BERJAYA LAND BERHAD

Company No: 201765-A

22 March 2018

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Note	Group As at 31/01/2018 RM'000	Group As at 30/04/2017 RM'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment			1,613,032	1,709,547
Investment properties			741,110	740,057
Land held for development			1,368,751	1,566,756
Associated companies			547,443	593,567
Joint ventures			56,325	60,161
Investments			113,908	110,020
Intangible assets			3,983,543	4,020,046
Receivables			692,344	696,126
Deferred tax assets			32,662	38,653
			9,149,118	9,534,933
Current Assets				
Property development costs			327,233	347,379
Inventories			523,813	494,513
Receivables			1,456,116	1,913,106
Short term investments			8,068	9,006
Tax recoverable			18,004	32,029
Deposits, cash and bank balances			894,586	744,618
Non current assets classified as held for sale			503,771	42,916
			3,731,591	3,583,567
TOTAL ASSETS			12,880,709	13,118,500
EQUITY AND LIABILITIES				
Share capital		A4	2,500,168	2,500,168
Reserves:	Exchange reserves		110,533	234,019
	Capital reserve		116,528	116,528
	Fair value reserve		1,171,985	1,179,509
	Available-For-Sale ("AFS") reserve		1,947	5,215
	Consolidation reserve		74,722	81,842
	Retained earnings		335,751	425,604
			1,811,466	2,042,717
Equity funds			4,311,634	4,542,885
Less: Treasury shares		A4	(20,699)	(20,699)
Net equity funds			4,290,935	4,522,186
Non-controlling interests			2,271,772	2,338,819
Total equity			6,562,707	6,861,005

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group As at 31/01/2018 RM'000	 As at 30/04/2017 RM'000 (Audited)
Non-current liabilities			
Retirement benefit obligations		6,728	10,034
Long term borrowings	B8	1,897,938	1,782,336
Other long term liabilities		102,080	111,282
Deferred taxation		1,054,928	1,061,021
		3,061,674	2,964,673
Current Liabilities			
Payables		1,574,538	1,343,899
Short term borrowings	B8	1,656,972	1,931,997
Retirement benefit obligations and provisions		2,794	2,485
Tax payable		9,813	11,666
Liabilities directly associated to assets of disposal group classified as held for sale		12,211	2,775
		3,256,328	3,292,822
Total Liabilities		6,318,002	6,257,495
TOTAL EQUITY AND LIABILITIES		12,880,709	13,118,500
Net assets per share attributable to ordinary equity holders (with voting rights) of the parent (RM)		0.86	0.91

The net assets per share is calculated based on the following:
Net equity funds divided by the number of outstanding shares in issue with voting rights.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	CURRENT QUARTER ENDED 31/01/2018 RM'000	CURRENT QUARTER ENDED 31/01/2017 RM'000	FINANCIAL PERIOD ENDED 31/01/2018 RM'000	FINANCIAL PERIOD ENDED 31/01/2017 RM'000
REVENUE		1,564,428	1,532,883	4,780,248	4,703,222
OPERATING EXPENSES, NET		(1,480,132)	(1,428,012)	(4,439,928)	(4,348,680)
PROFIT FROM OPERATIONS	A3	84,296	104,871	340,320	354,542
Investment related income/(expenses), net	A3	31,384	9,175	(118,634)	192,129
Share of results from associated companies		17,830	22,869	12,471	41,144
Share of results from joint ventures		515	(613)	240	(2,562)
Finance costs		(47,184)	(45,550)	(143,891)	(142,266)
PROFIT BEFORE TAX	B5	86,841	90,752	90,506	442,987
TAXATION	B6	(51,011)	(45,046)	(137,646)	(121,046)
PROFIT/(LOSS) NET OF TAX		35,830	45,706	(47,140)	321,941
ATTRIBUTABLE TO:					
- Owners of the parent		(8,984)	33,773	(97,377)	187,006
- Non-controlling interests		44,814	11,933	50,237	134,935
		35,830	45,706	(47,140)	321,941
(LOSS)/EARNINGS PER SHARE (SEN)	B11				
- Basic		(0.18)	0.68	(1.95)	3.75
- Fully diluted		(0.18)	0.68	(1.95)	3.75

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/01/2018 RM'000	31/01/2017 RM'000	31/01/2018 RM'000	31/01/2017 RM'000
PROFIT/(LOSS) NET OF TAX	35,830	45,706	(47,140)	321,941
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently reclassified to profit or loss				
Net changes in fair value of available-for-sale investments				
- Changes in fair value during the quarter/period	(630)	(1,267)	(5,990)	(18,242)
- Transfer to profit or loss upon disposal	4,260	(163)	5,256	(163)
Amortisation of gaming rights	-	(2,161)	-	(7,554)
Share of an associated company's changes in fair value of available-for-sale investments and exchange reserve	(827)	164	(12,413)	(1,083)
Currency translation differences	(129,185)	85,777	(174,150)	189,218
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	(90,552)	128,056	(234,437)	484,117
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	(95,356)	82,143	(224,131)	307,555
- Non-controlling interests	4,804	45,913	(10,306)	176,562
	(90,552)	128,056	(234,437)	484,117

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of the Parent										
		Non Distributable									
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2017	2,500,168	234,019	116,528	1,179,509	5,215	81,842	425,604	(20,699)	4,522,186	2,338,819	6,861,005
Total comprehensive income	-	(123,486)	-	-	(3,268)	-	(97,377)	-	(224,131)	(10,306)	(234,437)
Effect of amortisation of gaming rights	-	-	-	(7,524)	-	-	7,524	-	-	-	-
Transactions with owners:											
Non-controlling interests arising from											
- dilution of equity interest in a subsidiary company	-	-	-	-	-	(1,901)	-	-	(1,901)	1,901	-
- increase of equity interest in a subsidiary company	-	-	-	-	-	(5,219)	-	-	(5,219)	(2,259)	(7,478)
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(56,383)	(56,383)
	-	-	-	-	-	(7,120)	-	-	(7,120)	(56,741)	(63,861)
At 31 January 2018	2,500,168	110,533	116,528	1,171,985	1,947	74,722	335,751	(20,699)	4,290,935	2,271,772	6,562,707

