

**Berjaya Sports Toto Berhad**  
Company Registration No. : 196901000688 (9109-K)

Date: 2 June 2020

Subject: **UNAUDITED (Q3) INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 MARCH 2020**

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**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group</b>	
	<b>31-3-2020</b>	<b>30-6-2019</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	477,674	191,538
Other investments	122,892	146,620
Investment properties	114,424	114,230
Investment in associated companies	120,554	70,580
Retirement benefit assets	2,721	2,667
Deferred tax assets	22,755	27,433
Intangible assets	691,475	688,601
	<u>1,552,495</u>	<u>1,241,669</u>
<b>Current assets</b>		
Inventories	544,349	486,267
Receivables	520,131	458,635
Contract assets	3,433	8,599
Tax recoverable	1,401	36
Deposits, cash and bank balances	406,532	422,385
	<u>1,475,846</u>	<u>1,375,922</u>
Assets of disposal group / Non-current assets classified as held for sale	-	49,080
	<u>1,475,846</u>	<u>1,425,002</u>
<b>TOTAL ASSETS</b>	<u>3,028,341</u>	<u>2,666,671</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	135,103	135,103
Reserves	296,537	276,991
Retained earnings	394,146	321,658
Equity funds	<u>825,786</u>	<u>733,752</u>
Less : Treasury shares	<u>(32,165)</u>	<u>(12,320)</u>
Net equity funds	<u>793,621</u>	<u>721,432</u>
Non-controlling interests	53,390	53,531
<b>Total equity</b>	<u>847,011</u>	<u>774,963</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	475	413
Borrowings	737,713	754,716
Deferred tax liabilities	17,080	19,244
Lease liabilities	218,080	-
Other long term liabilities	1,561	2,021
	<u>974,909</u>	<u>776,394</u>
<b>Current liabilities</b>		
Provisions	2,278	1,771
Borrowings	504,497	366,157
Payables	517,843	567,132
Contract liabilities	144,292	152,295
Lease liabilities	29,409	-
Tax payable	8,102	15,866
	<u>1,206,421</u>	<u>1,103,221</u>
Liabilities directly associated with disposal group	-	12,093
<b>Total current liabilities</b>	<u>1,206,421</u>	<u>1,115,314</u>
<b>Total liabilities</b>	<u>2,181,330</u>	<u>1,891,708</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,028,341</u>	<u>2,666,671</u>
Net assets per share (RM)	0.59	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 interim financial report.**

**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Current Interim Period		Current Cumulative Period	
	3-Month 1-1-2020 to 31-3-2020 RM'000	3-Month * 1-1-2019 to 31-3-2019 RM'000	9-Month 1-7-2019 to 31-3-2020 RM'000	9-Month * 1-7-2018 to 31-3-2019 RM'000
<b>Revenue</b>	1,333,491	N/A	4,178,406	N/A
<b>Profit from operations</b>	86,112	N/A	294,216	N/A
Investment related income	4,105	N/A	24,310	N/A
Investment related expenses	(465)	N/A	(737)	N/A
Finance costs	(16,650)	N/A	(47,814)	N/A
Share of results of associated companies	1,239	N/A	2,634	N/A
<b>Profit before tax</b>	74,341	N/A	272,609	N/A
<b>Taxation</b>	(24,739)	N/A	(92,234)	N/A
<b>Profit for the period</b>	49,602	N/A	180,375	N/A
<b>Profit attributable to:</b>				
Owners of the parent	48,611	N/A	177,504	N/A
Non-controlling interests	991	N/A	2,871	N/A
	49,602	N/A	180,375	N/A
<b>Earnings per share (sen)</b>				
<b>- Basic</b>	3.61	N/A	13.18	N/A
<b>Dividend per share (sen)</b>				
- First interim	-	N/A	4.00	N/A
- Second interim	-	N/A	4.00	N/A

\* There are no comparative figures disclosed for the current quarter and period following the Company's change of its financial year end from 30 April 2019 to 30 June 2019.

