



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

برجاي لاند برحد
成功置地有限公司



ANNUAL REPORT **2017**



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

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

OUR MISSION AND VISION

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

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

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Premier Chalets on Water at Berjaya Langkawi Resort – Malaysia.

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

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

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

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

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

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

Chief Executive Officer

Datuk Pee Kang Seng @ Lim Kang Seng

Executive Directors

Tan Thiam Chai
Nerine Tan Sheik Ping
Chryseis Tan Sheik Ling

Non-Independent/Non-Executive Director

Dato' Ng Sooi Lin

Independent/Non-Executive Directors

Datuk Robert Yong Kuen Loke
Datuk Kee Mustafa

AUDIT COMMITTEE

Chairman/Independent Non-Executive Director

Datuk Robert Yong Kuen Loke

Independent/Non-Executive Directors

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

SECRETARIES

Tham Lai Heng, Michelle
(MAICSA No. 7013702)
Wong Siew Guek
(MAICSA No. 7042922)

SHARE REGISTRAR

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

AUDITORS

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

REGISTERED OFFICE

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities
Berhad

STOCK SHORT NAME

BJLAND (4219)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

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

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

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

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

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

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

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



DATUK PEE KANG SENG @ LIM KANG SENG

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

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

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

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

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

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

He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies. Datuk Pee Kang Seng @ Lim Kang Seng is a member of the Risk Management Committee of the Company.



PROFILE OF DIRECTORS

TAN THIAM CHAI

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

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

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

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong group of companies in Malaysia as well as in Hong Kong for about 8 years. He joined Berjaya group of companies in early 1991 as a Finance Manager of an operating

subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad.

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

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

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

NERINE TAN SHEIK PING

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

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

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

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

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

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

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

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





CHRYSEIS TAN SHEIK LING

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

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

Currently, she is the Chief Executive Officer of Berjaya Times Square Sdn Bhd, a wholly-owned subsidiary of Berjaya Assets Berhad (“BAssets”), mainly involved in the marketing and overall management of Berjaya Times Square mall. She is also a Director of Berjaya Assets Food (BAF) Sdn Bhd (“BAF”), another wholly-owned subsidiary of BAssets, and she oversees BAF’s interest in the Food & Beverage industry. BAF has secured the right to manage the franchise of Greyhound Café from Bangkok, Thailand in Malaysia with the successful opening of its first outlet at Jalan Bukit Bintang, Kuala Lumpur.

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

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

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

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

DATO’ NG SOOI LIN

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

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

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

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

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

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



PROFILE OF DIRECTORS

DATUK KEE MUSTAFA

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

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

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

State Public Service and Secretary to the State Cabinet. He was also appointed as a member of the Royal Commission of Inquiry on Immigrants in Sabah from 2012 to May 2014.

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

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



DATUK ROBERT YONG KUEN LOKE

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

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

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

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



Save as disclosed, none of the Directors have:-

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

KEY SENIOR MANAGEMENT

DATO' SRI ROBIN TAN YEONG CHING

43 years of age
Malaysian, Male
Chief Executive Officer
Berjaya Sports Toto Berhad

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

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

Save as disclosed, his sisters, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling, are members of the Board of the Company.

HANLEY CHEW

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

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

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

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

KHOR POH WAA

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

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

He joined Berjaya Vacation Club Berhad ("BVC") in 1993 and is currently the President of Berjaya Vacation 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.

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

KEY SENIOR MANAGEMENT

SEOW SWEE PIN

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

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

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

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

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

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

TAN SRI DATO' SERI VINCENT TAN CHEE YIOUN

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

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

Currently, he is the Executive Chairman of Berjaya Times Square Sdn Bhd and Chairman of U Mobile Sdn Bhd. He also holds directorships in several other private limited companies.

He is the father of Dato' Sri Robin Tan Yeong Ching, Nerine Tan Sheik Ping and Chryseis Tan Sheik Ling who are members of the Board of the Company.

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

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

On behalf of the Board of Directors of Berjaya Land Berhad (“B-Land”), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2017.

FINANCIAL RESULTS

For the financial year ended 30 April 2017, the Group registered a revenue and pre-tax profit of RM6.37 billion and RM576.32 million respectively, compared to a revenue and pre-tax profit of RM6.28 billion and RM8.96 million respectively in the previous year.

The slight increase in revenue was primarily attributed to the higher revenue reported by the hotels and resorts segment, higher contract sales recorded by International Lottery & Totalizator Systems Inc. (“ILTS”) and higher revenue from H.R. Owen Plc (“H.R. Owen”) arising from higher sales volume of new cars and aftersale services hours rendered. These factors have mitigated the lower revenue reported by Sports Toto Malaysia Sdn Bhd (“Sports Toto”) and the lower progress billings reported by the property development and investment business segment.

The much higher pre-tax profit was mainly due to the higher investment related income arising from the gain related to the settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities of RM184.64 million. Furthermore, in the previous financial year the Group had accounted for substantial impairment in goodwill and assets held for sale of RM373.27 million and RM131.61 million respectively.

During the year under review, the profit from operations was lower mainly due to the lower profit contribution from Sports Toto resulting from the Goods and Services Tax (“GST”) adjustment, higher prize payout and higher operating expenses; higher operating expenses incurred by the property development and investment business segment; and higher finance costs. However, these have been partly mitigated by the correspondingly higher profit contribution reported by H.R. Owen, ILTS, the hotels and resorts business segment and the higher share of profit from its associated company, namely Berjaya Kyoto Development (S) Pte Ltd group arising from the sale of the prestigious Four Seasons Hotel Residences in Kyoto, Japan.

DIVIDEND

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

SIGNIFICANT CORPORATE DEVELOPMENTS

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

1. As announced on 18 December 2012 and pursuant to the Supplemental Agreement dated 13 August 2012



Entrance to Four Seasons Hotel and Hotel Residences, Kyoto, Japan.

entered into between Selangor Turf Club (“STC”) and Selat Makmur Sdn Bhd (now known as Berjaya Tagar Sdn Bhd), STC granted extension of time to 18 January 2018 to fulfill the remaining conditions precedent pursuant to the proposed acquisition of the Sungai Besi Land.

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

The disposal was completed on 16 December 2016, upon the receipt of RMB1.065 billion cash by GMOC. The balance of cash consideration of RMB1.015 billion (“Final Instalment”) will be received by November 2017. Subsequently, on 28 April 2017, B-Land announced that GMOC entered into a supplementary agreement with Beijing SkyOcean to adjust the total cash consideration from RMB2.08 billion to RMB2.039 billion, and accordingly revised the Final Instalment to RMB974 million as a result of part of the land being regained by Sanhe Land and Resource Bureau, reimbursement of theme park equipment and shared expenses relating to certain electrical works.

- On 22 September 2016, B-Land announced that its 100%-owned subsidiary, Alam Baiduri Sdn Bhd had entered into a sale and purchase agreement with BerjayaCity Sdn Bhd, a 100%-owned subsidiary of Berjaya Corporation Berhad, for the purchase of about 871.01 acres of freehold lands, all in Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan for

a total cash consideration of RM155.00 million or at the price of RM177,954 per acre. The acquisition was completed on 31 March 2017.

- On 9 December 2016, Berjaya Philippines Inc. (“BPI”) announced that it had on 8 December 2016 executed a Share Sale Agreement to purchase from Bentley Motors Limited 6,589,934 shares of H.R. Owen, a subsidiary company of BPI, for a total consideration of £14.8 million (equivalent to about RM85.3 million), or £2.25 per share (“Share Purchase”). The Share Purchase was completed in the quarter ended 31 January 2017 and BPI’s equity interest in H.R. Owen had increased from 72.03% to 98.38%.
- On 15 February 2017, B-Land announced that BLCL had entered into a capital contribution transfer agreement for the proposed disposal of its entire 70.0% stake in Berjaya Long Beach Limited Liability Company (“BLong Beach”) to Sulyna Hospitality Hotel Restaurant Travel Service Company Limited for a cash consideration of about VND333.25 billion (equivalent to about RM65.32 million) and to waive all amounts owing by BLong Beach to BLCL. The proposed disposal is now pending completion.

SUSTAINABILITY

With the latest development in sustainability reporting requirements by Bursa Malaysia Berhad, it is timely for the Company to take this important step to move towards providing a Sustainability Statement to address the increasing needs for sustainability information from the stakeholders.

Due to the diverse business nature of the Company, the scope of the inaugural Sustainability Statement covers material issues arising from its principal business activities in Malaysia namely property development, gaming, and hotels



H.R. Owen at the London Motor Show 2017.



A Toto draw in progress.



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

and resorts divisions. The statement offers an overview of the sustainability approach and initiatives made by these three business segments in how it creates economic value, protect the environment and pursue social development in their respective industry sectors.

From the key sustainability initiatives to the community support and development programmes reaching out to various communities, the statement outlines the various practices that have been embedded into the Company's processes with the ultimate aim to bring more value to our businesses, society and stakeholders.

Although the Company has experienced many business challenges due to the slower economic and business environment, the Company had strived to continue to fulfil its social responsibility. With this in mind, the Company aimed to strengthen its business operations and drive further cost

efficiencies through various sustainable initiatives to remain competitive. Cost reduction through value engineering, water and energy consumption as well as effective waste management are some of the examples of sustainable initiatives implemented which can result in long-term cost savings while achieving further operational efficiency in its property development as well as the hotels and resorts business segments.

As the Company moves forward, it will aim to better understand how to achieve further sustainable operations while providing more focus on enhancing the current sustainability initiatives.

FUTURE OUTLOOK

Despite the global uncertainties, the Malaysian economy registered a robust growth of 5.6% in the first quarter of 2017 compared to 4.5% in the fourth quarter of 2016 boosted by strong domestic demand and private expenditure. The higher cost of living arising from higher food prices and import costs is likely to continue to dampen consumer and investment sentiments.

Against this scenario, the Company expects the overall property market conditions to continue to be challenging with bank lending rules remaining tight and oversupply persisting in certain sub-sectors. However, the property development business segment anticipates that the demand for its affordable housing projects and other residential projects will remain strong especially developments at strategically located areas in Bukit Jalil, Kuala Lumpur with close proximity to urban public transportation systems.



KM1 East Condominium, Bukit Jalil, Kuala Lumpur.



Premier Suite at The Taaras Beach & Spa Resort, Redang, Malaysia.

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

The hotel industry is expected to remain challenging due to the increased competition from other hospitality service providers. Despite the foreseeable challenging environment, the hotels and resorts business segment will continue to enhance guests' experiences through greater levels of hospitality while strengthening its brand presence through the adoption of various innovative marketing strategies and diverse distribution channels to further expand its market reach.

The Number Forecast Operators ("NFO") business under Berjaya Sports Toto Berhad is expected to remain challenging with intense competition from the illegal gaming activities coupled with the rising cost of living which continues to dampen consumer sentiment. Nonetheless, it is expected that Sports Toto would maintain its market share in the NFO sector.

Moving forward, the Group will remain diligent and continue to adopt a cautious business strategy in the current uncertain market conditions. Given the current trajectory and modest growth outlook, the Directors are of the view that the Group's performance will continue to remain challenging in the financial year ending 30 April 2018.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to convey our sincere thanks to Dato' Ng Sooi Lin who has stepped down from his role as Chief Executive Officer effective 31 December 2016 and the retirement of Dato' Dickson Tan Yong Loong from the Board as Non-Independent/Non-Executive Director effective 13 October 2016 for their contributions during their tenure. Dato' Ng Sooi Lin remains as a member of the Board and has been re-designated as a Non-Independent/Non-Executive Director of the Company.

We take this opportunity to congratulate Datuk Pee Kang Seng @ Lim Kang Seng for his promotion to Chief Executive Officer of the Company effective 18 January 2017. He was appointed as Executive Director of the Company on 4 August 2016.

Our heartfelt thanks goes to all our valued customers, business associates, financiers and shareholders as well as the relevant government and regulatory bodies for their continue support. I also wish to express our sincere appreciation to the management team for their leadership as well as the employees and the agents for their steadfast commitment, hard work and resilience, particularly during this challenging period.

To my fellow Directors, thank you for your invaluable guidance and support and let's continue to work together as we navigate through another challenging journey ahead.

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

9 August 2017

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

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

PERFORMANCE REVIEW BY BUSINESS SEGMENTS

GAMING

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

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

For the financial year under review, BToto reported an increase in revenue of 3.0% to RM5.731 billion mainly attributed to the higher revenue reported by its subsidiary H.R. Owen. Pre-tax profit dropped by 15.6% to RM376.1 million from RM445.7 million in the previous financial year, mainly due to the results of its principal subsidiary Sports Toto which was partly mitigated by the improved results reported by H.R. Owen and ILTS.



A Sports Toto outlet.

MALAYSIA

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

Revenue

For the financial year ended 30 April 2017, Sports Toto recorded revenue of RM3.12 billion compared to the previous year’s revenue of RM3.18 billion, representing a decrease of 1.7%. The company’s revenue for the financial year under review has been stated net of Gaming Tax as well as Goods and Services Tax (“GST”) on gaming supply. Pursuant to a notification from the Royal Malaysian Customs Department (“RMCD”) due to different interpretations on the value of gaming supply under the Goods and Services Tax Act (“GST Act”), Sports Toto made an additional GST adjustment of RM15.6 million in the financial year under review. Sports Toto had subsequently submitted a review application to RMCD’s Director General for a review of RMCD’s decision. Excluding the GST adjustment, the decrease in revenue would have been 1.2%. The decrease in revenue was also due to lower sales affected by weak consumer sentiment and intense competition from rampant illegal operators in the financial year under review.

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

Profit Before Tax

Profit before tax decreased by 19.9% to RM332.5 million compared to RM415.1 million in the previous financial year. The lower profit before tax was mainly due to GST adjustment, higher prize payout and higher operating expenses incurred in the financial year under review. Consequently, this led to a lower profit before tax margin of 10.7% compared to 13.1% in the previous financial year.

