

Plaza Berjaya,
Kuala Lumpur.



Berjaya Megamall,
Kuantan, Pahang.



CEO'S REVIEW OF OPERATIONS

Tinjauan Operasi Ketua Pegawai Eksekutif

PROPERTY INVESTMENT The Group's commercial properties located in the golden triangle of Kuala Lumpur, namely **KL Plaza**, **Plaza Berjaya** and **Kompleks Kota Raya**, experienced lower occupancy rates of between 67% to 75% during the year compared to the rates of between 79% to 100% in the previous year. The decline was due to the economic downturn that has resulted in some non-renewal and termination of rental contracts.

Berjaya Megamall, Kuantan, has achieved a 71% occupancy rate since its opening at the end of June 1998. The occupancy rate is expected to reach 81% by the year 1999/2000. The growth will be driven by our aggressive and innovative marketing strategies in leasing retail shops and an active advertising and promotions programme. Special arrangements were also made with Star Cruise and other tourism agencies to position Berjaya Megamall as a one-stop shopping mall for cruise tourists coming to the East Coast.

PELABURAN HARTANAH Hartanah komersil Kumpulan yang terletak di segi tiga emas Kuala Lumpur iaitu **KL Plaza**, **Plaza Berjaya** dan **Kompleks Kota Raya** menikmati kadar penginapan yang lebih rendah di antara 67% hingga 75% dalam tahun di bawah kajian berbanding di antara 79% hingga 100% pada tahun sebelumnya. Kemerosotan ini adalah disebabkan oleh kegawatan ekonomi yang mengakibatkan beberapa kontrak penyewaan tidak diperbaharui semula dan ada yang ditamatkan terus.

Berjaya Megamall, Kuantan berjaya mencatatkan kadar penginapan 71% sejak pembukaannya pada akhir bulan Jun 1998. Kadar penginapan dijangka mencecah paras 81% menjelang tahun 1999/2000 melalui pelaksanaan strategi-strategi pemasaran baru dan agresif dalam pajakan kedai-kedai runcit dan program pengiklanan dan promosi yang giat dijalankan. Persiapan-persiapan khas turut diadakan melalui kerjasama dengan Star Cruise dan agensi-agensi pengiklanan lain untuk membolehkan Berjaya Megamall muncul sebagai sebuah pusat membeli-belah persinggahan untuk pelancong-pelancong yang menggunakan pelayaran persiaran untuk mengunjungi Pantai Timur.



KL Plaza,
Kuala
Lumpur.

Kinrara shoplots
at Puchong,
Kuala Lumpur.



Work-in-progress
of "Aspen"
houses in Berjaya
Industrial Park.

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PROPERTY DEVELOPMENT The country's economic slowdown and currency turmoil have resulted in a drastic reduction in property transaction activity. However, towards late 1998 and early 1999, the Government's support in the implementation of various policies and incentives to spur the property sector, especially the residential sub-sector of the property market, has helped tremendously.



For the financial year 1998/99, the Property Division has been concentrating their resources on the planning and procuring of the necessary government approvals and development of some of the landbank.

The Property Division also participated in the "Home Ownership Campaign" in December 1998 which was organised by the Government. During the one month campaign which was a roaring success, the Property Division sold 113 units of housing stocks with a total sales value of about RM20.6 million.

ON-GOING PROJECTS The majority of the on-going projects currently undertaken by the Property Division is concentrated in the Klang Valley. For the financial year 1998/99, the Property Division completed 620 units of the properties. Currently, there are about 700 units of properties under various stages of construction and about 86% of these units are due for completion before the new millennium.

Greenfields Apartments, a residential development situated in the Klang Valley, was launched in late 1995. Phase 1 (326 units) has been completed and Phase 2 (156 units)



PEMBANGUNAN HARTANAH Kegawatan ekonomi dan krisis kewangan negara telah menyebabkan urusan pasaran hartanah merosot dengan drastik. Walau bagaimanapun, menjelang akhir tahun 1998 dan awal tahun 1999, hasil sokongan dan pelaksanaan pelbagai dasar dan insentif oleh Kerajaan bagi membantu sektor hartanah khasnya sektor kecil hartanah telah banyak membantu memulihkan keadaan.

