

Berjaya Sports Toto Berhad

(Company no: 9109-K)

Date: 18 June 2019

Subject: **UNAUDITED QUARTERLY INTERIM (Q4) FINANCIAL REPORT
FOR THE PERIOD ENDED 30 APRIL 2019**

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BERJAYA SPORTS TOTO BERHAD
(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group	
	30-4-2019	30-4-2018
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	172,757	183,036
Other investments	145,951	104,912
Investment properties	136,084	136,719
Investment in associated companies	76,106	83,133
Retirement benefit assets	3,449	3,506
Deferred tax assets	33,605	30,913
Intangible assets	767,812	768,916
	1,335,764	1,311,135
Current assets		
Inventories	486,564	406,768
Receivables	428,338	489,161
Tax recoverable	19	5,814
Deposits, cash and bank balances	466,420	418,179
	1,381,341	1,319,922
TOTAL ASSETS	2,717,105	2,631,057
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	135,103	135,103
Exchange reserve	74,465	49,227
Fair value reserve	(26,609)	-
Available-For-Sale reserve	-	12,264
Other reserves	228,056	228,583
Retained earnings	435,667	318,449
Equity funds	846,682	743,626
Less : Treasury shares	(12,320)	(12,320)
Net equity funds	834,362	731,306
Non-controlling interests	59,008	55,091
Total equity	893,370	786,397
Non-current liabilities		
Retirement benefit obligations	2,143	1,774
Borrowings	173,092	530,415
Deferred tax liabilities	16,421	16,687
Other long term liabilities	7,181	7,317
	198,837	556,193
Current liabilities		
Provisions	1,991	2,593
Borrowings	948,065	626,256
Payables	646,997	651,915
Tax payable	27,845	7,703
Total current liabilities	1,624,898	1,288,467
Total liabilities	1,823,735	1,844,660
TOTAL EQUITY AND LIABILITIES	2,717,105	2,631,057
Net assets per share (RM)	0.62	0.54

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.

BERJAYA SPORTS TOTO BERHAD
(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	3 months ended			12 months ended		
	30-4-2019 RM'000	30-4-2018 RM'000	+/<-> %	30-4-2019 RM'000	30-4-2018 RM'000	+/<-> %
REVENUE	1,508,826	1,400,743	7.7	5,723,706	5,660,587	1.1
PROFIT FROM OPERATIONS	121,021	88,677	36.5	471,573	430,344	9.6
Investment related income	5,244	7,840	(33.1)	21,011	24,241	(13.3)
Investment related expenses	(2,546)	(27,680)	(90.8)	(2,546)	(33,433)	(92.4)
Finance costs	(13,198)	(12,695)	4.0	(50,586)	(50,975)	(0.8)
Share of results of associated companies	(1,485)	9,390	N/A	(8,656)	7,056	N/A
PROFIT BEFORE TAX	109,036	65,532	66.4	430,796	377,233	14.2
TAXATION	(37,829)	(28,834)	31.2	(146,352)	(139,289)	5.1
PROFIT FOR THE PERIOD	71,207	36,698	94.0	284,444	237,944	19.5
PROFIT ATTRIBUTABLE TO:						
Owners of the parent	70,175	35,177	99.5	276,423	229,658	20.4
Non-controlling interests	1,032	1,521	(32.1)	8,021	8,286	(3.2)
	71,207	36,698	94.0	284,444	237,944	19.5
EARNINGS PER SHARE (SEN)						
-Basic	5.21	2.61		20.52	17.05	
DIVIDEND PER SHARE (SEN)						
- First interim	-	-		4.00	4.00	
- Second interim	-	-		4.00	4.00	
- Third interim	-	-		3.50	4.00	
- Fourth interim	4.50	4.00		4.50	4.00	