Profit After Tax

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

Prospects

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

THE PHILIPPINES

BToto operates in the Philippines through its subsidiary Berjaya Philippines Inc. ("BPI") which is listed on the Philippine Stock Exchange. BPI's major investments include wholly-owned subsidiary Philippine Gaming Management Corporation ("PGMC"), 98.38% equity interest in H.R. Owen and wholly-owned subsidiary, Perdana Hotel Philippines Inc. ("PHPI").

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



A lotto sales counter in Metro Manila, Philippines.

Revenue

BPI group recorded 7.5% increase in revenue to Peso28.5 billion from Peso26.5 billion in the previous financial year. The increase was primarily due to higher revenue contribution from H.R. Owen in the financial year under review.

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

BPI's other subsidiary, PHPI, which operates Berjaya Makati Hotel in Makati City, recorded revenue of Peso144.2 million compared to Peso146.5 million in the previous financial year. The decrease of 1.6% in revenue was mainly due to a decrease in room occupancy level compared to the previous financial year. Stiff competition from a newly-opened hotel in the vicinity and reduced room bookings from the corporate segment contributed to the decline in demand for hotel rooms in Makati City.

Profit Before Tax

BPI group recorded profit before tax of Peso984.2 million, an increase of 5.7% from the previous financial year, mainly due to higher revenue in the financial year under review.

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

PHPI's pre-tax profit decreased by 91.2% to Peso0.3 million compared to Peso3.9 million in the previous financial year, mainly due to lower revenue from hotel rooms as well as higher operating expenses incurred in the financial year under review.

Profit After Tax

BPI group's profit after tax decreased marginally to Peso704.1 million compared to Peso706.3 million in the previous financial year. The effective tax rate for the financial year ended 30 April 2017 was higher at 28.5% compared to 24.2% in the previous financial year, mainly due to certain expenses not deductible for tax purposes in the financial year under review.

Prospects

The Philippines achieved strong economic growth of 6.9% in 2016 which is expected to moderate to between 6% and 6.5% in 2017.

PCSO is seeking to launch 2 new games and increase the betting draw frequency of its existing games. PCSO is also exploring the use of mobile devices in addition to

the traditional lotto outlets to improve accessibility for the betting public to buy lotto tickets.

The increasing arrivals of international tourists and sustained domestic travel are positive indications that the tourism and hotel industry in the Philippines will continue to grow. Berjaya Makati Hotel has embarked on a new room type structure and will continue with its refurbishment programmes to drive sales especially in the Deluxe and Premier Room categories. Berjaya Makati Hotel will also continue to focus on customer service and delivery to create customer loyalty and retention in the food and beverage department to increase its profitability.

THE UNITED STATES OF AMERICA

In the United States, BToto's subsidiary, ILTS provides computerized wagering equipment and systems to the online lottery and pari-mutuel racing industries worldwide. ILTS owns a voting business segment operated through Unisyn Voting Solutions, Inc. ("Unisyn") which develops and markets the OpenElect® digital optical scan election system to election jurisdictions. The OpenElect® election system is the only digital optical scan voting system built with Java on a streamlined and hardened Linux platform, and Unisyn became the first U.S. voting company to receive, in January 2010, the U.S. 2005 Voluntary Voting System Guidelines certification from the United States Election Assistance Commission for its OpenElect® election system.



ILTS's point-of-sale terminals product line.

Revenue/Profit Before Tax

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

Prospects

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

UNITED KINGDOM

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



H.R. Owen's Bodytechnics bodyshop offers complete supercar repair service for its customers.

Revenue

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

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

Profit Before Tax

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

Capital Investment

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

Prospects

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

HOTELS AND RESORTS

The hotels and resorts business segment of B-Land Group is operated via the Berjaya Hotels and Resorts Division ("BHR"). BHR owns and operates 14 hotels and resorts locally and internationally.

For the financial year under review, BHR's total gross revenue increased to RM290.4 million from RM270.6 million registered in the previous financial year while profit before tax increased to RM24.6 million compared to RM15.3 million in the previous financial year.

The increase in total gross revenue was mainly due to the higher contributions from the Malaysian-based properties

namely Berjaya Langkawi Resort and The Taaras Beach & Spa Resort driven by higher room business due to the growth in the leisure segment. Whilst room occupancy was flat at 62%, Average Room Rate ("ARR") increased by 7.7% which resulted in an 8.0% increase in Revenue per Available Room ("RevPAR") to RM199. The higher profit before tax was also due to the effective revenue management and cost control measures implemented during the financial year under review.

MALAYSIA HOTELS & RESORTS

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

Revenue

The Malaysian-based hotels and resorts were affected by lower room night bookings from the Corporate FIT and Corporate Group market segments for the financial year ended 30 April 2017. As a result, the overall room occupancy level decreased by 1.0 percentage-point to 59.6% but ARR improved by 11.6%. The growth in the ARR mitigated the reduction in occupancy level which resulted in an increase in RevPAR by 9.7% to RM190. The total gross revenue increased by 7.4% to RM216.6 million compared to RM201.6 million in the previous financial year which was largely contributed by the room operation.

Profit before Tax

The Malaysian-based properties recorded an increase of 12.8% in profit before tax to RM18.5 million compared to RM16.4 million in the previous financial year, due to higher total gross revenue and effective cost control measures. This has offset a one-off provision of RM5.63 million for back-pay arising from a minimum wage dispute.

Berjaya Langkawi Resort, Langkawi

The resort recorded an increase of 8.4% in total gross revenue to RM76.1 million from RM70.2 million in the previous financial year resulted from an increase in ARR for all market segments despite a relatively flat occupancy level which stood at 67.2%. The occupancy level was mainly supported by the room night bookings from the Transient FIT, Leisure FIT and Leisure Group segments of the Middle



Rainforest Studio at Berjaya Langkawi Resort, Malaysia.

East, United Kingdom, China, India and Malaysia. The resort's food and beverage outlets also performed better, especially the banqueting operations. Overall, food and beverage revenue increased by 6.4% to RM20.0 million from RM18.8 million recorded in the previous financial year. However, profit before tax decreased to RM23.6 million from RM25.9 million in the previous financial year mainly due to a one-off provision of RM4.6 million for back-pay arising from a minimum wage dispute.

Berjaya Times Square Hotel, Kuala Lumpur

The hotel experienced a decline from corporate markets and stiff competitive pressures resulting in a decrease in the room occupancy by 2.7 percentage-points to 63.3%. However, this was mitigated by a growth in ARR from the Leisure Group segment. The total gross revenue increased by 7.6% to RM73.2 million compared to RM68.0 million in the previous financial year while profit before tax increased to RM1.9 million compared to RM0.8 million in the previous financial year.



Premier Room at Berjaya Times Square Hotel, Kuala Lumpur, Malaysia.

During the financial year under review, the hotel has completed the renovation work for 88 guest rooms and a new Executive Lounge. The newly renovated rooms and facilities are expected to bring positive impact to the hotel's operating performance for the financial year 2018.

Berjaya Tioman Resort, Tioman

For the financial year under review, the resort recorded higher room night bookings from its leisure travel market but a decline in Corporate Group segment. As a result, the room occupancy of 41.0%, mainly contributed by the Transient FIT, Leisure FIT and vacation timeshare market segments of Malaysia, Singapore and China, remained in line with the previous financial year. Total gross revenue of RM18.8 million also remained in line with the previous financial year. The resort recorded a higher loss before tax of RM5.9 million compared to RM3.6 million in the previous financial year, due to an increase in property and maintenance expenses.



Berjaya Tioman Resort, Pahang, Malaysia.



The Taaras Beach & Spa Resort, Redang, Malaysia.

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

The Taaras registered a 13.7% growth in total gross revenue to RM19.9 million compared to RM17.5 million in the previous financial year driven by an increase of 6.7 percentage-points in room occupancy level to 36.5% and improved ARR. The non-availability of scheduled commercial flight services to the island has made The Taaras less attractive to foreign guests. In view of this, the resort has entered into a partnership agreement with Prima Air in March 2017 to provide exclusive chartered flight services between Subang Airport and Redang Island for a seamless and quicker access to the resort for its guests.

ANSA Kuala Lumpur

During the financial year under review, the hotel experienced stiff competition and pricing pressures from online private accommodation aggregators. As a result, the hotel’s room occupancy decreased by 5.0 percentage-points to 66.4%, while ARR increased by 6.5%. The marginal increase in ARR



Deluxe Room at ANSA Kuala Lumpur, Malaysia.



Berjaya Penang Hotel, Malaysia.

was insufficient to mitigate the reduction in room occupancy, which led to a slight decrease in room revenue to RM9.5 million compared to RM9.7 million in the previous financial year. Nevertheless, the non-room department recorded a better performance which resulted in an increase of 10.2% in total gross revenue to RM12.9 million with profit before tax of RM0.8 million during the financial year under review.

Berjaya Penang Hotel (formerly known as Georgetown City Hotel)

During the financial year under review, the hotel’s room night bookings were mainly contributed by the Transient FIT, individual business and leisure travellers from market segments of Malaysia and Indonesia as well as vacation timeshare market. Overall, the hotel’s total gross revenue of RM13.5 million remained in line with the previous financial year with occupancy level stood at 67.2%. However, profit before tax decreased significantly by 68.3% mainly due to a one-off provision of RM1.03 million for back-pay resulted from a minimum wage dispute.

OVERSEAS HOTELS & RESORTS

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

The overseas hotels and resorts recorded an improvement in room occupancy level by 4.1 percentage-points to 70.7% compared to 66.6% in the previous financial year attributed to an increase in room night bookings from the Leisure FIT and Leisure Group market segments.

Overall, total gross revenue from BHR's overseas properties increased to RM73.8 million from RM69.0 million in the previous financial year mainly due to the improvement in operating results of Berjaya Beau Vallon Bay Resort & Casino and Berjaya Praslin Resort in Seychelles. In tandem, profit before tax increased to RM6.1 million compared to RM0.1 million in the previous financial year due to lower direct operating expenses and overhead costs.

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

In Seychelles, aggressive marketing strategy had resulted in higher demand from the Transient FIT, Leisure FIT and Leisure Group segments which led to an increase in BBVB and BPR's occupancy levels by 7.0 percentage-points to 66.5% and 11.5 percentage-points to 58.5% respectively. As a result, the combined RevPAR increased by 9.8% compared to the previous financial year. For the financial year under review, BBVB and BPR recorded an increase in combined revenue of 18.4% to RM41.3 million from RM35.0 million in the previous financial year. In line with the higher combined revenue coupled with effective cost control measures, BBVB and BPR posted a combined profit before tax of RM3.7 million compared to a loss before tax of RM0.8 million in the previous financial year.

Berjaya Hotel Colombo, Sri Lanka

During the financial year under review, the hotel registered an occupancy level of 67.3% which was at par with the



Berjaya Beau Vallon Bay Resort & Casino, Seychelles.

previous financial year. However, ARR increased by 5.6% which resulted in an increase of 5.3% in room revenue to RM4.2 million. However, the increase in room revenue was almost offset by a 3.1% decline in food and beverage revenue due to lower demand for banqueting and corporate meetings. As a result, the hotel's total gross revenue remained in line with the previous financial year at RM8.6 million while profit before tax stood at RM1.7 million.

Berjaya Eden Park London Hotel, United Kingdom

The hotel's occupancy level decreased by 3.0 percentage-points to 84% from 87% in the previous financial year due to the effect of BREXIT and continued threat of terrorism throughout Europe. As a result, the hotel's revenue decreased by 5.7% to RM14.4 million for the financial year under review. Moving forward, the hotel will enhance its rate management strategy to improve room yield for the next financial year.

The Castleton Hotel, London, United Kingdom

For the financial year under review, the hotel recorded an occupancy level of 86.8% with total gross revenue of RM6.7 million. The room night bookings were mainly contributed by the Transient FIT market segment.

INTERESTS IN OTHER HOTELS

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



Berjaya Eden Park London Hotel, United Kingdom.



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

Four Seasons Hotel and Hotel Residences, Kyoto, Japan

The hotel which was opened in October 2016 houses 123 guest rooms, 57 units of Four Seasons Hotel Residences, four dining venues, multi-purpose function rooms, an indoor pool and spa facilities. For the 7-month period ended 30 April 2017, the hotel recorded total gross revenue of RM83.6 million with room occupancy at 47.9% and ARR of RM4,600. After accounting for the one-off pre-opening expenses which amounted to RM17.1 million, the hotel incurred a loss before tax of RM12.4 million. Excluding the pre-opening expenses, the hotel would have reported a profit before tax of RM4.7 million. In addition, total gross revenue generated from the sales of the Four Seasons Hotel Residences amounted to RM317.4 million.

Sheraton Hanoi Hotel, Vietnam

During the financial year under review, Sheraton Hanoi Hotel performed well due to an increase in domestic tourists and international arrivals. The hotel registered an increase in revenue by 11% to RM63.2 million supported by higher room occupancy level and higher ARR. Room occupancy level increased to 87.4% from 82.9% in the previous financial year while ARR increased by 9%. As a result, RevPAR rose by 15.1% to RM335 compared to RM291 in the previous financial year.

InterContinental Hanoi Westlake, Vietnam

For the financial year under review, InterContinental Hanoi Westlake recorded a 7.5 percentage-points increase in occupancy level to 90.3% from 82.8% in the previous financial year while ARR increased by 4.4% driven by improved demand from the corporate and wholesaler market segments. As a result, revenue increased to RM73.8 million compared to RM67.1 million in the previous financial year.

Future Prospects

The slower market conditions will continue to cause further uncertainties and apprehension amongst businesses, resulting in further pressure on the performance of the properties, especially within the Corporate segment. Against this backdrop, BHR will place greater emphasis and intensify its sales and marketing initiatives to increase business volume from the Leisure market from China and India. At the same time, BHR will step up its efforts to increase its revenue from the food and beverage business through various attractive food promotions and concepts as well as enhanced service quality. Alongside these efforts, BHR will remain diligent in its efforts to achieve better financial performance, greater operational efficiency and cost savings across the properties.