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the owners of the Parent										
		Non Distributable									
	Share capital RM'000	Exchange reserves RM'000	Capital reserve RM'000	Fair value reserve RM'000	AFS reserve RM'000	Consolidation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total net equity funds RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2016	2,500,168	122,525	10,804	1,900,160	4,891	21,220	226,737	(20,699)	4,765,806	3,252,188	8,017,994
Total comprehensive income	-	134,922	-	-	(6,819)	-	187,006	-	315,109	176,562	491,671
Effect of amortisation of gaming rights	-	-	-	(7,554)	-	-	7,554	-	-	-	-
Transactions with owners:											
Non-controlling interests arising from dilution of equity interest in a subsidiary company	-	-	-	-	-	(8,197)	-	-	(8,197)	49,040	40,843
Non-controlling interests arising from increase of equity interest in a subsidiary company	-	-	-	-	-	(23,158)	-	-	(23,158)	(62,110)	(85,268)
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	105,724	-	-	-	(105,724)	-	-	-	-
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	(105,052)	(105,052)
	-	-	105,724	-	-	(31,355)	(105,724)	-	(31,355)	(118,122)	(149,477)
At 31 January 2017	2,500,168	257,447	116,528	1,892,606	(1,928)	(10,135)	315,573	(20,699)	5,049,560	3,310,628	8,360,188

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2017.

BERJAYA LAND BERHAD
(Company No: 201765 - A)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/01/2018	31/01/2017
	RM'000	RM'000
OPERATING ACTIVITIES		
Receipts from customers/operating revenue	5,131,564	4,877,319
Payment to prize winners, suppliers, duties, taxes and other operating expenses	(4,734,092)	(4,930,099)
Tax paid	(120,358)	(125,925)
Other receipts/(payments) (inclusive of tax refunds)	8,186	(175)
Net cash generated from/(used in) operating activities	285,300	(178,880)
INVESTING ACTIVITIES		
Sale of property, plant and equipment and non-current assets	2,047	2,002
Sale of other investments and short term investments	29,341	16,555
Partial disposal of equity interest in a subsidiary company	-	40,842
Partial disposal of equity interest in an associated company	58,891	-
Net cash inflow from settlement for surrendering certain assets and lease interests	-	197,309
Net cash outflow from disposal of a subsidiary company	(768)	-
Acquisition of property, plant and equipment, non-current assets and properties	(59,700)	(57,595)
Acquisition of additional equity interest in a subsidiary company	(5,219)	(85,268)
Acquisition of other investments and short term investments	(54,252)	(28,907)
Acquisition of treasury shares by a subsidiary company	(2,259)	-
Acquisition of investments in associated companies and joint ventures	(18,036)	(15,357)
Interest received	27,624	26,386
Dividend received	2,516	916
Repayment to related companies	(22,942)	(65,513)
Repayment from/(Advances to) joint ventures and associated companies	50,084	(109,336)
Other receipts/(payments)	207,053	(21,191)
Net cash generated from/(used in) investing activities	214,380	(99,157)
FINANCING ACTIVITIES		
Drawdown of bank and other borrowings	981,464	463,374
Repayment of bank and other borrowings	(1,104,556)	(849,390)
Dividends paid to non-controlling interests of a subsidiary company	(56,383)	(105,052)
Interest paid	(144,986)	(153,481)
(Placement in)/Withdrawal from banks as security pledged for borrowings	(18,170)	741,211
Other payments	(6,106)	(5,882)
Net cash (used in)/generated from financing activities	(348,737)	90,780
NET CHANGE IN CASH AND CASH EQUIVALENTS	150,943	(187,257)
EFFECTS OF EXCHANGE RATE CHANGES	(19,623)	15,629
OPENING CASH AND CASH EQUIVALENTS	653,844	838,133
CLOSING CASH AND CASH EQUIVALENTS	785,164	666,505
The closing cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	894,586	748,852
Bank overdraft (included under short term borrowings)	(7,677)	(17,559)
Less: cash and cash equivalents restricted in use	(101,291)	(64,788)
Less: cash and cash equivalents classified as held for sale	(454)	-
	785,164	666,505

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2017.

A1 The quarterly financial report is not audited and has been prepared in compliance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30 April 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions which are significant for understanding the changes in the financial position and performance of the Company since the year ended 30 April 2017. The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 May 2017.

The initial application of the FRSs, Amendments to FRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

A2 Our principal business operations are not significantly affected by any seasonal or cyclical factors except for:

(i) the property development division which is affected by the prevailing cyclical economic conditions;

(ii) the local island beach resorts situated at the East Coast of Peninsular Malaysia which are affected by the North-East monsoon season during the third quarter of the financial year; and

(iii) the toto betting operations may be positively impacted by the festive seasons.