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

**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Current Interim Period		Current Cumulative Period	
	3-Month 1-1-2020 to 31-3-2020 RM'000	3-Month * 1-1-2019 to 31-3-2019 RM'000	9-Month 1-7-2019 to 31-3-2020 RM'000	9-Month * 1-7-2018 to 31-3-2019 RM'000
<b>Profit for the period</b>	49,602	N/A	180,375	N/A
<b>Other comprehensive income:</b>				
<u>Item that may be subsequently reclassified to profit or loss</u>				
Effects of foreign exchange differences	36,256	N/A	36,326	N/A
<u>Item that will not be subsequently reclassified to profit or loss</u>				
Net changes in fair value of investments at fair value through other comprehensive income ("FVTOCI")	(21,805)	N/A	(17,048)	N/A
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>64,053</b>	<b>N/A</b>	<b>199,653</b>	<b>N/A</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the parent	67,433	N/A	199,794	N/A
Non-controlling interests	(3,380)	N/A	(141)	N/A
	<b>64,053</b>	<b>N/A</b>	<b>199,653</b>	<b>N/A</b>

\* There are no comparative figures disclosed for the current quarter and period following the Company's change of its financial year end from 30 April 2019 to 30 June 2019.

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

**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
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	FVTOCI reserve RM'000	Reserve of disposal asset classified as held for sale RM'000	Capital reserve RM'000	Consolidation reserve RM'000	<u>Distributable</u>		Non-controlling interests RM'000	Total equity RM'000
Retained earnings RM'000								Total to owners of parent company RM'000			
<b>At 1 July 2019</b>	135,103	(12,320)	80,140	(31,205)	2,147	285,306	(59,397)	321,658	721,432	53,531	774,963
Profit for the period	-	-	-	-	-	-	-	177,504	177,504	2,871	180,375
Other comprehensive income for the period	-	-	37,509	(15,219)	-	-	-	-	22,290	(3,012)	19,278
Effects arising from disposal:											
- asset classified as held for sale	-	-	-	-	(2,147)	-	-	2,147	-	-	-
- investments at FVTOCI	-	-	-	(597)	-	-	-	597	-	-	-
	-	-	37,509	(15,816)	(2,147)	-	-	180,248	199,794	(141)	199,653
<b>Transactions with owners:</b>											
Distribution of dividends	-	-	-	-	-	-	-	(107,760)	(107,760)	-	(107,760)
Treasury shares acquired	-	(19,845)	-	-	-	-	-	-	(19,845)	-	(19,845)
	-	(19,845)	-	-	-	-	-	(107,760)	(127,605)	-	(127,605)
<b>At 31 March 2020</b>	135,103	(32,165)	117,649	(47,021)	-	285,306	(59,397)	394,146	793,621	53,390	847,011

\* There are no comparative figures disclosed for the current period following the Company's change of its financial year end from 30 April 2019 to 30 June 2019.

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

**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9-Month Financial period ended 31-3-2020 RM'000</b>	<b>9-Month * Financial period ended 31-3-2019 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	4,488,764	N/A
Payments to prize winners, suppliers, duties, taxes and other operating expenses	(4,350,917)	N/A
Other receipts	213	N/A
<b>Net cash generated from operating activities</b>	<b>138,060</b>	<b>N/A</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from disposal of property, plant and equipment	275	N/A
Net proceeds from disposal of an investment property	29,917	N/A
Net proceeds from disposal of long term investments	16,370	N/A
Acquisition of investment in associated companies	(924)	N/A
Acquisition of property, plant and equipment	(61,623)	N/A
Acquisition of long term investments	(3,007)	N/A
Dividend received	998	N/A
Interest received	7,522	N/A
Other receipts arising from investments	416	N/A
Other payments arising from investments	(70,260)	N/A
<b>Net cash used in investing activities</b>	<b>(80,316)</b>	<b>N/A</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown of borrowings	432,469	N/A
Repayment of borrowings	(410,510)	N/A
Movements of vehicle stocking loans	92,206	N/A
Payment of lease liabilities	(21,674)	N/A
Dividends paid to shareholders of the Company	(114,484)	N/A
Treasury shares acquired	(19,845)	N/A
Interest paid	(48,384)	N/A
<b>Net cash used in financing activities</b>	<b>(90,222)</b>	<b>N/A</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(32,478)</b>	<b>N/A</b>
<b>CASH &amp; CASH EQUIVALENTS AT 1 JULY</b>	<b>429,506</b>	<b>N/A</b>
Effects of exchange rate changes	6,617	N/A
<b>CASH &amp; CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>403,645</b>	<b>N/A</b>
	<b>Financial period ended 31-3-2020 RM'000</b>	<b>Financial period ended 31-3-2019 RM'000</b>
Cash and cash equivalents carried forward comprise the following:		
Cash and bank balances	109,203	N/A
Deposits with financial institutions	297,329	N/A
	406,532	N/A
Excluding : Cash and cash equivalents restricted for use	(2,887)	N/A
	403,645	N/A