CLUBS AND RECREATION

The Clubs and Recreation Division (“The Clubs”) operates four golf clubs and one equestrian club located in the Klang Valley, Mantin (Negeri Sembilan) and Batu Pahat (Johor).



Sunset Bar at InterContinental Hanoi Westlake, Vietnam.



Bukit Jalil Golf & Country Resort, Kuala Lumpur.

Golf and equestrian are the core activities provided by The Clubs supported by other services such as sport facilities, dining outlets as well as banqueting facilities and event venue.

The Clubs have a total membership of 15,382 as at 30 April 2017 of which 8,056 are golf membership and 7,326 are non-golf membership.

During the financial year under review, Bukit Jalil Golf & Country Resort renovated its entire 18-hole golf course and was awarded the “Most Improved Golf Course in Malaysia” at the 2016 Malaysian Golf Awards while the Bukit Kiara Equestrian Country Resort refurbished and upgraded its swimming pool and other facilities within the resort.

Revenue

The revenue for the financial year ended 30 April 2017 increased to RM56.0 million compared with RM53.8 million in the previous financial year mainly due to the higher food and beverage business and revenue arising from the group membership termination exercise.

Profit Before Tax

For the financial year ended 30 April 2017, The Clubs recorded a higher pre-tax profit of RM11.1 million compared to RM4.9 million in the previous financial year mainly attributed to higher revenue generated from its newly renovated 18-hole golf course at Bukit Jalil Golf & Country Resort, Kuala Lumpur coupled with higher sales recorded from its food and beverage outlets.

Future Prospects

The financial year ending 2018 will remain competitive and challenging for the recreation club industry. The Clubs will continue to upgrade its facilities such as golf courses, food

and beverage venues and amenities as part of its moving forward strategies. With a strong membership base and improved visitors’ patronage, The Clubs’ future prospects remain encouraging.

VACATION TIMESHARE

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

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

Revenue

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

Operating Profit

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

Future Prospects

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

PROPERTY DEVELOPMENT

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

The financial year under review has been another challenging year for the PD Division as the property market continued to slow down due to the lower domestic growth, tight financing conditions, as well as the weakening of the Malaysian Ringgit against the US Dollar. Against this

challenging backdrop, the PD Division continued to focus its efforts on managing the on-going projects with prudent management of cost while ensuring deliverance of quality products to its purchasers.

During the financial year under review, the development projects at Bukit Jalil, Kuala Lumpur namely KM1 East and the The Link 2 Phase 1 continued to generate revenue for the PD Division. As at 30 April 2017, the The Link 2 Phase 1 and KM1 East have achieved a total gross sales value of RM458 million and RM231 million respectively. The The Link 2 Phase 1 comprising shop offices, street mall commercial lots and residences is scheduled to be delivered to purchasers in the fourth quarter of 2017.

The PD Division's first affordable homes project, Residensi Lanai at Bukit Jalil, Kuala Lumpur comprises 648 units of 3-bedroom units with built-up of 800 square feet and selling price of RM300,000 per unit. As at 30 April 2017, the project achieved a total gross sales value of RM87 million with 289 units sold.



Artist impression of the Residensi Lanai, Bukit Jalil, Kuala Lumpur.

Over at The Peak @ Taman TAR, the PD Division embarked on various marketing initiatives to re-introduce the remaining 16 unsold bungalow lots. These exclusive freehold gated and guarded bungalow lots with sizes ranging from 8,831 to 27,037 square feet are averagely priced at RM321 per square foot. The PD Division anticipates that more sales will be generated through these marketing efforts.

The final phase of the landed residential units at Taman Kinrara Section 4, Puchong was unveiled in the fourth quarter of 2016 featuring 29 units of 20 feet x 65 feet (IRIS) and 5 units of 24 feet x 97 feet superlink (JASMINE) double storey terrace homes with built-up ranging from 1,539 to 2,573 square feet. As at 30 April 2017, more than 80% of the total units have been sold with a total gross sales value of RM21.2 million.

Up north in Penang, the Phase 1 of Jesselton Villas, Kensington Garden featuring 69 units of bungalow lots with sizes ranging from 5,995 to 9,634 square feet are averagely priced at RM644 per square foot. As at 30 April 2017, 57% of the total units have been sold with a total gross sales value of RM170 million. Construction for the infrastructure of the project is anticipated to be completed by the end of 2017.

Revenue

For the financial year under review, the PD Division recorded revenue RM237.5 million compared to RM331.9 million reported in the previous financial year. The lower revenue was mainly due to the disposal of several parcels of land in the previous financial year.

Loss Before Tax

The PD Division recorded a lower loss before tax of RM6.1 million compared to a loss of RM125.2 million reported in the previous financial year, mainly due to lower expenses reported by the overseas projects, following the disposal of a major foreign development project. The substantial loss before tax in the previous financial year had included impairment of the aforesaid foreign development project amounting to RM131.6 million.

Locally, the PD Division reported a lower profit before tax of RM28.0 million compared to RM102.6 million in the previous financial year in line with a lower revenue. In addition, the profit before tax in the previous financial year had included a one-off capital gain of RM58.1 million arising from disposal of several parcels of land.

Loss After Tax

The PD Division reported a lower loss after tax of RM27.2 million as compared to RM160.5 million registered in the previous financial year, due to the factors mentioned above.

Future Projects

The PD Division is looking forward to launch two development projects located within Bukit Jalil, Kuala Lumpur. The first project, The Tropika features 13 units of shop offices, 15 retail outlets and 861 units of service apartments with sizes ranging from 731 square feet to 1,317 square feet. The total estimated gross development value (“GDV”) for the project is RM700 million.

The second project within Bukit Jalil, Kuala Lumpur is The Botanika, comprising four towers of condominiums with sizes ranging from 850 square feet to 2,200 square feet. The total GDV for the project is estimated at RM1.0 billion.

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

Future Prospects

The local property market is anticipated to remain subdued and continued to be impacted by economic uncertainties both domestically and abroad. Against this scenario, the residential market is expected to be sustained by strong demand particularly in the affordable housing segment.

The PD Division is cautiously optimistic that the demand for its development projects at Bukit Jalil and around the Klang Valley which are competitively priced and strategically located with good accessibility and good development concept will remain strong.

Moving forward, the PD Division will continue to exercise prudent cost management measures to achieve further operational efficiency while providing greater focus on developing innovative products that meet the demands of homebuyers.



Berjaya Megamall, Kuantan, Pahang.

PROPERTY INVESTMENT

The Property Investment Division (“PI Division”) owns 3 commercial properties comprising Plaza Berjaya, Kuala Lumpur; Kota Raya Complex, Kuala Lumpur and Berjaya Megamall in Kuantan, Pahang. Collectively, these properties achieved an average occupancy rate of 81% during the financial year under review compared to 89% in the previous financial year.

Revenue

For the financial year ended 30 April 2017, the PI Division registered a marginal decline in revenue to RM29.1 million compared to RM30.9 million in the previous financial year primarily attributed to lower occupancy rate.

Profit Before Tax and Profit After Tax

For the financial year under review, the PI Division reported a decline in profit before tax of 32.8% to RM17.2 million from RM25.6 million due to lower fair value gains of investment properties.

Consequently, profit after tax declined by 37.4% to RM13.4 million from RM21.4 million in the previous financial year.

Future Prospects

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

CORPORATE STRUCTURE

of main subsidiaries, associated companies and joint ventures as at 9 August 2017

BERJAYA LAND BERHAD

HOTELS, RESORTS, RECREATION DEVELOPMENT, VACATION TIMESHARE AND OTHERS

100% Berjaya Vacation Club Berhad

- Berjaya Penang Hotel - Malaysia
(formerly known as Georgetown City Hotel, Penang)

100% Berjaya Vacation Club (Cayman) Limited

- Berjaya Eden Park London Hotel - United Kingdom

100% BHR (Cayman) Limited

- The Castleton Hotel, London - United Kingdom

100% ANSA Hotel KL Sdn Bhd

- ANSA Kuala Lumpur - Malaysia

100% Berjaya Langkawi Beach Resort Sdn Bhd

- Berjaya Langkawi Resort, Kedah - Malaysia

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

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

86.25% Tioman Island Resort Berhad

- Berjaya Tioman Resort, Pahang - Malaysia

100% BTS Hotel Sdn Bhd

- Berjaya Times Square Hotel, Kuala Lumpur - Malaysia

100% Berjaya Beau Vallon Bay Beach Resort Limited

- Berjaya Beau Vallon Bay Resort & Casino - Seychelles

100% Berjaya Praslin Limited

- Berjaya Praslin Resort - Seychelles

100% Perdana Hotel Philippines Inc.#

- Berjaya Makati Hotel, Makati - Philippines#

92.6% Berjaya Mount Royal Beach Hotel Limited

- Berjaya Hotel Colombo - Sri Lanka

50% Berjaya Hotay Joint Venture Company Limited

- Sheraton Hanoi Hotel, Hanoi - Vietnam

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

- InterContinental Hanoi Westlake, Hanoi - Vietnam

50% Kyoto Higashiyama Hospitality Assets TMK*

- Four Seasons Hotel and Hotel Residences, Kyoto - Japan

100% Bukit Kiara Resort Berhad

- Bukit Kiara Equestrian & Country Resort, Kuala Lumpur

100% KDE Recreation Berhad

- Kelab Darul Ehsan, Selangor

100% Berjaya Golf Resort Berhad

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

80% Staffield Country Resort Berhad

- Staffield Country Resort, Negeri Sembilan

100% Indah Corporation Berhad

- Bukit Banang Golf & Country Club, Johor

100% Berjaya Air Sdn Bhd

51% Asia Jet Partners Malaysia Sdn Bhd

98.38% H.R. Owen Plc, United Kingdom#

27.09% Informatics Education Ltd, Singapore

- Listed Companies
- + Combined Interest

subsidiary companies of Berjaya Philippines Inc.

* subsidiary company of Berjaya Corporation Berhad

PROPERTY INVESTMENT & DEVELOPMENT

100% Taman TAR Development Sdn Bhd

- The Peak @ Taman TAR, Ampang, Selangor

100% Berjaya Tagar Sdn Bhd

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

80% Pakar Angsana Sdn Bhd

- Berjaya Park, Shah Alam, Selangor

100% Sri Panglima Sdn Bhd

- Taman Kinrara IV, Puchong, Kuala Lumpur

100% Berjaya Land Development Sdn Bhd

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

100% Securiservices Sdn Bhd

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

80% Berjaya-Handico 12 Co. Ltd

- Ha Noi Garden City, Hanoi - Vietnam

100% Berjaya Vietnam Financial Center Limited

- Vietnam Financial Center, Ho Chi Minh City - Vietnam

75% Berjaya-D2D Company Limited

- Bien Hoa City Square, Dong Nai Province - Vietnam

100% Berjaya VIUT Ltd

- Vietnam International University Township, Ho Chi Minh City - Vietnam

72.6% Berjaya Jeju Resort Limited

- Jeju Island - South Korea

100% Berjaya Okinawa Development Co. Ltd

100% Nural Enterprise Sdn Bhd

- Plaza Berjaya, Kuala Lumpur

100% Kota Raya Development Sdn Bhd

- Kota Raya Complex, Kuala Lumpur

100% Cempaka Properties Sdn Bhd

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

+

12.78% Berjaya Assets Berhad

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

GAMING & LOTTERY MANAGEMENT

+

92% Berjaya International Casino Management (Seychelles) Limited

+

40.23% Berjaya Sports Toto Berhad

100% Sports Toto Malaysia Sdn Bhd

+

88.26% Berjaya Philippines Inc

100% Philippine Gaming Management Corporation

100% International Lottery & Totalizator Systems, Inc. USA

100% Unisyn Voting Solutions, Inc., USA

GROUP FINANCIAL SUMMARY

DESCRIPTION	2017	2017	2016	2015	2014	2013
	US\$'000	RM'000	RM'000	RM'000	RM'000	RM'000
			RESTATED	RESTATED	RESTATED	RESTATED
Revenue	1,464,177	6,371,366	6,283,997	5,910,163	5,021,299	4,246,613
Profit Before Tax	132,442	576,321	8,961	25,276	535,248	461,390
Profit/(Loss) for the Year	94,501	411,221	(165,024)	(161,828)	309,013	296,775
Profit/(Loss) Attributable To Owners of the Parent	67,733	294,738	(270,637)	(382,960)	104,620	33,033
Share Capital	574,553	2,500,168	2,500,168	2,500,168	2,500,168	2,500,168
Reserves	469,428	2,042,717	1,852,320	2,013,035	2,450,979	2,302,163
Equity Funds	1,043,981	4,542,885	4,352,488	4,513,203	4,951,147	4,802,331
Treasury Shares	(4,757)	(20,699)	(20,699)	(20,699)	(45,466)	(45,466)
Net Equity Funds	1,039,224	4,522,186	4,331,789	4,492,504	4,905,681	4,756,865
Non-controlling Interests	537,474	2,338,819	2,630,205	2,668,181	2,616,632	2,555,029
Total Equity	1,576,698	6,861,005	6,961,994	7,160,685	7,522,313	7,311,894
Long Term Loans	409,591	1,782,336	2,859,025	3,238,987	2,456,877	1,353,043
Deferred Tax Liabilities	243,829	1,061,021	1,218,603	1,185,069	1,231,648	1,195,242
Other Non-Current Liabilities	27,879	121,316	138,775	165,513	176,609	180,016
Current Liabilities	756,710	3,292,822	3,252,369	2,432,891	2,658,863	2,250,783
Total Equity and Liabilities	3,014,707	13,118,500	14,430,766	14,183,145	14,046,310	12,290,978
Property, Plant And Equipment	392,864	1,709,547	1,732,398	2,586,999	2,396,591	1,838,930
Intangible Assets	923,830	4,020,046	4,712,683	5,105,624	5,585,397	5,463,962
Other Non-Current Assets	874,489	3,805,340	3,402,592	2,634,335	2,680,652	2,716,861
Current Assets	813,662	3,540,651	3,603,311	3,798,178	3,370,139	2,242,921
Assets Held for Sale	9,862	42,916	979,782	58,009	13,531	28,304
Total Assets	3,014,707	13,118,500	14,430,766	14,183,145	14,046,310	12,290,978
Net Assets Per Share (US\$/RM)*	0.21	0.91	0.87	0.90	0.98	0.95
Net Earnings/(Loss) Per Share (US\$/RM)*	0.014	0.06	(0.05)	(0.08)	0.02	0.01
Dividend (cents/sen)*	–	–	–	–	1.00	1.00
Dividend Amount (US\$'000/RM'000)	–	–	–	–	49,894	37,322

Notes:

Certain comparative amounts have been adjusted as a result of the change of accounting policy and prior year adjustments, as disclosed in Note 2.6 to the financial statements.