A3 (a) There were no unusual or material items affecting the Group in the financial quarter and period ended 31 January 2018 other than as disclosed below:

Statement of Profit or Loss

Included under investment related income/(expenses), net:	Quarter ended 31/01/2018 RM'000	Financial period ended 31/01/2018 RM'000
Fair value changes of fair value through profit or loss ("FVTPL") quoted equity investments	(7,005)	(6,269)
Impairment of available-for-sale of quoted equity investments	(1,224)	(2,060)
Loss on partial disposal of interest in an associated company	-	(39,942)
Gain on disposal of interest in a subsidiary company	11,994	11,994
Loss on disposal of quoted investments	(3,918)	(3,918)
Provision for impairment on balance of GMOC Project sales proceeds *	-	(155,084)
Others	(220)	776
	(373)	(194,503)

* *The provision for impairment which is attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM79.09 million.*

A3 (a) There were no unusual or material items affecting the Group in the financial quarter and period ended 31 January 2018 other than as disclosed below (Cont'd):

Statement of Profit or Loss (Cont'd)

As disclosed in Note B7(d), GMOC did not receive the balance sales proceeds amounting to RMB974.07 million (equivalent to approximately RM620.33 million) ("Final Instalment") from the the disposal of GMOC Project by the appointed time. GMOC has strong legal grounds to recover the Final Instalment and, had on 19 January 2018, submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

Based on the legal advice obtained in respect of the legal proceedings and the eventual enforcement of the claim award, the Directors estimated that the reasonable time frame to recover the Final Instalment is approximately 3 years.

Hence, in accordance to FRS 139 : Financial Instruments: Recognition and Measurement, GMOC made a provision for impairment of RMB243.51 million (equivalent to RM155.08 million) in the current financial period period under review to account for the time value of money for the full recovery of the Final Instalment.

This provision will be reversed when GMOC eventually receives the payment of the Final Instalment from Beijing SkyOcean and the Guarantors.

Statement of Financial Position

The Group intends to dispose of certain of its projects and assets located in Vietnam and is currently in negotiation with some potential buyers. The Group expects the fair values less incidental expenses relating to the disposal of these projects and assets will be higher than its aggregate carrying amounts.

(b) There were no major changes in estimates reported in the prior financial quarter that had a material effect in the financial quarter and period ended 31 January 2018.

A4 There were no issuances and repayment of debts and equity securities, share cancellation for the financial period ended 31 January 2018.

The number of treasury shares held in hand as at 31 January 2018 were as follows :

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares at 1 May 2017 and at 31 January 2018	1.89	10,943,104	20,699

As at 31 January 2018, the number of ordinary shares in issue with voting rights was 4,989,394,000 ordinary shares (31 January 2017 : 4,989,394,000 ordinary shares).

A5 The Company did not pay any dividend during the financial period ended 31 January 2018.

A6 Segmental information for the financial period ended 31 January 2018:

REVENUE	External RM'000	Inter-segment RM'000	Total RM'000
Toto betting operations and leasing of lottery equipment	2,471,715	-	2,471,715
Motor retailer	1,775,400	-	1,775,400
Property development and investment	231,183	7,138	238,321
Hotels and resorts	247,978	1,650	249,628
Clubs and others	53,972	15,912	69,884
Sub-total	4,780,248	24,700	4,804,948
Less: Inter-segment revenue	-	(24,700)	(24,700)
Total revenue	4,780,248	-	4,780,248

RESULTS	RM'000
Toto betting operations and leasing of lottery equipment	344,619
Motor retailer	30,710
Property development and investment	19,444
Hotels and resorts	44,279
Clubs and others	(713)
	438,339
Unallocated corporate items	(98,019)
	340,320
Investment related income, net:	
- Interest income	73,803
- Dividend income	2,066
- Impairment of available-for-sale of quoted equity investments	(2,060)
- Fair value changes of FVTPL quoted equity investments	(6,269)
- Loss on partial disposal of interest in an associated company	(39,942)
- Gain on disposal of interest in a subsidiary company	11,994
- Loss on disposal of quoted investments	(3,918)
- Provision for impairment on balance of GMOC Project sales proceeds *	(155,084)
- Others	776
	(118,634)
Share of results from associated companies	12,471
Share of results from joint ventures	240
Finance costs	(143,891)
Profit before tax	90,506
Taxation	(137,646)
Loss for the period	(47,140)

* *The provision for impairment which is attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM79.09 million.*

A7 There were no material events subsequent to the end of this current quarter that have not been reflected under review.

A8 There were no material changes in the composition of the Group for the financial period ended 31 January 2018 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for:

(i) the dissolution of H.R. Owen Finance Ltd ("HROF"), an indirect subsidiary of Berjaya Philippine Inc. ("BPI"). BPI in turn is a 88.26% subsidiary of Berjaya Sports Toto Berhad ("BToto"). HROF was a dormant company.

(ii) the incorporation of EDOC Holdings Limited ("EDOC") by H.R. Owen Plc., an indirect subsidiary of BPI. The intended principal activity of EDOC is investment holding. Subsequently, EDOC acquired and subscribed a total of 2,743,161 ordinary shares representing 20.15% equity interest in in VIDEODOC Ltd ("VideoDoc") for a total cash consideration of GBP1.85 million (equivalent to RM10.3 million). The principal activities of VideoDoc are providing general and specialists medical practice services;

(iii) the acquisition of 1 ordinary share representing 100% equity interest in Berjaya Fukuoka Development (S) Pte Ltd. ("BFDS") by the Company for total cash consideration of SGD1.00 (or about RM3.10). The intended principal activity of BFDS is investment holding;

(iv) the decrease of the Group's equity interest in an associated company, Berjaya Assets Berhad ("BAssets") to 8.36% following the disposal of 57.0 million BAssets shares by the Group and the conversion of 90.8 million BAssets warrants to 90.8 million BAssets ordinary shares by other BAssets warrants holders;