\* There are no comparative figures disclosed for the current period following the Company's change of its financial year end from 30 April 2019 to 30 June 2019.

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

## **BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

### **UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

#### **NOTES TO THE INTERIM FINANCIAL REPORT**

- A1 The condensed consolidated interim 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 period ended 30 June 2019. 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 period ended 30 June 2019.

#### **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 period ended 30 June 2019. 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 July 2019.

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 16: Leases**

MFRS 16 has replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have impact for leases where the Group is the lessor. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

The Group adopted MFRS 16 using the modified retrospective approach with the date of initial application as at 1 July 2019. Under this standard, the Group initially measured its right-of-use assets to be equal to the lease liability, which is the present value of the remaining total lease payments (adjusted for any prepaid or accrued lease payments) discounted at the date of initial application (i.e. 1 July 2019). The Group does not restate the comparative information, which continues to be reported under MFRS 117.

**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020****NOTES TO THE INTERIM FINANCIAL REPORT**A1 (a) MFRS 16: Leases (Cont'd)Financial impact

The financial impact from the initial adoption of MFRS 16 as at 1 July 2019 are as follows:

<b>Consolidated Statement of Financial Position</b>	<b>Increase/ (Decrease) RM'000</b>
<b>Assets</b>	
Property, plant and equipment: Right-of-use asset	213,497
<b>Liabilities</b>	
Lease liabilities	213,497

Significant accounting policies

The standard requires the Group to recognise an asset representing the right to use of the underlying asset and a liability to make lease payments during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the total lease payments that are not paid at the commencement date, discounted at the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Group's incremental borrowing rate. Subsequently, the lease liability is increased by the interest cost and reduced by the lease payments made accordingly. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- 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 financial period ended 31 March 2020 except for the financial impact arising from the current novel Coronavirus ("Covid-19") pandemic as well as the nationwide Movement Control Order ("MCO") and subsequently conditional MCO imposed by the Malaysian Government as disclosed in Notes B1 and B2.

There were no changes in estimates reported in the prior financial period that had a material effect in the current financial period ended 31 March 2020.

- 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 31 March 2020.

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		
March 2020	1.94	2.20	2.09	9,500,000	19,845
<b>TOTAL</b>				9,500,000	19,845

**BERJAYA SPORTS TOTO BERHAD**

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**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
NOTES TO THE INTERIM FINANCIAL REPORT**

A4 The number of treasury shares held in hand as at 31 March 2020 were as follows:

	Average price per share (RM)	Number of shares	Amount RM'000
Total treasury shares as at 1 July 2019	3.06	4,030,072	12,320
Increase in treasury shares	2.09	9,500,000	19,845
Total treasury shares as at 31 March 2020	2.38	13,530,072	32,165

As at 31 March 2020, the number of outstanding shares in issue with voting rights was 1,337,500,000 ordinary shares (30 June 2019 : 1,347,000,000 ordinary shares).