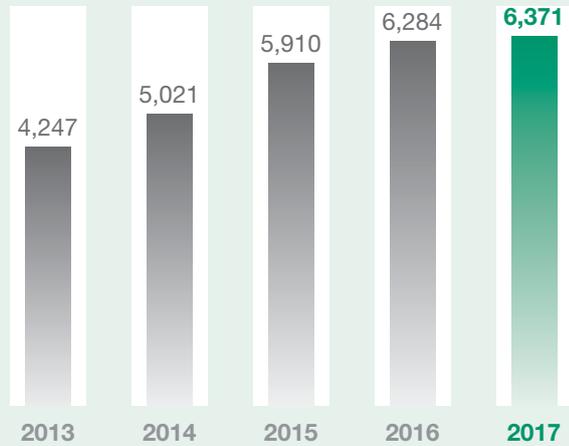
Net assets per share represents the net equity funds divided by the weighted average number of outstanding shares with voting rights in issue.

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

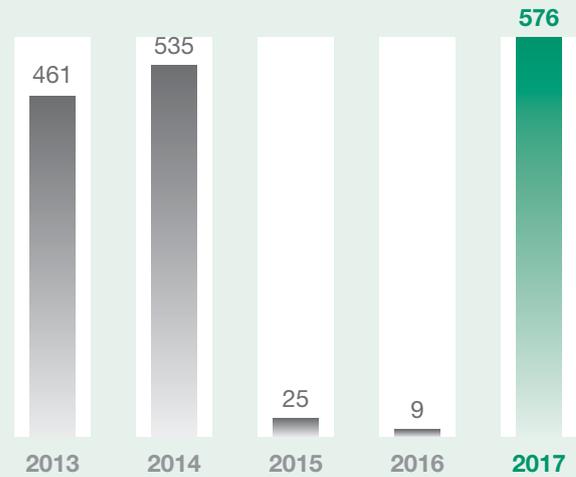
Exchange rate as at 30-4-2017: US\$1.00=RM4.3515

GROUP FINANCIAL HIGHLIGHTS

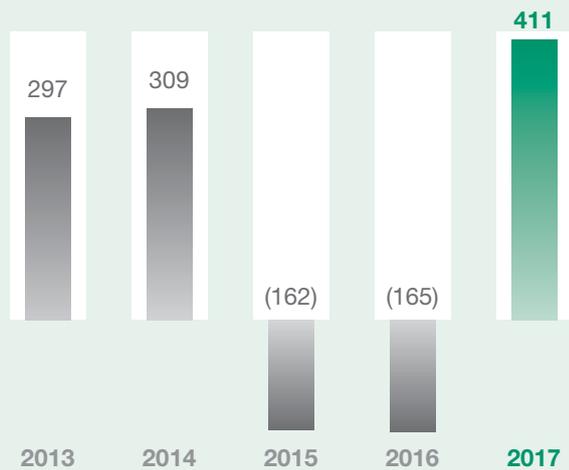
REVENUE (RM' MILLION)



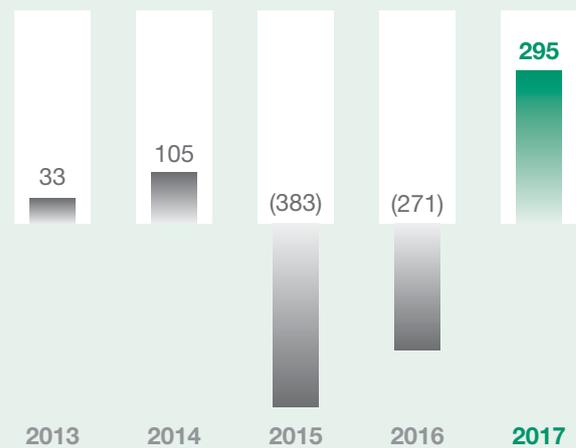
PROFIT BEFORE TAX (RM' MILLION)



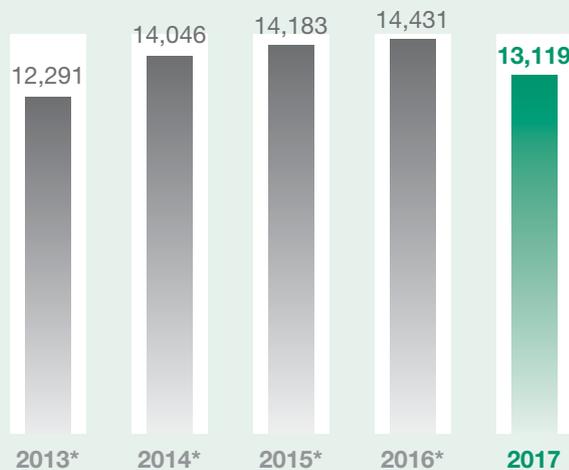
PROFIT/(LOSS) FOR THE YEAR (RM' MILLION)



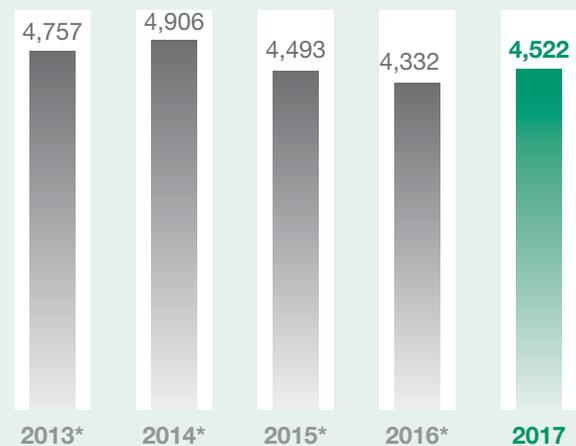
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT (RM' MILLION)



TOTAL ASSETS (RM' MILLION)



NET EQUITY FUNDS (RM' MILLION)



* Restated

SUSTAINABILITY STATEMENT

1. REPORTING PROFILE AND SCOPE

This is the first sustainability statement released by Berjaya Land Berhad (“B-Land”) in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Sustainability Reporting Guide for the financial year ended 30 April 2017 which highlights the Company’s commitment to undertaking business in a responsible and sustainable manner.

The information available in this section focuses primarily on the operations and management of economic, social and environmental sustainability of the Company for the financial year ended 30 April 2017.

Due to the diverse business nature of the Company, the scope of the inaugural sustainability statement covers material issues arising from its principal business activities in Malaysia namely, property development, gaming and hotels and resorts. It does not include the social and environmental sustainability aspects of the other business operations in the Philippines, Vietnam, United Kingdom and the United States of America at this juncture.

The statement offers an overview of the sustainability approach and initiatives made by these three business segments in how it creates economic value, protect the environment and pursue social development in their respective industry sectors. From the key sustainability initiatives to the community support and development programmes reaching out to various communities, the statement outlines the various practices that have been embedded into the Company’s processes with the ultimate aim to bring more value to our businesses, society and stakeholders.

Given that this is the Company’s first sustainability statement, the data collection remains limited to selected economic, environment and social indicators that contribute to the sustainable development of B-Land and its subsidiaries and are of interest to its internal and external stakeholders. The information and data disclosed in this statement were derived from internal reporting processes, systems and records.

The structure and content of this statement draws upon guidance from Bursa Malaysia’s Sustainability Reporting Guide and Toolkits.

2. OUR APPROACH TO SUSTAINABILITY

The scale and diversity of B-Land’s businesses means the Company faces a wider range of issues in the course

of its operations. In this aspect, the Company makes every effort to integrate sustainability into the core of its business operations. The Company strives to support economic growth that benefits every level of society, while minimising any adverse environmental and social impacts arising from its daily business operations guided by a long-term strategy comprising 3 main aspects:-



ECONOMIC SUSTAINABILITY

Creation of long-term value for shareholders and added value for all the Company’s stakeholders



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 the Company’s monetary and non-monetary resources



ENVIRONMENTAL SUSTAINABILITY

Striving towards reducing our environmental footprint by improving on efficiency of resources and supporting conservation efforts.

For the year under review, the Company formalised its sustainability journey with the setting up of a Sustainability Working Committee comprising representatives from various business units and teams across the Company. Governed by the Board of Directors of B-Land, the Sustainability Working Committee oversees the overall planning and implementation of sustainability practices in a continuous and systematic manner.

To better understand the impacts and issues that are most relevant and of greatest concern to the Company, a series of meetings were conducted with the key executives and management from the three business segments contributing their expertise to the materiality identification process. The process enabled the effective identification and defined the scope of material issues within the economic, social and environment aspects across the Company. The findings were then submitted to the Sustainability Working Committee for evaluation and subsequently, the sustainability statement was presented to the Board for review and approval.

In developing the list of materiality issues and the reporting framework, a broad range of references were studied by the Committee members including the Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

3. STAKEHOLDER ENGAGEMENT

The Company believes that the approach of stakeholder engagement is integral to the development of its sustainability strategy, and is also a pre-requisite for long-term sustainable growth. To this end, the various operating companies and subsidiaries under B-Land continue to focus on building a good rapport and relationships with their respective stakeholders through various communication platforms to collect feedback on issues that are of importance to the businesses and the stakeholders.

As each of the stakeholders impact and influence the Company's businesses differently, the engagement activities are on an on-going basis, depending on the purpose and needs. The Company's key stakeholders and engagement platforms are as listed below:-

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

4. SUSTAINABILITY GOVERNANCE

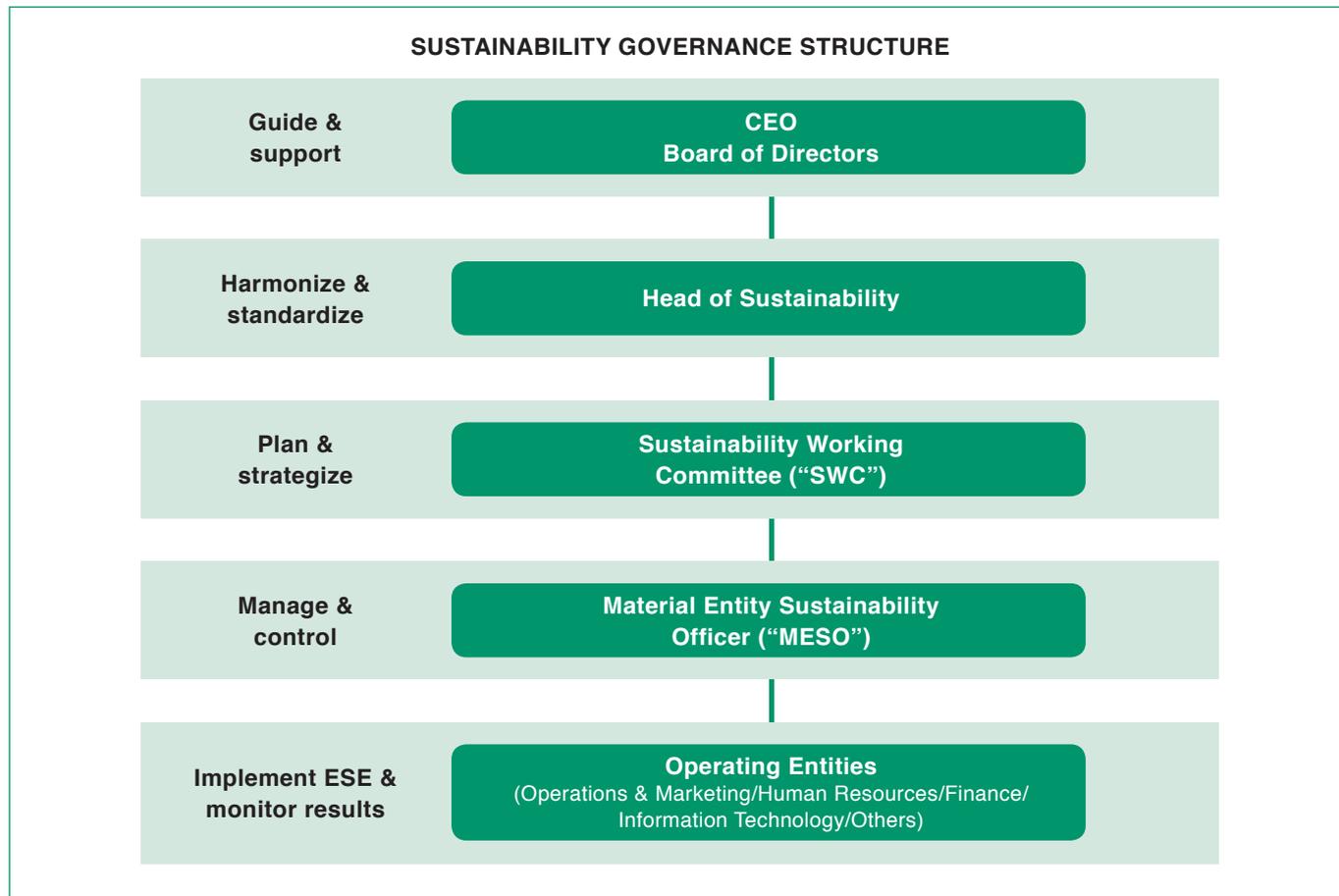
Sustainability Governance is one of the core elements that ensure sustainable development of the Company's businesses. The Company strives to maintain a high standard of governance and firmly believes in accountability and transparency to maximise economic, environmental and social returns to all its stakeholders.