(v) the disposal of Berjaya Leisure (Cayman) Limited ("BLCL")'s 100% equity interest in Berjaya Investment Holdings Pte Ltd ("BIH") to Singapore Institute of Advance Medicine Holdings Pte Ltd ("SIAMH") for a cash consideration of SGD2.97 million (equivalent to approximately RM9.21 million) satisfied via an issuance of new SIAMH shares. SIAMH is an existing associated company of BLCL. Concurrently, BLCL novated the debt owing by BIH of SGD11.2 million (equivalent to approximately RM11.84 million) to SIAMH, satisfied via issuance of new SIAMH shares. In addition, BLCL subscribed for additional SIAMH shares for SGD3.82 million (equivalent to approximately RM11.84 million. Consequently, BLCL's equity interest in SIAMH had increased from 21.47% to 34.27%;

(vi) the incorporation of ILTS Vietnam Company Limited ("ILTS VN") in Vietnam by International Lottery & Totalizator Systems, Inc., a wholly owned subsidiary of BToto. The intended principal activity of ILTS VN is the provision of lottery technical support services in Vietnam;

(vii) the increase in BToto's equity interest in Bermaz Auto Philippines Inc. ("BAuto") from 25.48% to 28.28% from the acquisition of additional 2.8% equity interest in BAuto for a total cash consideration of PHP25.56 million (equivalent to approximately RM1.9 million);

(viii) the incorporation of Ever Revenue Sdn Bhd ("ERSB") and Ever Perpetual Growth Sdn Bhd ("EPGSB") by Tioman Island Resort Berhad, a 86.25% owned subsidiary of BLand. The intended principal activities of ERSB and EPGSB are to provide recreational activities; and

(ix) the incorporation of Infinity Worth Creation Sdn Bhd ("IWCSB") by KDE Recreation Berhad, a wholly owned subsidiary of Berjaya Vacation Club Berhad, in turn is wholly owned by BLand. The intended principal activity of IWCSB is to provide recreational activities.

A9 There are no material changes in contingent liabilities since the last audited statement of financial position as at 30 April 2017.

A10 There were no material changes in capital commitments since the last audited statement of financial position as at 30 April 2017.

B1 The main operating businesses of the Group are number forecast operation ("NFO') which includes toto betting operations and related activities, motor retailing and provision of aftersales services, property development and investment and the operations of hotels and resorts. The key factors (other than general economic conditions) affecting the performance of the main operating businesses in the Group are as follows:

Toto betting operations and related activities

- disposable income of the general public, Jackpot cycles, luck factor, illegal gaming and the number of draws in the financial period.

Motor retailing and provision of aftersales services

- the trend in prestige and specialist cars predominantly in the London area of United Kingdom and the ultimate impact of Brexit.

Property development and investment

- demographic of population, location of the properties, costs of building materials and related services lending guidelines and interest rates of the financial institutions, rental rates, age and condition of investment properties and the quality of property management services.

Operations of hotels and resorts

- room rates, seasonal festive periods and school holidays, location of the hotels and resorts, tourism and currency exchange trends, energy/other supplies costs, quality of rooms/amenities/service.

The summarised results of the Group are as follows:

	3-Month Ended			**9-Month Ended**		
	31/01/2018 RM'000	**31/01/2017 RM'000**	**+/(-) %**	**31/01/2018 RM'000**	**31/01/2017 RM'000**	**+/(-) %**
Revenue	1,564,428	1,532,883	2	4,780,248	4,703,222	2
Profit from operations	84,296	104,871	(20)	340,320	354,542	(4)
Profit before tax	86,841	90,752	(4)	90,506	442,987	(80)

Review of Results For the Quarter

For the current quarter under review, the Group reported a revenue of RM1.56 billion and pre-tax profit of RM86.84 million as compared to RM1.53 billion and pre tax-profit of RM90.75 million respectively reported in the previous year corresponding quarter.

The increase in Group revenue was mainly due to higher revenue from new and used car sales achieved by H.R. Owen Plc and the higher revenue from the hotels and resorts business segment from higher average occupancy rates. These have offset the lower revenue from both the gaming business segment and the lower progress billings of the property development and investment business segment.

Sports Toto Malaysia Sdn Bhd ("STMSB"), the principal subsidiary operating the gaming business segment recorded a drop in revenue of 3.3% as compared to the previous year corresponding quarter. The drop was mainly due to the previous year corresponding quarter which benefitted from the seasonally higher sales during the Chinese New Year festive season that occurred in January 2017 and higher number of draws.

Review of Results For the Quarter (Cont'd)

The lower Group pre-tax profit was mainly due to the lower Group's share of profit from associated companies, mainly from Berjaya Kyoto Development (S) Pte Ltd from having lower number of Four Seasons Residences sold as compared to the previous year corresponding quarter. In addition the Group has recognised foreign currency translation losses due to unfavourable foreign exchange effect in conversion to Ringgit Malaysia.

The above factors were partly mitigated by the overall improved profit contribution of the other business segments of the Group. The hotels and resorts business segment reported correspondingly higher profit contribution arising from higher revenue. Both the gaming business and the property development business segments reported higher profit contribution in spite of the lower revenue. STMSB reported higher pre-tax profit mainly attributed to lower prize payout in the current quarter coupled with the higher operating expenses incurred in the previous year corresponding quarter. The property development business segment benefitted from the recognition of non-cash finance income resulting from the measurement of financial assets at fair value.

H.R.Owen Plc had also reported higher profit contribution from improved profit margin earned from certain used car sales.

Review of Results For the 9-month Period

For the current 9-month under review, the Group reported a revenue of RM4.78 billion and pre-tax profit of RM90.51 million as compared to RM4.7 billion and pre-tax profit of RM442.99 million respectively reported in the previous year corresponding period.

The marginally higher Group revenue was mainly due to:
(i) higher overall occupancy and average room rates from the hotels and resorts business;
(ii) higher progress billings from property development and investment business; and
(iii) higher used car sales reported by H.R. Owen Plc.
STMSB reported marginally lower revenue mainly due to lower number of draws in the current period under review.