A5 During the current period ended 31 March 2020 and up to the date of this report, the Company paid the following dividends:

- fourth interim dividend on 16 August 2019, in respect of financial period ended 30 June 2019, of 4.5 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM60,615,000;
- first interim dividend on 9 January 2020, in respect of financial year ending 30 June 2020, of 4.0 sen per share on 1,347,000,000 ordinary shares with voting rights amounting to RM53,880,000; and
- second interim dividend on 9 April 2020, in respect of financial year ending 30 June 2020, of 4.0 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 March 2020 were as follows:

**REVENUE**

	External RM'000	Inter- segment RM'000	Total RM'000
Toto betting	2,398,742	-	2,398,742
Motor dealership	1,699,643	462	1,700,105
Others	80,021	5,017	85,038
Elimination : Intersegment Revenue	-	(5,479)	(5,479)
	<u>4,178,406</u>	<u>-</u>	<u>4,178,406</u>

**BERJAYA SPORTS TOTO BERHAD**

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**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020****NOTES TO THE INTERIM FINANCIAL REPORT**A6 RESULTS

	Total RM'000
Toto betting	279,974
Motor dealership	28,210
Others	(2,043)
	<u>306,141</u>
Unallocated corporate expenses	(11,925)
Profit from operations	294,216
Interest income	12,734
Investment related income (other than interest income)	11,576
Investment related expenses	(737)
Finance costs	(47,814)
Share of results of associated companies	2,634
Profit before tax	<u>272,609</u>
Taxation	(92,234)
Profit for the period	<u><u>180,375</u></u>

- A7 There were no significant events since the end of the current quarter that have not been reflected in the financial statements for the current quarter under review.
- A8 There were no changes in the composition of the Group for the current financial period ended 31 March 2020 up to the date of this report including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed below:
- (a) On 1 July 2019, BPI disposed of 1,000,000 ordinary shares, representing 20% equity interest, in its wholly-owned subsidiary, Philippine Gaming Management Corporation ("PGMC") for a consideration of Philippine Peso ("Php") 117.15 million (equivalent to approximately RM9.49 million). Subsequently on 3 July 2019, PGMC issued additional 5,000,000 ordinary shares with par value of Php100 each ("Share Subscription"). BPI waived its right to subscribe for the additional shares issued by PGMC. BPI's equity interest in PGMC was thus further diluted to 39.99% from 79.99%, and PGMC ceased as a subsidiary and became an associated company of BPI.
- (b) On 23 July 2019, BPI acquired 29,998 ordinary shares in Berjaya Auto Asia Inc. ("Berjaya Auto Asia"), a company incorporated in the Philippines for a total consideration of Php29,998 (equivalent to RM3,000), representing 30% equity interest in Berjaya Auto Asia. The principal activity of Berjaya Auto Asia is distribution of China brand vehicles through appointed dealers in the Philippines.
- A9 There were no significant changes in contingent liabilities or financial guarantee since the last annual reporting date as at 30 June 2019.
- A10 There were no material changes in capital commitments since the last annual reporting date as at 30 June 2019 except for the payments incurred for the approved capital expenditures amounting to RM83.1 million in the current period under review.

**BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
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 performance of the operations of the core business 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 ("UK") and the ultimate impact of Brexit. The Covid-19 pandemic has negatively impacted the Group's performance towards the end of the current quarter ended 31 March 2020 and that of the remaining quarter of the financial year ending 30 June 2020 (due to the nationwide Movement Control Order ("MCO") and subsequently conditional MCO imposed by the Malaysian Government) as disclosed in Note B3.

The summary results of the Group are as follows:

	<b>3-Month</b>	
	<b>1-1-2020 to 31-3-2020 RM'000</b>	<b>1-1-2019 to 31-3-2019 RM'000</b>
Revenue	<u>1,333,491</u>	<u>N/A</u>
Profit from operations	<u>86,112</u>	<u>N/A</u>
Profit before tax	<u>74,341</u>	<u>N/A</u>

**Review of Results for the Current Quarter Vs Same Quarter of Preceding Year**

For the current quarter ended 31 March 2020, the Group reported revenue of RM1.33 billion mainly contributed by sales from the NFO business by Sports Toto Malaysia Sdn Bhd ("Sports Toto"), and followed by the auto retailing business operated by H.R. Owen Plc ("H.R. Owen"). The Group's profit before tax of RM74.3 million in the current quarter was mainly attributed to profit attained by Sports Toto.

