1,000	-
25 Lim Seed Ling	1,000	-
26 Chong Li Chun	1,000	-
27 Hoon Seong Ong	1,000	-
28 Lee Hor Choo	1,000	-
29 Tan Thiam Chai	1,000	-
30 Goh Siew Lian	1,000	-
	<b>102,782,280</b>	<b>99.91</b>

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

### ANALYSIS OF WARRANT HOLDERS (“WARRANT 2016/2026”)

Size of Warrant 2016/2026 Holdings	No. of Warrant 2016/2026 holders	%	No. of Warrant 2016/2026	%
less than 100	1	0.13	40	0.00
100 - 1,000	83	10.65	78,200	0.01
1,001 - 10,000	47	6.03	370,000	0.05
10,001 - 100,000	318	40.82	17,949,200	2.54
100,001 - 35,324,833	328	42.11	441,749,240	62.53
35,324,834 and above	2	0.26	246,350,000	34.87
<b>Total</b>	<b>779</b>	<b>100.00</b>	<b>706,496,680</b>	<b>100.00</b>

\* Denotes 5% of the warrant 2016/2026 outstanding.

### THIRTY LARGEST WARRANT 2016/2026 HOLDERS

Name of Warrant 2016/2026 Holders	No. of Warrant 2016/2026	%
1 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (Third Party)	180,000,000	25.48
2 <b>Scotia Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	66,350,000	9.39
3 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	31,731,560	4.49
4 <b>Nga Kor Kian</b>	28,000,000	3.96
5 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun	26,154,000	3.70
6 <b>MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (MGN-VTC0001M)	24,780,000	3.51
7 <b>Alliancegroup Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Tan Sri Dato' Seri Vincent Tan Chee Yioun (8087489)	24,119,780	3.41
8 <b>RHB Capital Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Chan Seng Fatt	24,000,000	3.40
9 <b>RHB Nominees (Tempatan) Sdn Bhd</b> Tan Choon Piew	10,700,000	1.51
10 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Jonathan Ting Ge	10,300,000	1.46
11 <b>HSBC Nominees (Tempatan) Sdn Bhd</b> Exempt An For Morgan Stanley & Co. International PLC (C-PWM ACSDA R)	9,623,400	1.36
12 <b>CGS-CIMB Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Lee Chong Choon (MP0059)	7,900,000	1.12

## STATISTICS ON SHARES AND CONVERTIBLE SECURITIES

as at 1 October 2020

Name of Warrant 2016/2026 Holders	No. of Warrant 2016/2026	%
13 <b>Lim Bee San</b>	7,546,200	1.07
14 <b>Tan Poh Pang</b>	7,500,000	1.06
15 <b>Soo Meng Chong Holdings Sdn Bhd</b>	7,480,000	1.06
16 <b>Chang Jiah Horng</b>	7,000,000	0.99
17 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB For Lee Soi Gek (PB)	6,500,000	0.92
18 <b>Teo Ah Seng</b>	6,282,100	0.89
19 <b>Gooi Seong Chneh</b>	6,000,000	0.85
20 <b>Maybank Securities Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Chuah Chaw Song (REM 166-Margin)	5,000,000	0.71
21 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Chuah Min-Min	4,900,000	0.69
22 <b>Soo Kim Teng</b>	4,745,000	0.67
23 <b>Kenanga Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Chan Seng Fatt	4,572,700	0.65
24 <b>Khoo Kooi Chiew</b>	4,515,000	0.64
25 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Pledged Securities Account For Ow Tong Kiaw	4,204,700	0.60
26 <b>Cimsec Nominees (Tempatan) Sdn Bhd</b> CIMB For Teo Ah Seng (PB)	4,000,000	0.57
27 <b>Ong Teng Soon</b>	3,727,600	0.53
28 <b>Maybank Nominees (Tempatan) Sdn Bhd</b> Koh Esther	3,651,000	0.52
29 <b>Tan Kai Yuan</b>	3,575,000	0.51
30 <b>Gan Paul @ Paul Gan</b>	3,500,000	0.50
	<b>538,358,040</b>	<b>76.22</b>