The core responsibilities of the governance structure rest on the Board comprising professionals from a wide range of business experience and expertise. Through its diverse membership, focused committees and commitment to adopting best practices, the Board is committed to maintain sound internal controls and effective risks management to enhance transparency, accountability, integrity and honesty to earn the trust of its stakeholders. The Board views the commitment to promote sustainability strategies in the economic, environment and social aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

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

Moving forward, the Company strives to improve its monitoring process on the implementation of its internal control measures and sustainability initiatives. The Board and management are committed to continually refining and improving these processes over time. The financial figures in this Sustainability Statement have been externally verified.

For more detailed information on the Company's Statement on Corporate Governance and Statement on Risk Management and Internal Control, please refer to pages 40 to 56 of B-Land Annual Report 2017.

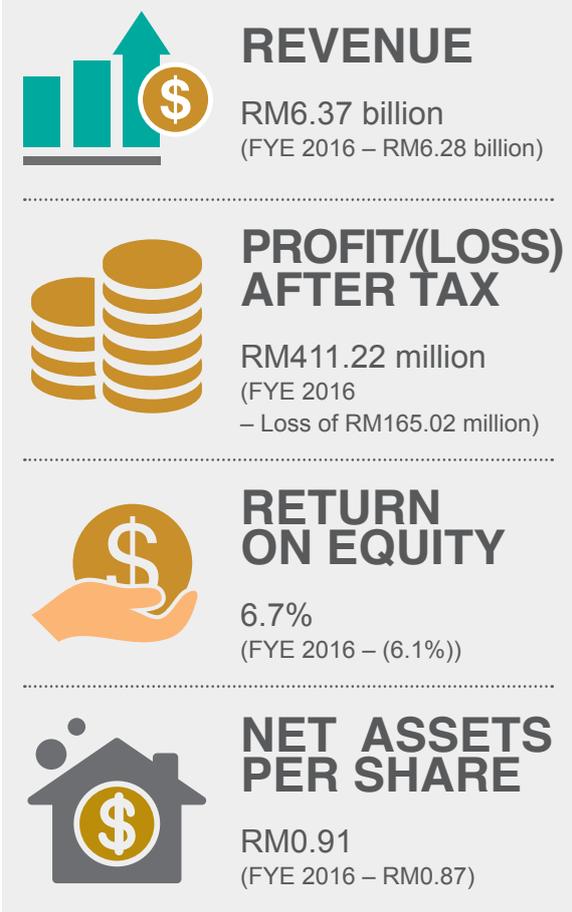


Note: ESE denotes economic, social and environmental aspects.

5. ECONOMIC SUSTAINABILITY

i. FINANCIAL PERFORMANCE

B-Land’s financial performance highlights for FYE 2017



Despite the challenging economic and business environment, the Company continued to persevere and operate effectively through stringent and prudent management of cost and available resources. Against a backdrop of economic uncertainties and rising cost of living which are expected to continue to dampen consumer and investment sentiments, the Group will continue to strive towards further operational efficiency through various initiatives to drive revenue and manage costs.

For more information about the Group’s financial performance, please refer to the Group Financial Summary and Highlights on pages 26 and 27 of B-Land Annual Report 2017.

ii. PROCUREMENT

With its standard operating procedures for purchasing, the Company endeavour to create

a positive impact by supporting procurement of products and services from locally established business entities in-line with the Government’s effort to spur the economy through local spending.

At the Property Development Division (“PD Division”), procurement is conducted through a stringent process that involves tendering, evaluation of tenders in terms of pricing, credibility and financial position of tenderers and other related matters before the recommendation of award is prepared, usually by way of contract or letter of appointment. The PD Division has successfully achieved 100% local procurement for award of contractors and appointment of consultants for two of its on-going projects namely Phase 1 of the Link 2 at Bukit Jalil, Kuala Lumpur and Kensington Gardens @ Jesselton Villas, Penang.

The same procedures apply to Berjaya Hotels & Resorts (“BHR”) giving priority to competitively priced locally produced items and responsibly-sourced products and services to support the local economy and reduce transportation-related emission.

Where local procurement is not always possible such as the specialized technical equipment for lottery operations, the relevant business unit will look for opportunities to procure products and services from other entities within the Group. These include the lottery terminals, central system and software procured from our subsidiary company, International Lottery & Totalizator Systems, Inc. (“ILTS”), which is a leading supplier of lottery system with more than three decades of operations and has provided lottery systems with installations for over 25 customers in more than 20 countries, having supplied more than 65,000 wagering terminals.



The Link 2, Bukit Jalil, Kuala Lumpur.

iii. COST REDUCTION THROUGH VALUE ENGINEERING

The PD Division's project team closely monitor works in progress when a project is underway to ensure the works are carried out in accordance to a high standard of excellence in quality. The project team constantly evaluate building designs and explore alternative material usage that will bring about cost reduction through value engineering without compromising the quality of its deliverance. This process was implemented at Phase 1 of the Link 2 at Bukit Jalil, Kuala Lumpur where cost efficient alternative materials and equipment were selected for the swimming pool, floor finishes, children playground and play area without compromising on quality and reliability.

6. ENVIRONMENTAL SUSTAINABILITY

As the global communities rally to mitigate the harsh effects of climate change and preservation of natural resources for future generation, B-Land and its subsidiaries strives to manage and reduce the impact of its businesses on the environment by making continuous efforts to improve environmental performance as well as to inculcate the practice of environmental sustainability in its business operations.

i. ENVIRONMENTAL MONITORING

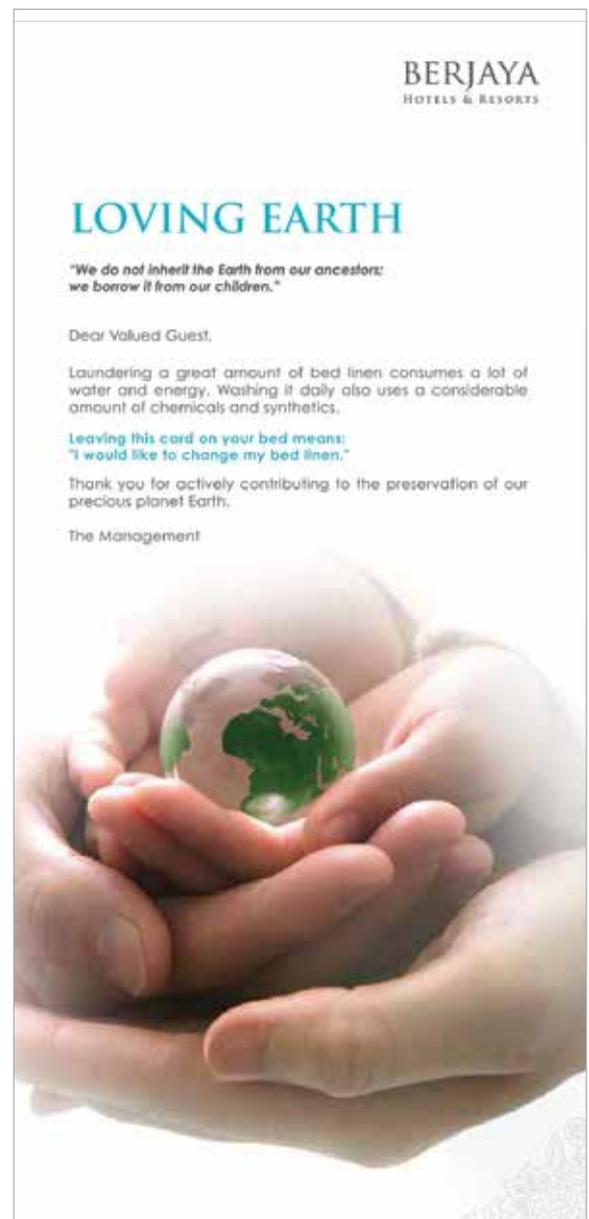
The PD Division has taken steps to reduce the impact of its development on the environment through stringent environmental monitoring by experts, efficient energy management and conservation of natural environment and water.

The PD Division is committed to the preservation of its natural surroundings and minimising pollution of air, water and noise in its development projects. At the Jesselton Villas, Penang, environmental specialist services were engaged to carry out pre-development environment impact assessment ("EIA") and post EIA environment monitoring. The post EIA monitoring covers the scope of environmental monitoring segment encompassing river water quality, discharges from sediment ponds, air quality and noise levels at various locations of the project site on a monthly basis. A monthly report documenting the results and findings of the environmental monitoring works conducted as part of the environmental management programme outlined in the Environment Management Plan ("EMP") is submitted by the consultant to the PD Division for review and necessary actions.

ii. EFFICIENT ENERGY MANAGEMENT

The PD Division incorporated green building features as outlined in the green building initiative by the Real Estate and Housing Developers' Association Malaysia ("REHDA Malaysia") as a basic provision in new development projects to promote environmental sustainability in the planning, design, construction and operation of building projects.

Some of the green building features and designs such as natural ventilation and daylighting for common areas at the lift lobbies, corridors, staircases, toilets and carparks, usage of sustainable



BHR's Loving Earth cards inviting guests to participate in its towel and linen reuse programme.

building materials that reduce heat and noise and usage of plumbing and sanitary wares with water saving features, lifts and escalators with energy efficient control mechanism, greenery provision and community connectivity have been adopted by its mixed development project at Phase 1 the Link 2, Bukit Jalil, Kuala Lumpur which has successfully gained the certification of “GreenRE Bronze” for both its residential and non-residential development. GreenRE is the green initiative arm of REHDA Malaysia established to encourage the property development industry to be more sustainable, emphasizing on passive design to promote greater adoption of green practices and technology amongst the Malaysian Real Estate corporations.

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

At the Group level, although electricity consumption during the financial year was not substantial, it had implemented energy saving initiatives by encouraging employees and operating companies to adopt various practices at the workplace and sustainable use of energy and water in their operations by minimizing energy consumption.

iii. CONSERVATION OF NATURAL ENVIRONMENT & MARINE ECOSYSTEM

In its effort to conserve the natural environment, the PD Division also advocates the preservation of natural habitats of flora and fauna on the land that it develops.

At the Jesselton Villas project in Penang, its natural environment has been preserved by adopting the policy of zero felling of grown matured trees in its development. For Kensington Gardens (Parcel 1) @ Jesselton Villas, a total of 122 out of 433 matured trees were successfully relocated and replanted within the development. Each of these trees were transplanted according to the prescribed methodology and monitored closely to ensure its successful sustainability in the new environment.

In line with the development authorities’ requirement, the Division has also set aside 10% of plot area

for greenery and landscape as part of its effort to maintain the natural green lungs.

As part of its efforts towards marine conservation, BHR continued to spread awareness on marine ecosystem preservation through the annual Tioman World Ocean Day with activities such as a clean-up dive to remove sea debris and crown-of-thorns starfish from the sea beds. Berjaya Tioman Resort and The Taaras Beach & Spa Resort in Redang Island are developing a coral re-planting programme which will not only aid in rehabilitation of damaged reefs, but also allowed guests to participate and learn more about coral reefs conservation. The cultivation of the coral reefs is progressing well and had shown great results in enhancing its growth rate. In addition, BHR also regularly organises resort and beach cleaning activities as part of its efforts to manage waste and debris around the resorts. As most of the marine debris is brought in by high tides and rains, each cleaning session covers the entire resort – from beaches, walkways to the jungle and public areas.

BHR also supported the “We’re FINished with FINs” campaign with the implementation of a complete ban on the sale of shark fin dishes in its hotels and resorts.

iv. WATER CONSERVATION

The PD Division’s effort to conserve water starts from the on-set of project design and development. It has been emphasized to our consultants to implement water conservation features such as the drought-resistant plants for landscape to reduce irrigation water requirements and usage of self-closing taps and water saving flush systems for the toilets in its development.



Coral re-planting programme in Tioman Island, Pahang.

Contractors at Phase 1 of the Link 2, Bukit Jalil, Kuala Lumpur have been harnessing ground water for construction usage. The ground water is collected from a tube well and stored in a water tank for general site cleaning, washing and other construction activities. Rain water is also harnessed for general cleaning, sanitation and irrigation usage at the same development site, thus reducing consumption of treated water. This water conservation effort is monitored via daily recording in a log book by the contractors.

As part of its water conservation efforts, BHR introduced several measures including installation of water saving devices such as low-flow faucet and toilet fixtures in guestroom bathrooms and common area washrooms. Water sub-meters and daily sub-meters were installed for evaluation and monitoring of water consumption as well as early detection of leaks. This will enable precise planning and implementation of improvements.

v. WASTE MANAGEMENT AND RECYCLING

Increased efforts are also being made to promote awareness of the 3R practices of Reduce, Reuse and Recycle within the business operations and manage waste responsibly.

BHR continued to improve on its waste management by implementing several initiatives which include identifying and partnering with organisations that collect used cooking oil and grease for biofuel production and food waste for animal feed production. To significantly reduce the usage of disposable plastic bottles, Berjaya Langkawi Resort and Berjaya Times Square Hotel are providing filtered drinking water in recyclable glass bottles to its in-house guests. This initiative will be introduced in stages to other properties owned and managed by BHR. In addition, a majority of the cleaning products used are eco-friendly, thereby reducing potential harm to the environment. Recycle bins are also placed strategically at all common areas and recycled waste are separated and classified accordingly.