Bagi tahun kewangan 1998/99, sumber Bahagian Hartanah digunakan bagi membantu usaha mereka dalam memperolehi kelulusan Kerajaan dan membangunkan beberapa kawasan hak milik mereka.

Bahagian Hartanah turut mengambil bahagian dalam 'Kempen Pemilikan Rumah' yang telah dianjurkan oleh Kerajaan pada bulan Disember 1998. Semasa kempen selama sebulan yang telah mendapat sambutan hangat tersebut, Bahagian Hartanah berjaya menjual sebanyak 113 unit stok perumahan dengan nilai jualan yang dianggarkan berjumlah RM20.6 juta.

PROJEK SEDANG DIJALANKAN

Kebanyakan projek Bahagian Hartanah yang sedang dijalankan adalah tertumpu di Lembah Klang. Bagi tahun kewangan 1998/99, Bahagian Hartanah berjaya menyiapkan 620 unit hartanah. Pada masa ini, kira-kira 700 unit hartanah sedang dalam pelbagai peringkat pembinaan dan kira-kira 86% daripada unit-unit ini dijangka siap sebelum alaf baru.

Greenfields Apartments, sebuah projek pembangunan kediaman yang terletak di Lembah Klang telah dilancarkan pada akhir tahun 1995. Fasa 1 (326 unit) telah disiapkan manakala Fasa 2 (156 unit) dijangka siap menjelang akhir tahun 1999. Kira-kira 91% daripada 482 unit yang telah dilancarkan berjaya dijual dengan nilai jualan sebanyak RM93.7 juta.

Berjaya Industrial Park -Double storey link houses launched in 1999.



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is expected to be completed by the end of 1999. About 91% of the 482 units launched were sold for a total sales value of RM93.7 million.

Our first industrial development, **Berjaya Industrial Park Phase 1**, located in Jalan Kebun, Kelang, consists of 36 industrial lots spreading over a nett land area of 104.25 acres, was completed in 1998. Within the same development, 112 units of single-storey link houses were launched since May 1998 and to date about 86% have been sold.

FUTURE DEVELOPMENTS Berjaya Land has approximately 3,000 units of property under its portfolio which are categorised in the medium-cost price range. We are at the final stage of procuring approvals for approximately another 1,500 units.

From our market observation and the encouraging take-up rates for the terrace houses in **Berjaya Industrial Park**, conventional terrace housing development with pricing below RM250,000 is the preferred type of properties. Hence, we are planning to launch the remaining 405 units of double-storey terrace houses in Berjaya Industrial Park in stages. The total sales value of these units is about RM77.7 million.

The other significant project which is scheduled to be launched before the new millennium is the 1,240 units of **Springfields** apartments at **Bukit Jalil Golf & Country Resort**. With its location in an established resort and its close proximity to the LRT station, we are confident that this project will generate a sales value of about RM140.0 million.

*Projek pembangunan perindustrian pertama kami, **Taman Perindustrian Berjaya Fasa 1** yang terletak di Jalan Kebun, Klang dan terdiri daripada 36 lot perindustrian yang meliputi kawasan seluas lebih 104.25 ekar berjaya disiapkan pada tahun 1998. Di bawah projek pembangunan yang sama, 112 unit rumah berkembar satu tingkat telah dilancarkan sejak bulan Mei 1998 dan setakat ini, kira-kira 86% telahpun dijual.*

PEMBANGUNAN AKAN DATANG Berjaya Land kini memiliki kira-kira 3,000 unit hartanah kos sederhana dalam portfolionya. Kami kini dalam proses akhir untuk memperolehi kelulusan bagi kira-kira 1,500 unit lagi.