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

BERJAYA SPORTS TOTO BERHAD
(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended			12 months ended		
	30-4-2019 RM'000	30-4-2018 RM'000	+/-> %	30-4-2019 RM'000	30-4-2018 RM'000	+/-> %
PROFIT AFTER TAXATION	71,207	36,698	94.0	284,444	237,944	19.5
OTHER COMPREHENSIVE INCOME:						
<u>Items that may be subsequently reclassified to profit or loss</u>						
Net changes on available-for-sale ("AFS") financial assets						
- Changes in fair value of AFS investments	-	(5,199)	(100.0)	-	(11,519)	(100.0)
- Transferred to profit or loss due to:						
- Disposal of AFS investments	-	222	(100.0)	-	4,140	(100.0)
- Impairment of AFS investments	-	17,143	(100.0)	-	17,493	(100.0)
Effects of foreign exchange differences	5,595	(1,385)	N/A	22,651	(72,620)	N/A
<u>Items that will not be subsequently reclassified to profit or loss</u>						
Revaluation of land and building	-	2,952	(100.0)	-	2,952	(100.0)
Actuarial gain recognised in defined benefit pension scheme	-	3,378	(100.0)	-	3,534	(100.0)
Tax effect relating to:						
- revaluation of land and building	-	-	-	-	(502)	(100.0)
- defined benefit pension scheme	-	(603)	(100.0)	-	(759)	(100.0)
Share of other comprehensive items of associates	-	-	-	-	2	(100.0)
Net changes in fair value of investments at fair value through other comprehensive income ("FVOCI")	8,163	-	100.0	(7,591)	-	100.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	84,965	53,206	59.7	299,504	180,665	65.8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the parent	83,452	49,914	67.2	294,566	168,672	74.6
Non-controlling interests	1,513	3,292	(54.0)	4,938	11,993	(58.8)
	84,965	53,206	59.7	299,504	180,665	65.8

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent											
	Share capital	Treasury shares	Exchange reserve	AFS reserve	Fair value reserve	Other reserves			Distributable retained earnings	Total owners of parent company	Non-controlling interests	Total equity
						Capital reserve	Consolidation reserve	Revaluation reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2018 (as previously reported)	135,103	(12,320)	49,227	12,264	-	285,306	(58,870)	2,147	318,449	731,306	55,091	786,397
Effects of adopting MFRS 9	-	-	-	(12,264)	(20,722)	-	-	-	32,986	-	-	-
Effects of adopting MFRS 15	-	-	-	-	-	-	-	-	17,802	17,802	-	17,802
At 1 May 2018 (as restated)	135,103	(12,320)	49,227	-	(20,722)	285,306	(58,870)	2,147	369,237	749,108	55,091	804,199
Profit for the year	-	-	-	-	-	-	-	-	276,423	276,423	8,021	284,444
Other comprehensive income for the period	-	-	25,238	-	(7,095)	-	-	-	-	18,143	(3,083)	15,060
Effects arising from disposal of investments at FVOCI	-	-	-	-	1,208	-	-	-	(1,208)	-	-	-
	-	-	25,238	-	(5,887)	-	-	-	275,215	294,566	4,938	299,504
Transaction with owners:												
Distribution of dividends	-	-	-	-	-	-	-	-	(208,785)	(208,785)	-	(208,785)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(527)	-	-	(527)	(1,021)	(1,548)
	-	-	-	-	-	-	(527)	-	(208,785)	(209,312)	(1,021)	(210,333)
At 30 April 2019	135,103	(12,320)	74,465	-	(26,609)	285,306	(59,397)	2,147	435,667	834,362	59,008	893,370
At 1 May 2017	135,103	(10,061)	123,301	3,759	-	285,306	(57,822)	-	288,434	768,020	44,232	812,252
Profit for the year	-	-	-	-	-	-	-	-	229,658	229,658	8,286	237,944
Other comprehensive income for the period	-	-	(74,074)	8,505	-	-	-	2,147	2,436	(60,986)	3,707	(57,279)
	-	-	(74,074)	8,505	-	-	-	2,147	232,094	168,672	11,993	180,665
Transactions with owners:												
Distribution of dividends	-	-	-	-	-	-	-	-	(202,079)	(202,079)	-	(202,079)
Arising from increase in equity interest in a subsidiary company	-	-	-	-	-	-	(1,048)	-	-	(1,048)	(1,134)	(2,182)
Treasury shares acquired	-	(2,259)	-	-	-	-	-	-	-	(2,259)	-	(2,259)
	-	(2,259)	-	-	-	-	(1,048)	-	(202,079)	(205,386)	(1,134)	(206,520)
At 30 April 2018	135,103	(12,320)	49,227	12,264	-	285,306	(58,870)	2,147	318,449	731,306	55,091	786,397