# SUBSTANTIAL SHAREHOLDERS

as at 1 October 2020

**TOTAL ISSUED SHARE CAPITAL : 5,214,924,527**

**TOTAL VOTING SHARES : 4,874,324,527**

Name	Direct Interest	Number of Ordinary Shares		%
		%	Deemed Interest	
Tan Sri Dato' Seri Vincent Tan Chee Yioun	1,189,800,000	24.41	1,385,353,754 (a)	28.42
Hotel Resort Enterprise Sdn Bhd	681,952,622	13.99	-	-
Berjaya Assets Berhad	1,502,152	0.03	353,000,000 (b)	7.24
Dato' Sri Robin Tan Yeong Ching	2,289,532	0.05	682,107,122 (c)	13.99

(a) Deemed interested by virtue of his interests in Ascot Sports Sdn Bhd, Hotel Resort Enterprise Sdn Bhd, Nostalgia Kiara Sdn Bhd, Superior Structure Sdn Bhd, U Telemedia Sdn Bhd, Berjaya Assets Berhad (the holding company of Berjaya Bright Sdn Bhd and Berjaya Times Square Sdn Bhd), Berjaya Media Berhad (the holding company of Gemtech (M) Sdn Bhd), B & B Enterprise Sdn Bhd (the holding company of Auto Tulin Sdn Bhd), HQZ Credit Sdn Bhd (the ultimate holding company of Desiran Unggul Sdn Bhd and Premier Merchandise Sdn Bhd), MOL.com Sdn Bhd (the ultimate holding company of Lim Kim Hai Sales & Services Sdn Bhd) and his deemed interests in Berjaya Infrastructure Sdn Bhd, Berjaya Sampo Insurance Berhad, Mantra Design Sdn Bhd and Convenience Shopping (Sabah) Sdn Bhd.

(b) Deemed interested by virtue of its 100% interests in Berjaya Bright Sdn Bhd and Berjaya Times Square Sdn Bhd and its deemed interest in Mantra Design Sdn Bhd.

(c) Deemed interested by virtue of his interests in Ascot Sports Sdn Bhd and Hotel Resort Enterprise Sdn Bhd.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Nineteenth Annual General Meeting (“AGM”) of Berjaya Corporation Berhad will be conducted on a fully virtual basis through live streaming from the broadcast venue (“Broadcast Venue”) at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 16 December 2020 at 10.00 a.m. for the following purposes:-

## AGENDA

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 June 2020 and the Directors’ and Auditors’ Reports thereon.

As Ordinary Business:-

2. To approve the payment of Directors’ Fees of RM7,500.00 per month to each Non-Executive Director of the Company for the period from 17 December 2020 until the next AGM of the Company to be held in 2021.

**Resolution 1**

3. To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors of the Company up to an amount of RM380,000.00 for the period from 17 December 2020 until the next AGM of the Company to be held in 2021.

**Resolution 2**

4. To re-elect the following Directors who retire pursuant to Clause 117 of the Company’s Constitution:-

(a) Chan Kien Sing

**Resolution 3**

(b) Dato’ Sri Robin Tan Yeong Ching

**Resolution 4**

(c) Datuk Robert Yong Kuen Loke

**Resolution 5**

5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

**Resolution 6**

As Special Business:-

6. To consider and, if thought fit, pass the following Ordinary Resolutions:-

**(i) AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

“THAT, subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

**Resolution 7**

## NOTICE OF ANNUAL GENERAL MEETING

### (ii) PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.3 of the Circular to Shareholders dated 30 October 2020 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution."

**Resolution 8**

### (iii) PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

"THAT, subject always to the Companies Act 2016, ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company ("BCorporation Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories accounts under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the total number of issued shares of the Company;
2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

## NOTICE OF ANNUAL GENERAL MEETING

3. the authority shall commence immediately upon passing of this ordinary resolution until:-
- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM at which such ordinary resolution was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND THAT upon completion of the purchase(s) of the BCorporation Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BCorporation Shares so purchased by the Company in the following manner:-

- (a) cancel all the BCorporation Shares so purchased; or
- (b) retain all the BCorporation Shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act ); or
- (c) retain part thereof as treasury shares and subsequently cancelling the balance; or
- (d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force.”

**Resolution 9**

#### **(iv) PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

“THAT Datuk Robert Yong Kuen Loke be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that he has been an Independent Director on the Board of the Company for a cumulative term of more than nine (9) years.”