The Covid-19 pandemic has resulted in many countries implementing various lockdown measures as a preventive response to control and curtail the outbreak. The Malaysian Government, in response to the Covid-19 outbreak in the country, has imposed MCO with effect from 18 March 2020 and subsequently a conditional MCO was imposed for the period from 4 May 2020. The MCO for the period from 18 March 2020 to 31 March 2020 has impacted the operations of Sports Toto, the Group's principal subsidiary, where six (6) draws for the current quarter under review had been cancelled. In the UK, H.R. Owen has shut down its operations since 23 March 2020, being the commencement date of the lockdown period in the UK.

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**UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020  
ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD****B1 For the 9-month Period ended 31 March 2020**

The summary results of the Group are as follows:

	<b>9-Month</b>	
	<b>1-7-2019 to 31-3-2020 RM'000</b>	<b>1-7-2018 to 31-3-2019 RM'000</b>
Revenue	<u>4,178,406</u>	N/A
Profit from operations	<u>294,216</u>	N/A
Profit before tax	<u>272,609</u>	N/A

The Group reported revenue and profit before tax of RM4.18 billion and RM272.6 million respectively. For the 9-month period ended 31 March 2020, the Group's revenue attained was mainly contributed by sales from Sports Toto and H.R. Owen whilst the Group profit before tax was mainly attributed to profit reported by Sports Toto.

The Group's results were impacted by the implementation of the lockdown measures by the various countries which has affected the operations of the main subsidiaries. This included the cancellation of six (6) draws in the current period under review by Sports Toto following the MCO which was imposed by the Malaysian government effective 18 March 2020 and the loss of more than one week operation for H.R. Owen when the operation was shut down in compliance with the UK government's lockdown order effective 23 March 2020.

**B2 Review of 3rd Quarter's Results Vs 2nd Quarter Results of financial year ending 30 June 2020**

	<b>3-month 1-1-2020 to 31-3-2020 RM'000</b>	<b>3-month 1-10-2019 to 31-12-2019 RM'000</b>	<b>+/&lt;-&gt; %</b>
	Revenue	<u>1,333,491</u>	
Profit from operations	<u>86,112</u>	<u>103,926</u>	(17.1)
Profit before tax	<u>74,341</u>	<u>95,394</u>	(22.1)

For the current quarter ended 31 March 2020, the Group reported a drop in revenue and profit before tax of 5.3% and 22.1% respectively. The lower revenue and profit before tax reported was mainly due to the drop in results reported by Sports Toto but was partly mitigated by the higher results from H.R. Owen.

## **BERJAYA SPORTS TOTO BERHAD**

Company Registration No. : 196901000688 (9109-K)

### **UNAUDITED (Q3) INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020 ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B2 Sports Toto reported a drop in revenue and pre-tax profit of 11.8% and 26.4% respectively. The decrease in revenue was mainly due to cancellation of six (6) draws during the MCO implemented by the Malaysian Government effective 18 March 2020. In spite of this, its revenue on per draw basis registered an increase of 2.9% as a result of the traditionally higher sales from the Chinese Lunar New Year festive season in the month of January 2020. The higher drop in profit before tax was mainly due to higher operating expenses incurred in the current quarter under review.

H.R. Owen registered an increase in revenue of 4.4% to RM560.6 million from RM537.1 million as reported in the preceding quarter whilst its profit before tax increased to RM8.0 million in the current quarter as compared to RM2.2 million reported in the preceding quarter. The higher results reported was mainly attributed to higher sales from the new car sector.