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12 months ended 30-4-2019 RM'000	12 months ended 30-4-2018 RM'000 Restated
OPERATING ACTIVITIES		
Receipts from customers	6,040,028	6,109,289
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(5,726,185)	(5,797,972)
Other receipts	480	299
Net cash generated from operating activities	314,323	311,616
INVESTING ACTIVITIES		
Net proceeds from disposal of property, plant and equipment	11,449	915
Net proceeds from disposal of long term investments	2,823	15,043
Acquisition of investment in associated companies	(4,468)	(20,004)
Acquisition/Additional cost of investment properties	(2,368)	(469)
Acquisition of property, plant and equipment	(31,486)	(31,470)
Acquisition of additional equity interest in a subsidiary company	(1,548)	(2,182)
Acquisition of long term investments	(46,535)	(47,008)
Payment for other intangible assets	-	(1,049)
Dividend received	2,063	5,750
Interest received	12,602	20,343
Other receipts arising from investments	489	417
Other payments arising from investments	(4,864)	(35,202)
Net withdrawals with fund managers	86,642	26,060
Net cash generated from/(used in) investing activities	24,799	(68,856)
FINANCING ACTIVITIES		
Treasury shares acquired	-	(2,259)
Drawdown of borrowings	302,345	347,548
Repayment of borrowings	(315,418)	(372,659)
Movements of vehicle stocking loans	(18,601)	38,782
Payment of hire purchase liabilities	(617)	(811)
Dividends paid to shareholders of the Company	(215,522)	(148,660)
Interest paid	(50,160)	(50,829)
Net cash used in financing activities	(297,973)	(188,888)
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,149	53,872
CASH & CASH EQUIVALENTS AT 1 MAY	415,272	384,052
Effects of exchange rate changes	7,131	(22,652)
CASH & CASH EQUIVALENTS AT 30 APRIL	463,552	415,272
	12 months ended 30-4-2019 RM'000	12 months ended 30-4-2018 RM'000
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	148,976	128,149
Deposits with financial institutions	317,444	290,030
	466,420	418,179
Less : Cash and cash equivalents restricted for use	(2,868)	(2,907)
	463,552	415,272

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

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019

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 and applicable disclosure provision of the 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 2018. 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 2018.

Changes in Financial Year End

The Company announced on 3 May 2019 on the change of financial year end of the Company from 30 April to 30 June so as to coincide with the new financial year end of its holding company, Berjaya Land Berhad. Thus, the next set of financial statements with the new financial year end will be prepared for the period from 1 May 2018 to 30 June 2019 covering a period of fourteen (14) months. Thereafter, the financial year end shall end on 30 June for each subsequent year.

The following periods shall be the period to be covered in the Group's subsequent interim period or quarterly financial reporting:

For financial period ending 30 June 2019

2-month period - 1 May 2019 to 30 June 2019

Quarters for financial year ending 30 June 2020

1st Quarter - 1 July 2019 to 30 September 2019

2nd Quarter - 1 October 2019 to 31 December 2019

3rd Quarter - 1 January 2020 to 31 March 2020

4th Quarter - 1 April 2020 to 30 June 2020

Changes in Accounting Policies

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 2018. The Group has neither early adopted nor applied any new MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs that are issued but not yet effective for the Group's accounting period beginning 1 May 2018.

Unless otherwise described below, the adoption of newly effective MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs are expected to have no significant financial impacts to the financial statements of the Group upon their initial application except for changes in presentation and additional disclosures of financial information.

(a) MFRS 9: Financial Instruments

MFRS 9 introduces new requirements for classification and measurements, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 (a) MFRS 9: Financial Instruments (Continued)

(i) Classification and measurement

There is no significant impact on the statements of financial position on applying the classification and measurement requirements of MFRS 9. All financial assets will continue to be held at fair value, quoted equity shares as available-for-sale ("AFS") will continue to record gains and losses in other comprehensive income ("OCI"). The equity shares in non-quoted companies are intended to be held for the foreseeable future and the Group will apply the option to present its fair value changes in OCI.

On the date of the Group first adoption of MFRS 9 i.e. 1 May 2018, the Group had a total investment in quoted and non-quoted equity instruments at fair value of RM104,721,000 that were classified as available-for-sale investments. The total impairment losses and cumulative gains that were recognised through other comprehensive income (which is attributable to the owners of parent) to available-for-sale reserve for these investments amounted to RM32,986,000 and RM12,264,000 respectively. These amounts were transferred to a fair value reserve upon initial adoption of MFRS 9 on 1 May 2018.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

(ii) Impairment

Under MFRS 9, the Group is required to record expected credit loss on its trade and other receivables either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected credit losses on its trade receivables.