The supply of thermal paper used for bet tickets is an important resource for the gaming business operated by Sports Toto Malaysia Sdn Bhd ("Sports Toto"). The distribution of thermal paper to Sports Toto outlets is closely monitored by the Logistics Department with a computerised ticket roll and inventory tracking system to minimize any wastage and also to optimise the length of each ticket printed

to ensure efficient paper consumption. Promotional materials and forms are discarded responsibly and the disposal process of used paper and betting slips are done in an organised manner through selected disposal contractors.

Above all, measures to reduce paper consumption are integrated in the workplace by encouraging employees to make a difference by reusing envelopes for internal mailing, printing on both sides of the paper and printing on paper already printed on one side.

7. SOCIAL SUSTAINABILITY

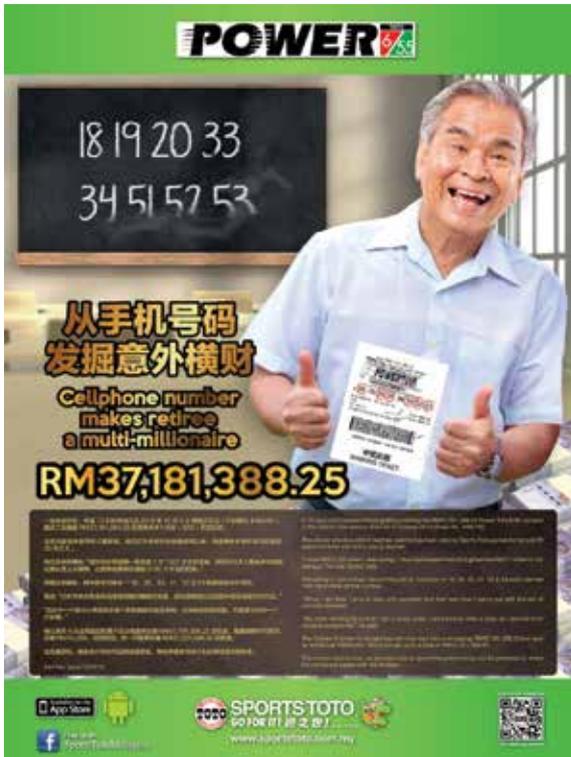
The Company acknowledges the importance of social sustainability by putting in place various practices which encompasses matters relating to responsible marketing and communication practices, information security and privacy, public policy and social integration and community development, among others.

i. RESPONSIBLE MARKETING AND COMMUNICATION PRACTICES

The Company is ever mindful and takes measures to ensure accurate advertising and marketing of its products and services to the public at large. It is a standard practice to ensure that all information disseminated are accurate and fair and its products and services delivered are in accordance to the information disseminated and/or published in all its marketing materials.

To prevent misinformation or misrepresentation of its products and services, the PD Division ensures that its marketing materials which include details such as floor plans, technical specifications and finishes, facilities and amenities are properly presented with accurate information. Likewise, BHR also constantly reviews and updates its marketing materials and website to ensure that its services and offerings are accurately presented.

Sports Toto uses various marketing tools and platforms such as product posters and leaflets, Jackpot games level display boards, draw results advertisements through mainstream print media, website, social media and other online applications. At selected outlets, LED display units are installed to inform its customers of the products and services as well as corporate social responsibility ("CSR") activities. All the media messages and gaming operations are in compliance with applicable laws particularly the Pool Betting Act 1967 as well as



A Sports Toto poster.

government policies regulated by the Ministry of Finance (“MOF”). “Be A Responsible Player” reminder message is also available on Sports Toto’s website www.sportstoto.com.my which clearly states that Toto players must be 21 years old and above; they should play within their financial means and that they should self-evaluate their financial status. Every Sports Toto outlet has in place a public notice to prohibit minors and Muslims from betting.

ii. INFORMATION SECURITY AND PRIVACY

The Company acknowledges the pertinence of respecting the privacy of its customers and takes stringent measures to ensure that their personal data collated and stored are protected and treated with the strictest confidence at all times.

In compliance with the Personal Data Protection Act 2010, a privacy policy has been published on the respective operating companies’ websites which states clearly the use of customers’ personal information. Methods and purposes of personal information collected are clearly explained in the privacy policy.

Additionally, Sports Toto also provides a designated area for walk-in customers to claim their winnings, offering a private and secure environment to the

customers. In safeguarding the identity of its Jackpot winners, interviews with Jackpot winners are also conducted in the private setting of a meeting room with only designated staff.

iii. IT INTEGRITY AND CYBER SECURITY

Information technology (“IT”) integrity and cyber security are of vital importance to the Company.

To ensure consistently stable system availability and continuity, Sports Toto has incorporated preventive measures in its operating systems to minimize any exposure to cyber security risk. Sports Toto also constantly worked to identify potential vulnerabilities in its operating environment, and ensure timely response and recovery in the event of a cyber-breach.

As new or potential threats may cause malicious or deliberate damage in the cyber environment, Sports Toto have in place a system to continuously identify, evaluate, monitor, manage and respond to any IT integrity or cyber security issue. Sports Toto constantly carried out intensive system testing and review measures to prevent unauthorized physical access to the production computer systems, keeping track of the hardware support life cycle to ensure that the system operation is up to date to counter any new or potential threats, which may cause malicious or deliberate damage of data and information.

iv. PUBLIC POLICY

As a responsible developer, the PD Division adheres to the law and regulations governing the development and sale of properties. The PD Division is in constant communication with the relevant government agencies and regulatory bodies to keep updated on the latest policy changes that affect the PD Division’s business operations. This will enable it to plan ahead for sustainable growth.

Sports Toto works closely and maintain good relationships with the government authorities and agencies including Bank Negara Malaysia (“BNM”), MOF, local councils and district police departments and meet with their requirements to ensure public interests are safeguarded in carrying out its daily business and operations. The company ensures that it is always in compliance with relevant laws including anti-money laundering laws and pool betting laws. The successful annual renewal of gaming licences by MOF, zero negative feedback from BNM or Bursa

Malaysia and unqualified reports from the external auditors are some testimonies to its compliance and fulfilment of Sports Toto's responsibility as a leading licensed number forecast operator ("NFO").

v. ANTI-COMPETITION PRACTICE

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

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

vi. SOCIAL INTEGRATION AND COMMUNITY DEVELOPMENT

At the PD Division, social integration and community development is an aspect which is given considerable importance from the start of its project development process. The PD Division's development takes into account the pertinent criteria of delivering properties which are constructed with emphasis on safety, good accessibility and connectivity, excellence standard of workmanship as well as adequate public amenities.

The mixed development projects embody the concept of "Live, Work and Play" with good connectivity to transportation hubs and network of roads which provides easy accessibility to surrounding communities. The PD Division also integrates disable-friendly and family oriented facilities in its development.

The PD Division also supports the government's efforts to meet the strong demand for affordable housing projects targeted at young buyers in the middle and lower income groups with the launch of its Residensi Lanai @ Bukit Jalil, Kuala Lumpur. The project is strategically located with easy accessibility

to networks of highways and public transportation hubs, surrounded by established neighbourhoods and comprehensive amenities.

vii. COMMUNITY SUPPORT AND INVOLVEMENT

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

Community

B-Land and its subsidiaries continued with its tradition of spreading festive cheer to the less fortunate groups by hosting various festive gatherings for more than 20,000 Malaysians across the country. The 29th Sports Toto Chinese New Year Ang Pow Donation Campaign was one of the biggest festive donation campaigns in the country reaching out to more than 18,000 needy senior citizens in 50 cities and towns. During the festive celebrations of Hari Raya, Deepavali and Christmas, B-Land and its subsidiaries also hosted various festive gatherings with sumptuous treats, gifts, token money as well as entertainment for the less privileged groups.



Sports Toto Ang Pow Donation Campaign 2017.



Under the "Helping Hands" programme with its tagline - Sharing, Giving and Caring, Sports Toto continued to carry out its CSR initiatives diligently notwithstanding the challenging economic environment during the financial year under review.

One of the many social projects include raising awareness of the need to protect children against sexual abuse by supporting the Citizens Against



Sports Toto supports the Citizens Against Child Sexual Abuse Campaign held at Berjaya Times Square, Kuala Lumpur.

Child Sexual Abuse (“CACSA”), a joint effort from non-governmental organisations (“NGO”) comprising Protect and Save the Children, Voice of the Children, NGOhub as well as concerned individuals who stepped in to advocate the cause. A petition campaign which garnered close to 40,000 petition signatures was launched to push for laws against child sexual abuse. An awareness event was also held on 5 March 2017 at Berjaya Times Square Kuala Lumpur where prominent NGO representatives spoke about the cause.

Apart from that, B-Land and its subsidiaries also participated in various other community-related social initiatives either through collaboration with Berjaya Cares Foundation or NGO partners.

Sports

Besides the substantial annual financial contributions to the National Sports Council, Sports Toto made significant contributions towards a number of community sports activities such as the Go For It! - FTKLAA Cross Country 2017, Penang Bridge International Marathon 2016, Seremban Half Marathon 2016, 204KM KL – Maran Big Walk 2016, Milo - FTKLAA Walk Circuit 2016, Federal Territory City Day Run 2017, Sungai Petani Half Marathon 2016, Roasters Chicken Run 2016, MKH Kajang International 12-Hour Walk, Sutera Harbour 7K Run, MBPJ Squash Open Championship 2016, Asean Basketball League 2016, among others.

In its continuous effort to support national sports development, Sports Toto collaborated with the Olympic Council of Malaysia (“OCM”) in recognizing Malaysian athletes through the OCM - Sports Toto Outstanding Athletes of The Games Award 2016. The awards were presented to a total of 8 outstanding Malaysian medalists who made the

country proud with their sterling performance at the 2016 Olympics in Rio de Janeiro, Brazil.

Education

In line with the objective of promoting literacy and education, B-Land and its subsidiaries supported the operation cost of five community education centres providing free English, computer and personal development lessons to underprivileged children and adults across the country. Approximately 1,400 students have benefited from the programme so far.

Sports Toto continued to support the “Reading My Companion” learning programme for the 5th consecutive year with storybooks and storytelling sessions for students in 21 micro-sized Chinese primary schools in Perak, Negeri Sembilan, Malacca and Pahang. The learning programme aims to inculcate reading as a pastime of choice among the rural students who are relatively lacking in terms of recreational choices. Since its inception in 2012, it has benefitted close to 8,000 students in 66 sub-urban micro-sized Chinese primary schools in Selangor, Perak, Negri Sembilan, Melaka and Pahang.

Arts and Culture

In the promotion of arts and culture, Sports Toto supported Padawan Festival, Yin Ngai Heart to Heart Charity Night 2016, Penang Chingay Parade 2016, Por Tor Festival, Pesta Tanglung Muar 2016, Muar Chinese New Year Street Show, Nine Emperor God Festival and Hungry Ghost Festival.

8. HUMAN CAPITAL

The Company recognises the importance of managing and developing human capital as the sustainability of its business is highly dependent on the performance of

its employees. The Company is committed to provide a fair, safe and inclusive working environment to fulfil employees' career aspirations with an emphasis on lifelong learning. Understanding employees' needs at different stages in their careers has also allowed the Company to innovate beyond the traditional recruitment practices and benefit packages to attract and retain top talents.

i. Employee Health and Safety

Employees' health and safety is one of the top priorities. The Company is committed to making every effort to provide a safe and healthy work environment for its employees, customers and visitors in accordance with the relevant legislations and regulations.

Occupational health and safety at the workplace

The Company established an Occupational Health and Safety Policy and set up a Safety and Health Committee to ensure procedures and systems are put in place to prevent workplace accidents and risks to its employees' well-being. The Company is also committed to continuously providing information and building awareness to promote safe work practices and to ensure compliance with the Company's procedures by organising training and briefing sessions such as Fire Safety & Preparedness Awareness Talk, First Aid Training, Fire Drill and self-protection and safety measures.

Health promotion and prevention

Maintaining a healthy lifestyle, at home and at work is utmost important. To this end, various health talks and health screening programmes are organised regularly at the workplace. Employees are also encouraged to exercise regularly by taking advantage of the subsidized rates offered by the Group's full facility gym.

ii. Workplace

Recruitment and selection

The Company recognizes the importance of attracting and recruiting well-matched employees. By hiring the "right fit", our employees become more engaged in their work and feel a strong sense of pride, leading to higher productivity and greater retention.

Diversity and inclusion

The Company appreciates the diversity in the workforce and believes that the foundation of its strong human capital is a blend of backgrounds,

competencies and dedication of its employees. The Company also recognizes the need and importance of investing in diversity and inclusion as part of its overall talent management practices to prepare the organisation for the fast-paced development and evolving challenges.

Fair Employment

As an established business conglomerate locally and internationally, the Company strives to hold a reputable employer image in line with the nature of its core businesses. The Company practises fair employment opportunities to all employees and job applicants. Equal opportunities apply to all the Company's activities, including, but not limited to, recruitment, hiring, compensation, assignment, training, promotion, discipline and discharge.

The Company has an established policy on grievance management which encourages employees to provide feedback and raise their concerns promptly. Reports on employee's grievance are attended to as quickly and fairly as possible.

Non-discrimination and policy against sexual harassment

The Company does not tolerate any form of discrimination and it is our core interest that all employees are able to work in harmony, close cooperation and treat each other with respect. The Company has always been committed to ensuring that the workplace is safe and free from any forms of harassment, humiliation and intimidation of a sexual nature and have established a policy on the prevention of sexual harassment at the workplace and our Code of Conduct emphasizes strict prohibition of any acts or conducts that may constitute as sexual harassment.

iii. Employee Engagement and Feedback

In the rapidly changing and competitive business environment, maintaining a high level of employee engagement is increasingly important for the Company in attracting and retaining talents. Beyond work-related activities that focused on driving high levels of employees' commitment and passion, various social and fun activities are regularly organised to increase interaction and bonding among employees.