The Group reported lower pre-tax profit in the current 9-month period mainly due to the factors mentioned in Note B1 above. In addition, the Group recognised a one-off gain on settlement for surrendering certain assets and lease interests by a subsidiary company to the relevant authorities which amounted to RM163.6 million in the previous year corresponding period. Whereas, in the current 9-month period, the Group recognised provision for impairment on balance of GMOC Project sales proceeds which amounted to RM155.1 million.

B2 Review of Results of Third Quarter Vs Second Quarter

	3-Month Ended		
	31/01/2018	**31/10/2017**	**+/(-)**
	RM'000	**RM'000**	**%**
Revenue	1,564,428	1,613,915	(3)
Profit from operations	84,296	132,867	(37)
Profit/(loss) before tax	86,841	(95,906)	N/A

For the current quarter under review, the Group reported a lower revenue of RM1.56 billion compared to RM1.61 billion reported in the preceding quarter. Pre-tax profit for the current quarter was RM86.84 million as compared to pre-tax loss of RM95.9 million reported in the second quarter ended 31 October 2017.

B2 Review of Results of Third Quarter Vs Second Quarter (Cont'd)

The lower Group revenue was mainly due to:
(i) lower overall occupancy and average room rates from the hotels and resorts business with the onset of seasonally Monsoon season at the East Coast of Peninsular Malaysia;
(ii) lower progress billings from property development and investment business; and
(iii) STMSB reported marginally lower revenue mainly due to the strong sales from the highest ever jackpot in the Grand 6/63 Jackpot game during the preceding quarter.

The above has offset the better new and used car sales reported by H.R.Owen Plc in the current quarter under review.

The Group's pre-tax profit of the current quarter under review was mainly due to the correspondingly higher profit from H.R. Owen Plc as well as the share of profit from associated companies recognised as compared to the share of losses from associated companies recorded in the preceding quarter. These have offset the correspondingly lower profit contribution from the other business segments.

In the preceding quarter, the Group accounted for a provision of impairment on balance of GMOC Project sales proceeds amounting to RM155.1 million which resulted in a Group pre-tax loss of RM95.9 million.

B3 Future Prospects

The Directors remain confident that BToto Group will continue to maintain its market share in the NFO segment despite the continued illegal gaming activities and weaker consumer sentiments. The performance of the hotels and resorts business is expected to remain satisfactory whilst the property market outlook is expected to remain lukewarm. Under the foregoing circumstances, the Directors are of the view that the operating performance of the Group will continue to remain challenging in the remaining quarter of the financial year ending 30 April 2018.

B4 There is no profit forecast for the financial quarter under review.

B5 Profit before tax is stated after charging/(crediting):

	Quarter ended 31/01/2018 RM'000	Financial period ended 31/01/2018 RM'000
Interest income	(31,351)	(73,803)
Dividend income	(406)	(2,066)
Other income excluding dividend and interest income	(2,976)	(13,363)
Depreciation of property, plant and equipment	22,141	68,584
Gain on disposal of property, plant and equipment	(306)	(2,777)
Gain on disposal of interest in a subsidiary company	(11,994)	(11,994)
Amortisation of intangible assets	6,864	21,279
Impairment loss on receivables	2	60
Provision for and write off of inventories	-	-
Net foreign exchange loss	24,391	34,839
Impairment of available-for-sale of quoted equity investments	1,224	2,060
Fair value changes of FVTPL quoted investments	7,005	6,269
Loss on disposal of quoted investments	3,918	3,918
Loss on partial disposal of interest in an associated company	-	39,942
Provision for impairment on balance of GMOC Project sales proceeds *	-	155,084
Gain or loss on derivatives	-	-

* *The provision for impairment which is attributable to the Group, which holds 51% equity interest in GMOC, amounted to RM79.09 million.*

B6 The taxation charges for the financial quarter and period ended 31 January 2018 were detailed as follows:

	Quarter ended 31/01/2018 RM'000	Financial period ended 31/01/2018 RM'000
Malaysian income tax	32,772	112,982
Foreign tax	5,556	20,076
Underprovision in prior years	3,798	4,690
Deferred taxation	8,885	(102)
	51,011	137,646

The disproportionate tax charge of the Group for the financial quarter and period ended 31 January 2018 was mainly due to certain expenses being disallowed for tax purposes and the non-availability of the Group tax relief in respect of losses incurred by certain subsidiary companies.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

(a) On 19 July 2004, the Company announced that Selat Makmur Sdn Bhd now known as Berjaya Tagar Sdn Bhd ("BTSB"), a subsidiary company of Berjaya Land Development Sdn Bhd then, which in turn is a wholly owned subsidiary of the Company, had on even date entered into a conditional sale and purchase agreement with Selangor Turf Club ("STC") for the acquisition of 3 parcels of leasehold land measuring a total area of approximately 244.7926 acres located in Sungai Besi together with all existing buildings and fixtures erected thereon from STC ("Sungai Besi Land") for a total consideration of RM640.0 million to be settled by way of cash of RM35.0 million payable to STC and the balance of RM605.0 million to be satisfied with a transfer of 750 acres of land located in Sungai Tinggi ("Sungai Tinggi Land") with a newly built turf club thereon ("STC Proposals") ("SPA"). BTSB had proposed to acquire Sungai Tinggi Land from BerjayaCity Sdn Bhd ("BCity"), a subsidiary company of Berjaya Corporation Berhad and to appoint BCity as the turnkey contractor of the new turf club ("BCity Project").

The Company had on 13 October 2004 and 14 November 2004 announced that the approvals from the Foreign Investment Committee ("FIC") and shareholders have been obtained for the STC Proposals.

