

# **Berjaya Sports Toto Berhad**

(Company no: 9109-K)

Date: 18 December 2017

Subject: **UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 OCTOBER 2017**

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**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group</b>	
	<b>31-10-2017</b>	<b>30-4-2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	205,632	214,658
Other investments	124,200	95,173
Investment properties	112,977	112,935
Investment in associated companies	73,972	66,596
Deferred tax assets	42,379	38,348
Intangible assets	787,618	788,150
	1,346,778	1,315,860
<b>Current assets</b>		
Inventories	402,925	382,909
Receivables	431,160	496,656
Tax recoverable	8,129	22,012
Deposits, cash and bank balances	426,195	387,015
	1,268,409	1,288,592
<b>TOTAL ASSETS</b>	<b>2,615,187</b>	<b>2,604,452</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	135,103	135,103
Exchange reserve	96,911	123,301
Available-For-Sale reserve	2,726	3,759
Other reserves	227,484	227,484
Retained earnings	330,159	288,434
Equity funds	792,383	778,081
Less : Treasury shares	(12,320)	(10,061)
Net equity funds	780,063	768,020
Non-controlling interests	48,228	44,232
<b>Total equity</b>	<b>828,291</b>	<b>812,252</b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	2,891	3,231
Borrowings	515,374	551,974
Deferred tax liabilities	16,411	16,314
Other long term liability	894	928
	535,570	572,447
<b>Current liabilities</b>		
Provisions	2,444	2,359
Borrowings	610,899	591,026
Payables	633,851	619,241
Tax payable	4,132	7,127
<b>Total current liabilities</b>	1,251,326	1,219,753
<b>Total liabilities</b>	1,786,896	1,792,200
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,615,187</b>	<b>2,604,452</b>
Net assets per share (RM)	0.58	0.57

**Note:**

The net assets per share is calculated based on the following:

Net equity funds divided by the number of shares in issue with voting rights.

**The annexed notes form an integral part of this quarterly financial report.**

**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	3 months ended			6 months ended		
	31-10-2017	31-10-2016	+/<->	31-10-2017	31-10-2016	+/<->
	RM'000	RM'000	%	RM'000	RM'000	%
REVENUE	1,383,712	1,454,808	(4.9)	2,855,541	2,890,415	(1.2)
PROFIT FROM OPERATIONS	104,352	112,070	(6.9)	230,068	214,232	7.4
Investment related income	5,646	5,826	(3.1)	10,937	11,651	(6.1)
Investment related expenses	(691)	(7,003)	(90.1)	(700)	(8,578)	(91.8)
Finance costs	(13,610)	(12,527)	8.6	(25,308)	(25,308)	-
Share of results of associated companies	385	(2,984)	N/A	(1,398)	(214)	553.3
PROFIT BEFORE TAX	96,082	95,382	0.7	213,599	191,783	11.4
TAXATION	(32,898)	(31,316)	5.1	(72,756)	(66,337)	9.7
PROFIT FOR THE PERIOD	63,184	64,066	(1.4)	140,843	125,446	12.3
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	61,732	62,148	(0.7)	136,044	120,889	12.5
Non-controlling interests	1,452	1,918	(24.3)	4,799	4,557	5.3
	63,184	64,066	(1.4)	140,843	125,446	12.3
EARNINGS PER SHARE (SEN)						
-Basic	4.58	4.61		10.10	8.97	
-Diluted	4.58	4.61		10.10	8.97	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		4.00	4.00	
- Second interim	4.00	4.00		4.00	4.00	