Culture of Volunteerism

The Company strongly believes in giving back to society and fosters the spirit of volunteerism by encouraging its employees to participate in the

Company's many CSR projects such as visitations and festive celebrations with the less fortunate and various other programmes to create awareness on health-related, environmental protection and community issues.

Culture of collaboration

A culture of collaboration is fostered through building communication channels and outreach activities. Employees are encouraged to create a climate of partnership and cooperation into their daily work routines with the Company's other business units.

iv. Education and Training

Training and development is an essential and integral process in achieving the Company's objective in building highly competent and productive employees. The Company is committed, through its various comprehensive development programmes, to enabling our employees to be developed to meet business needs and to building a successful talent pipeline. The Company strives to promote continuous staff improvement by motivating people to maximize their full potential and integrate value-added initiatives in their day-to-day activities to increase productivity.

Development programmes

In line with the Company's continuous effort to upgrade and enhance knowledge, skills and abilities among its employees, other than external trainings, various in-house development programmes have also been organised for different levels of employees which include the Berjaya Advanced Leadership Programme (B.ALP), Berjaya Manager Development Programme (B.MDP) and Berjaya Executive Development Programme (B.EDP).

Individual development plan

As part of succession planning and continuous building of the talent pipeline, the Company implemented Individual Development Plans for employees who have completed in-house development programmes, to identify individual training and development needs and to plan for development programmes to further improve their skills and competencies.

v. Employee Benefits and Welfare

Employee benefits and welfare are constantly enhanced through periodic surveys on best market practices in the various industries.

The Group Human Capital Committee ("GHCC") was set up in 2011 for the purpose of reviewing the existing Group Human Resource policies and procedures, strategies and planning and to make proposals for improvement to support Berjaya Group's vision to be an Employer of Choice.

During the year under review, the Company further enhanced its employee benefits such as additional annual leave entitlement, professional body annual membership fees and revamped the clinical out-patient policy and Group Hospitalisation and Surgical Insurance coverage.

Staff Welfare Fund ("SWF")

The Company has established a Staff Welfare Fund to provide financial assistance to employees and/or employees' immediate family members to cope with high medical expenses and to assist in the event of crisis or loss of property resulting from natural disasters.



Graduates of the Berjaya Manager Development Programme 2016.

STATEMENT ON CORPORATE GOVERNANCE

The new Malaysian Code on Corporate Governance (“new MCCG”) came into force on 26 April 2017 and supersedes its earlier edition, Malaysian Code on Corporate Governance 2012 (“MCCG 2012”). However, all companies will be required to report their application of the recommended practices of the new MCCG in their Annual Report with effect from the financial year ending 31 December 2017. Hence, the Group will only be required to report its application of the recommended practices of the new MCCG in the 2018 Annual Report. The Board will also ensure that good corporate governance, being a fundamental part of the Board’s responsibilities, is practised throughout the Group as an assurance for the continuous and sustainable growth of the Group for the interests of all its stakeholders.

The Board is pleased to provide the following statement which outlined how the Group had applied the principles and recommendations of the MCCG 2012 throughout the financial year ended 30 April 2017.

A. ROLES AND RESPONSIBILITIES

Board composition and balance

The Board currently has eight (8) members, comprising three (3) Independent Non-Executive Directors (including the Chairman), the Chief Executive Officer, three (3) Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfils the requirements mandated by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher must be independent.

The Directors, with their different backgrounds and specializations, collectively bring with them a wide range of knowledge and expertise particularly in the fields of accountancy, business, banking and finance, sales and marketing, property investment and development and administration for the effective management of the Group’s diversified businesses. The qualifications and experience of each of the Directors are set out in the Directors’ profile on Page 3 to Page 6 of the Annual Report.

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

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

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

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

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

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

A. ROLES AND RESPONSIBILITIES (cont'd)

Roles and Responsibilities of the Board

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

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

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

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

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

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

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

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

Directors' Code of Conduct/Ethics

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

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

STATEMENT ON CORPORATE GOVERNANCE

A. ROLES AND RESPONSIBILITIES (cont'd)

Sustainability Strategies

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

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

Supply of Information

All Directors have unrestricted and timely access to all information concerning the Company and the Group's business and affairs necessary for the discharge of their responsibilities. The Board papers and reports which include the Group's performance and major operational, financial and corporate developments are distributed to the Directors in sufficient time prior to Board Meetings to enable Directors to obtain further clarifications and/or explanations, where necessary, in order to expedite the decision making process. As part of the Group's green initiatives to create a paperless meeting environment, the Directors are provided with electronic devices to enable them to access meeting papers electronically, instead of receiving the conventional hard copy meeting papers prior to a meeting.

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

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

Board Meetings

The Board meets at least five (5) times a year with additional meetings to be held when necessary. During the financial year ended 30 April 2017, seven (7) Board meetings were held and the attendance of the Directors at the Board Meetings were as follows:

Directors	No. of Meetings Attended
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim ##	7/7
Datuk Pee Kang Seng @ Lim Kang Seng (Appointed on 4 August 2016)	5/5*
Dato' Ng Sooi Lin @	7/7
Tan Thiam Chai	7/7
Dato' Dickson Tan Yong Loong ^	2/3*
Datuk Robert Yong Kuen Loke ##	7/7
Datuk Kee Mustafa ##	6/7
Nerine Tan Sheik Ping	7/7
Chryseis Tan Sheik Ling	6/7
Phan Yoke Seng #	2/2*

Denotes Independent Non-Executive Director.

@ During the financial year, Dato' Ng Sooi Lin retired as a Chief Executive Officer of the Company on 31 December 2016 and was re-designated as Non-Independent Non-Executive Director of the Company on 1 January 2017.

^ During the financial year, Dato' Dickson Tan Yong Loong retired as a Non-Independent Non-Executive Director of the Company at the conclusion of the Company's last Annual General Meeting held on 13 October 2016.

During the financial year, Mr. Phan Yoke Seng has resigned as an Executive Director of the Company on 30 August 2016.

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

A. ROLES AND RESPONSIBILITIES (cont'd)

Board Meetings (cont'd)

In the intervals between Board meetings, special board meetings may be convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review or consideration. The Board members deliberate, and in the process, 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 mitigating factors. All Board's approvals sought are supported with all the relevant information and explanations required for an informed decision to be made.

B. COMPOSITION

1. Nomination Committee

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

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

The Nomination Committee meets as and when required, and at least once a year. The Nomination Committee met thrice during the financial year ended 30 April 2017.

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

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

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

The terms of reference of the Nomination Committee is available at the Company's website at www.berjaya.com.

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

Appointment to the Board

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

B. COMPOSITION (cont'd)

1. Nomination Committee (cont'd)

Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)

Appointment to the Board (cont'd)

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

1. The candidate identified upon the recommendation by the existing Directors, Senior Management staff, shareholders and/or other consultants;
2. In evaluating the suitability of candidates to the Board, the Nomination Committee considers, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
3. Recommendation to be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
4. Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

The Nomination Committee had assessed and recommended to the Board the appointment of Datuk Pee Kang Seng @ Lim Kang Seng as an additional Director/Executive Director of the Company on 4 August 2016.

The Nomination Committee is of the opinion that Datuk Pee Kang Seng @ Lim Kang Seng's vast experience in the construction and property development through sound engineering practices and continuous improvement will enable him to complement the existing Board's mix of skills and contribute objectively in the management of the Group's local property projects.

Upon his appointment, he has been briefed on the relevant disclosure and compliance requirements by Bursa Malaysia Securities Berhad, the Securities Commission and the former Companies Act, 1965.

Prior to the financial year ended 30 April 2017, the Nomination Committee had recommended the appointment of Datuk Pee Kang Seng @ Lim Kang Seng as the Chief Executive Officer of the Company and the Board has on 18 January 2017 re-designated Datuk Pee Kang Seng @ Lim Kang Seng from Executive Director to the Chief Executive Officer of the Company following the retirement of Dato' Ng Sooi Lin as Chief Executive Officer of the Company on 31 December 2016.

Re-elections of Directors

The Nomination Committee also conducted an assessment of the Directors who are subject to retirement at the forthcoming annual general meeting ("AGM") in accordance with the provisions of the Articles of Association of the Company and the relevant provisions of the Companies Act, 2016.

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

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

Following the enforcement of the Companies Act, 2016, which came into force on 31 January 2017 repealing the Companies Act, 1965, there is no more age limit for a Director. Therefore, a Director of a public company of or over the age of seventy (70) is no longer subject to retirement at the AGM.

The Directors who will retire by rotation and eligible for re-election pursuant to Article 101 of the Company's Articles of Association at the forthcoming Twenty-Seventh AGM are Dato' Ng Sooi Lin and Datuk Robert Yong Kuen Loke. The profiles of these Directors are set out on pages 5 and 6 of the Annual Report.

B. COMPOSITION (cont'd)

1. Nomination Committee (cont'd)

Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)

Re-elections of Directors (cont'd)

At the Twenty-Sixth AGM held on 13 October 2016, the Senior Independent Non-Executive Director namely, Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, a Director who is over seventy (70) years of age has been re-appointed as a Director of the Company pursuant to Section 129(6) of the former Companies Act, 1965 to hold office until the conclusion of the forthcoming Twenty-Seventh AGM.

Hence, his term of office will end at the conclusion of the forthcoming Twenty-Seventh AGM and he will be re-appointed as a Director of the Company at the forthcoming AGM without further requirement for him to seek re-appointment in future except that he will be subject to retirement by rotation. His profile is set out on page 3 of the Annual Report.

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

Annual Assessment

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

The Nomination Committee also carried the following activities during the meeting held on 22 June 2017:

- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the performance of each individual Director; the independence of the Independent Directors; the effectiveness of the Board and the Board Committees;
- recommending Directors who are retiring and being eligible for re-election and/or re-appointment; and
- reviewed the performance of the Audit Committee and its members.

Boardroom Diversity

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

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

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

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

B. COMPOSITION (cont'd)

1. Nomination Committee (cont'd)

Develop, maintain and review criteria for recruitment and annual assessment of Directors (cont'd)

Boardroom Diversity (cont'd)

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

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

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

2. Remuneration Committee

The Company has a Remuneration Committee which comprises exclusively of Non-Executive Directors, with a majority of them being independent. Its composition is as follows:-

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

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

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

During the meeting held on 22 June 2017, the Remuneration Committee carried out the following activities:-

- (a) Reviewed the Terms of Reference of Remuneration Committee;
- (b) Reviewed and recommended the proposed revision of the meeting allowances payable to the Non-Executive Directors;
- (c) Reviewed and recommended the payment of Directors' fees for the financial year ended 30 April 2017;
- (d) Reviewed and recommended the payment of Directors' fees for the period from 1 May 2017 until the next AGM of the Company in 2018; and
- (e) Reviewed and recommended the payment of Directors' remuneration (excluding Directors' fees) for the period from 31 January 2017 until the next AGM of the Company in 2018.

B. COMPOSITION (cont'd)**2. Remuneration Committee (cont'd)****Details of the Directors' Remuneration**

The aggregate Directors' remuneration paid or payable to the Directors in office as at the end of the financial year by the Company and the Group categorised into appropriate components for the financial year ended 30 April 2017 were as follows:-

Company

	← RM'000 →				Total
	Fees	Benefits-in-kind	Salaries and other emoluments	Bonus	
Executive	–	68	1,259	78	1,405
Non-Executive	160	–	16	–	176
	160	68	1,275	78	1,581

Group

	← RM'000 →				Total
	Fees	Benefits-in-kind	Salaries and other emoluments	Bonus	
Executive	–	91	4,258	455	4,804
Non-Executive	205	26	666	13	910
	205	117	4,924	468	5,714

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM1 – RM50,000	–	2 ^a
RM100,001 – RM150,000	–	1 ^b
RM250,001 – RM300,000	1	1
RM400,001 – RM450,000	–	1
RM500,001 – RM550,000	1	–
RM550,001 – RM600,000	1 ^c	–
RM1,000,001 – RM1,150,000	1	–
RM1,150,001 – RM1,200,000	2 ^a	–
	6	5

^a inclusive of the Chief Executive Officer who had retired and re-designated as Non-Independent Non-Executive Director.

^b inclusive of a Non-Independent Non-Executive Director who had retired on 13 October 2016.

^c inclusive of an Executive Director who had resigned on 30 August 2016.

In accordance with Article 83 of the Company's Articles of Association, the fees payable to the Non-Executive Directors will be recommended by the Board for approval by shareholders at the AGM. Notwithstanding the Articles of Association, the Company is seeking shareholders' approval for the payment of Directors' fees and benefits payable to our Non-Executive Directors in compliance with Section 230(1) of the Companies Act, 2016.

B. COMPOSITION (cont'd)

2. Remuneration Committee (cont'd)

Details of the Directors' Remuneration (cont'd)

The Company will also be seeking the shareholders' approval for the Directors' fees payable to Non-Executive Directors for the period from 1 May 2017 until the next AGM in 2018 and also the Directors' benefits payable to the Non-Executive Directors for the period commencing 31 January 2017 until next AGM in 2018, for the purposes of facilitating payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company. Individual Directors do not participate in the discussions and determination of their own remuneration.

C. INDEPENDENCE

Assessment of Independent Directors

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

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

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

Tenure of Independent Directors

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

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

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

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

The Board has decided to retain him as an Independent Director notwithstanding his service tenure as Independent Director shall exceed nine (9) years by September 2017 after the assessment and recommendation by the Nomination Committee.