#### B3 Future Prospects

The Covid-19 pandemic has taken a toll on the Malaysian economy as well as many countries around the world, with most countries still in different implementation and easing phases of their unprecedented lockdown measures as at to date. These lockdown measures in the respective country have also impacted the operations of the Group's main subsidiaries.

Under the nationwide MCO imposed by the Malaysian Government in response to the Covid-19 pandemic, the operations of Sports Toto, the principal subsidiary of the Group, were suspended during the MCO and the subsequent conditional MCO period from 18 March 2020 to 9 June 2020. Based on the assumption that the conditional MCO ends on 9 June 2020 and the NFO operators are allowed to resume operations on 10 June 2020 onwards, Sports Toto will effectively have only 9 draws during the fourth quarter ending 30 June 2020. With the above assumed resumption of operations on 10 June 2020, the sales outlets will be implementing new social distancing rules and other guidelines under the Standard Operating Procedures issued by the National Security Council. The introduction of these measures and fear of the pandemic may affect customers' confidence in the immediate term. In spite of the above, the Directors are cautiously optimistic that the business will gradually recover given that the NFO industry was fairly resilient in the past economic crises.

With the operations of the main subsidiaries being shut down for more than 2 months of the fourth quarter ending 30 June 2020, this will significantly impact the results of the Group for the remaining quarter of the financial year ending 30 June 2020.

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 31 March 2020 RM'000
<u>Based on the results for the quarter/period:</u>		
- Malaysian income tax	25,277	77,139
- Under provision in prior year	17	17
- Foreign country income tax	3,722	12,473
Deferred tax		
- Origination and reversal of temporary differences	(4,277)	2,605
	<u>24,739</u>	<u>92,234</u>

The effective tax rate on the Group's profit for the current quarter and current period ended 31 March 2020 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 March 2020 were as follows:

	Foreign currency amount '000	At end of current period RM'000
<u>Long term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		<u>737,713</u>
<u>Short term borrowings (Secured)</u>		
Medium Term Notes - Denominated in Ringgit Malaysia		60,000
Bank borrowings - Denominated in Philippine Peso	455,000 *	38,695
Bank borrowings - Denominated in Great Britain Pound	4,000 *	21,509
Vehicle stocking loans - Denominated in Great Britain Pound	71,467 *	384,293
		<u>504,497</u>
Total bank borrowings		<u>1,242,210</u>

\* Converted at the respective exchange rate prevailing as at 31 March 2020

B8 There is no pending material litigation since the last annual reporting date up to the date of this announcement.

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B9 The Board does not recommend any dividend for the current quarter under review (previous year third quarter ended 31 January 2019 : third interim dividend of 3.5 sen per share). The total dividend declared and paid for the financial period ended 31 March 2020 is 8 sen per share, amounting to approximately RM107.8 million.

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)	
	1-1-2020 to 31-3-2020	1-1-2019 to 31-3-2019
Profit attributable to owners of the parent (RM'000)	48,611	N/A
Weighted average number of shares with voting rights ('000)	1,345,495	N/A
Basic earnings per share (sen)	3.61	N/A
	Group (9-month period)	
	1-7-2019 to 31-3-2020	1-7-2018 to 31-3-2019
Profit attributable to owners of the parent (RM'000)	177,504	N/A
Weighted average number of shares with voting rights ('000)	1,346,502	N/A
Basic earnings per share (sen)	13.18	N/A

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

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

	Current quarter RM'000	Financial period ended 31 March 2020 RM'000
Interest income	(4,069)	(12,734)
Dividend income included in investment related income	(36)	(998)
Other income excluding dividend and interest income	(883)	(2,660)
Depreciation of property, plant and equipment	17,534	47,856
Amortisation of intangible assets	121	351
Impairment in value of quoted and unquoted investments	-	-
Foreign exchange (gain)/loss (net)	(71)	83
(Reversal)/provision for and write off of receivables	370	(60)
(Reversal)/provision for and write off of inventories	793	2,082
Gain on disposal of an investment property	-	(8,578)
(Gain)/loss on derivatives	-	-