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended			6 months ended		
	31-10-2017	31-10-2016	+/-<->	31-10-2017	31-10-2016	+/-<->
	RM'000	RM'000	%	RM'000	RM'000	%
PROFIT AFTER TAXATION	63,184	64,066	(1.4)	140,843	125,446	12.3
OTHER COMPREHENSIVE INCOME:						
<u>Items that may be reclassified</u>						
<u>subsequently to profit or loss</u>						
Net changes on available-for-sale ("AFS") financial assets						
- Changes in fair value of AFS investments	(120)	(2,686)	(95.5)	(1,300)	(16,813)	(92.3)
- Effects of foreign exchange differences	(16,653)	(1,447)	1,050.9	(26,926)	5,022	N/A
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>46,411</b>	<b>59,933</b>	<b>(22.6)</b>	<b>112,617</b>	<b>113,655</b>	<b>(0.9)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>						
Owners of the parent	45,962	63,885	(28.1)	108,621	122,017	(11.0)
Non-controlling interests	449	(3,952)	N/A	3,996	(8,362)	N/A
	<b>46,411</b>	<b>59,933</b>	<b>(22.6)</b>	<b>112,617</b>	<b>113,655</b>	<b>(0.9)</b>

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the parent									
	Share capital RM'000	Treasury shares RM'000	Exchange reserve RM'000	AFS reserve RM'000	Other reserves		Distributable Retained earnings RM'000	Total to owners of parent company RM'000	Non- controlling interests RM'000	Total equity RM'000
					Capital reserve RM'000	Consolidation reserve RM'000				
<b>At 1 May 2017</b>	135,103	(10,061)	123,301	3,759	285,306	(57,822)	288,434	768,020	44,232	812,252
Profit for the year	-	-	-	-	-	-	136,044	136,044	4,799	140,843
Other comprehensive income for the period	-	-	(26,390)	(1,033)	-	-	-	(27,423)	(803)	(28,226)
	-	-	(26,390)	(1,033)	-	-	136,044	108,621	3,996	112,617
<b>Transaction with owners:</b>										
Distribution of dividends	-	-	-	-	-	-	(94,319)	(94,319)	-	(94,319)
Treasury shares acquired	-	(2,259)	-	-	-	-	-	(2,259)	-	(2,259)
	-	(2,259)	-	-	-	-	(94,319)	(96,578)	-	(96,578)
<b>At 31 October 2017</b>	135,103	(12,320)	96,911	2,726	285,306	(57,822)	330,159	780,063	48,228	828,291
<b>At 1 May 2016</b>	135,103	(10,061)	85,129	3,991	21,327	-	531,412	766,901	73,956	840,857
Profit for the year	-	-	-	-	-	-	120,889	120,889	4,557	125,446
Other comprehensive income for the period	-	-	16,010	(14,882)	-	-	-	1,128	(12,919)	(11,791)
	-	-	16,010	(14,882)	-	-	120,889	122,017	(8,362)	113,655
<b>Transactions with owners:</b>										
Distribution of dividends	-	-	-	-	-	-	(121,318)	(121,318)	-	(121,318)
Transferred from distributable earnings to capital reserve arising from a subsidiary company's bonus issue of shares	-	-	-	-	263,979	-	(263,979)	-	-	-
	-	-	-	-	263,979	-	(385,297)	(121,318)	-	(121,318)
<b>At 31 October 2016</b>	135,103	(10,061)	101,139	(10,891)	285,306	-	267,004	767,600	65,594	833,194