*Berdasarkan pemerhatian dan tinjauan pasaran serta peningkatan kadar rumah teres yang menggalakkan di **Taman Perindustrian Berjaya**, pembangunan rumah teres biasa di bawah paras harga RM250,000 ternyata menjadi pilihan. Oleh itu, kami bercadang untuk melancarkan penjualan 405 unit rumah teres berkembar di **Taman Perindustrian Berjaya** secara berperingkat-peringkat. Nilai jualan unit-unit ini dianggarkan berjumlah RM77.7 juta.*

*Projek penting yang turut dijadualkan untuk dilancarkan sebelum alaf baru adalah 1,240 unit pangsapuri **Springfields** di **Bukit Jalil Golf & Country Resort**. Berdasarkan lokasinya di pusat peranginan yang sudah mencipta nama dan kedudukannya yang berdekatan dengan stesen LRT, kami percaya bahawa projek ini akan menghasilkan nilai jualan yang dianggarkan berjumlah RM140.0 juta.*

TINJAUAN PASARAN Hartanah komersil yang berlebihan di pasaran dijangka memalapkan perkembangan pelaburan Kumpulan dalam sektor kecil



Robson
Condominiums,
Kuala Lumpur.



Robson
Condominiums,
Kuala Lumpur -
club house's
swimming pool.



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MARKET OUTLOOK The over supply of commercial property in the market is expected to dampen the progress of the Group's investment in this sub-sector of the property market. However, the residential sector, which appears to have bottomed out, is heading for better times. The improved market sentiment with lower interest rates coupled with the maximum lending rates given for loans for low and medium cost residential properties will be an added boost for the residential property market.

Anticipating a growing demand for medium cost properties and the available 3,000 units of medium cost properties scheduled to be launched this year, the Property Division is all geared up to capture a major market share.

pasaran hartanah ini. Walau bagaimanapun, sektor kediaman yang kelihatan jatuh ke paras yang paling rendah, kini didapati semakin pulih. Peningkatan sentimen pasaran ditambah dengan kadar faedah yang lebih rendah serta kadar pinjaman yang maksimum untuk hartanah kediaman kos rendah dan sederhana akan menggalakkan lagi pasaran hartanah kediaman.

Seiring dengan permintaan yang dijangka meningkat bagi hartanah kos sederhana dan hartanah kos sederhana sedia ada sebanyak 3,000 unit yang dijadualkan dilancarkan pada tahun ini, Bahagian Hartanah kini bersiap-sedia untuk menguasai bahagian utama pasaran.



Greenfields
Apartments
at Bukit
Jalil, Kuala
Lumpur.

Sports Toto - Communication Control Console, which controls the entire data communication network.



A public-viewing of a Toto draw.



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GAMING

Malaysia 1998 and 1999 have both been challenging years for the business community as a whole. The Number Forecast Operators ("NFO") industry, though more resilient when compared to many other industry sectors, was not spared by the financial crisis. While transaction volumes continued to rise, average bet sizes decreased as consumers became more cautious with their spending pattern. The NFO industry contracted with operators registering negative turnover growth rates of between 4% to 7%.

Against this background, it is commendable that Sports Toto Malaysia Sdn Bhd's ("Sports Toto") turnover growth rate fell marginally lower only by 0.5% from RM2.16 billion in the previous year to RM2.15 billion for the year under review. Profit before tax was however lower at RM413.6 million, a decrease of 7.7% from RM448.1 million recorded in the previous year mainly due to the increase in gaming tax and pool betting duty which came into force on 1 November 1998.

PERTARUHAN

Malaysia 1998 dan 1999 merupakan tahun-tahun yang mencabar bagi masyarakat perniagaan secara keseluruhannya. Industri Pengendali Nombor Ramalan ("NFO"), meskipun lebih berdaya tahan jika dibandingkan dengan kebanyakan sektor lain, turut terjejas oleh krisis kewangan. Walaupun jumlah urus niaga terus meningkat, purata jumlah pertaruhan berkurangan apabila pengguna semakin berhati-hati dalam membelanjakan wang mereka. Industri NFO menyusut di mana para pengendali mencatatkan pertumbuhan yang negatif bagi perolehan di antara kadar 4% hingga 7%.