Subsequently, on 28 June 2010, the Company announced the status of the CP as follows:

1 Approval of the FIC for the STC Proposals was obtained on 12 October 2004.
2 Approval of the FIC for the acquisition of the Sungai Tinggi Land by STC was obtained on 21 October 2004.
3 Approvals of the shareholders of BTSB, the Company, BCity and Berjaya Group Berhad for the STC Proposals was obtained on November 2004.
4 Approvals of the State Authority Consent for the transfer of the portion of Sungai Besi Land in favour of BTSB was obtained on 11 January 2005. However, the consent had lapsed and application will be re-submitted after item 6 of the CP below is fulfilled.
5 The agreement between STC and BTSB on the layout plans, building plans, designs, drawings and specifications for the new turf club is still pending the fulfillment of item 6 of the CP below.
6a. The approval for the master layout plan for Sungai Tinggi Land which was obtained on 11 February 2008 is to be re-tabled due to the change of the Selangor State government and SMSB is awaiting the decision from the Selangor State government.
6b. The approval for the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order, Earthworks and Infrastructure and Building Plan pertaining to the construction of the new turf club is pending as MDHS is unable to process the application until item 6a above is fulfilled.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

Subsequently, on 28 June 2010, the Company announced the status of the CP as follows (cont'd):

6c. The approval of the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land is pending as the application will only be tabled at the State Exco of Selangor after approvals for items 6a and 6b are obtained.

As announced on 16 August 2010, CP no. 4, 5, 6a, 6b and 6c above have yet to be fulfilled.

On 29 January 2010, the Company announced that STC and BTSB have mutually agreed to an extension of time to 18 January 2011 to fulfil the conditions precedent ("CP") in the abovementioned conditional sale and purchase agreement. This extension of time was further extended by STC to 18 January 2012. Subsequently, on 22 December 2011, the Company announced that STC granted an extension of time from 19 January 2012 to 18 January 2013.

On 22 December 2011, the Company announced that STC granted BTSB request for a further extension of time from 19 January 2012 to 18 January 2013.

On 13 August 2012, the Company announced that BTSB and STC had entered into a supplemental to mutually vary certain terms of the SPA ("Supplemental Agreement"), details of which are as follows:

- if there is any CP remains outstanding, BTSB shall be entitled to request from STC further extension of time to fulfil the CPs pursuant to the proposed acquisition of Sungai Besi Land. STC shall grant an extension of one year subject to a cash payment of RM3.0 million by SMSB for such extension; and
- upon signing the Supplemental Agreement, BTSB shall pay STC an advance part payment of RM7.0 million which will be deducted from the cash portion of the consideration of RM35.0 million. The balance of the purchase consideration shall be paid within 33 months from the date of the last CP is fulfilled or such date as mutually extended.

Pursuant to the aforesaid Supplemental Agreement, the period is extended for another year to 18 January 2019 to fulfil the conditions precedent below:

1 renewal of consent by Land and Mines Department (Federal) for the transfer to BTSB of the portion of Sungai Besi Land (held under H.S.(D) 61790 No. P.T. 2872 in the Mukim of Petaling, District and State of Wilayah Persekutuan) that resides in Wilayah Persekutuan, Kuala Lumpur which had expired on 11 January 2006; and

2 the approvals, permits or consents of any other relevant authorities as may be required by applicable laws include inter-alia the following:

(i) approval from the Town and Country Planning Department of the State of Selangor on the re-tabling of the amended master layout plan which was re-submitted on 19 August 2008;

(ii) approval from the Majlis Daerah Hulu Selangor ("MDHS") for the Development Order and building plan pertaining to the construction of the new turf club after approval under item 2(i) above is obtained; and

(iii) approval from the State Exco of Selangor for the conversion and sub-division of Sungai Tinggi Land after approvals under items 2(i) and (ii) above are obtained.

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, BTSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, 6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

Pending receipt of the official grounds of judgment and fair order of the High Court, the judgment is summarised as follows based on the notes of proceedings dated 9 November 2017:

1 The Applicants had a legitimate expectation that the site would be constructed and developed for for the BCity Project.
2 The Selangor State Government and the Selangor Town and Country Planning Department (1st and 5th Respondents) had failed to re-table the execution of the BCity Project.
3 The 1st and 5th Respondents had acted unreasonably when they failed to have regard to all relevant considerations and disregarded all improper considerations to re-table the execution of the BCity Project. In these circumstances, it has resulted in unfairness to the Applicants as it is tantamount to an abuse of power.
4 The cause of action of the substantive application of the judicial review does not involve the 2nd, 3rd 4th, 6th, 7th and 8th Respondents and is therefore dismissed with costs of RM2,000.00 awarded to the 2nd, 3rd, 4th, 6th, 7th and 8th Respondents respectively.

5 The High Court made the following order:
(a) In respect of the BCity Project and construction of the equestrian centre, the Applicants are allowed to continue with its development and construction.
(b) The Applicants have to submit the comments by the technical departments to the relevant parties.
(c) The relevant technical departments shall revert with their response/ feedback within 3 months, failing which the relevant departments are deemed to have no objection to the said development.
(d) In respect of the STC Proposals, the 1st and 5th Respondents shall re-table its relocation and construction to the National Physical Planning Council within 3 months upon receipt of the proposal from the Applicants. The Applicants shall submit the said proposal within 3 months upon receipt of the fair order, failing which the Applicants are deemed to be no longer interested in carrying out the said proposal.
6 The High Court also allows for compensation to be paid to the Applicants by the 1st and 5th Respondents. The amount of such compensation will be assessed in subsequent proceedings.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other defendants have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017.