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended 31-10-2017 RM'000</b>	<b>6 months ended 31-10-2016 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	3,060,974	2,991,786
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(2,915,207)	(2,927,633)
Other receipts	143	39
<b>Net cash generated from operating activities</b>	<b>145,910</b>	<b>64,192</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from disposal of property, plant and equipment	256	1,314
Acquisition of investment in associated companies	(10,759)	(10,183)
Acquisition of property, plant and equipment	(10,189)	(19,395)
Acquisition of investments	(35,891)	(2,235)
Dividend received	910	833
Interest received	11,575	6,702
Other receipts arising from investments	212	218
Other payments from investing activities	(4,058)	(9,009)
Withdrawn placements with fund managers	82,629	-
<b>Net cash generated from/(used in) investing activities</b>	<b>34,685</b>	<b>(31,755)</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown of borrowings	280,000	64,347
Repayment of borrowings	(296,727)	(115,992)
Payment of hire purchase liabilities	(378)	(329)
Treasury shares acquired	(2,259)	-
Dividends paid to shareholders of the Company	(94,271)	(121,503)
Interest paid	(25,021)	(25,999)
<b>Net cash used in financing activities</b>	<b>(138,656)</b>	<b>(199,476)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>41,939</b>	<b>(167,039)</b>
<b>CASH &amp; CASH EQUIVALENTS AT 1 MAY</b>	<b>384,052</b>	<b>530,453</b>
Effects of exchange rate changes	(2,770)	3,872
<b>CASH &amp; CASH EQUIVALENTS AT 31 OCTOBER</b>	<b>423,221</b>	<b>367,286</b>
	<b>6 months ended 31-10-2017 RM'000</b>	<b>6 months ended 31-10-2016 RM'000</b>
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	125,481	105,570
Deposits with financial institutions	300,714	264,459
	426,195	370,029
Less : Cash and cash equivalents restricted for use		
- Deposits with financial institutions	(2,974)	(2,743)
	423,221	367,286

The annexed notes form an integral part of this quarterly financial report.

**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017**  
**NOTES TO THE QUARTERLY FINANCIAL REPORT**

A1 The quarterly financial report is not audited and has been prepared in compliance with MFRS 134, Interim Financial Reporting Standards in Malaysia, International Accounting Standards 34 - Interim Financial Reporting, the Companies Act 2016 in Malaysia (that became effective 31 January 2017) and applicable disclosure provision 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 Group for the financial 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 Group since the financial year ended 30 April 2017.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial 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 MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their first adoption.

A2 Our business operations are not significantly affected by seasonal or cyclical factors except for our toto betting operations that may be positively impacted by the festive seasons.

A3 There were no other unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows for the quarter ended 31 October 2017.

There were no changes in estimates reported in the prior financial year that had a material effect in the current period ended 31 October 2017.

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the second quarter ended 31 October 2017.

The details of the share buy-back are as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
July 2017	2.32	2.32	2.32	972,300	2,259
<b>TOTAL</b>				<b>972,300</b>	<b>2,259</b>

The number of treasury shares held in hand as at 31 October 2017 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2017	3.29	3,057,772	10,061
Increase in treasury shares	2.32	972,300	2,259
Total treasury shares as at 31 October 2017	3.06	4,030,072	12,320

As at 31 October 2017, the number of outstanding shares in issue and fully paid with voting rights was 1,347,000,000 ordinary shares (31 October 2016 : 1,347,972,300 ordinary shares).

A5 During the financial period ended 31 October 2017, the Company paid the following dividends:

- (i) Fourth interim single tier dividend on 9 August 2017, in respect of financial year ended 30 April 2017, of 3 sen per share on 1,347,972,300 ordinary shares with voting rights amounting to RM40,439,000; and
- (ii) First interim single tier dividend on 24 October 2017, in respect of financial year ending 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000.

A6 Segmental revenue and results for the financial period ended 31 October 2017 were as follows:

<u>REVENUE</u>	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting and leasing of lottery equipment	1,608,798	-	1,608,798
Motor dealership	1,211,034	448	1,211,482
Others	35,709	3,126	38,835
Elimination : Intersegment Revenue	-	(3,574)	(3,574)
Total revenue	<u>2,855,541</u>	<u>-</u>	<u>2,855,541</u>

RESULTS

Toto betting and leasing of lottery equipment	224,653
Motor dealership	18,392
Others	(5,007)
	<u>238,038</u>
Unallocated corporate expenses	(7,970)
Profit from operations	230,068
Finance costs	(25,308)
Interest income	10,027
Investment related income	910
Investment related expenses	(700)
Share of results of associated companies	(1,398)
Profit before tax	<u>213,599</u>
Taxation	(72,756)
Profit for the period	<u><u>140,843</u></u>