Berdasarkan keadaan ini, prestasi yang diperlihatkan oleh Sports Toto Malaysia Sdn Bhd ("Sports Toto") boleh dianggap membanggakan dengan hanya mencatatkan sedikit sahaja kemerosotan dalam pertumbuhan perolehan pada kadar 0.5% daripada RM2.16 bilion pada tahun sebelumnya kepada RM2.15 bilion bagi tahun di bawah kajian. Walau bagaimanapun, keuntungan sebelum cukai susut 7.7% kepada RM413.6 juta daripada RM448.1 juta yang dicatatkan pada tahun sebelumnya berikutan kenaikan cukai pertaruhan dan cukai pertaruhan pool, berkuatkuasa pada 1 November 1998.



Verification of numbered marbles before a Toto draw.

A Lotto booth in the Philippines.



A draw being conducted in the Philippines.

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In a concerted effort to mitigate the impact of the increase in taxes and duties on profit margins, the industry players unanimously agreed to revise the prize structure of the 4-Digit game effective 1 April 1999. The first prize payout was revised which effectively reduced the prize payout ratio of the 4-Digit game by about 2%. Sales were initially affected by the reduced prize monies but recovered to normal levels in May 1999.

During the year, the company purchased an additional 300 terminals bringing the total number of terminals from 1,900 to 2,200. The additional terminals will be used to meet the increasing demand for the company's range of products and to reduce turnaround time during peak sales hours.

Sports Toto is now poised to ride on the recovery of the country's economy as the NFO industry is likely to be one of the first to benefit due to the low average bet placed on the products.

Overseas In the Philippines, draws for the existing four games which are held six days a week were revised with the Megalotto 6/45 and 4-Digit games held every Monday, Wednesday and Friday while the Lotto 6/42 and 6-Digit games are held every Tuesday, Thursday and Saturday.

A fifth game, called Superlotto 6/49, is currently on the drawing board for launching in the current financial year.

To date, over 1,200 terminals have been installed in more than 700 outlets in Manila and other cities in the provinces of Luzon. An additional 400 terminals

Dalam usaha bersepadu untuk mengurangkan kesan kenaikan cukai ke atas margin keuntungan, peserta-peserta industri sebulat suara bersetuju untuk meminda struktur hadiah permainan 4-Digit, berkuatkuasa pada 1 April 1999. Pindaan bayaran hadiah pertama didapati telah berjaya mengurangkan nisbah bayaran hadiah permainan 4-Digit kira-kira 2%. Jualan pada mulanya terjejas dengan pengurangan bayaran hadiah tetapi kembali ke tahap asal pada bulan Mei 1999.

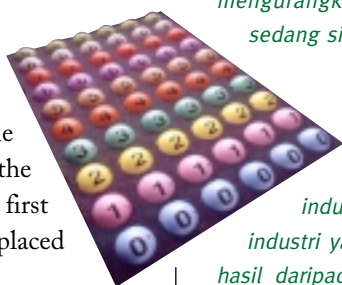
Dalam tahun di bawah kajian, syarikat telah membeli 300 terminal bagi menambah bilangan terminal sedia ada kepada 2,200 daripada 1,900. Terminal tambahan akan digunakan untuk memenuhi permintaan yang kian meningkat untuk rangkaian produk syarikat serta mengurangkan masa 'kosong muat' ketika jualan sedang sibuk.

Sports Toto kini sedang bersiap-sedia untuk mengaut keuntungan daripada pemulihan ekonomi negara. Ini kerana industri NFO dijangka muncul sebagai antara industri yang julung-julung kali memperolehi ganjaran hasil daripada purata pertaruhan yang rendah ke atas produk.

Luar Negara Di Filipina, cabutan bagi empat permainan sedia ada yang diadakan enam hari seminggu telah dipinda di mana Megalotto 6/45 dan permainan 4-Digit diadakan setiap hari Isnin, Rabu dan Jumaat manakala permainan Lotto 6/42 dan 6-Digit diadakan setiap hari Selasa, Khamis dan Sabtu.