The trade receivables mainly consist of creditworthy debtors with good payment records and debtors with no concerns on the credit worthiness. The Group minimises credit risk by dealing with high credit rating counterparties, application of credit approval limits and continuous monitoring procedures. There is no significant impact to the Group's financial statements from the impairment based on the expected credit loss model on its trade receivables.

For other non-trade receivables, there is no significant impact to the Group's financial statements.

(iii) Hedge accounting

There is no impact on the Group's accounting for hedge accounting as the Group does not have any hedges.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019****NOTES TO THE QUARTERLY FINANCIAL REPORT**A1 (b) MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 superceded the previous revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when control of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has adopted the new standard on the required effective date using the full retrospective method and has applied all the practical expedients available for full retrospective approach.

The Group had assessed that there are impacts on the revenue from the wagering and voting systems business of which revenue is derived from long term contracts. Some of these contracts have multiple performance obligations and the Group allocates the contracts' transaction price to each performance obligation and recognise the revenue when the respective performance obligation is satisfied. The Group had reassessed the total financial impact on the Group's financial statements upon adoption of MFRS 15 on 1 May 2018 which have been summarised in the table below.

The Group evaluated and concluded that there is no element of financing present as the Group's sale of goods and services are either on cash terms or on credit terms of up to 60 days.

Financial impact

The financial impact from initial adoption of MFRS 9 and MFRS 15 as at 1 May 2018 are as follows:

	As previously stated RM'000	Effects of adoption MFRS 9 RM'000	Effects of adoption MFRS 15 RM'000	As restated RM'000
Increase/(decrease):				
Available-for-sale reserve	12,264	(12,264)	-	-
Fair value reserve	-	(20,722)	-	(20,722)
Retained earnings	318,449	32,986	17,802	369,237
Receivables	489,161	-	4,227	493,388
Payables	651,915	-	(13,665)	638,250
Provisions	2,593	-	90	2,683

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.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019****NOTES TO THE QUARTERLY FINANCIAL REPORT**

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 financial period ended 30 April 2019.

There were no changes in estimates reported in the prior financial year that had a material effect in the current financial period ended 30 April 2019.

A4 The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial period ended 30 April 2019.

The number of treasury shares held in hand as at 30 April 2019 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 May 2018 / 30 April 2019	3.06	4,030,072	12,320

As at 30 April 2019, the number of outstanding shares in issue with voting rights was 1,347,000,000 ordinary shares (30 April 2018 : 1,347,000,000 ordinary shares).

A5 During the financial period ended 30 April 2019 and up to the date of this report, the Company paid the following dividends:

- (i) Third interim single tier dividend on 3 May 2018, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000;
- (ii) Fourth interim single tier dividend on 9 August 2018, in respect of financial year ended 30 April 2018, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000;
- (iii) First interim single tier dividend on 23 October 2018, in respect of financial period ending 30 June 2019, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000; and
- (iv) Second interim single tier dividend on 12 February 2019, in respect of financial period ending 30 June 2019, of 4 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000.

Subsequently on 10 May 2019, the Company paid the third interim single tier dividend of 3.5 sen per share, in respect of financial period ending 30 June 2019 on 1,347,000,000 ordinary shares with voting rights amounting to RM47,145,000.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019****NOTES TO THE QUARTERLY FINANCIAL REPORT**

A6 Segmental revenue and results for the financial period ended 30 April 2019 were as follows:

<u>REVENUE</u>	External	Inter- segment	Total
	RM'000	RM'000	RM'000
Toto betting and leasing of lottery equipment	3,218,856	-	3,218,856
Motor dealership	2,417,344	606	2,417,950
Others	87,506	16,784	104,290
Elimination : Intersegment Revenue	-	(17,390)	(17,390)
Total revenue	<u>5,723,706</u>	<u>-</u>	<u>5,723,706</u>
 <u>RESULTS</u>			
Toto betting and leasing of lottery equipment			436,371
Motor dealership			57,857
Others			<u>(5,713)</u>
			488,515
Unallocated corporate expenses			<u>(16,942)</u>
Profit from operations			471,573
Finance costs			(50,586)
Interest income			18,948
Investment related income			2,063
Investment related expenses			(2,546)
Share of results of associated companies			<u>(8,656)</u>
Profit before tax			430,796
Taxation			<u>(146,352)</u>
Profit for the period			<u>284,444</u>

A7 There were no material subsequent events for the financial period ended 30 April 2019 up to the date of this announcement.