C. INDEPENDENCE**Assessment of Independent Directors (cont'd)**

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

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

D. COMMITMENT

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

Directors' Training

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

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

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

The Board is also updated by the Company Secretaries on the latest update/amendments on the Listing Requirements of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

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

Director	Title of Programmes/Seminars/Courses/Forums
Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim	- Cost of Capital and Discounts & Premiums - The New Companies Bill 2015 - Directors' Induction Training & Crash Course on Takaful/Shariah Session - 19th National Housing & Property Summit 2016 - Revitalising the Housing & Property Industry: What Next for the Housing & Property Sector
Datuk Pee Kang Seng @ Lim Kang Seng	- Mandatory Accreditation Programme for Directors of Public Listed Companies - FIABCI Malaysia Morning Talk – Northern Region Property Market Update - FTSE4GOOD Bursa Malaysia Index Briefing

STATEMENT ON CORPORATE GOVERNANCE

D. COMMITMENT (cont'd)

Directors' Training (cont'd)

Director	Title of Programmes/Seminars/Courses/Forums
Tan Thiam Chai	<ul style="list-style-type: none"> - Managing Tax Matters in Taxing Times - Focus Group to Solicit Feedback on Sustainability Reporting - Corporate Governance Breakfast Series with Directors: "The Cybersecurity Threat and How Boards Should Mitigate The Risks" - Accounting for Revenue under Malaysia Financial Reporting Standard 15 - Sustainability Forum for Directors/ Chief Executive Officers: "The Velocity of Global Change & Sustainability-The New Business Model" - Modeling a Constitution under the new Companies Act, 2016 - The Malaysian Institute of Certified Public Accountants-Luncheon Talk with Yang Bahagia Tan Sri Dato' Seri Utama Nor Mohamed Yakcop (Khazanah) - Companies Act, 2016-Year End Matters (Annual General Meeting, Financial Statements and Share Capital) - A New Era of Auditor Reporting - Companies Act, 2016 (Transactions by Directors, Loans To Directors, Financial Assistance and Solvency Test) - FTSE4GOOD Bursa Malaysia Index Briefing - Embracing the Accounting Disruptions
Nerine Tan Sheik Ping	<ul style="list-style-type: none"> - Corporate Governance Education Program/Empowering Women Series
Chryseis Tan Sheik Ling	<ul style="list-style-type: none"> - Mandatory Accreditation Programme for Directors of Public Listed Companies - Corporate Governance Education Program/Empowering Women Series
Dato' Ng Sooi Lin	<ul style="list-style-type: none"> - Dato' Ng Sooi Lin kept himself abreast with the latest developments on the various economic and business issues both locally and globally through his networking and reading of various magazines and journals. As a member of the Institute of Electrical Engineers, U.K. (M.I.E.E.), Dato' Ng Sooi Lin has updated himself with the latest developments in the engineering, construction and property industries.
Datuk Robert Yong Kuen Loke	<ul style="list-style-type: none"> - Datuk Robert Yong kept himself abreast with the latest developments on the various accounting, finance and business issues both locally and globally through his extensive networking, reading of various magazines and journals and serving as a council member of the Malaysian Institute of Certified Public Accountants.
Datuk Kee Mustafa	<ul style="list-style-type: none"> - Sustainability Engagement Series for Directors/Chief Executive Officer - MSWG - Institutional Investor Council Governance Week 2016

E. INTEGRITY IN FINANCIAL REPORTING

i. Financial Reporting

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

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the Audit Committee for Board's approval are prepared in accordance with the provisions of the Companies Act, 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the state of affairs of the Group.

E. INTEGRITY IN FINANCIAL REPORTING (cont'd)**i. Financial Reporting (cont'd)**

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

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

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

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and which will enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

iii. Assessment of external auditors

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

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

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

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

STATEMENT ON CORPORATE GOVERNANCE

E. INTEGRITY IN FINANCIAL REPORTING (cont'd)

iii. Assessment of external auditors (cont'd)

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

	Company		Group	
	FYE2017 RM'000	FYE2016 RM'000	FYE2017 RM'000	FYE2016 RM'000
Statutory audit fees paid/payable to:-				
- Ernst & Young ("EY") Malaysia	150	150	1,379	1,351
- Affiliates of EY Malaysia	-	-	180	256
Total (a)	150	150	1,559	1,607
Non-audit fees paid/payable to *:-				
- EY Malaysia	366	341	438	430
- Affiliates of EY Malaysia	8	8	219	215
Total (b)	374	349	657	645
% of non-audit fees (b/a)	249%	233%	42%	40%

* Non-audit fees comprised mainly fees for services rendered to review financial disclosures due to the application of new accounting standards and review of component auditors' work papers, and tax compliance.

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

Upon completion of the assessment, the Audit Committee will make recommendation for re-appointment of the External Auditors to the Board. The proposed appointment will be subject to shareholders' approval at the AGM.

F. RISK MANAGEMENT

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

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

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

A Statement 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 Page 54 of the Annual Report.

G. TIMELY DISCLOSURES

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

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

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

H. RELATIONSHIPS BETWEEN COMPANY AND SHAREHOLDERS

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.

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

Poll Voting

In line with the MCGG 2012, all the resolutions passed by the shareholders at the previous AGM held on 13 October 2016 were voted by way of a poll. The shareholders were briefed on the voting procedures by the Share Registrar while the results of the poll were verified and announced by the independent scrutineer, Messrs LT Lim & Associates.

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

Dialogue between the Company and shareholders

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

Currently, the Company's various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, general meetings of shareholders and through the Company's website at www.berjaya.com where shareholders can access corporate information, annual reports, press release, financial information and company announcements.

I. COMPLIANCE WITH THE MCGG 2012

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the MCGG 2012 that were in place during the financial year ended 30 April 2017.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility

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

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

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

Risk Management

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

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

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

The members of the RMC during the financial year ended 30 April 2017 are Datuk Robert Yong Kuen Loke (Chairman), Tan Sri Datuk Seri Razman Md Hashim Bin Che Din Md Hashim, Datuk Pee Kang Seng @ Lim Kang Seng, Tan Thiam Chai, Nerine Tan Sheik Ping, Chryseis Tan Sheik Ling, Dato’ Ng Sooi Lin and Datuk Kee Mustafa.

The RMC terms of reference include, inter alia:

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

For the financial year ended 30 April 2017, the RMC held meetings where it reviewed risk management reports of various unlisted operating subsidiary companies (i.e. ANSA Hotel KL Sdn Bhd, One Network Hotel Management Sdn Bhd - Redang Island Resort, Berjaya Langkawi Beach Resort Sdn Bhd, Georgetown City Hotel Sdn Bhd, Berjaya Land Development Sdn Bhd - Jesselton Villas Project, and Berjaya Golf Resort Berhad - The Link 2 - Phase 1 Project) and recommended certain measures to be adopted to mitigate their business risks.

Management Style and Control Consciousness

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

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

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

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

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

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

At Sports Toto Malaysia Sdn Bhd, BToto's principal subsidiary company, operations are divided into key regions and areas due to dispersed locations of agents' outlets. Regional and area offices are staffed by experienced personnel to ensure that the operations of the outlets are well controlled and in line with the operating procedures. Similarly, the overseas operations are being managed by experienced personnel in their respective country offices. Regular reporting on performance of their businesses is provided to the respective executive directors of the BToto Group who are assigned to manage these overseas operations. In addition, the respective executive directors also made field visits to these overseas operations as well as to conduct periodic performance review meetings with the management personnel, thus ensuring the business plans and targets are met.

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

Internal Control Processes

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

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

Assurance Mechanism

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

Assurance Mechanism (cont'd)

The Internal Audit function furnishes the Audit Committee with reports from visits conducted at various operating units. These independent and objective reports on the state of internal controls of the operating units within the Group assist the Audit Committee in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the Audit Committee together with management's responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audits with implementation status reported to the Audit Committee. The internal audit function is principally carried out by the Group's Internal Audit Division.

The external auditors form an opinion on the financial statements of the Group based on their annual statutory audit. Any areas for improvement identified during the course of audit are highlighted to the attention of the Audit Committee through management letters, or are articulated at the Audit Committee meetings. The Audit Committee also hold private meetings with the external auditors to have exchange of views on any areas that require their attention. Apart from the statutory audit, the external auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SRMIC") pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the SRMIC included in the Annual Report issued by the Malaysian Institute of Accountants, for the year ended 30 April 2017, and reported to the Board that nothing has come to their attention that causes them to believe the SRMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the SRMIC: Guidelines for Directors of Listed Issuers, nor is the SRMIC factually inaccurate. RPG 5 does not require the auditors to consider whether the Board's 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 Board and management thereon. The report from the external auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Securities and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

The Board also reviews the minutes of meetings of the Audit Committee. The Report of the Audit Committee is set on pages 57 to 60 of the Annual Report.

Key Features of the Internal Control System

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

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

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

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

AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Land Berhad (“BLand”) is pleased to present the report of the Audit Committee for the financial year ended 30 April 2017.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee comprises the following:-

Datuk Robert Yong Kuen Loke

Chairman/Independent/Non-Executive Director

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

Independent/Non-Executive Director

Datuk Kee Mustafa

Independent/Non-Executive Director

The Audit Committee held five (5) meetings during the financial year ended 30 April 2017. The details of attendance of the Audit Committee members are as follows:-

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

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

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

SUMMARY OF WORK OF THE AUDIT COMMITTEE

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

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

Financial Reporting

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

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

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

- (b) Reviewed the audited financial statements of the Company and the Group for the financial year ended 30 April 2016 together with the Management and the External Auditors at its meeting held on 4 August 2016 to ensure that it presented a true and fair view of the Group's and Company's financial position and performance for the year and is in compliance with all disclosure and regulatory requirements before recommending the audited financial statements to the Board for approval.

External Audit

- (a) Evaluated the performance of the External Auditors for the financial year ended 30 April 2016 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the External Auditors. The Audit Committee, having been satisfied with the independence, suitability and performance of Messrs Ernst & Young ("EY"), had recommended to the Board for approval of the re-appointment of EY as External Auditors for the ensuing financial year end of 30 April 2017 at its meeting held on 27 June 2016.
- (b) Discussed and considered the significant accounting and auditing issues arising from the interim audit as well as the final audit with the External Auditors. The Audit Committee also had a private discussion with EY on 4 August 2016 without the presence of Management during the review of the audited financial statements for the year ended 30 April 2016 to discuss any problems/issues arising from the final audit and the assistance given by the employees during the course of audit by EY.
- (c) Reviewed with the External Auditors at the meeting held on 22 March 2017, their audit plan in respect of the financial year end of 30 April 2017, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override and also the new and revised auditors reporting standards.

Internal Audit

- (a) Reviewed fourteen (14) Internal Audit reports on the various non-listed operating subsidiaries of the Group during the financial year under review. Areas covered by the Internal Audit included the following :-
- Management and internal controls
 - Finance and cash handling management
 - Human Resource related matters
 - Project Management
 - Club memberships
 - Sales, Marketing and Tenancy Management
 - Information Technology
 - Building Maintenance and Safety & Security Controls Management
 - Refurbishment/Renovation exercise
 - Purchasing, inventories & maintenance
 - Administrative and control issue

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

- (b) Reviewed and approved the Internal Audit Plan for financial year ending 30 April 2018 to ensure that the scope and coverage of the internal audit on the operations of the BLand Group is adequate and comprehensive and that all the risk areas are audited annually.

Recurrent Related Party Transactions

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

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

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

Related Party Transactions

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

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

- (i) Proposed acquisition of approximately 871.01 acres of freehold lands located in Mukim Sungai Tinggi, Daerah Ulu Selangor, Selangor Darul Ehsan by Alam Baiduri Sdn Bhd, a wholly-owned subsidiary of the Company for a total cash consideration of RM155.0 million from BerjayaCity Sdn Bhd, a related corporation, for the purpose of providing an opportunity for the BLand Group to increase its land bank.
- (ii) Proposed disposal of up to 20.0 million ordinary shares of RM0.10 each, representing 1.48% equity interest in Berjaya Sports Toto Berhad ("BToto") in the open market and/or via direct business transactions with non-related parties based on the then prevailing market prices ("Proposed Disposal"), which result in the decrease of BLand Group's equity interest in BToto by 1.48% from 41.10% to 39.62%, to enable for the BLand Group to utilize the cash proceeds from the Proposed Disposal to meet its working capital requirement and repayment of its bank borrowings.
- (iii) Proposed acquisition of 140,000 ordinary shares, representing 70% equity interest in Hotel Integrations Sdn Bhd ("HISB") by Berjaya Vacation Club Berhad from Mr. Hanley Chew and Madam Teh Ewe Bai for a total cash consideration of RM910,000/- and the proposed subscription of 70,000 new ordinary shares in HISB at a subscription price of RM6.50 per HISB share for a total cash subscription of RM455,000/-, for the purposes of providing an opportunity for the BLand Group to acquire a controlling stake in a company involved in the provision of consultation and management services to hotels whilst the proposed subscription of new shares will provide working capital to HISB.

- (iv) Proposed acquisition of up to a total of 16.65 million ordinary shares of RM0.10 each, representing up to about 1.50% equity interest, in 7-Eleven Malaysia Holdings Berhad ("SEM") from Berjaya Retail Berhad via direct business transactions and/or from open market for a total cash consideration of up to RM23.31 million, to enable the BLand Group to invest in the convenience store segment under the 7-Eleven brand, which is owned and operated by 7-Eleven Malaysia Sdn Bhd, a wholly-owned subsidiary of SEM.

Other activities

- (a) Reviewed and recommended to the Board for approval, the Audit Committee Report, Statement on Corporate Governance and Statement of Risk Management and Internal Control for inclusion in the Annual Report.
- (b) Reviewed and recommended to the Board for approval the revised terms of reference of the Audit Committee following the amendments to the Listing Requirements of Bursa Malaysia Securities Berhad, which took effect from 3 May 2016 as follows:
 - (i) to make available the terms of reference of the Audit Committee on the Company's website; and
 - (ii) to strengthen the role of the Audit Committee when reviewing financial statements by requesting the Audit Committee to also focus on amongst others, significant matters highlighted in the financial statement and significant judgements made by management.

SUMMARY OF THE WORK OF THE INTERNAL AUDIT FUNCTION

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

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

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2017 included the following:

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

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

The cost incurred for the Internal Audit function of the Group in respect of the financial year ended 30 April 2017 was approximately RM 1,110,957.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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