(b) On 12 December 2007, the Company announced that its holding company, Berjaya Corporation Berhad had on behalf of the Company, entered into an agreement of cooperation ("Agreement") with Hanoi Electronics Corporation, Vietnam ("Hanel") to record their agreement in principle for the Company and Hanel to collaborate on the proposed development of a parcel of land measuring approximately 405 hectares (or about 1,000 acres) in Sai Dong A, Long Bien District, Hanoi City, Vietnam into a mixed residential, commercial and industrial township development ("Project"). Subject to the approvals from the relevant authorities in Vietnam, the Company and Hanel proposed to undertake the development of the Project via a joint venture and will establish a limited liability company in Vietnam to be known as "Berjaya-Hanel Company Limited" ("JVC"). A conditional joint venture agreement will be entered into within 6 months from the date of the execution of the Agreement or such extended time to be mutually agreed between the parties. The estimated total investment charter capital for the JVC shall be between USD2.0 billion (or about RM6.7 billion) to USD3.0 billion (or about RM10.1 billion) and the estimated charter capital of the JVC shall be between USD300 million (or about RM1.0 billion) to USD450 million (or about RM1.5 billion). The Company's portion of the charter capital is estimated to be between USD210 million (or about RM703.5 million) to USD315 million (or about RM1.1 billion) representing 70% stake in the JVC. The formation of the JVC and the development of the Project is subject to the relevant authorities approvals in Vietnam.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

(c) On 28 January 2008, the Company announced that it had on even date entered into an agreement in principle ("Agreement") with Tin Nghia Co. Ltd, Vietnam ("TNC"), Development Investment Construction Corporation, Vietnam ("DIC") and Vietnam Infrastructure Hexagon Limited ("VIHL") to record their agreement in principle to collaborate on the proposed construction of a bridge across the Dong Nai River linking Nhon Trach District, Dong Nai Province to Ho Chi Minh City ("Bridge Project").

In general, the abovementioned parties have agreed that the Company and TNC shall contribute up to 50% of the charter/equity capital of the joint venture company whilst DIC and VIHL shall contribute the remaining 50%. The Bridge Project will be jointly managed by the Company and VIHL. The Bridge Project is subject to the approvals of the People's Committees of Dong Nai Province Province and Ho Chi Minh City.

(d) On 16 December 2015, the Company announced that Berjaya (China) Great Mall Co. Ltd ("GMOC"), a 51%-owned subsidiary of Berjaya Leisure (Cayman) Limited, which in turn is a wholly-owned subsidiary of the Company had entered into a Construction Project Transfer Agreement ("Contract") with Beijing SkyOcean International Holdings Limited ("Beijing SkyOcean"), for the proposed disposal of the Berjaya (China) Great Mall Recreation Centre which is under construction and located in Sanhe City, Hebei Province, the People's Republic of China ("Great Mall Project"), for a cash consideration of RMB2.08 billion (or about RM1.39 billion) ("Proposed Disposal").

Beijing SkyOcean has paid:
(i) RMB50.0 million (or about RM33.4 million) to GMOC on the signing of the Contract; and
(ii) RMB1.015 billion (or about RM677.92 million) paid into an escrow bank account ("1st Instalment"). This amount shall be released to GMOC within 5 working days after all condition precedents ("CP") have been fulfilled.

On 16 December 2016, the Company announced that the Proposed Disposal has been completed with the receipt of RMB1.015 billion or 1st Instalment by GMOC from the escrow bank account following the fulfilment of all CP. The balance of cash consideration of RMB1.015 billion will be received by November 2017 ("Final Instalment").

Subsequently, on 28 April 2017, the Company announced that following the completion of the Proposed Disposal, GMOC has entered into a supplementary agreement with Beijing SkyOcean to adjust the total cash consideration pursuant to the Proposed Disposal from RMB2.08 billion to RMB2.039 billion, and accordingly revise the Final Instalment to RMB974.07 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.

SkyOcean Holdings Group Limited which holds 100% stake in Beijing SkyOcean, and its major shareholder, Mr. Zhou Zheng ("the Guarantors") shall guarantee the performance of the obligations by Beijing SkyOcean pursuant to the Contract.

On 8 December 2017, the Company announced Beijing SkyOcean had not remitted the Final Instalment to GMOC by the appointed time. Hence, GMOC after seeking legal advice, had on 7 December 2017, issued a notice of demand to Beijing SkyOcean and the Guarantors to pay to GMOC the Final Instalment and accrued late payment interest within 3 days upon receipt of the said notice, failing which GMOC will take all relevant legal measures, including commencing legal proceeding in Hong Kong against Beijing SkyOcean and the Guarantors to protect and enforce GMOC's legitimate rights.

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interests as well as other reliefs.

B7 The corporate proposals announced by the Group but not completed as at the date of this announcement are listed below (cont'd):

(e) On 15 February 2017, the Company announced that BLCL had entered into a capital contribution transfer 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 (or about RM65.32 million) and to waive all amounts owing by BLong Beach to BLCL which was about VND87.50 billion (or about RM17.15 million) as at 31 January 2017.

The proposed disposal of BLong Beach is pending completion.