A8 There were no changes in the composition of the Group for the current financial period ended 30 April 2019 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed below:

On 14 August 2018, Berjaya Philippines Inc. ("BPI"), an indirect subsidiary of the Company acquired additional 174,180 ordinary shares at GBP1.70 each in H.R. Owen Plc ("H.R. Owen"), representing 0.7% equity interest in H.R. Owen, for a total cash consideration of GBP297,681 (equivalent to approximately RM1.548 million). Consequently, H.R. Owen became a wholly-owned subsidiary company of BPI.

On 11 February 2019, the Company announced that its wholly-owned subsidiary, FEAB Equities Sdn Bhd has on even date entered into a shareholders' agreement with PP Cylabs (M) Sdn Bhd on a 50:50 joint venture basis to set up a joint-venture company, namely FEAB Cylabs Sdn Bhd, to explore business opportunities as well as undertake projects in Sri Lanka.

BERJAYA SPORTS TOTO BERHAD

(Company No: 9109-K)

UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019

NOTES TO THE QUARTERLY FINANCIAL REPORT

- A8 On 15 March 2019, the Company announced that H.R. Owen has incorporated the following 100%-owned subsidiary companies in England and Wales:
- (i) Hatfield 6939 Limited ("Hatfield")
Hatfield was incorporated on 6 March 2019 and its intended principal activity is to engage in letting and operating owned or leased real estates.
 - (ii) Pangbourne 6939 Limited ("Pangbourne")
Pangbourne was incorporated on 6 March 2019 and its intended principal activity is to engage in letting and operating owned or leased real estates.
 - (iii) Shepperton 6939 Limited ("Shepperton")
Shepperton was incorporated on 7 March 2019 and its intended principal activities are property investment and investment holding.
- A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 April 2018.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 April 2018.

BERJAYA SPORTS TOTO BERHAD**(Company No: 9109-K)****UNAUDITED INTERIM (Q4) FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019
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 and the ultimate impact of Brexit.

The summary results of the Group are as follows:

	3 months ended		+/<-> %
	30-4-2019	30-4-2018	
	RM'000	RM'000	
Revenue	<u>1,508,826</u>	<u>1,400,743</u>	7.7
Profit from operations	<u>121,021</u>	<u>88,677</u>	36.5
Profit before tax	<u>109,036</u>	<u>65,532</u>	66.4

Review of Results for the quarter

As compared to the previous year corresponding quarter ended 30 April 2018, the Group registered an increase in revenue of 7.7% while the pre-tax profit increased by 66.4%. The higher revenue contributed by H.R. Owen Plc ("H.R. Owen") and Sports Toto Malaysia Sdn Bhd ("Sports Toto") was partly offset by lower revenue reported by Philippine Gaming Management Corporation ("PGMC"). The higher pre-tax profit of the Group was attributed to higher profits attained by Sports Toto but was partly offset by lower results reported by PGMC and H.R. Owen in the current quarter under review, as well as higher investment related expenses incurred in the previous year corresponding quarter.

Despite a lower number of draws in the current quarter under review, Sports Toto's revenue was higher by 1.3% as compared to the previous year corresponding quarter (on a per draw basis, revenue increased by 8.7%). The substantial increase in pre-tax profit of 44.2% was mainly attributed to lower prize payout as well as lower operating expenses incurred in the current quarter under review.

PGMC reported a decrease in revenue of 43.4% to RM16.3 million from RM28.8 million in the previous year corresponding quarter while pre-tax profit decreased by 73.0% to RM3.8 million from RM14.1 million as reported in the previous year corresponding quarter. The lower results reported was mainly due to lower lease rental income earned from the Philippine Charity Sweepstakes Office ("PCSO").

H.R. Owen registered increase in revenue by 16.8% to RM663.5 million from RM567.9 million as reported in the previous year corresponding quarter mainly due to higher sales driven by new models in the new car sector. However, pre-tax profit decreased by 46.4% to RM7.0 million from RM13.0 million as reported in the previous year corresponding quarter as a result of higher operating and investment related expenses incurred in the current quarter under review.