- A7 There were no material subsequent events for the financial period ended 31 October 2017 up to the date of this announcement.
- A8 There were no changes in the composition of the Group for the financial period ended 31 October 2017 up to the date of this announcement including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:
- (i) On 28 June 2017, the Company announced that an indirect subsidiary owned by its 88.26%-owned Philippine listed subsidiary, Berjaya Philippine Inc., namely H.R. Owen Finance Limited ("HROF") has been dissolved on 27 June 2017. HROF, a private limited company registered in England and Wales, was a dormant company;
  - (ii) On 10 August 2017, the Company announced that its indirect 98.38%-owned subsidiary company, H.R. Owen Plc., has incorporated a wholly-owned subsidiary company in England and Wales known as EDOC Holdings Limited ("EDOC") with subscription of 1 ordinary share for consideration of GBP1.00. The intended principal activity of EDOC is investment holding. Subsequently on 30 August 2017, EDOC acquired and subscribed a total of 2,743,161 ordinary shares representing 20.15% equity interest in VIDEODOC Ltd ("VideoDoc") for a total cash consideration of GBP1.85 million (equivalent to RM10.3 million). VideoDoc is a private limited company registered in England and Wales and the principal activities are providing general and specialists medical practice services; and
  - (iii) On 24 November 2017, the Company announced that its wholly-owned subsidiary company, International Lottery & Totalizator Systems, Inc. had on 21 November 2017 incorporated a wholly-owned subsidiary in Vietnam namely ILTS Vietnam Company Limited ("ILTS VN"). The intended principal activity of ILTS VN is the provision of lottery technical support services in Vietnam.
- A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2017.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2017.

**UNAUDITED QUARTERLY (Q2) FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2017  
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 The Group's core business is in the number forecast operation ("NFO") which includes toto betting and other related ancillary businesses. The Group also has strategic investments in auto retailing and provision of aftersales services and hospitality sector. The key factors (other than general economic conditions) affecting the main performance of the core operating businesses in the Group are disposable income of the general public, Jackpot cycles, luck factor, illegal gaming operations and the number of draws in the financial period whilst auto retailing business is affected by the trend in prestige and specialist cars predominantly in the London area of United Kingdom.

Review of Results for the quarter

On the Group basis, there was a revenue drop of 4.9% whilst pre-tax profit increased by 0.7%. The lower revenue was mainly due to H.R. Owen Plc ("H.R. Owen") and International Lottery Totalizator Systems, Inc. ("ILTS") whilst Sports Toto Malaysia Sdn Bhd ("Sports Toto") and Philippine Gaming Management Corporation ("PGMC") recorded increases in revenue for the current quarter as compared to previous year corresponding quarter. The increase in pre-tax profit was mainly attributed to the performance of Sports Toto which showed substantial improvement. The loss on deemed partial disposal of equity interest in an associated company in the previous year corresponding quarter had also contributed to the increase in Group's pre-tax profit.

Sports Toto, the principal subsidiary, registered an increase in revenue and pre-tax profit of 4.1% and 20.1% respectively as compared to the previous year corresponding quarter. The increase in revenue was mainly attributed to strong sales from high jackpot in the Grand Toto 6/63 game which recorded its highest jackpot ever of RM69.6 million in September 2017. The higher percentage increase in pre-tax profit was mainly due to higher prize payout and operating expenses incurred in the previous year corresponding quarter.

PGMC recorded an increase in revenue and pre-tax profit of 11.1% and 4.8% respectively over the previous year corresponding quarter substantially due to higher lease rental income earned as a result of higher sales reported by the Philippine Charity Sweepstakes Office ("PCSO") in the current quarter under review.

Recognition of substantial project contract sales in the previous year corresponding quarter had cause ILTS to register a drop in revenue and pre-tax profit of 83.7% and 96.6% respectively for the current quarter under review.