**Resolution 10**

#### **(v) PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

“THAT Dr Jayanthi Naidu G. Danasamy be and is hereby retained as an Independent Non-Executive Director of the Company and she shall continue to act as an Independent Non-Executive Director of the Company notwithstanding that her tenure shall exceed a cumulative term of nine (9) years after 13 January 2021.”

**Resolution 11**

By Order of the Board

**THAM LAI HENG MICHELLE**  
(SSM PC No. 202008001622) (MAICSA 7013702)  
Secretary

Kuala Lumpur  
30 October 2020

# NOTICE OF ANNUAL GENERAL MEETING

## NOTES:

### 1. Audited Financial Statements

The Audited Financial Statements are meant for discussion only as it does not require shareholders' approval pursuant to the provisions of Section 340(1)(a) of the Companies Act 2016 ("CA 2016"). Hence, this item on the Agenda is not put forward for voting.

### 2. Directors' Fee and Directors' Remuneration

Section 230(1) of the CA 2016 provides that the 'fees' of the directors and 'any benefits' payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting ("AGM") for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under the Resolutions 1 to 2.

The quantum of the Directors' fees proposed for each of the Non-Executive Directors for the period from 17 December 2020 until the next AGM of the Company to be held in 2021 are also the same quantum paid.

The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors for the Company comprises of meeting allowances, benefits-in-kind and other emoluments.

The proposed Resolutions 1 and 2, if passed, is to facilitate the payment of Directors' fees and Directors' remuneration on a monthly basis and/or as and when incurred. The Board of Directors ("Board") opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

In determining the estimated remuneration payable to the Non-Executive Directors, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees and general meetings of the Company as well as the number of Non-Executive Directors involved in these meetings. The estimated amount of remuneration also caters for unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or Board Committee Meetings, formation of additional Board Committees as well as the provision for an increase in meeting allowances.

In the event, where the payment of Directors' fees and Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this AGM, a shareholders' approval will be sought at the next AGM.

### 3. Authority to issue and allot shares pursuant to Sections 75 and 76 of the CA 2016

Resolution 7 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the CA 2016, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

### 4. Proposed Renewal of and New Shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature

Resolution 8, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out under Part A of the Circular/Statement to Shareholders dated 30 October 2020 which can be viewed and downloaded from the website of the Company at [www.berjaya.com](http://www.berjaya.com) and/or Bursa Malaysia Securities Berhad at <https://www.bursamalaysia.com/>.

### 5. Proposed Renewal of Authority for the Company to purchase its own shares

Resolution 9, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the total number of issued shares of the Company ("Proposed Share Buy-Back Renewal"). Detailed information on the Proposed Share Buy-Back Renewal is set out under Part B of the Circular/Statement to Shareholders dated 30 October 2020 which can be viewed and downloaded from the website of the Company at [www.berjaya.com](http://www.berjaya.com) and/or Bursa Malaysia Securities Berhad at <https://www.bursamalaysia.com/>.

As at the date of this Notice, the Company had bought back 290,600,000 ordinary shares during the financial year ended 30 June 2020. Please refer to the detailed information in the Share Buy-Back Statement dated 30 October 2020.



# NOTICE OF ANNUAL GENERAL MEETING

## 6. Proposed Retention of Independent Non-Executive Directors

Resolutions 10 and 11 are proposed pursuant to the Malaysian Code on Corporate Governance and if passed, will allow Datuk Robert Yong Kuen Loke and Dr Jayanthi Naidu G. Danasamy to be retained and to continue to act as Independent Non-Executive Directors of the Company.

The full details of the Board's justifications for the retention of both Datuk Robert Yong Kuen Loke and Dr Jayanthi Naidu G. Danasamy are set out in the Corporate Governance Overview Statement in the Company's 2020 Annual Report.

## 7. Proxy and Entitlement of Attendance

- (i) As part of the measures to curb the spread of Coronavirus Disease 2019, the Nineteenth Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by SS E Solutions Sdn Bhd which are available on Securities Services e-Portal ("SSEp") at <https://sshsb.net.my/>. **Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via RPV facilities.**
- (ii) The main and only venue of the AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the AGM of the Company to be present at the main venue of the AGM of the Company in Malaysia.
- (iii) Shareholders/proxy/corporate representatives from the public **WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the AGM of the Company.
- (iv) A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- (v) A member, other than an authorised nominee or an exempt authorised nominee may appoint only one (1) proxy.
- (vi) An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- (vii) An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), may appoint multiple proxies in respect of each of its omnibus account.
- (viii) An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- (ix) The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Monday, 14 December 2020 at 10.00 a.m.**
- (x) Only members whose names appear in the Record of Depositors as at 9 December 2020 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV facilities.