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The summary results of the Group are as follows:

	12 months ended		+/-> %
	30-4-2019 RM'000	30-4-2018 RM'000	
Revenue	<u>5,723,706</u>	<u>5,660,587</u>	1.1
Profit from operations	<u>471,573</u>	<u>430,344</u>	9.6
Profit before tax	<u>430,796</u>	<u>377,233</u>	14.2

The Group registered increase in revenue by 1.1% in the current period mainly attributed to higher revenue reported by H.R. Owen. The Group's pre-tax profit was higher by 14.2% mainly due to the improved results reported by Sports Toto and H.R. Owen in the current period as well as higher investment related expenses incurred in the previous year corresponding period.

Sports Toto's revenue was on par with the previous year corresponding period despite having a lower number of draws in the current period under review (on per draw basis, revenue grew by 1.6%). It's pre-tax profit improved by 7.5% mainly attributed to lower operating expenses incurred as well as the positive effect of the three (3) months tax holiday on the Goods and Services Tax prior to the implementation of the Sales and Service Tax with effect from 1 September 2018.

PGMC reported a drop in both revenue and pre-tax profit as compared to the previous year corresponding period. It's revenue decreased by 23.0% to RM102.0 million from RM132.4 million while pre-tax profit was lower by 22.7% to RM47.1 million from RM60.9 million. The lower results reported was mainly due to lower lease rental income earned from PCSO during the current period under review.

H.R. Owen registered revenue growth of 3.2% to RM2.42 billion from RM2.34 billion as reported in the previous year corresponding period whilst pre-tax profit increased by 33.1% to RM46.1 million from RM34.7 million as reported in the previous year corresponding period. The improved results was attributed to higher sales from the new car sector with the delivery of certain new models but was partly offset by lower results reported by the used car sector. The improved results was also due to lower operating expenses incurred in the current period following the closure and disposal of certain loss making sectors.

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	3 months ended		+/<-> %
	30-4-2019 RM'000	31-1-2019 RM'000	
Revenue	<u>1,508,826</u>	<u>1,361,567</u>	10.8
Profit from operations	<u>121,021</u>	<u>103,804</u>	16.6
Profit before tax	<u>109,036</u>	<u>94,427</u>	15.5

The Group's revenue and pre-tax profit increased by 10.8% and 15.5% respectively as compared to the preceding quarter. The revenue growth was mainly attributed to higher revenue registered by H.R. Owen and Sports Toto while Sports Toto was the main contributor to the improved pre-tax profit in the current quarter under review.

In spite of the lower number of draws in the current quarter, Sports Toto registered revenue growth of 1.9% as compared to the preceding quarter mainly attributed to the traditional higher sales from the Chinese Lunar New Year festive season in the month of February (on a per draw basis, revenue increased by 9.4%). It recorded higher pre-tax profit of 20.7% as compared to the preceding quarter mainly due to lower prize payout in the current quarter under review.

PGMC reported a drop in both revenue and pre-tax profit as compared to the preceding quarter primarily due to lower lease rental income earned from lower sales reported by PCSO. Revenue decreased by 16.1% to RM16.3 million from RM19.4 million as reported in the preceding quarter, while pre-tax profit dropped by 26.8% to RM3.8 million from RM5.2 million reported in the preceding quarter.

H.R. Owen registered revenue growth of 24.7% to RM663.5 million from RM532.1 million in the preceding quarter from both new and used car sectors. However, it's pre-tax profit decreased by 49.2% to RM7.0 million from RM13.7 million as reported in the preceding quarter. This was mainly due to higher operating and investment related expenses incurred in the current quarter under review.

B3 Future Prospects

The Directors anticipate that the performance of the NFO business of Sports Toto will be satisfactory and are confident that the Group will continue to maintain its market share in the NFO business for the remaining 2-month period of the financial period ending 30 June 2019.

B4 There was no profit forecast or profit guarantee given by the Group for the financial period under review.