H.R. Owen recorded a decrease in revenue of 8% as compared to the previous year corresponding quarter primarily due to drop in sales from the new and used cars sector during the current quarter as a result of softening demand in the United Kingdom car market as well as the product life cycle of the car models available for sale. It recorded a pre-tax loss of RM4.0 million as compared to pre-tax profit of RM5.1 million reported in the previous year corresponding quarter mainly due to the decrease in revenue and also lower profit margins earned from certain new car sales during the current quarter under review.

For the 6-month period

For the 6-month period under review, the Group registered a drop in revenue of 1.2% mainly due to the recognition of substantial project contract sales by ILTS in the previous year corresponding period. This was mitigated by higher revenue recorded by Sports Toto in the current period under review. In spite of the drop in revenue, the Group recorded an increase in pre-tax profit of 11.4% primarily attributed to the results of Sports Toto as explained herein.

As compared to the previous year corresponding period, Sports Toto registered higher revenue of 0.9% in spite of having lower number of draws in the current period under review. Pre-tax profit increased by 10.6% mainly due to higher prize payout and operating expenses incurred in the previous year corresponding period.

PGMC reported an increase in revenue of 2.7% whilst pre-tax profit dropped by 12.3% as compared to the previous year corresponding period. The increase in revenue was mainly due to higher lease rental income earned as a result of higher sales reported by PCSO while lower pre-tax profit was mainly due to higher operating expenses incurred in the current period under review.

H.R. Owen recorded a slight drop in revenue of 0.2% as compared to previous year corresponding period while pre-tax profit dropped by 4.3%. The impact of the softening demand on sales was partly mitigated by improved performance attained from certain new models available for sale during the current period under review.

**B2 Review of 2nd Quarter's Results Vs 1st Quarter's Results of financial year ending 30 April 2018**

As compared to the preceding quarter ended 31 July 2017, the Group registered a decrease in revenue and pre-tax profit of 6.0% and 18.2% respectively. The drop in revenue and pre-tax profit was mainly due to the lower results reported by H.R. Owen but partly mitigated by improved results attained by Sports Toto as explained in the ensuing paragraphs in the current quarter under review.

Sports Toto recorded an increase in revenue of 6.4% mainly attributed to strong sales from high jackpot in the Grand Toto 6/63 Jackpot game coupled with the higher number of draws in the current quarter as compared to the preceding quarter. The lower percentage increase in the pre-tax profit of 3.7% was mainly due to higher prize payout in the current quarter under review.

PGMC recorded an increase in revenue and pre-tax profit of 2.5% and 6.6% respectively as compared to the preceding quarter mainly attributed to higher lease rental income earned as a result of higher sales reported by PCSO.

H.R. Owen recorded a drop in revenue of 19.4% as compared to the preceding quarter and reported a pre-tax loss of RM4.0 million as compared to pre-tax profit of RM15.5 million in the preceding quarter. This was due to lower sales resulted mainly from the drop in new cars sales in the current quarter under review.

**B3 Future Prospects**

The Board does not foresee any substantial change in the business environment in which our businesses operate for the remaining period of the financial year ending 30 April 2018 and remain confident that the Group will continue to maintain its market share in the NFO segment.

Our core NFO business undertaken by Sports Toto continue to be adversely impacted by rampant illegal gaming activities as well as weak consumer spending and sentiments.

**B4** There was no profit forecast or profit guarantee given by the Group for the financial period ended 31 October 2017.

**B5 Taxation**

	Current quarter RM'000	Current period ended 31 October 2017 RM'000
Based on the results for the quarter:		
- Malaysian income tax	22,895	63,109
- Foreign countries income tax	4,173	14,222
- Underprovision in prior year	4	4
Deferred tax:		
- Origination and reversal of temporary differences	5,826	(4,579)
	32,898	72,756

The effective tax rate on the Group's profit for the quarter and financial period ended 31 October 2017 was higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes and profits in certain subsidiary companies are separately assessed for tax and not relieved by losses in other companies within the Group.