## 8. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.



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# FORM OF PROXY

# BERJAYA CORPORATION BERHAD

[Registration No. 200101019033 [554790-X]]

I/We \_\_\_\_\_  
(Name in full)

I.C. or Company No. \_\_\_\_\_ CDS Account No. \_\_\_\_\_  
(New and Old I/C Nos.)

of \_\_\_\_\_  
(Address)

being a member/members of BERJAYA CORPORATION BERHAD

hereby appoint \_\_\_\_\_ I/C No. \_\_\_\_\_  
(Name in full) (New and Old I/C Nos.)

of \_\_\_\_\_  
(Address)

or failing him/her, \_\_\_\_\_ I/C No. \_\_\_\_\_  
(Name in full) (New and Old I/C Nos.)

of \_\_\_\_\_  
(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Nineteenth Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming from the broadcast venue ("Broadcast Venue") at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 16 December 2020 at 10.00 a.m. and at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

RESOLUTION	FOR	AGAINST
RESOLUTION 1 - To approve the payment of Director's fees of RM7,500.00 per month to each Non-Executive Director of the Company for the period from 17 December 2020 until the next AGM of the Company.		
RESOLUTION 2 - To approve the payment of Directors' remuneration (excluding Directors' fees) for the period from 17 December 2020 until the next AGM of the Company.		
RESOLUTION 3 - To re-elect Chan Kien Sing as Director.		
RESOLUTION 4 - To re-elect Dato' Sri Robin Tan Yeong Ching as Director.		
RESOLUTION 5 - To re-elect Datuk Robert Yong Kuen Yoke as Director.		
RESOLUTION 6 - To re-appoint Auditors.		
RESOLUTION 7 - To approve authority to issue and allot shares.		
RESOLUTION 8 - To renew and to seek shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 9 - To renew authority for the Company to purchase its own shares.		
RESOLUTION 10 - To approve the proposed retention of Datuk Robert Yong Kuen Loke as an Independent Non-Executive Director.		
RESOLUTION 11 - To approve the proposed retention of Dr Jayanthi Naidu G. Danasamy as an Independent Non-Executive Director.		

No. of shares held

Signature(s)/Common Seal of Member(s)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

### Notes:

- As part of the measures to curb the spread of Coronavirus Disease 2019, the Nineteenth Annual General Meeting ("AGM") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by SS E Solutions Sdn Bhd which are available on Securities Services e-Portal ("SSEp") at <https://sshpb.net.my/>. **Please follow the procedures provided in the Administrative Guide for the AGM of the Company in order to register, participate and vote remotely via RPV facilities.**
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- Shareholders/proxy/corporate representatives from the public **WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT** at the Broadcast Venue on the day of the AGM of the Company.
- A member of the Company who is entitled to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company via RPV facilities is entitled to appoint a proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- A member, other than an authorised nominee or an exempt authorised nominee may appoint only one (1) proxy.
- An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
- An exempt authorised nominee, as defined under the SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account'), may appoint multiple proxies in respect of each of its omnibus account.
- An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
- The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No 1, Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting, **i.e. latest by Monday, 14 December 2020 at 10.00 a.m.**
- Only members whose names appear in the Record of Depositors as at 9 December 2020 shall be entitled to participate and/or vote at the AGM or appoint a proxy to participate and/or vote in his/her stead via RPV facilities.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

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Affix Stamp

**THE COMPANY SECRETARY  
BERJAYA CORPORATION BERHAD**

LOT 13-01A, LEVEL 13 (EAST WING)  
BERJAYA TIMES SQUARE  
NO. 1 JALAN IMBI  
55100 KUALA LUMPUR

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For further information, please contact:

**THE COMPANY SECRETARY**

**Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Malaysia**

**Tel: 03-2149 1999 Fax: 03-2143 1685**

**[www.berjaya.com](http://www.berjaya.com)**