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B5 Taxation

	Current quarter RM'000	Current period ended 30 April 2019 RM'000
Based on the results for the quarter/period:		
- Malaysian income tax	39,314	114,964
- Under provision in prior year	3,652	4,189
- Foreign country income tax	2,209	29,360
Deferred tax		
- Origination and reversal of temporary differences	(7,346)	(2,161)
	<u>37,829</u>	<u>146,352</u>

The effective tax rate on the Group's profit for the financial quarter and period ended 30 April 2019 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 30 April 2019 were as follows:

	Foreign currency amount '000	At end of current year RM'000
<u>Long term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)		155,000
- Philippine Peso (Term loan)	112,500 *	8,919
- Great Britain Pound (Term loan)	1,716 *	9,173
		<u>173,092</u>
<u>Short term borrowings</u>		
Secured		
Denominated in		
- Ringgit Malaysia (Medium Term Notes)	#	645,000
- Philippine Peso (Term loan)	150,000 *	11,893
- Great Britain Pound (Term loan)	215 *	1,149
- Great Britain Pound (Vehicle stocking loans)	54,258 *	290,023
		<u>948,065</u>
Total bank borrowings		<u>1,121,157</u>

* Converted at the respective exchange rate prevailing as at 30 April 2019

A total of RM645.0 million Secured Medium Term Notes issued by a subsidiary company will be refinanced by the new issuance from the 15-year Medium Term Notes Programme that was established on 15 June 2017.

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

PGMC, an indirect subsidiary of the Company, commenced arbitration proceedings against PCSO at the International Chamber of Commerce, International Court of Arbitration, pursuant to an interim settlement agreement between PGMC and PCSO whereby the 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 1 March 2018, Berjaya Philippines Inc. ("BPI"), the immediate holding company of PGMC, released an announcement to Philippine Stock Exchange ("PSE") that the Arbitral Tribunal Court had ruled in favour of PCSO. PGMC has filed a petition with the Makati Regional Trial Court to appeal on all aspects of the Final Award issued by the Arbitral Tribunal Court. The appeal process is still on-going. In spite of the above, on 28 September 2018, BPI announced the execution of a Supplemental Equipment Lease Agreement ("ELA") between PGMC and PCSO for an extension of the ELA for a period of one (1) year to August 2019.

B9 The Board has declared a fourth interim dividend of 4.5 sen per share (previous year corresponding quarter ended 30 April 2018 : fourth interim dividend of 4 sen per share) in respect of the financial period ending 30 June 2019 and payable on 16 August 2019. The entitlement date has been fixed on 19 July 2019.

The first interim dividend of 4 sen per share was paid on 23 October 2018, the second interim dividend of 4 sen per share was paid on 12 February 2019, the third interim dividend of 3.5 sen per share was paid on 10 May 2019. This will bring the total dividend distribution per share in respect of financial period ending 30 June 2019 to 16 sen per share (previous year corresponding financial year ended 30 April 2018 : 16 sen per share).

Based on the number of ordinary shares in issue and with voting rights as at 18 June 2019 of 1.347 billion, the fourth interim dividend distribution for the financial period ending 30 June 2019 will amount to RM60.6 million. The total dividend distribution for the financial period ended 30 April 2019 is approximately RM215.5 million, **representing about 78.0% of the attributable profit of the Group for the financial period ended 30 April 2019.**

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B10 The earnings per share is calculated by dividing profit attributable to owners of the parent of the Company by the weighted average number of ordinary shares with voting rights as follows:

	Group (3-month period)	
	30-4-19	30-4-18
Profit attributable to owners of the parent (RM'000)	70,175	35,177
Weighted average number of shares with voting rights ('000)	1,347,000	1,347,000
Basic earnings per share (sen)	5.21	2.61
	Group (12-month period)	
	30-4-19	30-4-18
Profit attributable to owners of the parent (RM'000)	276,423	229,658
Weighted average number of shares with voting rights ('000)	1,347,000	1,347,000
Basic earnings per share (sen)	20.52	17.05

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 30 April 2019 RM'000
Interest income	(4,686)	(18,948)
Dividend income included in investment related income	(558)	(2,063)
Other income excluding dividend and interest income	(107)	(1,494)
Depreciation of property, plant and equipment	7,847	31,127
Amortisation of intangible assets	120	468
Impairment in value of quoted and unquoted investments	113	113
Foreign exchange (gain)/loss	206	1,934
(Reversal)/provision for and write off of receivables	2,984	2,541
(Reversal)/provision for and write off of inventories	1,294	1,884
Gain on disposal of quoted or unquoted investment or properties	-	-
Gain or loss on derivatives	-	-