**B6** There were no other corporate proposals announced but not completed as at the date of this announcement.

B7 The Group's borrowings as at 31 October 2017 were as follows:

<u>Long term borrowings</u>	At end of current quarter RM'000
Secured	
Denominated in	Foreign currency amount '000
- Ringgit Malaysia (Medium Term Notes)	500,000
- Philippine Peso (term loan)	58,333 *
- Great Britain Pound	1,900 *
	515,374
<u>Short term borrowings</u>	
Secured	
Denominated in	
- Ringgit Malaysia (Medium Term Notes)	300,000
- Philippine Peso (term loan)	350,000 *
- Great Britain Pound (term loan)	400 *
- Great Britain Pound (vehicle stocking loans)	50,223 *
	610,899
Total bank borrowings	1,126,273

\* Converted at the respective exchange rate prevailing as at 31 October 2017

B8 There is no pending material litigation since the last annual reporting date up to the date of this announcement other than disclosed below:

Philippine Gaming Management Corporation ("PGMC"), an indirect subsidiary of the Company, 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, pending the resolution of the issue on the exclusivity rights through arbitration proceedings. The arbitration proceedings is still on-going.

- B9 The Board has declared a second interim dividend of 4 sen per share (previous year corresponding quarter ended 31 October 2016 : second interim dividend of 4 sen per share) in respect of the financial year ending 30 April 2018 and payable on 13 February 2018. The entitlement date has been fixed on 26 January 2018.

The first interim dividend of 4 sen per share was paid on 24 October 2017. This will bring the total dividend distribution per share in respect of financial year ending 30 April 2018 to 8 sen per share (previous year corresponding financial period ended 31 October 2016 : 8 sen per share).

Based on the number of ordinary shares in issue and with voting rights as at 17 December 2017 of 1.347 billion, the second interim dividend distribution for the financial year ending 30 April 2018 will amount to RM53.9 million. The total dividend distribution for the financial period ended 31 October 2017 is approximately RM107.8 million, **representing about 79.2% of the attributable profit of the Group for the financial period ended 31 October 2017.**

- B10 The earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue and fully paid with voting rights as follows:

	Group (3-month period)	
	31-10-17	31-10-16
Profit attributable to equity holders of the Company (RM'000)	61,732	62,148
Weighted average number of shares with voting rights ('000)	1,347,000	1,347,972
Basic earnings per share (sen)	4.58	4.61
	Group (6-month period)	
	31-10-17	31-10-16
Profit attributable to equity holders of the Company (RM'000)	136,044	120,889
Weighted average number of shares with voting rights ('000)	1,347,417	1,347,972
Basic earnings per share (sen)	10.10	8.97

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares during the financial period.

B11 Profit before tax is stated after charging / (crediting):

	Current quarter RM'000	Financial period ended 31 October 2017 RM'000
Interest income	(4,911)	(10,027)
Dividend income included in investment related income	(735)	(910)
Other income excluding dividend and interest income	(311)	(609)
Depreciation of property, plant and equipment	8,035	16,188
Impairment in value of available-for-sale quoted and unquoted investments	691	700
Foreign exchange (gain) / loss	(440)	(3,529)
Provision for and write off /(write back) of receivables	(34)	(62)
Provision for and write off/(write back) of inventories	642	(1,869)
(Gain)/loss on disposal of quoted or unquoted investment or properties	-	-
Gain or loss on derivatives	-	-
	<u>                    </u>	<u>                    </u>

B12 Realised and unrealised earnings of the Group is analysed as follows:

	As at 31-10-17 RM'000	As at 30-4-17 RM'000 (Audited)
Total retained earnings of the Company and its subsidiaries:		
- realised	540,024	525,082
- unrealised	109,823	71,274
	<u>649,847</u>	<u>596,356</u>
Share of results from associated companies	8,109	9,507
Less: Consolidation adjustments	(327,797)	(317,429)
Total group retained earnings as per consolidated accounts	<u>330,159</u>	<u>288,434</u>

cc: Securities Commission