B8 Group borrowings and debt securities as at 31 January 2018:

		RM'000	RM'000
Short term borrowings			
Secured bank borrowings			
Denominated in Ringgit Malaysia		317,259	
Denominated in USD (USD6,164,000)	*	23,962	
Denominated in GBP (£5,400,000)	*	29,722	
Denominated in PHP (PHP150,000,000)	*	11,368	
Denominated in JPY (JPY1,730,000,000)	*	61,689	
			444,000
Secured Medium Term Notes (Denominated in RM)			832,484
			1,276,484
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia		1,676	
Denominated in USD (USD18,315,000)	*	71,198	
			72,874
Secured Vehicle stocking loans			
Denominated in GBP (£55,807,000)	*		307,614
			1,656,972
Long term borrowings			
Secured bank borrowings			
Denominated in Ringgit Malaysia		933,462	
Denominated in GBP (£11,800,000)	*	64,601	
Denominated in PHP (PHP300,000,000)	*	22,737	
			1,020,800
Secured Medium Term Notes (Denominated in RM)			874,220
Secured finance lease and hire purchase payables			
Denominated in Ringgit Malaysia			2,918
			1,897,938
Total borrowings			3,554,910

* *Converted at the respective exchange rates prevailing as at 31 January 2018*

B9 There was no pending material litigation as at the date of this announcement other than as disclosed below:

<u>JDC Lawsuit</u>

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

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

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

On completion of the land repurchased by JDC, BJR gave notice to terminate the Land SPA in respect of the remaining land under Phase 1 of the Jeju Project. At the sixth court hearing on 14 October 2016, the presiding judge had agreed to BJR's application to conduct a land price appraisal of the Jeju Project. The presiding judge had also made an inspection of the Jeju Project site on 25 November 2016. As at the date of this announcement, the land price appraisal report of the Jeju Project has been completed by the court appointed land appraisal company and the land price appraisal report has been submitted directly to the court. The JDC Lawsuit is still on-going.

<u>PGMC Arbitration Proceedings</u>

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary of BToto, commenced arbitration proceedings against Philippine Charity Sweepstakes Office ("PCSO") at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby parties agreed to resort to arbitration in order to settle issues regarding PGMC's exclusivity as an online lottery lessor of PCSO in Luzon, Philippines. On 13 August 2015, PGMC and PCSO entered into a supplemental and status quo agreement to maintain the status quo existing as provided for in an interim settlement agreement for a period of three (3) years from 22 August 2015 until 21 August 2018.

On 1 March 2018, BToto announced that its 88.26%-owned subsidiary, Berjaya Philippines Inc., the immediate holding company of PGMC, which is listed on the Philippine Stock Exchange ("PSE") has on even date released an announcement to PSE that PGMC had received the Final Award issued by the Arbitral Tribunal which ruled that PGMC "does not have an exclusive contractual right to supply an online lottery system for Luzon" because the 1995 Equipment Lease Agreement and the 2004 Amendments to the Equipment Lease Agreement do not grant such exclusivity in their terms. The Arbitral Tribunal also ordered PGMC to pay all of PCSO's reasonable costs and expenses in the arbitration, which amounted to Php53.4 million (equivalent to approximately RM4.1 million), and to reimburse PCSO the amount of USD200,000 (equivalent to approximately RM778,000), which PCSO paid as advance on costs.

B9 There was no pending material litigation as at the date of this announcement other than as disclosed below (Cont'd):

PGMC Arbitration Proceedings (Cont'd)

PGMC will appeal all aspects of the Final Award and argue that more than 10 years of exclusivity as acknowledged by PCSO should prevail in determining the award, and that the compensation structure which accords PGMC with a share of all lottery revenue from Luzon does not permit any third party supplier of lottery equipment to reduce or share in the revenue arising from Luzon that is contractually provided for PGMC.

GMOC Project Arbitration Proceedings

Reference is made to Note B7 (d).

On 19 January 2018, the Company announced that GMOC submitted a Notice of Arbitration to the Hong Kong International Arbitration Centre against Beijing SkyOcean and the Guarantors to seek recovery of the Final Instalment and accrued late payment interests ("Outstanding Payment") as well as other reliefs.

The GMOC Project Arbitration Proceedings is still on-going.

BCity Project Legal Proceedings

Reference is made to Note B7(a).

On 10 November 2017, the Company announced that further to the legal proceedings instituted by the Company, BTSB and BCity (the "Applicants") in March 2016 against the (1) Selangor State Government, (2) MDHS, (3) Majlis Daerah Kuala Selangor, (4) Pengarah Pejabat Tanah & Galian Negeri Selangor, (5) Pengarah Jabatan Perancangan Bandar dan Desa Negeri Selangor, 6) Pengarah Jabatan Kerja Raya Negeri Selangor, (7) Pengarah Jabatan Alam Sekitar Negeri Selangor and (8) Pengarah Jabatan Geosains Negeri Selangor (the "Respondents") by way of an application for judicial review in the Shah Alam High Court, the Shah Alam High Court had on 9 November 2017 decided on the judicial review in favour of the Applicants.

Further to the above, on 14 December 2017, the Company announced that the Selangor State Government and several other defendants have filed a Notice of Appeal to the Court of Appeal to appeal against the decision of the Shah Alam High Court made on 9 November 2017. The BCity Project Legal Proceedings is still ongoing.

B10 The Board does not recommend any dividend for the current quarter (previous year corresponding quarter ended 31 January 2017 : Nil).

B11 The basic and fully diluted (loss)/earnings per share are calculated as follows:

	Group (3-month period)			
	31/01/2018	31/01/2017	31/01/2018	31/01/2017
	RM'000		sen	
Net (loss)/profit for the quarter attributable to equity holders of the Parent	(8,984)	33,773		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,989,394	4,989,394		
Basic (loss)/earnings per share			(0.18)	0.68

B11 The basic and fully diluted (loss)/earnings per share are calculated as follows (Cont'd):

	Group (9-month period)			
	31/01/2018	31/01/2017	31/01/2018	31/01/2017
	RM'000		sen	
Net (loss)/profit for the period attributable to equity holders of the Parent	(97,377)	187,006		
Weighted average number of ordinary shares in issue with voting rights ('000)	4,989,394	4,989,394		
Basic (loss)/earnings per share			(1.95)	3.75

There are no potential ordinary shares outstanding as at 31 January 2018. As such, the fully diluted (loss)/ earnings per share of the Group is equivalent to the basic (loss)/earnings per share.