Permainan kelima iaitu Superlotto 6/49 kini sedang dalam proses perancangan dan bakal dilancarkan pada tahun kewangan semasa.

Sehingga kini, lebih 1,200 terminal telah dipasang di lebih 700 cawangan di Manila dan bandar-bandar lain di



A donation towards the Commonwealth Games 1998.



Staff from Berjaya Hotels & Resorts brings joy to the less fortunate.

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purchased during the year under review are being prepared for installation in the current financial year.

In Ghana, draws for the Super 5/90 and 6/40 Jackpot games are held weekly on Tuesdays and Wednesdays respectively.

There are currently over 100 off-line PC-based terminals installed in the capital city of Accra and other nearby cities.



wilayah Luzon. 400 terminal tambahan yang dibeli dalam tahun di bawah kajian telah sedia untuk dipasang pada tahun kewangan semasa.

Di Ghana, cabutan bagi permainan Super 5/90 dan Jackpot 6/40 diadakan setiap minggu, masing-masing pada hari Selasa dan Rabu.

Kini terdapat lebih 100 terminal PC luar talian dipasang di ibu kota Accra dan bandar-bandar lain yang berdekatan.

SOCIAL RESPONSIBILITY The Group continued to carry out its social responsibility diligently notwithstanding the economic slowdown prevailing in the country during the year. The needy and the less fortunate continued to benefit from the success of the Group's operations.

In the financial year, BHR has embarked on various community projects in keeping with its objective to be a good corporate citizen. These include "gotong-royong" projects to clean up towns and beaches, helping the less fortunate, fund raising projects for worthy causes like *Tabung Barisan Bertindak Kosovo* and *JE Humanitarian Fund*, environment projects and other charitable activities.

Bukit Kiara Equestrian and Country Resort also sponsored various charity events including the "Riding for Disabled" and the *Malaysian Society of Rheumatology's Arthritis Day*.

Sports Toto also simultaneously put in its concerted effort in fulfilling its social responsibility to the country during the year by contributing generously

TANGGUNGJAWAB SOSIAL Kumpulan sentiasa menunaikan tanggungjawab sosialnya meskipun menghadapi kegawatan ekonomi yang melanda negara dalam tahun di bawah kajian. Golongan yang serba kekurangan dan kurang bernasib baik terus menikmati ganjaran daripada kejayaan operasi Kumpulan.

Dalam tahun kewangan, BHR memulakan pelbagai projek kemasyarakatan sejajar dengan matlamatnya sebagai warga korporat yang prihatin. Ini termasuk projek-projek "gotong-royong" bagi membersihkan bandar dan kawasan pantai, membantu golongan yang kurang bernasib baik, kutipan derma untuk tujuan kebajikan seperti *Tabung Barisan Bertindak Kosovo* dan *Tabung Kemanusiaan JE*, projek alam sekitar dan aktiviti-aktiviti amal yang lain.

Bukit Kiara Equestrian and Country Resort juga turut menaja pelbagai majlis amal termasuk "Menanggung untuk Golongan Kurang Upaya" dan Hari Arthritis Persatuan Reumatologi.

Sports Toto juga turut menjalankan usaha bersepadu untuk menunaikan tanggungjawab sosialnya kepada negara dalam tahun di bawah kajian dengan

A charitable run organised by Berjaya Hotels & Resorts in Seychelles.



Goodwill visit to the children's ward at Universiti Hospital, organised by Sports Toto.

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towards various charitable activities, sponsorships and donations. Among these are the *Cancerlink Foundation*, *Malaysian Liver Foundation*, *Monfort Boys Town*, *Mount Miriam Hospital*, *National Kidney Foundation*, *Pertubuhan Pendidikan Anak-Anak Yatim Selangor (Rumah Bakti)*, *Pertubuhan Kebajikan Anak-Anak Yatim Miskin*, *Kelang (Peyakin)*, *St. John Ambulans Malaysia*, the *Little Sisters of the Poor* and the *JE Humanitarian Fund* by carrying out four special Toto Draws.

Under the Sports Toto's "We Care" charity programme, the company organized the *Chinese New Year Ang Pow Donation* for the eleventh year and brought joy to 13,000 needy senior citizens at 46 distribution centres throughout the country.

menyampaikan sumbangan yang besar kepada pelbagai aktiviti amal, tajaan dan derma. Antaranya termasuk Yayasan Cancerlink, Yayasan Jantung Malaysia, Monfort Boys Town, Mount Miriam Hospital, Yayasan Buah Pinggang Kebangsaan, Pertubuhan Pendidikan Anak-Anak Yatim Selangor (Rumah Bakti), Pertubuhan Kebajikan Anak-Anak Yatim Miskin, Klang (Peyakin), St. John Ambulans Malaysia, 'Little Sisters of the Poor' dan Tabung Kemanusiaan JE dengan mengadakan empat Cabutan Khas Toto.

Melalui program kebajikan "Kami Prihatin" Sports Toto, syarikat telah menganjurkan Derma Ang Pau Tahun Baru Cina buat kali kesebelas berturut-turut di 46 buah pusat pengedaran seluruh negara untuk meraikan 13,000 warga tua yang kurang bernasib baik. Aktiviti-aktiviti sumbangan derma juga turut diadakan sempena

Underprivileged children given a treat at Desa WaterPark.



Chinese New Year Ang Pow Donation Drive 1999 launched in Kuala Lumpur in February 1999.



Sports Toto sponsored the Karate-Do Competition '99.

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Similar donation activities were also carried out during the Hari Raya and Deepavali celebrations. Orphans at Peyakin were treated to a "Berbuka Puasa" dinner during the celebration of Hari Raya and a pleasure trip to Desa WaterPark was organized for under-privileged children during the Chinese New Year celebration.

In the field of sports promotion and development, Sports Toto contributed RM45.9 million to the National Sports Council during the year. Many other deserving sporting activities also continued to receive the company's support and contribution. These include the *Malay Mail Big Walk*, *International Penang Bridge Run*, *Larian Hijau*, *Conquer the Empire Tower*, *National Day Xiangqi competition*, etc.

APPRECIATION On behalf of my fellow Board members, I would like to take this opportunity to thank the management, employees and agents of the Group for their dedication, commitment and co-operation towards the Group's activities. I would also like to thank our shareholders, customers, business associates, financiers and government authorities for the continued support and I look forward to a more successful year in the new millennium.

Tan Sri Dato' Seri Vincent Tan Chee Yioun
Chief Executive Officer
9 September 1999

sambutan Hari Raya dan Deepavali. Kami turut meraikan anak-anak yatim di Peyakin dengan mengadakan majlis Berbuka Puasa sempena sambutan Hari Raya. Di samping itu, satu lawatan ke Desa WaterPark turut dianjurkan untuk kanak-kanak yang kurang bernasib baik sempena perayaan Tahun Baru Cina.

Sports Toto menyumbangkan sebanyak RM45.9 juta kepada Majlis Sukan Negara sebagai sumbangannya bagi menggalakkan aktiviti dan pembangunan sukan. Banyak pihak lain yang juga bergiat dalam aktiviti sukan turut menerima sokongan dan sumbangan daripada syarikat. Antaranya termasuk Malay Mail Big Walk, Larian Antarabangsa Jambatan Pulau Pinang, Larian Hijau, Conquer the Empire Tower, pertandingan Hari Kebangsaan Xiangqi dan lain-lain lagi.

PENGHARGAAN Bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada pihak pengurusan, para kakitangan dan ejen-ejen Kumpulan atas dedikasi, iltizam dan kerjasama yang diberikan dalam menjayakan aktiviti-aktiviti Kumpulan. Saya juga ingin mengucapkan terima kasih kepada para pemegang saham, pelanggan, sekutu niaga, pemiaya dan penguasa kerajaan atas sokongan mereka yang berterusan dan berharap tahun akan datang pada alaf baru menjanjikan kejayaan yang lebih gemilang.

*Tan Sri Dato' Seri Vincent Tan Chee Yioun
Ketua Pegawai Eksekutif
9 September 1999*